

**STATE COASTAL CONSERVANCY
PUBLIC MEETING MINUTES
April 18, 2013**

MEMBERS PRESENT:

Douglas Bosco (Public Member), Chairman
Marisa Moret (Public Member)
Ann Notthoff (Public Member)
Bryan Cash (Designated, Natural Resources Agency)
Mary Shallenberger, Coastal Commission Chair
Karen Finn (Designated, Department of Finance)

OVERSIGHT MEMBERS PRESENT:

Brett Williams for Assembly Member Al Muratsuchi
Tom Roth for Senator Noreen Evans

OTHERS PRESENT:

Sam Schuchat, Executive Officer
Glenn Alex, Legal Counsel

LOCATION:

State Coastal Conservancy
11th Floor Conference Room
1330 Broadway
Oakland, CA

Chair Bosco introduced and welcomed the legislators' representatives present: Tom Roth for Senator Noreen Evans from District 2 and Brett Williams for recently appointed Assembly Member Al Muratsuchi from District 66.

1. ROLL CALL

Douglas Bosco (Public Member), Chairman
Marisa Moret (Public Member)
Ann Notthoff (Public Member)
Bryan Cash (Designated, Natural Resources Agency)
Mary Shallenberger, Coastal Commission Chair
Karen Finn (Designated, Department of Finance)

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2. APPROVAL OF MINUTES OF CONSERVANCY, FEBRUARY 14, 2013 PUBLIC MEETING

Item 3.B. (Elk River Recovery Assessment) was removed from the consent calendar at the request of Mr. Cash.

The remainder of the consent calendar was moved and seconded. Approved by a vote of 6-0.

3. CONSENT ITEMS

A. CIES PROPERTY ACQUISITION

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed seventy five thousand dollars (\$75,000) to the Mendocino Land Trust (“MLT”) for the acquisition of the CIES property south of the City of Point Arena, Mendocino County (Mendocino County Assessor’s Parcel Number 027-151-08), depicted in Exhibit 1 to the accompanying staff recommendation. The Conservancy further authorizes the disbursement to MLT of an amount not to exceed twenty five thousand dollars (\$25,000) for closing costs and to conduct trail planning for the CIES property and two adjacent bluff top easements to the south (Mendocino County Assessor’s Parcel No’s 027-341-07, 027-341-08). This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition, MLT shall submit for review and written approval of the Executive Office of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents, including but not limited to, appraisals, agreements of purchase and sale, escrow instructions and documents of title necessary to the acquisition of the property.
 - b. A signing plan for the project acknowledging Conservancy participation.
2. Prior to the disbursement of funds for trail planning activities, MLT shall submit for review and approval of the Executive Officer:
 - a. A work plan, budget and schedule for completion of the activities.
 - b. The names and qualifications of any contractors to be employed to carry out the work plan.
3. MLT shall pay no more than fair market value for the CIES property as established in an appraisal approved by the Executive Officer.

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4. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign or signs, the design and placement of which have been approved by the Executive Officer.
5. In accordance with Public Resources Code Section 31116(b), MLT shall permanently dedicate the property for public access, open space, and habitat conservation, in a manner acceptable to the Executive Officer.”

Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 9 of Division 21 of the Public Resources Code, regarding public access to the coast.
3. MLT is a nonprofit organization existing under Internal Revenue Code Section 510(c)(3), and whose purposes are consistent with Division 21 of the Public Resources Code.”

B. ELK RIVER RECOVERY ASSESSMENT - Removed from the consent calendar at the request of Conservancy Member Cash.]

C. INNER BAIR ISLAND

Resolution:

“The State Coastal Conservancy hereby authorizes the Executive Officer to modify the previously-approved \$800,000 grant to Ducks Unlimited for construction of a pedestrian/bicycle bridge linking the San Francisco Bay Trail to Inner Bair Island in order to enable Ducks Unlimited to use up to \$100,000 (one hundred thousand dollars) in bridge construction cost-savings for construction of the other public access improvements on Inner Bair Island in Redwood City, San Mateo including trails, interpretive signs, fencing, and an information kiosk, subject to the following conditions:

1. Prior to the disbursement of funds, Ducks Unlimited, Inc. shall submit for Executive Officer review and approval a work program including budget and schedule for the improvements to be funded with the cost-savings.
2. Prior to the disbursement of funds, Ducks Unlimited, Inc. shall submit a sign plan for acknowledging Conservancy funding of the public access improvements.

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3. In carrying out the project, Ducks Unlimited, Inc. shall implement all feasible Best Management Practices to reduce the project's greenhouse gas emissions, and shall require all contractors to do the same."

Findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines, last updated by the Conservancy on November 10, 2011.
3. Ducks Unlimited is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.
4. The Conservancy has independently review the Environmental Impact Statement/Report for the Bair Island Restoration and Management Plan certified by the California Department of Fish and Game on January 22, 2008 pursuant to CEQA and finds no substantial evidence that the portion of the project to be funded by the Conservancy, as mitigated, will have a significant effect on the environment."

D. GILLIAM CREEK AND THOMPSON CREEK

Resolution:

"The State Coastal Conservancy hereby authorizes the Executive Officer to modify and augment by \$39,000 the previously-approved \$262,190 grant to the Sotoyome Resource Conservation District ("SRCD") for completion of a restoration plan and for construction of in-stream habitat improvements in Lower Austin Creek to enable the SCRD to change the location of in-stream habitat improvements to Gilliam Creek and Thompson Creek in the Austin Creek Watershed. Prior to disbursement of funds for the modified project, SRCD shall submit for the review and written approval of the Executive Officer of the Conservancy the following items:

1. A modified work program, including schedule, budget and detailed site plans for the project as modified and a modified plan for post-implementation monitoring to evaluate the success of the project.
2. The names and qualifications of any contractors to be employed on the project.
3. Any changes to the signing plan for the project that are necessary to address the modifications to the project. "

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Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed modified project remains consistent with the findings made under the Conservancy’s September 25, 2008 authorization. (See Exhibit 2).
2. The proposed modified project is consistent with the additional Project Selection Criteria adopted by the Conservancy since September 25, 2008.
3. The Conservancy has independently reviewed and considered the California Department of Fish and Game Mitigated Negative Declaration for the 2012 Fisheries Restoration Grant Program, attached to the accompanying staff recommendation as Exhibit 3, and finds that the portion of the modified project that will take place in Thompson Creek, as mitigated, avoids, reduces or mitigates the possible significant environmental effects and that there is no substantial evidence that this component of the modified project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.”

