

QUARTERLY PROGRAMMATIC REPORT

Program Manager	<u>Spencer Shepherd</u>	Phone # <u>415-778-0999 x24</u>
Project Manager	<u>Meghan Mazzoni</u>	Phone # <u>415-281-0432</u>
CALFED Project #	<u>97-N04</u>	
Quarter Ending	<u>March 31, 1999</u>	

Deliverables

<u>Deliverable</u>	<u>Due Date</u>	<u>% Complete</u>	<u>Date Deliverable Complete</u>
Task 1: Acquisition of Flynn property		100%	
<u>Subtask 1: TNC Service contracts</u>			
Deliverable 1: Appraisal cover page	1/31/99		1/8/99
Deliverable 2: Survey report cover page	1/31/99		1/8/99
Deliverable 3: USFWS Level I report summary	1/31/99		9/4/98
Deliverable 4: Escrow closing statements	1/31/99		1/8/99
<u>Subtask 2: Phase I Assessment</u>			
Deliverable 1: Phase I Assessment	12/31/98		11/13/98
<u>Subtask 3: Capital costs</u>			
Deliverable 1: Copy of recorded deed	1/31/99		1/8/99

Task 2: Restoration of 10 acres -- Task order for Task Two is pending.

Narrative

Task 1: Acquisition of Flynn (Shasta View Farms) property

CALFED approved The Nature Conservancy's task order to purchase the Flynn tract at its appraised value of \$801,000 as an addition to the U.S. Fish & Wildlife Service Sacramento River National Wildlife Refuge. The Conservancy, CALFED, the U.S. Fish & Wildlife Service, and the landowner agreed that the landowner and the Service would enter into a purchase contract providing for direct transfer of ownership to the Service. The Conservancy continued to facilitate close of escrow pursuant to the task order. The acquisition closed escrow on December 8, 1998 with title vesting in the United States.

TNC completed a "quick" assessment of the property and determined that a significant portion of the 10 acres identified for restoration under CALFED #97-N04 will in all likelihood

erode within 1 to 3 years. The re-establishment of natural erosion processes made possible by CALFED acquisitions is creating outstanding bank swallow habitat. The area already shows signs of 2 established nesting colonies. TNC is currently in the process of completing an in-depth assessment of the remainder of the parcel to determine the restoration potential in the calendar year 2000. The property is currently managed under a cooperative land management agreement with FWS. Interim management includes an agreement with Pacific Farms leasing 34.5 acres of mature prunes in return for 10% of the gross revenues plus removal of immature trees, weed control and ground preparation on the remainder of the land. The estimated income this crop year is approximately \$9,000. Net proceeds will be used to support restoration activities on refuge lands including those purchased with CALFED funds.

Task 2: Restoration

Task Order is still pending.

Following is an estimate of costs for the next three months (April - June, 1999):

Month 1 \$ 6,000 Month 2 \$ 0 Month 3 \$ 0 Total for Quarter \$ 6,000

Note: Above estimates may change depending on receipt of signed Task 2.