

Attachment H

COVER SHEET (PAGE 1 of 2)

May 1998 CALFED ECOSYSTEM RESTORATION PROPOSAL SOLICITATION

Proposal Title: BUTTE CREEK ACQUISITION AND RESTORATION PROJECT
 Applicant Name: CENTER FOR NATURAL LANDS MANAGEMENT
 Mailing Address: 425 E. Alvarado Street, Suite H Fallbrook, CA 92028
 Telephone: (760) 731-7790
 Fax: (760) 731-7791

Amount of funding requested: \$ 6,661,537 for 3 years

Indicate the Topic for which you are applying (check only one box). Note that this is an important decision: see page of the Proposal Solicitation Package for more information.

- Fish Passage Assessment
- Floodplain and Habitat Restoration
- Fish Harvest
- Watershed Planning/Implementation
- Fish Screen Evaluations - Alternatives and Biological Priorities
- Fish Passage Improvements
- Gravel Restoration
- Species Life History Studies
- Education

Indicate the geographic area of your proposal (check only one box):

- Sacramento River Mainstem
- Delta
- Suisun Marsh and Bay
- San Joaquin River Mainstem
- Landscape (entire Bay-Delta watershed)
- Sacramento Tributary: BUTTE CREEK
- East Side Delta Tributary:
- San Joaquin Tributary:
- Other:
- North Bay:

Indicate the primary species which the proposal addresses (check no more than two boxes):

- San Joaquin and East-side Delta tributaries fall-run chinook salmon
- Winter-run chinook salmon
- Late-fall run chinook salmon
- Delta smelt
- Splittail
- Green sturgeon
- Migratory birds
- Spring-run chinook salmon
- Fall-run chinook salmon
- Longfin smelt
- Steelhead trout
- Striped bass

COVER SHEET (PAGE 2 of 2)

May 1998 CALFED ECOSYSTEM RESTORATION PROPOSAL SOLICITATION

Indicate the type of applicant (check only one box):

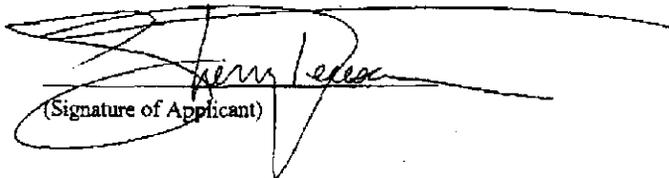
- | | |
|--|--|
| <input type="checkbox"/> State agency | <input type="checkbox"/> Federal agency |
| <input type="checkbox"/> Public/Non-profit joint venture | <input checked="" type="checkbox"/> Non-profit |
| <input type="checkbox"/> Local government/district | <input type="checkbox"/> Private party |
| <input type="checkbox"/> University | <input type="checkbox"/> Other: _____ |

Indicate the type of project (check only one box):

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> Planning | <input checked="" type="checkbox"/> Implementation |
| <input type="checkbox"/> Monitoring | <input type="checkbox"/> Education |
| <input type="checkbox"/> Research | |

By signing below, the applicant declares the following:

- (1) the truthfulness of all representations in their proposal;
- (2) the individual signing the form is entitled to submit the application on behalf of the applicant (if applicant is an entity or organization); and
- (3) the person submitting the application has read and understood the conflict of interest and confidentiality discussion in the PSP (Section II.K) and waives any and all rights to privacy and confidentiality of the proposal on behalf of the applicant, to the extent as provided in the Section.


(Signature of Applicant)

II. EXECUTIVE SUMMARY

A. PROJECT TITLE/APPLICANT NAME

Lower Butte Creek Acquisition and Restoration Program/Center for Natural Lands Management (Center).

B. PROJECT DESCRIPTION/PRIMARY BIOLOGICAL AND ECOLOGICAL OBJECTIVES

The Center is seeking a block grant from the CALFED Category III program for a proposed lower Butte Creek acquisition and restoration program to restore riparian landscape necessary for the restoration of anadromous fisheries, in particular, spring run and fall run salmon and steelhead trout. The project will target areas within a 300 foot wide corridor on each side of the 25 mile stretch of Butte Creek from Highway 99 south to the Gridley-Colusa highway. Associated wetlands habitats near the 300 foot corridor will be included. Less than 3% of the historic shaded riverine aquatic (SRA) habitat exists along this portion of Butte Creek, and the spring run of Chinook salmon have declined precipitously. The proposed program consists of immediate assessment and acquisition of several parcels in the riparian corridor and related wetlands from willing sellers; a lands inventory including identification of other key parcels for acquisition and restoration to meet ecosystem restoration objectives; a restoration program of acquired lands and easements coordinated with the existing Keeney property restoration funded by U.S. Fish and Wildlife Service (FWS), to further develop a restoration strategy for future land purchases; and a coordinated program between public and private stakeholders with interests in the watershed.

C. APPROACH/TASKS/SCHEDULES

The program approach consists of implementing the following tasks: assessing and purchasing existing lands in fee title and easements; inventorying lands along lower Butte Creek that will provide the greatest benefits to the functioning of the Butte Creek Ecological Unit; acquiring other lands based upon that inventory; restoring those lands to proper riparian and wetlands function condition; permanently protecting and maintaining those lands via land rights acquisition, long-term stewardship and community cooperation. Completion of the lands inventory is to occur within the first year. Acquisition according to the benefits inventory shall occur on an ongoing basis over the next two years with restoration occurring seasonally. All acquisitions shall be solely on a willing seller basis.

D. JUSTIFICATION FOR PROJECTS AND FUNDING BY CALFED

This land conservation program is consistent with the Butte Basin Ecological Zone objectives and targets as part of the Bay-Delta Ecosystem Restoration Plan program. The conservation project addresses the CALFED identified stressors on the biological and ecological quality of the Bay-Delta. Butte Creek is one of the most important streams remaining in California for the conservation of spring-run Chinook salmon and steelhead with 1960's salmon populations recorded at over 4,000 adults. It was one of California's largest wild spring run. Recent high returns of salmon have bolstered hopes that a sustainable fishery may be restored and enhanced. Not only does this project contribute to the goals in nearly all major stressor groups, but it is a link to adjoining projects planned and implemented in lower Butte Creek, the Sutter Bypass and in upper Butte Creek through watershed plans, fish passage enhancements, riparian restoration, watershed education and preservation. This project will connect these efforts assuring proper functioning condition for

riparian and flood plains for the entire Butte Creek Ecological Unit.

E. BUDGET COSTS AND THIRD PARTY IMPACTS

The program budget is \$6,661,537 of which 90% or \$6,008,150 will be used to purchase a minimum of 500 acres of land from willing sellers. The remainder of the funds (\$653,387) will be used for restoration and permanent stewardship through an endowment, ensuring that lands acquired will be utilized for riparian purposes in perpetuity. No significant third party impacts are anticipated as a result of this project. Although the counties of Butte, Glenn and Colusa together may lose tax revenues in the amount of \$8,000 to \$10,000 a year from removing properties from the tax roles, avoided flood damage costs and greatly increased recreation and quality of life values would exceed this tax loss. Beneficial third party effects include farmers, lending institutions, and crop insurance funds who risk losing streamside croplands to flooding, others with investments threatened by floods downstream, fisheries users, waterfowl enthusiasts and recreationists who enjoy all wildlife throughout the Central Valley and Delta.

F. APPLICANT QUALIFICATIONS

The Center is a 501(c)(3) non profit tax exempt organization founded in 1990 to protect biological resources through long-term stewardship of conservation lands. The Center currently manages approximately 41,000 acres of land throughout California from Arcata to San Diego. In January 1997, the Center entered into a Memorandum of Understanding with The Nature Conservancy to transition land management responsibilities at several Conservancy sites to the Center. The Center is managing a 56 acre riparian restoration project just south of Durham. The Center has established an office in Chico and will be well positioned to manage these areas. Important local partners have been established with the Parks and Preserves Foundation, a local land trust.