E. LEGAL SERVICES TO THE SIERRA NEVADA CONSERVANCY

Resolution:

“The State Coastal Conservancy hereby authorizes entry into an agreement with the Sierra Nevada Conservancy under which the Coastal Conservancy’s attorneys will provide legal services to that agency. The Coastal Conservancy has been fully informed in writing about its attorneys’ responsibilities in avoiding the representation of adverse interests without the consent of their clients, understands the potential for adverse legal and practical interests as described, and consents to the potential conflicts of interest. The Coastal Conservancy also delegates to the Executive Officer the authority to waive future attorney conflicts of interest in connection with the Sierra Nevada Conservancy or another state agency to which the Coastal Conservancy’s attorneys are asked to provide legal advice.”

Findings:

The State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Government Code § 11256, which authorizes state agencies to furnish services, materials and equipment to, and to perform work for, other state agencies upon agreed terms and conditions.
2. The proposed authorization is consistent with Division 21 of the Public Resources Code, including § 31104, which authorizes the Coastal Conservancy to receive financial support from public and private sources.

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3. The proposed authorization is consistent with the Conservancy's current Project Selection Criteria and Guidelines and 2013 Strategic Plan insofar as it will help support the Coastal Conservancy's statutory programs and purposes."

Moved and seconded. The consent calendar, excluding item 3.B., was approved by a vote of 6-0.

The Conservancy next discussed Item 3.B.

3B. ELK RIVER RECOVERY ASSESSMENT

Joel Gerwein of the State Coastal Conservancy presented the Staff Recommendation.

Speaking in support of the Staff Recommendation: Darren Maroon, California Trout.

Resolution:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$100,000 (one hundred thousand dollars) to California Trout Inc. ("CalTrout") to conduct the Elk River Recovery Assessment, to evaluate restoration approaches and develop an implementation framework to support the restoration of natural biological and hydrological functions in the Elk River Watershed, subject to the condition that, prior to disbursement of any funds, CalTrout shall submit for the review and approval of the Conservancy's Executive Officer a work plan, schedule, budget, and the names of any contractors to be employed for preparation of the Recovery Assessment."

Findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resources Protection.
2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
3. CalTrout is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Service, and whose purposes are consistent with Division 21 of the Public Resources Code."

Following a discussion of expenditures for planning and capital purposes, Item 3.B was moved and seconded. Approved by a vote of 6-0.

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4. EXECUTIVE OFFICER REPORT

Printed copies of the Coastal Conservancy's 2013-2018 Strategic Plan were presented to the board. (The Strategic Plan is also available on the Conservancy's website).

Executive Officer Sam Schuchat announced that printed Conservancy public meeting materials from before 2003 are being digitized by the Water Resources Archive for digitizing and will eventually be available on the Conservancy's website. This will enable the Conservancy to present a complete record of all its projects to the public on the Web.

- A. The Ocean Protection Council approved criteria for a grant round designed to help local governments update their LCPs. This is being administered jointly by the Coastal Conservancy and Coastal Commission, with a request for proposals to be released soon. The Council was presented with an updated Sea Level Rise Guidance document, and heard discussions about ocean acidification and hypoxia, as well as MPA implementation. After the June meeting, the OPC will no longer be associated with the Conservancy, but instead with the Natural Resources Agency in Sacramento.
- B. Consistent with the Conservancy's ten-year financial strategy, the Conservancy has received three one-million-dollar grants from the US Fish and Wildlife Service NCWC program.. FEMA is planning to grant \$200,000 to the SCC to help FEMA update its flood plain maps for coastal communities south of San Francisco.
- C. The board was presented with a thank you letter from POST, inviting us to tour their recently acquired acquisitions in Santa Clara County.
- D. Deborah Ruddock of the Coastal Conservancy presented the Legislative Report. Member Mary Shallenberger requested better coordination between the Conservancy and the Coastal Commission regarding legislative matters affecting the two agencies.

Agenda Item 7 was taken out of order and was presented at this time.

NORTH COAST

7. PRESERVATION RANCH

Karyn Gear of the Coastal Conservancy presented the Staff Recommendation.

Speaking in support of the Staff Recommendation: Chris Kelly, California Program Director of The Conservation Fund (who distributed a handout to the Members and is attached at end of minutes; Tom Roth, representing Senator Noreen Evans; Sonoma County Supervisor Efren Carillo; Bill Keene, General Manager of the Sonoma County Agricultural Preservation and Open Space District.

