

COVER SHEET (PAGE 1 of 2)

May 1998 CALFED ECOSYSTEM RESTORATION PROPOSAL SOLICITATION

Proposal Title: Deer and Mill Creeks Acquisition and Enhancement
 Applicant Name: The Nature Conservancy
 Mailing Address: 201 Mission Street, 4th floor, San Francisco, CA 94105
 Telephone: (415) 777-0487
 Fax: (415) 777-0244

Amount of funding requested: \$ 1,994,400 for three 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.

- | | |
|---|---|
| <input type="checkbox"/> Fish Passage Assessment | <input type="checkbox"/> Fish Passage Improvements |
| <input checked="" type="checkbox"/> Floodplain and Habitat Restoration | <input type="checkbox"/> Gravel Restoration |
| <input type="checkbox"/> Fish Harvest | <input type="checkbox"/> Species Life History Studies |
| <input type="checkbox"/> Watershed Planning/Implementation | <input type="checkbox"/> Education |
| <input type="checkbox"/> Fish Screen Evaluations - Alternatives and Biological Priorities | |

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> Sacramento River Mainstem | <input checked="" type="checkbox"/> Sacramento Tributary: <u>Deer and Mill Creeks</u> |
| <input type="checkbox"/> Delta | <input type="checkbox"/> East Side Delta Tributary: _____ |
| <input type="checkbox"/> Suisun Marsh and Bay | <input type="checkbox"/> San Joaquin Tributary: _____ |
| <input type="checkbox"/> San Joaquin River Mainstem | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Landscape (entire Bay-Delta watershed) | <input type="checkbox"/> North Bay: _____ |

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

- | | |
|--|---|
| <input type="checkbox"/> San Joaquin and East-side Delta tributaries fall-run chinook salmon | |
| <input type="checkbox"/> Winter-run chinook salmon | <input checked="" type="checkbox"/> Spring-run chinook salmon |
| <input type="checkbox"/> Late-fall run chinook salmon | <input type="checkbox"/> Fall-run chinook salmon |
| <input type="checkbox"/> Delta smelt | <input type="checkbox"/> Longfin smelt |
| <input type="checkbox"/> Splittail | <input checked="" type="checkbox"/> Steelhead trout |
| <input type="checkbox"/> Green sturgeon | <input type="checkbox"/> Striped bass |
| <input type="checkbox"/> Migratory birds | |

COVER SHEET (PAGE 2 of 2)

May 1998 CALFED ECOSYSTEM RESTORATION PROPOSAL SOLICITATION

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

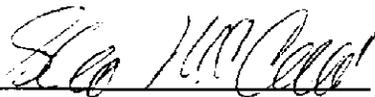
- | | |
|--|--|
| <input type="checkbox"/> State agency | <input type="checkbox"/> Federal agency |
| <input type="checkbox"/> Public/Non-profit joint venture | <input checked="" type="checkbox"/> Non-profit |
| <input type="checkbox"/> Local government/district | <input type="checkbox"/> Private party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

Deer and Mill Creeks Acquisition and Enhancement

II. Executive Summary

a. Project title: Deer and Mill Creeks Acquisition and Enhancement

Applicant: The Nature Conservancy

b. Project description and primary biological/ecological objectives

The Nature Conservancy requests \$1,994,400 from the 1998 CALFED Ecosystem Restoration Program for the acquisition, revegetation, and management of critical riparian and floodplain easements totaling almost 2,500 acres along the lower and middle reaches of Deer and Mill Creeks in the upper Sacramento River watershed. The total cost of the proposed project is \$2,592,570. In addition to CALFED funding, The Nature Conservancy will also pursue funds from other public and private matching sources. The proposed project is part of a comprehensive effort to restore and protect a continuous corridor of riparian, aquatic, and upland habitat along key tributary streams of the Sacramento River in eastern Tehama County, including Deer, Mill, and Battle Creeks. This proposal is being submitted for funding under the Floodplain Management and Habitat Restoration category.