G. MONITORING AND DATA EVALUATION

The Center will utilize its ECOS monitoring program (see Center ECOS proposal submitted to CALFED July 28, 1997) to report to CALFED its acquisition progress, restoration implementation and management program for this Butte Creek project. This will be coordinated closely with the CALFED monitoring program.

H. LOCAL SUPPORT/COORDINATION WITH OTHER PROGRAMS/COMPATIBILITY WITH CALFED OBJECTIVES

As a consultant to Butte County, the Center is developing a Butte County wetland mitigation bank in partnership with the Butte County Fish and Game Commission which holds the conservation easement. The Center will be restoring 47 acres of a 56 acre parcel (Keeney parcel) whose acquisition is being funded by the (CVPIA), Title 34, Anadromous Fish Restoration Project. Local support and coordination has been sought with others including The Nature Conservancy, the Butte Creek Watershed Conservancy, Parks and Preserves Foundation, the FWS as administrators of the Central Valley Project Improvement Act (CVPIA), the Wildlife Conservation Board, the counties of Colusa, Glenn, Butte, the California Conservation Corps and CSU Chico.

Lower Butte Creek Acquisition and Restoration Program

Applicant:

Center for Natural Lands Management

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Applicant Information:

certified nonprofit organization

exempt tax status

Federal ID#: 68-9233573

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IV. PROJECT DESCRIPTION

A. PROJECT DESCRIPTION AND APPROACH

The Center for Natural Lands Management (Center) is proposing a block grant for the lower Butte Creek land acquisition and restoration project. Critical riparian and flood plain restoration that will benefit spring run, fall run and steelhead trout along lower Butte Creek will be accomplished through the acquisition of priority properties, and restoration and permanent stewardship of these lands. The proposal consists of a lands inventory to identify key parcels for acquisition and restoration to meet CALFED ecosystem restoration objectives including several existing potential acquisitions from willing sellers; restoration of shaded riverine aquatic habitat (SRA) and wetlands habitat; coordination with the pilot restoration program on the Keeney property (Butte County Wetlands Mitigation Bank managed by the Center) as a basis for a restoration strategy for future land purchases; and a coordination program between public and private stakeholders with interests in the watershed. The loss of habitat in this reach of Butte Creek has reduced Butte Creek to a non-functional condition for cold-water fisheries with the exception of high winter and spring flows in wet years. There is virtually no floodplain interaction and the creek is seriously down cut into cemented sand and clay strata. Gravel is almost non-existent. Improvements to diversions and removal of several barriers will help reestablish a more normal gravel and sediment regime, but without regular bank full floodplain interactions, these gravels will be sluiced through with little or no benefit. High temperature is another critical problem in this section of the creek in addition to lack of water. Water rights are being dedicated for fish flows in the creek from various rights holders and must be coordinated with riparian restoration to achieve maximum benefit. This project promises to complement the many activities to restore anadromous fish populations on Butte Creek by reconnecting the SRA habitats that support conditions necessary for their survival. Butte Creek supports the largest remnant population of spring run chinook salmon, and protecting their habitat throughout the system is crucial to sustaining the recent population increases. There will be significant benefits to other threatened and endangered species and species of concern. The public and private landowners will benefit from improved natural areas and protection from flooding.

B. LOCATION AND GEOGRAPHIC BOUNDARIES

The proposed project is located in the Butte Basin of the Sacramento River watershed. The acquisition project will focus on parcels located within a 300 foot corridor of land on each side of the 25-mile stretch of Butte Creek in Butte, Glenn and Colusa Counties from the southern edge of the City of Chico's area of influence to the Gridley-Colusa highway. Associated wetlands habitats near the 300 foot corridor will be included. This alignment is in the lower portion of the Butte Creek Ecological Unit.



C. EXPECTED BENEFITS

The program would provide continuity to existing and proposed improvement efforts both upstream on Butte Creek and downstream into Butte and Sacramento Slough, and complements several dam and fish screening projects in lower Butte Creek. Specifically, the purchase of streamside land and its ultimate restoration to riparian and seasonal flood plain will return a significant portion of lower Butte Creek to a more naturally functioning watercourse. Potential restoration exists for 2,000 acres of riparian habitat in this stretch of Butte Creek. Twenty-five percent of the assessed lands would be considered for acquisition from willing sellers. Restoration of the acquired lands would have significant biological and hydrological benefits: anadromous fish benefits through reduction of water temperatures from SRA habitat; expansion of the available flood plain; and improved filtration of both sediments and chemical non-point source pollution. Implementation of restoration may reduce diversions and increase channel complexity. Restoration of these habitats would have significant benefits for neo-tropical migrant species, waterfowl, raptors and other species of concern including threatened and endangered species. Overall, the amount of habitat for aquatic and terrestrial habitat along the stream course would be significantly enhanced and managed by a permanent stewardship program.

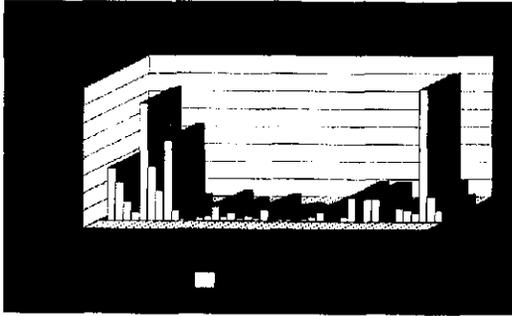
Third party beneficiaries include: agricultural landowners, their lending institutions, and crop insurance funds who suffer the loss of crops and orchards from flooding; downstream property owners who risk the loss of valuable improvements; local residents from reduced risk to the loss of public infrastructure and threats to human life; water managers responsible for meeting drinking water quality for urban use; users of the fishery and waterfowl resources ; and participants of wildlife recreation activities.

Table 1 identifies the primary stressors identified by CALFED as appropriate for Category III funding that would be addressed by implementation of this project.

D. BACKGROUND AND BIOLOGICAL/TECHNICAL JUSTIFICATION

The Central Valley Project Improvement Act, (CVPIA), seeks to double and sustain the natural production of anadromous fish in Central Valley rivers and streams. The Anadromous Fish Restoration Plan (AFRP) identifies 29 actions and 14 evaluations for Butte Creek restoration. The goal of the CALFED Bay-Delta program for ecosystem quality is to improve and increase aquatic and terrestrial habitats and improve ecological functions to support sustainable populations of diverse and valuable plant and animal species. Loss of riparian habitat is noted as a significant contributing factor to the decline of anadromous fish populations. Restoration of natural ecological processes that are associated with streamflow, stream channels, watersheds, and flood plains is a major CALFED goal.

Butte Creek, a tributary to the Sacramento River, flows from its headwaters in the Lassen National Forest, through Sierra foothills to the Central Valley. Much of the stream in this Central Valley reach has levees with adjacent intensive agricultural development. Butte Creek is one of the most important streams remaining in California for the conservation of spring-run Chinook salmon and steelhead with historic salmon populations recorded at over 4,000 adults. This Butte Creek



population was one of California's largest spring run, Sacramento River being the largest with nearly a million fish. Currently, Butte Creek supports the largest remnant population with recent returns close to 10,000 fish (1995-8,000 fish, 1998-10,000 fish estimated). With the exception of 1995, the population has ranged from around fifty to just over a thousand. The decline of these populations (see chart) reflect the effects of hydromodification, loss of the

stream's deep cool pools, and shaded riverine aquatic habitat, issues of sediment transport, agricultural diversions and runoff effects and other physical, chemical and biological changes.