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Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to ten million dollars (\$10,000,000) to The Conservation Fund (“TCF”) to acquire approximately 19,650 acres currently known as “Preservation Ranch” near the community of Annapolis in unincorporated northern Sonoma County (Sonoma County Assessor Parcel Nos. as listed in Exhibit 2 to the accompanying staff recommendation). Title to the property or portions of it

may vest in Sustainable Conservation Inc. (“SCI”). This authorization is subject to the following conditions:

1. Prior to disbursement of any Conservancy funds, TCF shall:
 - a. Submit for review and approval of the Executive Officer of the Conservancy (“Executive Officer”) all relevant acquisition documents, including but not limited to the appraisal, escrow instructions and documents of title.
 - b. Obtain all other funds necessary to complete the acquisition.
 - c. Enter into a revenue sharing agreement acceptable to the Executive Officer of the Conservancy.
2. TCF shall pay no more than fair market value for the property, as established in an approved appraisal.
3. The property shall be permanently dedicated, in a manner acceptable to the Executive Officer, for purposes of protecting and restoring habitat and open space, including, without limitation, protecting, restoring, and enhancing water quality and salmonid habitat; preventing fragmentation of forest lands; potential carbon sequestration and creation of carbon credits to help address climate change; compatible public access; and sustainable forestry.
4. Prior to or concurrently with a conveyance by TCF to SCI of an interest in the property, TCF and SCI shall enter into an agreement approved by the Executive Officer reserving to TCF rights in the property adequate to the purposes of this authorization.
5. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign or signs reviewed and approved by the Executive Officer.
6. TCF and SCI shall use their best efforts to obtain, within two years of this authorization, certification of Preservation Ranch as a “well managed forest” under the Forest Stewardship Council, and independent third-party certification of compliance with the Sustainable Forestry Initiative Standard.
7. With the written approval of the Executive Officer, TCF or SCI may sell the two disjunct portions of the property and the vineyard, as shown on Exhibit 1 to the accompanying staff recommendation.

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8. With the written approval of the Executive Officer, TCF or SCI may eventually sell the property or portions of it, consistent with the acquisition purposes and the revenue sharing agreement, and subject to appropriate conservation restrictions.
9. Within two years of this authorization, TCF shall submit for the review and approval of the Executive Officer written recommendations for public access on the property.”

Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 8 of Division 21 of the Public Resources Code, regarding reservation of significant coastal resources.
2. The proposed project is consistent with the Conservancy’s current Project Selection Criteria and Guidelines.
3. TCF and SCI are nonprofit organizations existing under section 501(c)(3) of the U.S. Internal Revenue Service, and whose respective purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 6-0.

The Conservancy next addressed Item 5.

CENTRAL COAST

5. UPPER DEVEREUX SLOUGH

Rachel Couch of the Coastal Conservancy presented the Staff Recommendation.

Speaking in support of the Staff Recommendation: Lisa Stratton, University of California - Santa Barbara.

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up eight hundred sixty-nine thousand three hundred dollars (\$869,300), including up to seven hundred sixty-nine thousand three hundred dollars (\$769,300) in grant funds awarded to the Conservancy by the U.S. Fish and Wildlife Service under its National Coastal Wetlands Conservation Grant Program, to the Regents of the University of California, Santa Barbara campus (UCSB), to conduct surveys and studies and to prepare preliminary engineering and design plans, environmental documentation, and permit applications needed for restoration of upper Devereux Slough for the purpose of providing and enhancing existing fish and wildlife habitat and open space. Prior to the disbursement of funds, UCSB shall submit for review and approval of the Conservancy’s Executive Officer: a work program, budget, schedule and

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the names and qualifications of any contractors to be employed for these tasks; and documentation that UCSB holds title to the upper Devereux Slough property or has in place an agreement with the property owner that will allow for UCSB to undertake the restoration on the property and to maintain the restoration improvements as required.”

Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the purposes and objectives set forth in Chapter 6 of Division 21 the Public Resources Code (Section 31251-31270) regarding enhancement of coastal resources.
2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
3. Devereux Slough has been identified in the Certified Local Coastal Program of Santa Barbara County as an environmentally sensitive habitat area that requires public action to resolve existing resource protection problems.”

Moved and seconded. Approved by a vote of 6-0.

6. ARROYO GRANDE CREEK WATERSHED

Tim Duff of the State Coastal Conservancy presented the Staff Recommendation.

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to \$415,000 (four hundred fifteen thousand dollars) to the Coastal San Luis Resource Conservation District (“RCD”) to acquire a conservation easement on San Luis Obispo County Parcel No. 007-791-032, consisting of approximately 12.5 acres, commonly known as the Clark Property, subject to the following conditions:

1. Prior to the disbursement of Conservancy funds, the RCD shall submit for the review and approval of the Conservancy’s Executive Officer (“the Executive Officer”):
 - a. All title and acquisition documents including, but not limited to, the conservation easement, baseline conditions report, monitoring and reporting plan, appraisal, purchase and sale agreement, escrow instructions, environmental and hazardous materials assessment, and title documents.
 - b. Evidence that sufficient funds are available to complete the acquisition.

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2. The RCD shall pay no more than fair market value for any property interest acquired pursuant to this authorization, as established by an appraisal approved by the Executive Officer.
3. The easement interest acquired under this authorization shall be permanently managed and operated for the purposes of preservation of open space, habitat and floodplain, for sediment retention, for restoration of natural resources, and for public access compatible with the other purposes, in a manner acceptable to the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which has been approved by the Executive Officer.
5. The RCD shall not amend the conservation easement acquired in whole or in part with funds provided under this authorization or convey any portion of or interest in the conservation easement without the Executive Officer's approval."

Findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapters 5.5 and 6 of Division 21 of the Public Resources Code (Sections 31220 and 31251-31270), with respect to integrated coastal and marine resources protection and enhancement of coastal resources.
3. The property to be acquired has been identified in the County of San Luis Obispo Local Coastal Program as an environmentally sensitive habitat area which should be preserved and restored.
4. The Conservancy has independently reviewed and considered the Mitigated Negative Declaration and Mitigation Monitoring Plan adopted by the County on April 16, 2013 under the California Environmental Quality Act and attached to the accompanying staff recommendation as Exhibit 3, and finds that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382."

Moved and seconded. Approved by a vote of 6-0.

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NORTH COAST

8. HUMBOLDT BAY REGIONAL INVASIVE *SPARTINA* ERADICATION PROJECT

Joel Gerwein of the State Coastal Conservancy presented the Staff Recommendation (and noted a correction to Finding 5).