The proposed project supports the objectives of the CALFED Bay-Delta Program by focusing on high-risk species and habitats and by providing broad ecosystem benefits. The primary biological/ecological and other CALFED objectives of this proposal are:

- To protect and restore riparian and aquatic habitats in order to maintain continuous habitat corridors along key tributary streams and their confluences with the main stem of the upper Sacramento River.
- To improve the long-term sustainability of natural production of anadromous fish populations, in particular spring-run, fall-run, and late fall-run chinook salmon and steelhead trout.
- To retire flood-prone lands, thus preventing economic losses due to flooding and reducing the likelihood of landowners building levees and other flood control structures which can constrain the natural channel meander and limit riparian vegetation.
- To foster community support for habitat protection and engage local landowners and students in restoration activities in order to demonstrate the feasibility and benefits of ecological restoration.

c. Approach/tasks/schedule

The proposed project includes the acquisition of conservation easements on four key properties on Deer and Mill Creeks to protect existing and restorable riparian habitat. Each of the conservation easements will be purchased from a willing seller at a purchase price determined by a qualified appraiser. In addition, the project includes revegetation and enhancement activities on three of these properties; additional agreements with the landowners will be developed as necessary to implement the proposed revegetation. Start-up management activities for all acquired properties will include establishment of compliance monitoring for easement properties and the installation of fencing (as needed). Long-term management activities will consist of ongoing compliance monitoring of easement properties.

d. Justification for project

Deer and Mill Creeks support Sacramento River tributary ecosystems that are highly ranked in the CALFED Ecosystem Restoration Program Plan and in the U.S. Fish and Wildlife Service's Anadromous Fish Restoration Plan. Protection of these two tributary ecosystems through acquisition and revegetation of key riparian and floodplain properties supports CALFED Ecosystem Restoration Program objectives by protecting high-priority species and habitats, including **spring-run chinook salmon, steelhead trout, late fall-run chinook salmon, shaded riverine aquatic habitat and instream aquatic habitat.**

e. Budget costs and third-party impacts

The total request for funds is \$1,994,400. This figure includes funding for conservation easement acquisition, revegetation, management, and outreach activities, as well as operations and endowment costs. This request represents approximately 75 percent of the total estimated project costs; we expect to match the balance, approximately \$600,000, with funding from other public and private sources (see Section V). There are no known negative third-party impacts from the activities for which we are requesting funding.

f. Applicant qualifications

For more than ten years, The Nature Conservancy has worked with private landowners, public agencies, and the local watershed conservancies to coordinate conservation efforts on the upper Sacramento River and several of its tributaries. The Nature Conservancy has been active in the protection and enhancement of key habitat lands within the Sacramento River National Wildlife Refuge, on Deer and Mill Creeks, and at Gray Davis Dye Creek and Vina Plains Preserves.

g. Monitoring and data evaluation

The proposed project includes both compliance and biological monitoring components. Compliance monitoring will be designed and implemented on all easement properties to ensure that the terms and conditions of the easements are being met. Specific biological monitoring plans will be developed in consultation with CALFED. Biological monitoring will include monitoring of the revegetation sites for the three-year term of the project and could also include aerial photography of riverine habitat and channel meander in the lower reaches of the creeks, as well as monitoring plant survival and water temperature in the revegetation area. The Nature Conservancy will coordinate with ongoing monitoring programs in the project area, including the juvenile and adult spring-run salmon monitoring programs conducted by the California Department of Fish and Game.

h. Local support/coordination with other programs/compatibility with CALFED objectives

The Nature Conservancy has been working cooperatively with the local watershed conservancies on Deer, Mill, and Battle Creeks and with state and federal agencies. The proposed project is entirely consistent with CALFED objectives in that the project addresses the need to improve and expand aquatic and terrestrial habitats and upgrade ecological functions in the Bay-Delta ecosystem in order to support sustainable populations of diverse and valuable plant and animal species.