The purpose of the proposed land acquisition, restoration and perpetual management project is the improvement of SRA habitat for the benefit of anadromous fisheries through the purchase of land and the restoration of riparian habitat. Major portions of the targeted stream bank have been denuded of riparian vegetation or support only a thin riparian edge. Restoration with native species such as cottonwoods, alders, and willows will increase SRA habitat in the stream, essential to both spring and fall-run Chinook salmon and other anadromous fish. Valley oak riparian restoration on the upper terrace will create an additional riparian belt within the flood plain, providing habitat for wood ducks, hawks, owls, northern harriers, American bitterns, and various neotropical migratory songbirds. The stream itself provides foraging habitat for osprey and bald eagles. Naturally eroding stream banks will provide habitat for bank swallows. The habitat will benefit other threatened and endangered species like the yellow-billed cuckoo and Western giant garter snake.

The proposed acquisition and restoration project will contribute to the ecological restoration needs of the river, water basin and Bay-Delta watershed including: 1) restoring nutrient cycling, vegetation succession, over bank flooding, and flood plain inundation; 2) increasing the amount of quality riverine edge habitat to allow spawning and rearing by sustainable populations of native fish species; 3) providing nesting and foraging habitat for neotropical migrant birds and other wildlife species; 4) working with available hydrologic and sediment regimes, in a manner consistent with flood control requirements, to more closely emulate natural stream channel configurations increasing natural recharge of the aquifer; and 5) restoring ecological processes and functions to maintain important habitats and contribute to the overall health of the ecological zone. These objectives match the Butte Basin Ecological Zone objectives and targets as part of the Bay-Delta Ecosystem Restoration Plan program.

Putting stream bank lands into conservation uses is also essential to recreating healthy downstream conditions. Land acquisition and restoration of riparian vegetation will largely eliminate direct soil-water contact and overland flow runoff from adjacent agricultural lands. It will also provide a filter to reduce levels of siltation, sedimentation, chemical runoff, and damage from large woody debris. The restored and managed floodplains will also greatly increase natural groundwater recharge by increasing infiltration in the wetlands and undisturbed riparian areas. This will contribute to

increased base flows in the creek and attenuate peak flood flows.

Restoration of stream bank and associated flood plain lands will also contribute to flood management and reduce the risk of flood hazards to agricultural and downstream development. At present many crops are grown adjacent to the waterway and even between the levees of Butte Creek. In the 1996-97 storm events, farmers experienced major losses from the flood waters. Several mature orchards within Butte Creek were seriously damaged and required replacement.

Acquisition of fee title or conservation easements over these lands and their restoration may reduce diversions thus contributing to increased stream flows, reduced water fluctuations, and reduced losses of anadromous fish. This would be achieved by concurrently purchasing the water rights for creek diversions or ground water.

E. PROPOSED SCOPE OF WORK

The approach for the proposed acquisition, restoration and maintenance program consists of three elements: 1) coordination with organizations and agencies to collaborate on the implementation of a comprehensive lower Butte Creek acquisition and restoration program; 2) coordination with the pilot restoration project (Keeney property) to establish methodologies for restoring acquired lands; and 3) acquisition from existing willing sellers and others based upon an inventory of parcels and their relative benefits to recovery of the resource. These elements or features are described below with their associated tasks.

1. Prioritized Land Acquisition: The Center, through the Chico office, will coordinate with existing, willing landowners to assess and acquire fee title or easements to several parcels containing significant riparian and wetlands habitat. The Center, in cooperation with Richard Haiman, Ph.D., biogeographer at CSU Chico, will inventory the lands along the identified reach of lower Butte Creek to establish a program of acquisition and restoration. The accompanying map (**Map 1**) depicts the creek, vegetation and parcels in the designated 25 mile stretch of the river. The purpose of the inventory is to identify ecosystem stressors and existing and future SRA habitat, parcel and ownership boundaries, agricultural potential, runoff, flooding, and diversion impacts. Weighted values of characteristics will rank parcels according to their ability to meet CALFED program objectives. Weighting techniques will be based upon technical studies of hydrological and water quality conditions and consultation with resource agencies and organizations active in the Ecological Unit. Based on the above factors, a key parcels list will be used for land acquisition initiatives.

Task 1a

- **Develop** a landowner outreach program to educate landowners about the overall program, the primary land/biological surveys, benefits associated with becoming a willing seller (e.g., financial, ecological, flood prevention, etc.) and program consistency with ecosystem restoration. Acquisition assessments will be conducted immediately on properties of existing willing sellers and contracts for acquisition or easements developed.

Product: Educational materials such as brochures, information sheets, financial planning

options, and contact lists. Complimentary acquisitions and easements for restoration projects to help demonstrate the benefits of riparian restoration.

Task 1b

- **Inventory** of Lower Butte Creek lands based on the following criteria: land ownership; quality of existing habitat to suggest whether restoration or protection is most beneficial; identify "infill" parcels contiguous with healthy habitat; determination of extent of parcel restoration; restoration goals and targets; land uses; current values based upon existing appraisals and existing and potential economic uses; hydrological evaluation to determine historic fluvial geomorphology, and opportunities and constraints for reestablishing flood plain functions and removing diversion ditches; water quality evaluation based on chemical, biological and hydromodification effects and benefits; survey of surface and ground water rights. The project will be closely coordinated with the CALFED/USFWS funded fluvial geomorphology studies and the Keeney property hydrology report. .

Product: Preparation of GIS maps reporting these characteristics and attributes.

Task 1c

- **Prepare** acquisition report using a weighting system of characteristics to develop priorities. The guiding principle is that willing sellers will dictate the pool of parcels available and that choices between them will be made according to the priority system. Budgets and methodology will be developed based on results of the pilot restoration project. The Property Analysis Record (PAR), will be utilized to develop an analysis suitable to these properties. (see Exhibit 1)

Product: Lower Butte Creek Priority Lands Acquisition Report

Task 1d

- **Implement** land acquisition based on the key parcels list and willing sellers. Continue Task 1a by educating landowners in the agricultural and real estate community of the availability of a willing buyer. Approach individual property owners of priority properties to determine their property interests and their financial goals. A continuum of purchase arrangements must be available to sellers ranging from straight sale to tax free trades and charitable donation trusts. As a non-profit and with our background in real estate, the Center is capable of offering sellers a full complement of sale agreements.
- The Center would be seeking at least 300 feet of land on each side of lower Butte Creek or lands within the levees. This may mean that certain parcels would require a **parcel split** needing County approval. Option agreements may be used to allow time for County approval, confirmation of water rights, easements, title reports, and toxic assessments. The Center will build on its more than four years' experience working with landowners in this area, resulting in the purchase of over 500 acres.

- Based upon our experience in this area, the **full cost of restoring and preserving riparian** values in perpetuity is estimated to range between \$12,000 and \$15,000 per acre, suggesting that \$6,000,000 should secure approximately 400 to 500 acres or 20 to 25 percent of the 2,000 streamside acres of lower Butte Creek. **Table 2** shows the proposed pilot project restoration costs on the Keeney property, which provides an example of the full cost of acquisition, restoration, and permanent stewardship.
- The most appropriate entity to hold fee title or easement to the acquired lands would be identified by CALFED. Should the Center be responsible for long term management, endowments would be placed in trust with the Union Bank of California, acting as the Center's fiduciary and investment representative, in a subaccount dedicated to the property but pooled with endowments from other properties for investment purposes. The Center currently manages over \$6 million in endowments for perpetual stewardship.

Product: Identify acquisition costs for specific properties. Determine long-term land owner/conservation easement holders. Purchase land.

2. Restoration and Maintenance: The purpose of this task is to compare restoration techniques, costs and results from the Keeney restoration to further develop a program for instituting restoration and permanent stewardship on properties purchased through this project.