Resolution:

“The State Coastal Conservancy hereby:

1. Certifies the “Final Programmatic Environmental Impact Report for the Humboldt Bay Regional *Spartina* Eradication Plan” (FEIR), attached to the accompanying staff recommendation as Exhibit 4, and authorizes the Conservancy to implement the Humboldt Bay Regional Invasive *Spartina* Eradication Plan (Plan”, attached to the accompanying staff recommendation as Exhibit 2, as modified by incorporation of all mitigation measures identified in the FEIR, and adopts the Mitigation Monitoring and Reporting Program (included in the FEIR, Exhibit 4).
2. Adopts the Plan, attached as Exhibit 2 to the accompanying staff recommendation.
3. Authorizes the disbursement of up to \$500,000 (five hundred thousand dollars) to the Humboldt Bay Harbor, Recreation and Conservation District (“Harbor District”) for the implementation of the Plan. This authorization is subject to the following conditions:
 - a. Prior to disbursement of any funds, the Harbor District shall submit for the review and approval of the Executive Officer a work plan, schedule, budget, and the names of any contractors or subcontractors to be retained for implementation of the project.
 - b. The Harbor District shall acknowledge Conservancy funding by erecting and maintaining signs that have been reviewed and approved by the Executive Officer.
 - c. In implementing the Plan, the Harbor District shall ensure compliance with all applicable mitigation measures and monitoring and reporting requirements for the project that are identified in the FEIR and in the Mitigation Monitoring and Reporting Program, attached to the accompanying staff recommendation as Exhibit 4, or in any permits, approvals or additional environmental documentation required for the project.

Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

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1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection projects.
3. The Conservancy has independently reviewed and considered the information contained in the FEIR pursuant to its responsibilities under CEQA (CEQA Guidelines, 14 California Code of Regulations, Section 15090). The FEIR has been completed in compliance with CEQA under the direction and supervision of the Conservancy and reflects the Conservancy's independent judgment and analysis.
4. The FEIR identifies potentially significant effects from implementation of the Plan in the areas of aesthetics, air quality, biological resources, cultural resources, geology/soils, hazards/hazardous materials, hydrology/water quality, land use, and noise. As modified by incorporation of the mitigation measures identified in the FEIR, implementation of the Plan will avoid, reduce, or mitigate all of the possible significant environmental effects of the project on these resource areas, as described in the accompanying staff report and the FEIR.
5. There is no substantial evidence that the implementation of the Regional *Spartina* Eradication Plan, as mitigated, will have a significant effect on the environment."

Moved and seconded. Approved by a vote of 6-0.

Items 9 and 10 were presented together, but voted on separately. Member Notthoff was not present for the presentation of and vote on Item 9, but returned and voted on Item 10.

9. EEL RIVER ESTUARY PRESERVE RESTORATION DESIGN AND PERMITTING

Michael Bowen of the State Coastal Conservancy presented the Staff Recommendation:

Resolution:

"The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed three-hundred thousand dollars (\$300,000) to California Trout, Inc. ("CalTrout") for the purpose of developing final designs and permits for the Eel River Estuary Preserve Restoration Project. Prior to the disbursement of funds, CalTrout shall submit for the review and approval of the Executive Officer a workplan, including budget and schedule, and the names and qualifications of any subcontractors to be employed on the project."

Findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.

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2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code (Section 31251 et seq.), regarding enhancement of coastal resources;
3. California Trout, Inc. is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 5-0.

10. EEL RIVER ESTUARY PRESERVE – PUBLIC ACCESS

Michael Bowen of the State Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: Zachary Anaya, The Wildlands Conservancy.

Speaking in opposition to the Staff Recommendation: Jay Russ, Humboldt County Farm Bureau and adjacent land owner.

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to two hundred fifty thousand dollars (\$250,000) to The Wildlands Conservancy to implement public access improvements and coastal resource enhancements at their Eel River Estuary Preserve in Humboldt County, subject to the following conditions:

1. Prior to the disbursement of funds, The Wildlands Conservancy shall submit for review and approval by the Executive Officer of the Conservancy:
 - a. A work program including a schedule and budget for the project. The work program shall include a requirement for a facilitated meeting, within 60 days of this project approval, regarding public access.
 - b. The names and qualifications of all contractors to be employed for the project.
 - d. Evidence that TWC’s access to the property is assured, and that all necessary permits and approvals have been obtained.
 - e. A signing plan for the project acknowledging Conservancy funding.
2. The Wildlands Conservancy shall enter into an agreement consistent with Section 31116(c) of the Public Resources Code, to protect the public’s interest in the constructed improvements at the project site and to provide for maintenance of the project.

Findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.

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2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code regarding Resource Enhancement, and Chapter 9 of Division 21 of the Public Resources Code, regarding a System of Public Accessways.
3. The Wildlands Conservancy is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

Member Notthoff returned to the meeting prior to the vote.

Moved and seconded, with the highlighted language of condition 1(a) added into the resolution. Approved as amended by a vote of 6-0.

Member Notthoff left the meeting.

SOUTH COAST

11. SAN ELIJO LAGOON RESTORATION PROJECT

Megan Cooper of the State Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: Doug Gibson, Executive Director, San Elijo Lagoon Conservancy.

Resolution:

“The State Coastal Conservancy hereby augments its December 4, 2008 authorization to disburse an additional amount of up to two million, two hundred two thousand, three hundred fifty five dollars (\$2,202,355) to the San Elijo Lagoon Conservancy for final engineering, construction contract documents, permitting applications, and monitoring for the San Elijo Lagoon Restoration Project, San Diego County. This authorization remains subject to the conditions of its December 4, 2008 authorization.”

Finding:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that the proposed project remains consistent with the Conservancy’s findings under its December 4, 2008 authorization and with respect to the revised Project Selection Criteria and Guidelines and 2013 Strategic Plan.”