III. Title Page

a. Title of project: Deer and Mill Creeks Acquisition and Enhancement

b. Applicant:

The Nature Conservancy
201 Mission Street, 4th floor
San Francisco, CA 94105
phone (415) 777-0487; fax (415) 777-0244
Contact: Peggy McNutt
phone (530) 527-0410; fax (530) 527-0384

c. Type of organization and tax status:

The Nature Conservancy is a District of Columbia non-profit corporation with 501(c)(3) tax-exempt status

d. Tax identification number: 53-0242652

e. Participants/collaborators:

U.S. Fish and Wildlife Service (CVPLA)
Natural Resources Conservation Service
Deer Creek Watershed Conservancy
Mill Creek Conservancy
Battle Creek Watershed Conservancy
National Fish and Wildlife Foundation
Los Molinos Unified School District
Mennen Foundation

IV. Project Description

a. Project description and approach

The Nature Conservancy (TNC) requests \$1,994,400 from the 1998 CALFED Ecosystem Restoration Program for the acquisition, revegetation, management, and monitoring of critical riparian and floodplain properties totaling almost 2,500 acres along the lower and middle reaches of Deer and Mill Creeks in the upper Sacramento River watershed. The total cost of the proposed project is \$2,592,570. In addition to CALFED funding, TNC will also pursue funds from other public and private matching sources. See Section V.

This proposal is being submitted for funding under the Floodplain Management and Habitat Restoration category. The proposed project supports the objectives of the CALFED Bay-Delta Program by focusing on high-risk species and habitats and by providing broad ecosystem benefits. The proposed project expands an ongoing effort to protect and restore a continuous corridor of riparian, aquatic, and associated upland habitat along key tributary streams including Deer, Mill, and Battle Creeks and their confluences with the main stem of the upper Sacramento River.

Land acquisition under this proposal will focus on conservation easements in order to provide permanent conservation benefits while maintaining land in private use and ownership. The proposed project includes the acquisition of conservation easements on four key properties on Deer and Mill Creeks to protect existing and restorable riparian habitat. The terms of the easements will ensure the protection of the riparian habitat and connectivity of the stream to its floodplain, but may vary slightly to fit a particular property or a landowner's needs. The specific properties identified for easements and revegetation are high-priority candidates for protection due to their strategic locations:

- The New Clairvaux Abbey property is located near the confluence of Deer Creek and the main stem of the Sacramento River. It consists of existing riparian habitat with some invasive, non-native plant species (arundo and fig) and a flood-prone orchard.
- The Peek property abuts both Deer Creek and Dry Creek. The latter is important salmon rearing habitat. The Peek parcel is located along Highway 99; acquisition of a conservation easement on this property will limit subdivision and prevent conversion to incompatible land uses that would likely result in habitat fragmentation, increased erosion, and negative impacts on water quality.
- The Porter property is located on Deer Creek, directly adjacent to and between two riparian areas already protected under conservation easements held by TNC and funded by the CVPIA. This property includes existing habitat, some of which was damaged in the 1997 flooding, and flood-prone orchards that would gradually be revegetated with native trees and shrubs.
- The Klinesteker property on Mill Creek is directly adjacent to an 11.3-acre parcel that TNC acquired in 1997 with private funds and that is scheduled for revegetation and enhancement with grants from the National Fish and Wildlife and Mennen foundations.

Revegetation and enhancement of native riparian vegetation on three of the four properties (Abbey, Porter, and Klinesteker) will contribute to the long-range goal of restoring a continuous corridor of native riparian vegetation along Deer and Mill Creeks all the way to

their confluences with the Sacramento River. Tasks will include planning and/or implementation of revegetation activities based on site-specific needs. In addition to the protection provided by the conservation easements, agreements with the landowners will be developed as necessary to implement the proposed revegetation.

Management will include start-up stewardship activities such as establishment of compliance monitoring for easement properties and may include fencing as needed. Long-term management activities will consist of ongoing compliance monitoring.

Community support of and coordination with local watershed plans and other restoration programs are key aspects of the proposed project. TNC will work cooperatively with landowners and the local watershed groups — the Deer Creek Watershed Conservancy, Mill Creek Conservancy, and Battle Creek Watershed Conservancy — to develop and encourage community support for watershed conservation. The proposed project includes community outreach activities such as revegetation demonstration events and acquisition workshops for local landowners and local watershed conservancies. In addition, revegetation activities on Deer and Mill Creeks are being coordinated with similar efforts to protect and restore riparian habitat along the main stem of the Sacramento River.

b. Proposed scope of work

The following describes the tasks and deliverables for the proposed project. Project costs and schedule can be found in Section V.