Task 2a

- **Document** the restoration process and results. This task includes utilizing the results of the pilot project on the Keeney property location; general methodology, specific techniques, labor and costs. The second step is to monitor the results over a two year period.

Task 2b

- **Prepare** restoration strategy for property acquisitions. Based on the pilot project in Task 2a, the Center will develop a generic checklist and methodology for restoration, restoration management and stewardship to guide work for future acquisitions. Keeney restoration coordination will provide the most accurate comparisons for this area.

Task 2c

- Actual restoration will begin as soon as property or easements are obtained. Land surveying, GIS mapping, botanical resource inventories, restoration design will occur simultaneously for each of the specific projects utilizing the Center's PAR.

Task 2d

- Monitoring with the Center's ECOS monitoring program will be closely coordinated with the CALFED monitoring program, when it is implemented. This will be used to develop a long term management plan for the various restoration projects.

3. *Coordination*: The Butte Creek land conservation program will be best served by developing a partnership with major parties involved in the watershed. Coordination has been initiated with The Nature Conservancy, the Butte Creek Watershed Conservancy, Parks and Preserves Foundation, the Research Foundation of CSU Chico, the California Department of Fish and Game, Reclamation Board, Department of Water Resources, Butte County Fish and Game Commission and the US Fish and Wildlife Service. Other opportunities for coordination will be identified with project participants in the CALFED and CVPIA programs.

Task 3a

- Continue **collaboration and coordination** with TNC and other watershed groups in conjunction with the California Department of Fish and Game, U.S. Fish and Wildlife Service and other participants of programs on this and similar watersheds on their concerns and priorities for their respective projects up and down stream. Landowner/public meetings will be initiated as outreach to the public. Develop a Memorandum of Understanding (MOU) outlining overlapping and cooperative responsibilities and tasks, providing guidelines for the inventory and acquisition strategy.

Task 3b

- Identify other opportunities for collaboration and coordination to achieve consensus for acquisition and restoration program.

F. MONITORING AND DATA EVALUATION

The Center will utilize its ECOS monitoring program (see Center ECOS proposal submitted to CALFED July 28, 1997 for complete details) to report to CALFED its acquisition progress, restoration implementation and management program for this Butte Creek project. The Center incorporates long-term monitoring in its PAR analysis of each property. In this case, monitoring of riparian flood plain function including succession of vegetation, SRA habitat and other water quality measurements will be performed. The ECOS program will utilize a specialized data collection, storage and graphical communication system, developed by the Center, linked to a GIS database to improve conservation planning, stewardship techniques and adaptive management which will serve to increase public support for these conservation efforts. There will be significant benefit to CALFED and its supporting agencies with this type of monitoring. This will allow this project to be measured in comparison to projects across a broad range of landscapes. The success of CALFED ecosystem restoration will depend on the quality of stewardship that is applied to the fragmented landscape. Essential to that success is the use of a system to monitor, measure and evaluate management actions on a system-wide basis. The ECOS program for Lower Butte Creek will provide the needed information for accurate decisions on adaptive stewardship. The monitoring for the project will be coordinated with the CALFED monitoring when it is implemented.

G. IMPLEMENTABILITY

The Center's work in this area suggests that landowners and watershed groups are receptive to mechanisms that improve the fishery and protect their lands but do not compromise their other agricultural activities. Similarly, the acquisition of water rights is probable to the extent land is

taken out of production. The width of the riparian strip necessary to achieve ecosystem objectives is integrated with remaining agricultural uses. This knowledge will improve our ability to negotiate such purchases.

The addition of riparian vegetation and the ability to inundate conservation lands during flood events are both important factors for the reclamation districts and public works. All necessary environmental review and permits or agreements will be met.

IV. COSTS AND SCHEDULE TO IMPLEMENT

A. BUDGET

The cost of the Butte Creek Land Conservation Program is \$6,661,537 (Table 3) of which 90% is for the acquisition of lands and their subsequent restoration and permanent stewardship. The figure of \$6,008,150 for acquisition, restoration and permanent stewardship is based upon the Center's two year experience and involvement in land acquisition and restoration in Butte County and on Butte Creek in particular. Table 4 summarizes the pilot project cost using low and high range values. The central range for most properties is between \$12,000 to \$15,000.

Range of Acquisition Costs Per Acre	low range (\$)	high range (\$)
Land Costs	\$3,500	\$6,000
Restoration	\$3,500	\$4,500
Restoration Maintenance and Initial and Capital Costs	\$700	\$1,000
Perpetual Stewardship through Endowment	\$4,000	\$4,500
TOTAL	\$11,700	\$15,500

The next largest component of this program's costs are contracts to sub-contractors including water quality, hydrology, appraisal services, and GIS production. The values have been broadly confirmed by contractors in these fields including the California State University, Chico Geographic Information Center. Each contract will be subject to competitive bid, with the possible exception of the GIS and the lands inventory.

The Center's labor rate is set at \$43 an hour plus taxes, benefits, and insurance of approximately 30% of salary. Administrative costs are calculated at 22 percent of total costs for CNLM labor expenses, material and miscellaneous costs except acquisition. Major service contracts incur a 5% administrative rate. The \$6,000,000 for acquisition incurs a 1% rate to offset legal and accounting fees required for these transactions.

B. SCHEDULE MILESTONES

Figure 1 summarizes the schedule milestones identified below.

- Milestone 1: **Coordinator MOU**. The MOU is to be completed in the fourth month of the project to coordinate activities and demonstrate concurrence in the process of inventorying and acquiring properties.
- Milestone 2: **Development of the landowner outreach program and completion of the contractor reports**. In order to have seasonal data, contractor reports may take a nearly a year to complete.

- Milestone 3: Completion of **Acquisition Program report**. This report will be in process for some months during the final months of the contractors work allowing MOU partners, stakeholders and CALFED review of draft documents. The document will be finalized by the 15th month.
- Milestone 4: With substantial agreement on the Acquisition Program, **specific advertising** of the Program will target realtors and priority landowners in Month 13
- Milestone 5: **Assess and acquire in fee title or easements** properties that have demonstrated potential and begin restoration activities.
- Milestone 6: **Within three years** it is anticipated that all acquisition funds will be committed to purchases, and restoration and permanent stewardship will be ongoing activities.

C. *THIRD PARTY IMPACTS*

No significant third party impacts are anticipated as a result of this project. Although the counties of Butte, Glenn and Colusa together may potentially lose tax revenues in the amount of \$8,000 to \$10,000 a year from removing properties from the tax roles, avoided flood damage costs and increased recreation and quality of life values would exceed this tax loss. Third party beneficiaries include farmers, financial institutions and crop insurance funds who risk losing streamside croplands to flooding, others with investments threatened by floods downstream, fishery and waterfowl users, and recreationists who enjoy all wildlife throughout the Central Valley and Delta.

Several landowners along Butte Creek experienced major orchard and other crop losses during the winter of 1996-97 and were forced to replant at great expense. Insurance costs for such incidence are rising and FEMA is no longer the insurance agent of last resort in flood prone areas. Property owners with downstream investments will also benefit from a reduction in flood risks due to this project. This project may play a role in the protecting investments in Sacramento and the Delta.

Downstream water purveyors will benefit from cleaner stream flows which reduce the cost of purification and plant maintenance. Fisheries users, both commercial and sport, will benefit from increased production of anadromous species. Waterfowl enthusiasts will benefit from increased habitat and production of resident and migratory birds.