Moved and seconded. Approved by a vote of 5-0.

12. CONSERVANCY MEMBER COMMENT:

Member, Mary Shallenberger suggested that the Conservancy visit the Gaviota Coast.

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13. PUBLIC COMMENT

There was no public comment.

14. CLOSED SESSION

There was no closed session.

15. ADJOURNMENT

Meeting adjourned at 1:30 p.m.



NORTH COAST FOREST

CONSERVATION INITIATIVE

2012 ANNUAL REVIEW



SUSTAINING OUR FOREST,
SUSTAINING OUR COMMUNITY.

THE
CONSERVATION FUND

At The Conservation Fund,

we believe that well-managed forests can be both economically viable and ecologically sustainable. On California's North Coast, we are applying a new approach to forest conservation that balances environmental restoration and stewardship with the economic imperatives of ownership and the desire to sustain the local timber economy. Since 2004, with the help of our public and private partners, we have protected more than 100,000 acres of forestland as part of our North Coast Forest Conservation Initiative. Of these protected forests, we own and manage more than 54,000 acres: the Garcia River, Gualala River, Big River and Salmon Creek forests. We seek to demonstrate that large, understocked tracts of coastal forest can be returned to ecological and economic viability through patient, adaptive management by a nonprofit organization, in partnership with private and public entities and community stakeholders.

We invite you to learn more about the major accomplishments, challenges and activities of our program in 2012. Our success results from strong support among a diverse set of partners—neighbors, local businesses, government agencies and conservation groups. Thank you for your interest and support!

Redwood needles are flat in order to catch additional light through the thick canopy of branches.

Caspar Index

2010

2011

2012

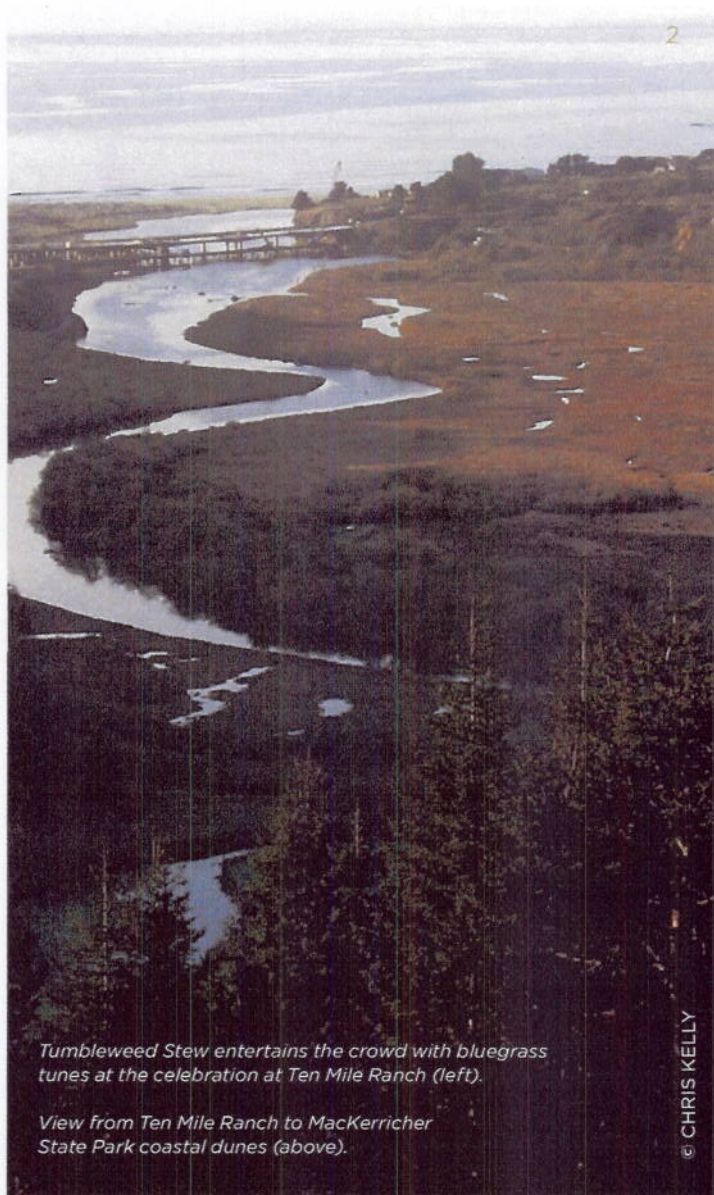
	2010	2011	2012
Timber harvest acreage	857	291	994
Volume of logs removed (net board feet)	5,329,000	956,280	5,130,000
Number of log trucks	1,250	225	1,285
Carbon offsets: Climate Reserve Tonnes generated and verified	739,762 metric tons of CO2 reductions	375,065 metric tons of CO2 reductions	960,881 metric tons of CO2 reductions
Cumulative miles of roads covered in Sediment Source Assessments	450 All major roads have now been assessed on Big River, Salmon Creek and Garcia River forests.	450 All major roads have now been assessed on Big River, Salmon Creek and Garcia River forests.	Assessment planning on Gualala River forest is underway.
Approximate cubic yards of sediment saved through road improvement projects	30,663	21,472	30,885
DFG salmonid spawner survey reaches sampled	5	5	6
Numbers of logs added to streams to improve salmonid habitat	0	266 (Signal Creek, North Fork Garcia River, Little North Fork Big River)	484 (North Fork Garcia, Inman Creek, Salmon Creek)
Number of instream remote water temperature monitoring stations (Hobo Temps)	38	38	38
Lowest summer stream temperature (Mean Weekly Average Temperature)	46F (Upper Two Log Creek in Big River)	48F (Upper Two Log Creek in Big River)	50F (Upper Two Log Creek in Big River)
Highest summer stream temperature (Mean Weekly Average Temperature)	75F (Main stem Big River at easternmost property line)	70F (Main stem Big River at easternmost property line)	67F (Main stem Big River at easternmost property line)
Northern spotted owl activity centers	32	32	34
Northern spotted owl successfully fledged	5-Garcia, 3-Big River/Salmon Creek	1-Garcia, 2-Big River/Salmon Creek	1-Garcia, 3-Big River/Salmon Creek
Barred owl activity centers detected	3-Garcia, 1-Salmon Creek	3-Garcia, 1-Salmon Creek	3-Garcia, 2-Salmon Creek
Miles of roads treated to reduce invasive weeds	3	34	2
Estimated local economic contribution (employment, contractors, purchases)	\$3.9 million	\$2.8 million	\$4.5 million
Number of participants in the recreational access program (pedestrian, equestrian and hunting)	32	31	62
Public tours offered on the property	12	10	7