- **Acquisition** — TNC intends to negotiate and purchase conservation easements on four key properties: Abbey (100 acres), Peek (2,209 acres), Porter (162 acres), and Klinesteker (11 acres). Actions include all necessary due diligence steps including appraisals, hazardous materials assessments, surveys, and preparation of Easement Documentation Reports. TNC plans to complete acquisition of all four easements within the three-year term of the grant. For each acquisition, TNC will submit to CALFED or the representative agency a copy of the recorded conservation easement. TNC will request that, if possible, capital funds be placed in escrow prior to closings or as an alternative, TNC will close with its own funds and request reimbursement from CALFED for capital costs in addition to other acquisition costs.
- **Start-up stewardship** — Start-up stewardship tasks include establishment of compliance monitoring for conservation easements and physical improvements, such as fencing, as necessary. Start-up stewardship activities will be carried out within the first year after TNC acquires each easement, subject to agreement with the landowner.
- **Revegetation** — The proposed project includes planning and/or implementing revegetation and enhancement activities on three sites (Abbey, Porter, and Klinesteker). Actions include site planning for all three properties and site preparation and implementation for the Porter and Klinesteker properties, including purchase of equipment and supplies, installation of irrigation equipment, collection of native plant materials, and planting as well as ongoing maintenance and monitoring for the duration of the three-year project. Planning tasks may also include hydrology studies and mapping of invasive non-native plants. These activities will be initiated following acquisition of the easements. At the end of the project TNC will submit a final report summarizing revegetation and enhancement activities on each property.

TNC will also submit quarterly programmatic reports, as required, that will also discuss these activities.

- **Monitoring** — TNC will continue its revegetation protocol for monitoring plant survival over the three-year project. Additional biological monitoring will be planned in consultation with CALFED; it may include aerial photography of riverine habitat and channel meander in the lower reaches of the creeks, and continued monitoring of water temperature.
- **Community outreach** — TNC will hold two revegetation demonstration days for local watershed conservancies and landowners. In addition, TNC has presented acquisition and easement workshops to the Mill Creek Conservancy and Deer Creek Watershed Conservancy, and will continue to provide these outreach programs.
- **Long-term management** — Long-term management of the easement properties is intended to be a cooperative responsibility of TNC and the landowner as described under the terms of the easement. TNC's long-term responsibilities will involve compliance monitoring of the easement properties. The Operations and Management funding requested in this proposal will be used as an endowment fund to cover these ongoing monitoring costs

c. Location/boundaries of the project

The properties described in this proposal are located in the floodplains of Deer and Mill Creeks in the Butte Basin Ecological Zone (as described in the Ecosystem Restoration Program Plan). Specifically, three of the four parcels (Abbey, Peek, and Porter) are located on Deer Creek. The fourth parcel, the Klinesteker property, is located on Mill Creek. These parcels are all identified as high priority for protection because of their strategic location on creeks supporting spring-run chinook salmon and because they are flood-prone orchard properties, properties adjacent to existing protected conservation areas, and/or properties at risk of incompatible development. See attached maps.

d. Expected benefits

The proposed project supports the objectives of the CALFED Ecosystem Restoration Program Plan by focusing on high-risk species and habitats and by providing broad ecosystem benefits. The primary biological/ecological and other CALFED objectives of the proposed project are:

- To **protect and restore riparian and aquatic habitats** in order to maintain continuous habitat corridors along key tributary streams and their confluences with the main stem of the upper Sacramento River.
- To improve the **long-term sustainability of natural production of anadromous fish populations**, in particular spring-run, fall-run and late fall-run chinook salmon and steelhead trout.
- To **retire flood-prone lands**, thus preventing economic losses due to flooding and reducing the likelihood of landowners building levees and other flood control structures which can constrain the natural channel meander and limit riparian vegetation.
- To **foster community support for habitat protection** and engage local landowners and students in restoration activities in order to demonstrate the feasibility and benefits of ecological restoration.

Priority Species and Habitats. Deer and Mill Creeks are high priorities for protection due to their existing populations of high-priority anadromous fish species. The project will benefit several priority species and habitats as described in the Ecosystem Restoration Program Plan:

1. *Spring-run chinook salmon and steelhead trout*

The proposed project will benefit both of these first-tier priority species by protecting their natal rearing areas, holding areas, and migratory pathways to their spawning grounds at higher elevations.