Several projects on Butte Creek are planned which in combination with increased riverine edge habitat created by this project will greatly change the creek's and the fishery's condition. The Butte Creek Watershed Conservancy and CSU Chico are completing an Existing Conditions Report and creating a Watershed Management Strategy. The Nature Conservancy, Northern California Water Association and California Waterfowl Association are working on improvements in the Butte Sink, on the Butte and Sacramento Sloughs at the junction of Butte

Creek and the Sacramento River and improvements to several dams are likely. Parks and Preserves, the Butte Creek Watershed Conservancy, the Butte Creek Education Project and others are working on various implementation, both contracted and proposed. This project helps to link those projects to improve conditions for anadromous fish recovery the full length of Butte Creek.

The Parks and Preserves Foundation is working on developing an MOA for improved coordination of restoration efforts with the Center. Parks and Preserves Foundation support and encourage this proposed project to protect habitat and the dependent species, improve recreational use of wildlife resources and further monitor and analyze restoration efforts on Butte Creek.

V. APPLICATION QUALIFICATIONS

The Center and its staff are highly qualified to successfully implement this program. Founded in 1990 and incorporated as a section 501(c)(3) nonprofit tax exempt organization, the Center's main mission is to protect biological resources through long-term stewardship of mitigation and conservation lands. The Center currently manages approximately 43,000 acres of land throughout California from Arcata to San Diego. In January 1997, the Center entered into a Memorandum of Understanding with The Nature Conservancy to transition land management responsibilities at several Conservancy sites to the Center. To date, over 20,000 acres of TNC lands have been transferred for management.

The Center has developed a unique software program and database, the Property Analysis Record (PAR), to accurately predict short- and long-term stewardship activities and costs, and to assist land managers in planning stewardship projects in perpetuity. The Center has presented the PAR seminar to hundreds of public agency and private parties throughout the United States. The Center also provides services developing and implementing Habitat Conservation Programs (HCPs), conservation banking programs, preparing habitat management plans and cost analysis reports. We participated in the beginning phases and continue to be involved in the Natural Communities Conservation Planning process in Southern California.

The Center will be responsible for overall program coordination and implementation. Expert sub-consultants will be contracted on a public bid basis to provide water quality, hydrology, appraisal and GIS production services. **Table 5** identifies the specific individual responsibilities to be filled by the program staff.

Table 5 Lower Butte Creek Acquisition and Restoration Program Staff Organization			
Program Title	Org.	Individual	Responsibilities
Executive Officer	Center	Sherry Teresa	General program oversight and advising
Program Manager	Center	Donald Holtgrieve, Ph.D.	Lead team in implementing project schedule and meeting deliverables in a timely manner. Administer sub-contracts.
Biological Manager	Center	Allen Harthorn, MS	Coordinate with hydrologists and water quality contractors to develop biological, hydrological, and water quality weightings for determination of priority properties. Work with GIS coordinator to develop datasets and create maps, and Real Estate Manager to integrate their respective information in the analysis. Manage pilot restoration project. Assist in developing the Restoration Program report and conducting ongoing restoration projects and monitoring on purchased properties

Program Title	Org.	Individual	Responsibilities
Real Estate Manager	Center	Brenda Pace	Collect land, land use, and ownership information for the lands inventory. Work with Biological Manager to integrate land information into the weighting system to determine priority lands. Coordinate with appraiser to establish a basis and range for appropriate land values, and with the GIS coordinator for real estate information and mapping. Market acquisition program to landowners; negotiate purchases and terms. Work with the attorneys and accounts to facilitate sales with special circumstances such as tax free trades and charitable donation trusts.
Appraiser	Parks and Preserves Foundation	Jim Saake, Certified General Real Estate Appraiser	Prepare appraisals on priority properties. Coordinate with Project Manager and Real Estate Manager.
Hydrologist/ fluvial geomorphologist	To be determined	To be determined	Conduct hydrology/fluvial geomorphology studies to help determine weightings for determination of priority properties.
Biogeographer and GIS Specialist	CSU Chico	Richard Haiman, Ph.D.	Coordinate with Project manager and program team to document program information and prepare maps.
Water Quality Specialist	To be determined	To be determined	Conduct water quality studies to help determine weightings for determination of priority properties.
Restoration labor	California Conservation Corps Americorp Watershed Volunteers	Walt Auburn Todd Hamer	Provide the labor force and skills necessary for restoration work on both the pilot restoration project (Keeney property) and the priority lands to be acquired.
Notes: The Biological Manager and the Real Estate Manager shall jointly produce the Coordination MOU, Acquisition Program report and conduct ongoing coordination activities.			

B. CENTER'S STAFF BIOGRAPHIES

Sherry Teresa: Sherry Teresa formed the Center in 1990 and has 16 years experience in evaluating and protecting biological resources, including five years with the California Department of Fish and Game. Ms. Teresa is skilled in the application of the California Environmental Quality Act (CEQA), National Environmental Protection Act (NEPA), Endangered Species Act (ESA), and the Clean Water Act Section 404 permit process. Her active involvement in regional conservation planning is demonstrated through participation in Habitat Conservation Plans (HCPs) and the Natural Communities Conservation Planning (NCCP) programs in southern California. Ms. Teresa was instrumental in developing the Center's PAR software and has performed dozens of PAR analyses on properties statewide. She has also written and worked extensively on habitat preservation for the Swainson's hawk. Ms. Teresa

completed a Bachelor's degree in Zoology at Brigham Young University and a Master's degree in Biogeography and Ecosystems Analysis at UCLA. Her biological, regulatory, and project management experience make her well suited as Executive Officer of the ECOS Project. The success of the Center and the wide use of the PAR software application demonstrate that she has the vision and the skills to see projects through from their inception to their successful implementation.

Brenda C. Pace: Ms. Pace is a specialist in real estate, land economics, and finance. Prior to her affiliation with the Center, Ms. Pace operated Pace Research Company, a consulting firm established in 1976. Earlier associations were with development firms and banking institutions. Ms. Pace holds a Bachelor's degree from the University of Oregon and graduated with a Master's degree in Regional Economics from UCLA. Her work at the Center has concentrated on establishment of systems for reviewing and analyzing mitigation properties. This work includes developing computer programs that incorporate the variety of requirements and activities necessary to maintain biological resources. It also includes the mechanisms for converting the costs of restoration and long-term maintenance into figures useful for the establishment of special districts or endowments.

Donald Holtgrieve, Ph.D., Professor of Geography and Planning, CSU Chico. Dr. Holtgrieve teaches courses in water resources and environmental planning. He has been the recipient of many grants and awards, with a particular focus on the environment, specifically water quality and watershed management. He has extensive experience in directing grants awarded by both State and Federal agencies, as well as being certified in Land Use, Transportation and Wetlands planning. Dr. Holtgrieve has supervised over 200 projects over the last 25 years. As Project Manager, he will provide assurances that adequate resources are provided to the project, and will be the first line of communication between CALFED and the Center.

References

Butte County:

Allen Harthorn, Butte Creek Watershed Conservancy, Butte Creek Watershed Project,
(530) 893-5398

Jim Saake, Parks and Preserves Foundation, (530) 343-6852

Kern County: Leslie Friedman Johnson, The Nature Conservancy, (415) 777-00487

Jim Brownell, California Energy Commission, (916) 654-4169.

VI. Compliance with Standard Terms and Conditions

The Center will comply with standard terms and conditions associated with a CALFED grant award.

EXHIBIT 1

**The Center for Natural Lands Management
Description of the Property Analysis Records (PAR)**

As a part of the PAR seminar, participants are taught short-term and long-term planning concepts; management techniques; methods of estimating tasks and budgets; methods of establishing financing, including endowments; and utilizing fees and special districts to fund the stewardship necessary to preserve the habitat in perpetuity.

The Future

The Society for Ecological Restoration (SER), based in Madison, Wisconsin has recognized the value of the PAR methodology and has arranged to sponsor seminars across the United States beginning in January 1997. Previous seminars have been jointly funded by the National Fish and Wildlife Foundation, the Dean Witter Foundation, ARCO Foundation, and the David and Lucile Packard Foundation.