2012 HIGHLIGHTS:



Celebration

In May, the Fund and its partners—Save the Redwoods League, The Nature Conservancy, Redwood Forest Foundation and Mendocino Land Trust—celebrated at the Ten Mile Ranch, to mark the closing of the Usal Forest Conservation Easement and acquisition of the Gualala River Forest. The Wildlife Conservation Board and the State Coastal Conservancy were the guests of honor. More than 100 agency partners and community stakeholders attended and enjoyed the views from the Ten Mile Ranch out to the MacKerricher State Park coastal dunes, while picnicking and listening to live bluegrass music.



Tumbleweed Stew entertains the crowd with bluegrass tunes at the celebration at Ten Mile Ranch (left).

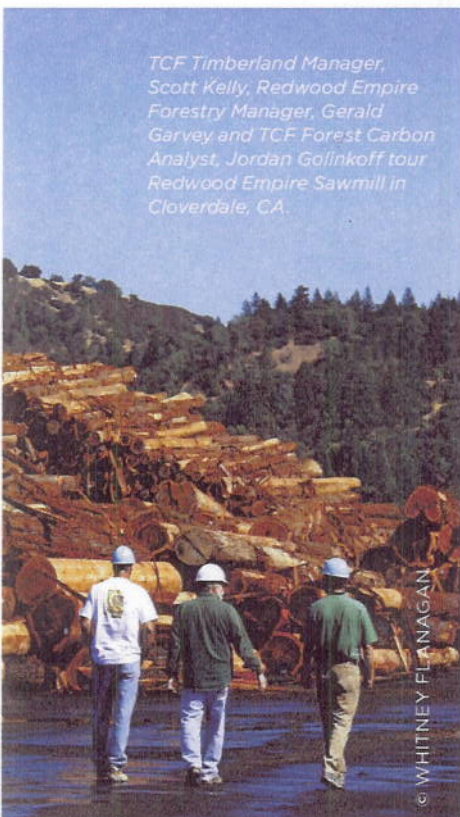
View from Ten Mile Ranch to MacKerricher State Park coastal dunes (above).

Timber Harvests

2012 was a busy and productive year for harvesting operations with 5,130,000 net board feet harvested on Big River and the Garcia River forests. On Big River, we operated three timber harvest plans (THPs)—Elephant Seal, Piccolotti and Laguna. On Garcia, we resumed two old THPs, Lower North Fork #2 and Upper North Fork. As planned, we deferred all harvest on Salmon Creek. We were able to take advantage of the export market for fir and whitewoods, although high gas prices and a shortage of truckers for log hauling increased trucking rates, resulting in modest net returns. For 2013, we anticipate completing the Coombs Gulch, Elephant Seal, Laguna and Piccolotti THPs on Big River and the Hollow Tree THP on Garcia. Additional THPs may be operated following approval of our Option A (California Forest Practice Rules—Maximum Sustained Production of High Quality Timber Products).

None of this would be possible without a healthy forest industry. We offer our heartfelt thanks to our primary customers: Agwood Mill & Lumber, CW Wood Products, Humboldt Exports, LLC, MDI Inc., Mendocino Forest Products, and Redwood Empire.

TCF Timberland Manager, Scott Kelly, Redwood Empire Forestry Manager, Gerald Garvey and TCF Forest Carbon Analyst, Jordan Golinkoff tour Redwood Empire Sawmill in Cloverdale, CA.





Salmon habitat restoration projects are a high priority for the Fund. The salmon populations increased in 2012 because of favorable ocean conditions and wet winters in 2010 and 2011.

Restoration and Enhancement

With the help of several key partners, including the California Department of Fish and Wildlife and The Nature Conservancy, we made significant progress toward improving salmonid habitat—both now and into the future. By strategically adding logs to our waterways, we formed pools and cover that immediately benefit the fish, which can hide and rest in these safe havens. The pools also increase stream complexity and diversity and eventually lower stream temperature, making the waters

healthier habitat. This takes advantage of recent techniques using unanchored wood, which provides for a dynamic river system and reduces project cost and permit complexity. Upgrading our road infrastructure to avoid sediment delivery is our highest long-term priority and an absolute necessity, if we want to see the return of healthy fish populations. To date, we have improved 135 miles of roads, preventing the release of sediment equivalent to 13,678 dumptruck loads.

SOME HIGHLIGHTS:

North Fork (Garcia): With cost-share funding from The Nature Conservancy, the North Fork Garcia Large Wood Habitat Enhancement Project Phase II was completed with the installation of 37 pieces of large wood along 1 mile of the active river channel.

Inman Creek Phase II (Garcia): Sediment control and large wood installation project, cost-share funding from the Department of Fish and Wildlife. For the completion of the large wood project, 123 pieces of large wood were placed along 3.7 miles of creek. On the roadwork portion of the project, an estimated sediment savings of 10,230 cubic yards was achieved through road upgrading treatments at 15 sites and road decommissioning treatments at 57 sites and approximately 3.3 miles of forest road.