Although the Center's primary focus has been on protecting California's species, habitats across the country will benefit from what we've been able to apply here in California. Each state faces their own challenges with conservation efforts. And because the PAR is a flexible tool, managers from other states will now learn the methodology and be able to apply that knowledge to their individual circumstances.

The PAR software will be modified over the coming months to become even more useful to ongoing conservation management. In these new versions, the long-term budgets of the PAR can be modified using the basic techniques of the PAR to provide short-term budgets, work-schedules by individual, and the fund budgets needed by investment managers. Over the long-term, other management techniques such as GIS will be integrated into the PAR making the system more universally adaptable.

Synopsis

There are many reasons for using the PAR. The initial reason is to anticipate and prepare for the costs of long-term management of the habitat. The ultimate reason is to create better, more sustainable conservation projects. The PAR embodies the recognition that to be sustainable ecologically, a conservation project must also be sustainable financially. Without planning in perpetuity, many of our conservation projects may only be temporary. The PAR helps overcome the difficulties of planning in perpetuity in a straight-forward and user-friendly manner.

Table 1
Stressor Categories Addressed by Lower Butte Creek
Acquisition and Restoration Program

Stressor Categories	Stressor Subcategories	Description of Stressors	Restoration Action
Alteration of flows and other effects of water management	Hydrograph alterations	Inadequate flow, stranding due to flow fluctuation	Reduction in numbers of diversions and amount of agricultural acreage on creek edge irrigated with creek water
Alteration of flows and other effects of water management	Entrainment	Unscreened diversions	Reduction in number of diversions and screening of others
Floodplain and marshplain changes	Physical isolation of floodplain or marsh plain	Habitat fragmentation	Restore Shaded Riverine Aquatic (SRA) habitat
Floodplain and marshplain changes	Physical isolation of floodplain	Habitat fragmentation	Restore seasonal floodplains
Flood plain and marshplain changes	Physical isolation of floodplain or mashplain	Habitat fragmentation	Conserve flood plain through land acquisition or easements
Floodplain and marshplain changes	Elimination of fine sediment replenishment	Loss of floodplain and marshplain; fine sediment deposition	Maintain riparian edge and flood plains to collect silt and retard siltation into waterway
Flood plain and marsh plain changes	Land use changes in the floodplain or marsh plain	Urbanization, agriculture, grazing	Convert streamside lands to riparian and floodplain functions
Floodplain and marsh plain changes	Land use changes in the floodplain or marsh plain	Urbanization, agriculture, grazing	Fish compatible responses to flood damage
Floodplain and marsh plain changes	Land use changes in the floodplain or marsh plain	Urbanization, agriculture, grazing	Enhance areas for foraging and nesting habitat for migratory birds
Channel form changes	Prevention of channel meander	Channelization, loss of complexity	Create internal waterways where feasible
Channel form changes	Isolation of side channels	Loss of woody debris, loss of spawning habitat	Create internal waterways where feasible
Channel form changes	Channel aggradation due to fine sediments	Accelerated erosion	Create streamside filtration through restoration of riparian vegetation
Channel form changes	Loss of riparian zone	Loss of food supply, loss of SRA	Restore riparian vegetation
Water quality	Increased contaminants	Acute or chronic toxicity caused by agricultural runoff	Restore riparian vegetation to create SRA, and reduce diversion to maintain flows
Land use	Grazing and agricultural practices	Loss of riparian habitat, increased erosion, decreased water quality	Purchase instream and stream side holding and covert to riparian and floodplain use

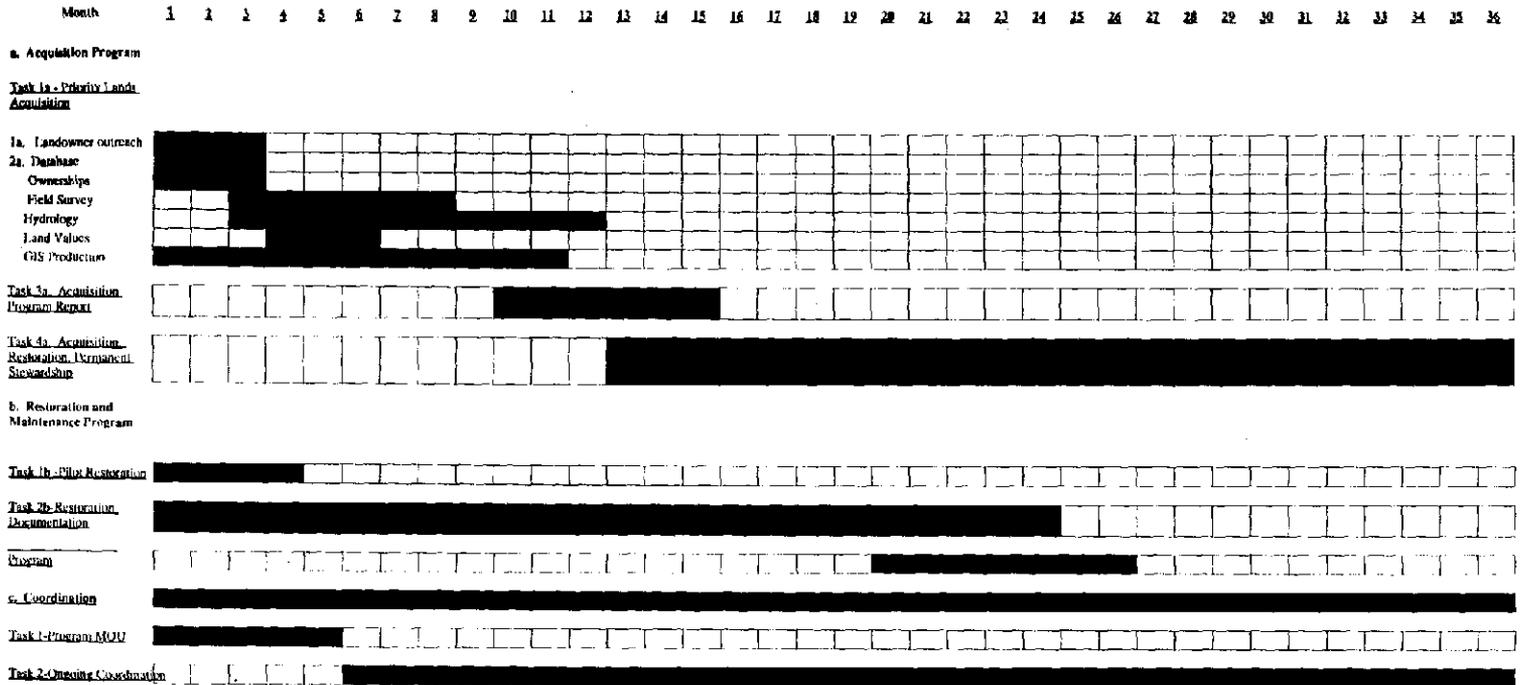
Table 2
Pilot Restoration Project (Keeney) Budget
Center for Natural Lands Management
July 1998

	Unit	Quantity	Cost/ Unit	Total Cost
Acquisition Budget				
Land Cost	Acres	56	\$5,357	\$299,992
Closing Costs	Escrow/Title	1	\$3,000	\$3,000
Subtotal				\$302,992
Restoration Budget				
Design	Contract	1	\$8,000	\$8,000
Clearing	Hours	36	\$12	\$432
Bank Prep.	Hours	1800	\$12	\$21,600
Cuttings	Hours	800	\$12	\$9,600
Seed Collection	Hours	1400	\$12	\$16,800
Planting	Hours	5500	\$12	\$66,000
Nursery Stock	Plants	4750	\$1	\$4,750
Weed Mats/Screens	Plants	9500	\$2	\$19,000
Supervision	Hours	270	\$65	\$17,550
Travel	Miles	0.29	\$800	\$232
Irrigation Set-up	Hours	680	\$20	\$13,600
Irrigation Parts	Heads	4700	\$1	\$4,700
Electricity	KWH	4000	\$0	\$600
Pump Maintenance	Hours	25	\$30	\$750
Contract Provision	Hours	25	\$30	\$750
Oversight	Hours	96	\$30	\$2,880
Administration @ 5%				\$9,362
Contingency				\$23,500
Subtotal				\$220,106
Restoration Maintenance (Initial and Capital)				
Monitoring	Hours	100	\$30	\$3,000
Project Oversight	Hours	80	\$30	\$2,400
Gates	Gates	1	\$600	\$600
Fencing	Feet	1000	\$3	\$3,000
Signs	Signs	36	\$7	\$252
Watering	Hours	160	\$15	\$2,400
Invasive Control	Hours	700	\$15	\$10,500
Irrigation Maintenance	Hours	120	\$25	\$3,000
Electricity	KWH	4000	\$0	\$600
Travel	Miles	1440	\$0	\$418
Contract Maintenance	Hours	8	\$30	\$240
Accounting	Hours	3	\$30	\$90
Exemption Filing	Hours	1	\$30	\$30
Administration				\$5,837
Subtotal				\$32,366
Permanent Stewardship				
Endowment				\$180,000
Total				\$735,464
Cost per acre for 56 acre parcel				\$13,133
Cost per acre for 47 acre restoration				\$15,648

Table 3
Butte Creek Acquisition and Restoration Program Budget
 Center for Natural Lands Management
 July 1998

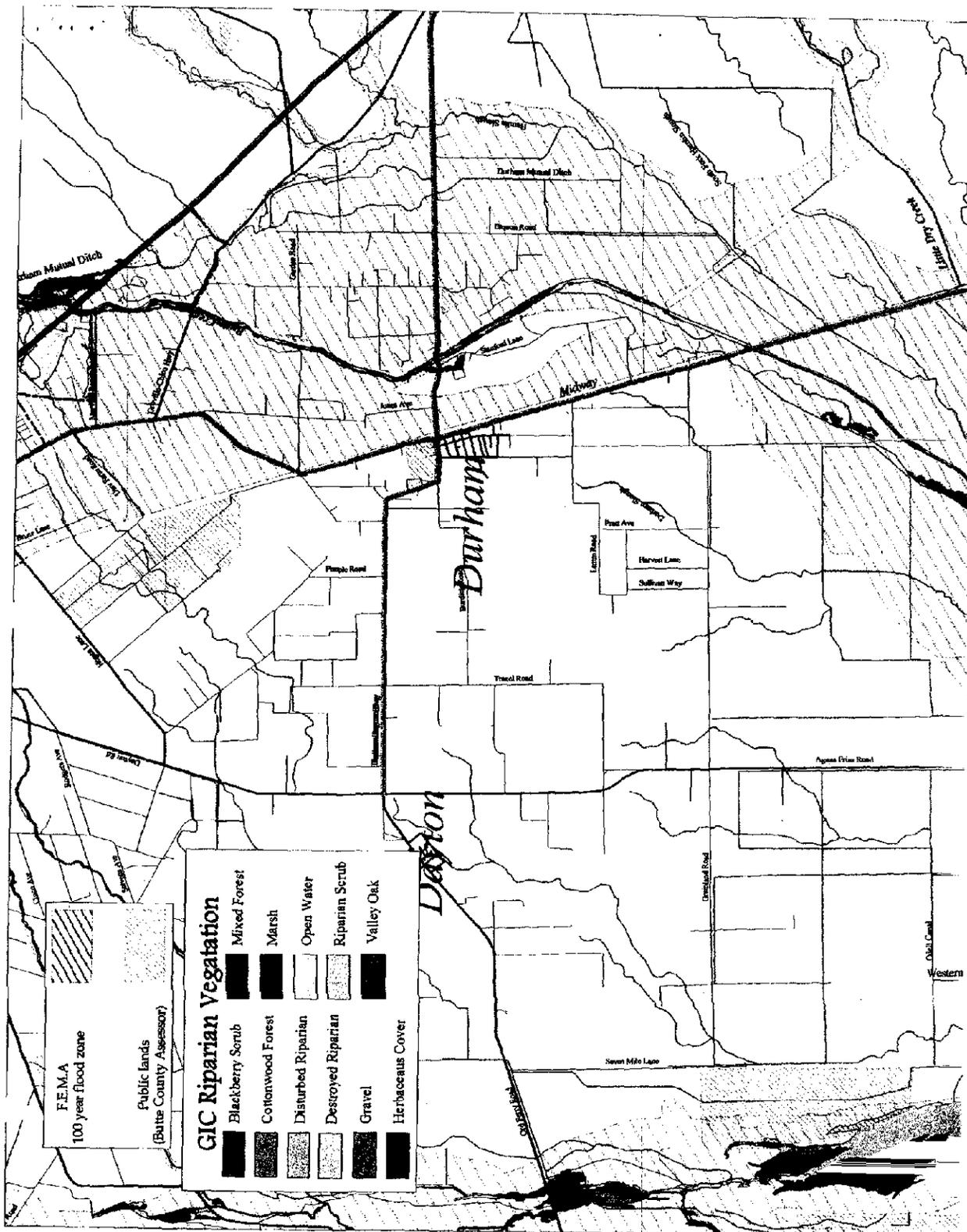
	Direct Labor Hours	Direct Salary and Benefits	Overhead and Admin. Labor	Service Contracts	and Acquisition Contracts	Other Direct Costs	Total
a. Acquisition Program							
Task 1a. Priority Lands Acquisition							
1a. Land Owner Outreach	40	\$1,720	\$394			\$70	\$2,184
2a. Database Production	120	\$5,160	\$1,135				\$6,295
Ownerships	48	\$2,064	\$469			\$70	\$2,603
Field Survey	320	\$13,760	\$3,577			\$2,500	\$19,837
Hydrology/ FluvialGeoMorphology	120	\$5,160	\$7,401	\$125,000		\$70	\$137,631
Land Values	60	\$2,580	\$2,358	\$8,000		\$140	\$13,078
GIS Production	140	\$6,020	\$4,386	\$60,000		\$280	\$70,686
Task 3a. Acquisition Program Report	95	\$4,085	\$1,165	\$4,000		\$300	\$9,550
Task 4a. Acquisition, Restoration, Permanent Stewardship	1600	\$68,800	\$75,136			*****	*****
b. Restoration and Maintenance Program							
Task 1b. Trial Restoration	146	\$6,278	\$16,014	\$174,300	\$24,100	\$2,800	\$223,492
Task 2b. Restoration Documentation	170	\$7,310	\$1,731			\$560	\$9,601
Task 3b. Restoration and Maintenance Program	220	\$9,460	\$2,134			\$240	\$11,834
c. Coordination							
Task 1&2c	180	\$7,740	\$1,949			\$1,120	\$10,809
Contingency (10%) *excluding restoration contract							\$648,724
Total	3259	\$140,137	\$117,850	\$371,300	\$24,100	*****	*****

Figure 1
Butte Creek Acquisition and Restoration Program Schedule
 Center for Natural Lands Management
 July 1998