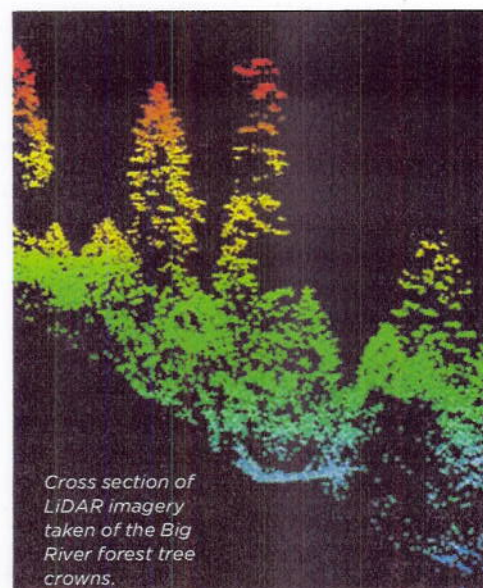
Blue Waterhole (Garcia): Road upgrade project, included road upgrading treatment at 53 sites, preventing a total of 10,344 cubic yards of potential sediment delivery.

East Branch Little North Fork (Big River): Road upgrade project, funded by the S.D. Bechtel Jr. Foundation, completed upgrading of 55 sediment delivery sites. 17 culverts were replaced. 11 sites were treated for fill or bank stabilization and 30 sites were improved for road stability including eight rock armored fills. This project will prevent 8,800 cubic yards of sediment delivery.

Big Salmon Creek (Salmon Creek): Large wood installation project, cost-share funding from the Department of Fish and Wildlife. During implementation, 323 pieces of large wood were placed along 6.4 miles of creek.

Light Detection and Ranging (LiDAR) and High-Resolution Imagery

LiDAR and high-resolution imagery has been collected over the Garcia River, Gualala River, Big River and Salmon Creek forests. The LiDAR data was used to create a highly detailed digital elevation map and a Canopy Height Model over the entire forest. These two data products are critical tools for managing our forests. To leverage this data even further, the Fund used the LiDAR data to develop a new method to segment the forest for inventory and management purposes. This new forest inventory allows the Fund to more precisely evaluate and quantify the volume of merchantable timber, the carbon sequestered in trees, and the habitat available for animals in our forests. The Big River and Salmon Creek portion of this project was funded by the S.D. Bechtel Jr. Foundation.



Educational Tall Ship

In 2012, The North Coast program donated 73 Douglas fir logs—more than half a mile of lumber—from our Big River Forest to the Educational Tall Ship project. This Forest Stewardship Council-certified lumber will be the principal wood used in the 19th century-inspired tall ship's construction and will make up more than 50 percent of the vessel's structure. The Educational Tall Ship will provide unique learning experiences to more than 10,000 students each year in the San Francisco Bay Area. Over the next 18 to 24 months, beginning when the keel is laid, the vessel will be built with help from Sausalito and Bay Area shipwrights, carpenters, marine technicians, volunteers and students. During the building process, the construction site will be open to students and the general public. Check out this link to find out what's happening with the ship's construction now: <https://twitter.com/SFTallShip>.



The Educational Tall Ship project is constructing a 124-foot brigantine that will provide hands-on education for kids and adults, during construction and after completion.

Stewardship Permit Access Program

2012 was another successful year for our permit-based pedestrian access program in the Big River and Salmon Creek forests, which was launched to provide access, cultivate stewardship and increase surveillance on the property. Our permit-based equestrian program in the Salmon Creek Forest completed its fourth year. We are pleased with the community response to the access programs and will continue to work to expand the number of participants.



The sun peaks through a group of California Black Oaks, a native oak on the Garcia River Forest whose acorns provide critical food for wildlife (above).

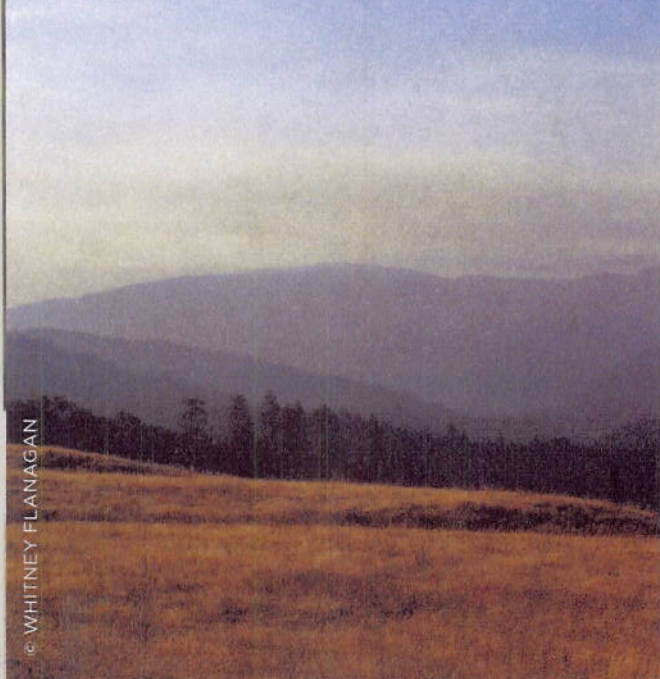
Forest Certification

In November 2012, the North Coast Program achieved a five-year re-certification from the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) programs—the two strictest and most comprehensive standards for forest management available. In addition, the Fund actively participates in the California SFI Implementation Committee. The Fund welcomes comments and suggestions regarding our forest certification. Full audit reports are available at: www.conservationfund.org/our-conservation-strategy/focus-areas/forestry/north-coast-conservation-initiative/

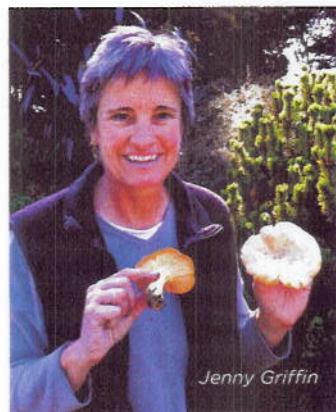
Measuring tree diameter and gathering plot information are important for our forest management efforts.