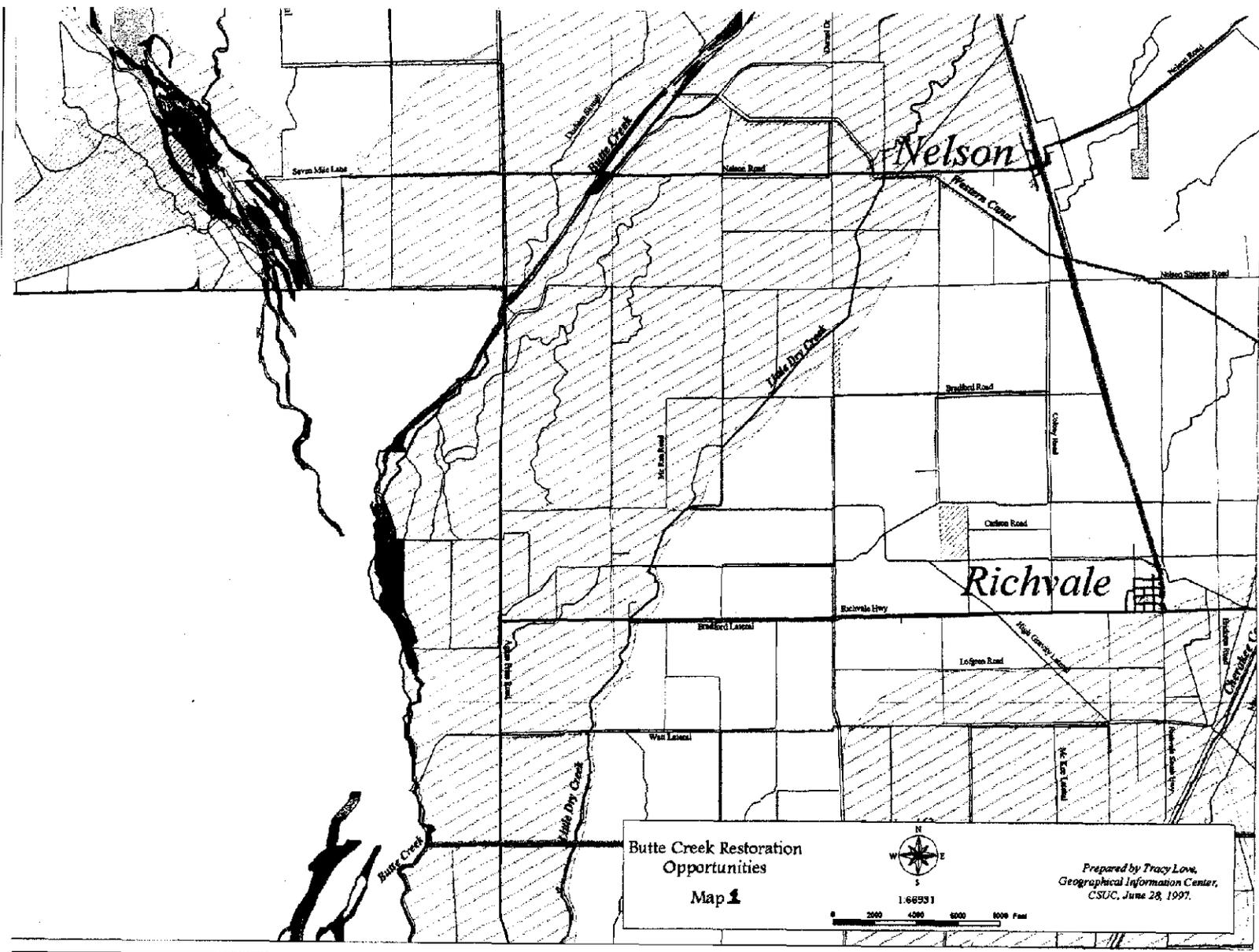


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1-008949



1-008951



1-008951

Agreement No. _____

Exhibit _____

STANDARD CLAUSES— SERVICE & CONSULTANT SERVICE CONTRACTS FOR \$5,000 & OVER WITH NONPUBLIC ENTITIES

Workers' Compensation Clause. Contractor affirms that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the provisions of that Code, and Contractor affirms that it will comply with such provisions before commencing the performance of the work under this contract.

Claims Dispute Clause. Any claim that Contractor may have regarding the performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty days of its accrual. State and Contractor shall then attempt to negotiate a resolution of such claim and process an amendment to this agreement to implement the terms of any such resolution.

National Labor Relations Board Clause. In accordance with Public Contract Code Section 10296, Contractor declares under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court which orders Contractor to comply with an order of the National Labor Relations Board.

Nondiscrimination Clause. During the performance of this contract, the recipient, contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40), or sex. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Sections 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code Sections 11135 - 11139.5), and the regulations or standards adopted by the awarding State agency to implement such article. Contractor or recipient shall permit access by representatives of the Department of Fair Employment and Housing and the Awarding State agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Recipient, contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

Statement of Compliance. The contractor's signature affixed hereon and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the Contractor has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Code of Regulations, Section 8103.

Performance Evaluation. Contractor's performance under this contract will be evaluated after completion. The evaluation will be filed with the Department of General Services.

Availability of Funds. Work to be performed under this contract is subject to availability of funds through the State's normal budget process.

Audit Clause. The contracting parties shall be subject to the examination and audit of the Auditor General for a period of three years after final payment under the contract. (Government Code Section 10532).

Reimbursement Clause. If applicable, travel and per diem expenses to be reimbursed under this contract shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3, of the California Code of Regulations. Contractor's designated headquarters for the purpose of computing such expenses shall be: _____

425 E. ALVARADO STREET, STE H
FALLBROOK, CA 92028

Drug-Free Workplace Certification. By signing this contract, the contractor or grantee hereby certifies under penalty of perjury under the laws of the State of California that the contractor or grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees of all of the following:

- (a) The dangers of drug abuse in the workplace.
- (b) The person's or organization's policy of maintaining a drug-free workplace.
- (c) Any available counseling, rehabilitation and employee assistance programs, and
- (d) Penalties that may be imposed upon employees for drug abuse violations.

3. Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed contract or grant:

- (a) Will receive a copy of the company's drug-free policy statement, and
- (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both and the contractor or grantee may be ineligible for award of any future contracts if the department determines that any of the following has occurred: (1) the contractor or grantee has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

Priority Hiring Considerations. For contracts in excess of \$200,000, the contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under Welfare and Institutions Code Section 11200. (Public Contract Code Section 10353).

ITEM 3

Agreement No. _____

Exhibit _____

**STANDARD CLAUSES -
INTERAGENCY AGREEMENTS**

Audit Clause. For contracts in excess of \$10,000, the contracting parties shall be subject to the examination and audit of the State Auditor for a period of three years after final payment under the contract. (Government Code Section 8546.7).

Availability of Funds. Work to be performed under this contract is subject to availability of Category III funds through the State's normal budget process.

Interagency Payment Clause. For services provided under this agreement, charges will be computed in accordance with State Administrative Manual Section 8752.

Termination Clause. Either State agency may terminate this contract upon 30 days advance written notice. The State agency providing the services shall be reimbursed for all reasonable expenses incurred up to the date of termination.

NONDISCRIMINATION COMPLIANCE STATEMENT

ITEM 7

COMPANY NAME

CENTER FOR NATURAL LANDS MANAGEMENT

The company named above (hereinafter referred to as "prospective contractor") hereby certifies, unless specifically exempted, compliance with Government Code Section 12990 (a-f) and California Code of Regulations, Title 2, Division 4, Chapter 5 in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. Prospective contractor agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave.

CERTIFICATION

I, the official named below, hereby swear that I am duly authorized to legally bind the prospective contractor to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

OFFICIAL'S NAME

SHERRY TERESA

DATE EXECUTED

JULY 1, 1998

EXECUTED IN THE COUNTY OF
SAN DIEGO

PROSPECTIVE CONTRACTOR'S SIGNATURE

Sherry Teresa

PROSPECTIVE CONTRACTOR'S TITLE

EXECUTIVE DIRECTOR

PROSPECTIVE CONTRACTOR'S LEGAL BUSINESS NAME