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Morning haze on Garcia River Forest (above).

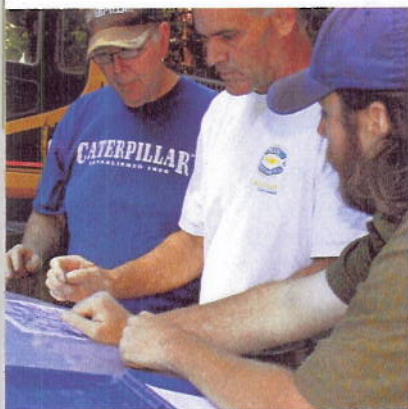


Jenny Griffin

In Memory

In 2012, the North Coast Program lost a dear friend. Longtime Program Manager Jenny Griffin passed away after an extended battle with cancer. She is survived by her wife, Sheila Semans, and the many important conservation projects she nurtured and shaped that will enrich our landscape forever. It was an honor to work with her, and we will always remember what she taught us about passion for the outdoors, commitment to communities, and the power of hard work.

Sustaining Our Forest, Sustaining Our Community



Bill Piper, Scott Kelly and Colin Hughes review plans for a Garcia River Forest road construction project (above).

Our approach to forest conservation includes a desire to sustain the local timber economy. Our success stems from our consistent, dedicated team of employees and contract consultants. The North Coast program has contributed more than \$20 million to the local economy since our project began in 2004, working with over 100 local businesses. A local business and

primary contractor to the Fund are father and son, Bill and Robert Piper of Piper Logging. The Pipers have been working with the Fund since the purchase of the Garcia River Forest in 2004. In the past eight years, they have carried out extensive road upgrading and road decommissioning projects, preventing the equivalent of 8,879 dump truck loads of sediment from entering the watershed.



Robert Piper (left) has worked in the forests of Mendocino County with his father (in photo, far left) for more than 25 years.

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Climate Action

The Garcia River Forest, Gualala River Forest and the Big River and Salmon Creek Forests are carbon offset projects registered with the Climate Action Reserve (CAR) and verified by Scientific Certification Systems. In 2012, the forests produced 960,881 metric tons of verified emission reductions. The Fund's projects are now responsible for more than 71 percent of the total carbon offsets (called "Climate Reserve Tonnes" or "CRTs") issued to forestry projects registered under the CAR protocols. To date, the Fund has sold, or has contracts to sell, more than 3,318,269 CRTs. Sale of these offsets has provided significant additional financial support for the forests, enabling us to accelerate restoration activities and defer harvests when log prices are low. Additional references and project documents are available on the CAR website, www.climateactionreserve.org, and numerous publications are available on our website.

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Terra Verde

Wylatti Resource Management

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California State Coastal Conservancy

David and Lucile Packard Foundation

Mendocino Land Trust

North Coast Regional Water Quality Control Board

S. D. Bechtel Jr. Foundation

Salmon Creek Project Team

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Chris Poehlman, Friends of the Gualala River

Douglas fir and redwood
forest on Big River Forest

Contact Us

Please see our website for more information on the North Coast Forest Conservation Initiative:
www.conservationfund.org

Detailed monitoring reports are also available by topic from our office in Caspar, CA:
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THE CONSERVATION FUND

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Redwood Forest, CA (top).
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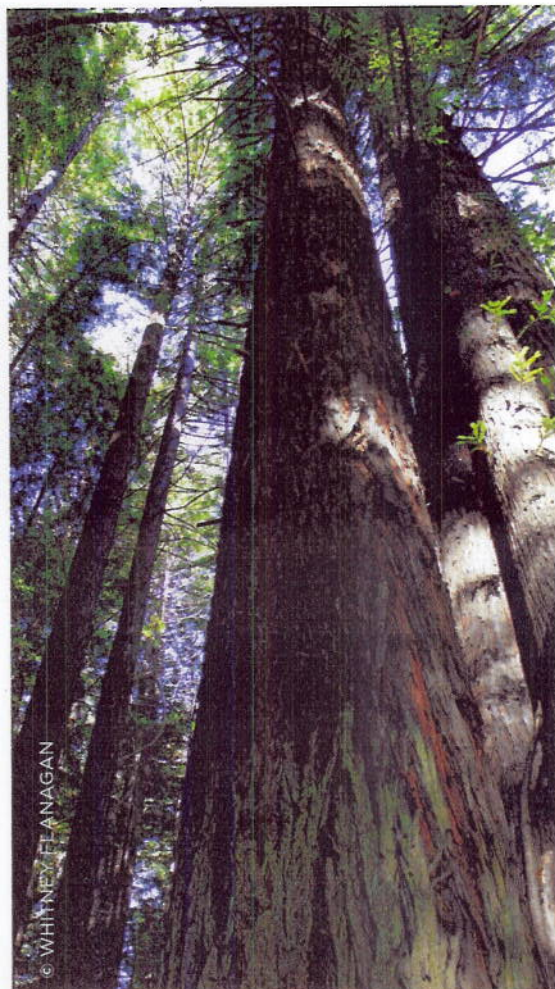
Gualala River Forest, CA (left).
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Thank you from The Conservation Fund's North Coast Staff:

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Evan Smith, Vice President, Conservation Ventures
Madison Thomson, Registered Professional Forester

Did you know...

The forest industry supports more than 900,000 jobs in the U.S.? Watch our video, *North Coast Conservation Initiative*, and learn more at: **www.conservationfund.org/north-coast-conservation-initiative**.



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