2. *Sacramento fall run and late fall-run chinook salmon*

The proposed project will benefit late fall-run (primary first-tier) and fall-run (secondary) chinook salmon by protecting spawning habitat from degradation and human disturbance and by protecting and enhancing shaded riverine aquatic habitat. In addition, the project provides critical habitat for native resident fish and neotropical migratory birds.

3. *Instream and shaded riverine aquatic habitat*

The proposed project will protect existing habitat and restore and enhance potential habitat on strategically-located riparian and floodplain properties.

Key Stressors. The proposed project addresses key stressors affecting the Deer Creek and Mill Creek tributary ecosystems, as identified in the CALFED Proposal Solicitation Package (May 1998):

1. *Channel form changes: Loss of existing riparian zone or lack of regeneration potential*

As described in the ERPP, loss of riparian habitat acts as a stressor by reducing food supplies for fish and wildlife, eliminating shaded riverine aquatic habitat, reducing channel complexity, and eliminating cover and nesting habitat. The proposed project addresses these stressors in several ways: (a) Acquisition of easement interests in key riparian and floodplain parcels will permanently protect existing habitat and prevent negative impacts arising from incompatible land uses. (b) Revegetation and enhancement activities will further address this key stressor by increasing the amount of vegetation and reducing exotics in the riparian corridors.

2. *Channel form changes: Prevention of channel meander*

Channel meander is a natural process essential to the healthy functioning of the tributary ecosystem. Both Mill and Deer Creeks maintain natural channel meanders throughout most of their middle and lower reaches, with the exception of some residential development, a few flood-prone orchard properties, and some maintained levees on Deer Creek. The proposed project targets properties where natural channel meander still occurs and where revegetation to native habitat is expected to reduce the likelihood that flood control structures will be installed that could impair the natural channel meander.

3. *Land use: Grazing*

Grazing impacts can include loss of riparian habitat, increased erosion, and decreased water quality. The proposed project will address this stressor by providing permanent habitat protection through restrictions in the conservation easements that will prohibit

or limit cattle grazing in the riparian areas. This will reduce the adverse impacts on the riparian and aquatic habitat areas.

Benefits to CALFED non-ecosystem objectives Revegetation and protection of riparian habitat help reduce risk of flood damage and can improve water quality. The proposed project does not conflict with any CALFED objectives.

Long-term Benefits One of the benefits of the proposed project is providing permanent ecological protection while retaining land in private ownership. This approach is cost-effective and fosters community support for watershed protection. The alternative of no action would provide no permanent protection and could allow changes in land use resulting in negative impacts that would eventually require costly restoration.

e. Background and Ecological Justification

The project meets multiple objectives of both the Ecosystem Restoration Program Plan (March 1998) and the Anadromous Fish Restoration Program by improving the long-term sustainability of natural production of anadromous fish populations, and by involving partners in the local community in the implementation of habitat protection and enhancement. Specifically, the project addresses ERPP Implementation Objectives for the Butte Basin Ecological Zone (pp. 237-248):

1. Riparian and Riverine Aquatic Habitats

The implementation objective for riparian and riverine aquatic habitats is to restore riparian scrub, woodland, and forest habitat in order to create riparian vegetation corridors that provide shaded riverine aquatic cover for anadromous fish species and create high-quality habitat for associated special-status plant and animal species and other wildlife. Specific Programmatic Actions (pp.241) include: (a) developing a cooperative program to restore and maintain riparian habitat along Mill Creek by acquiring conservation easements, and (b) developing a cooperative program to restore and maintain riparian habitat along Deer Creek by acquiring conservation easements. The proposed project addresses this objective by implementing the recommended programmatic actions.

2. Land Use

The implementation objectives for land use are to promote rangeland management practices and livestock grazing levels to maintain high-quality habitat conditions for wildlife and aquatic and plant communities; protect riparian vegetation; maintain shaded riverine aquatic habitat; and prevent bank erosion. Specific Programmatic Actions (pp. 243) include developing a cooperative program to establish, restore, and maintain riparian habitats and creating buffer zones between the creek and developments or other land use activities such as livestock grazing. The proposed project addresses this objective by protecting and enhancing existing riparian habitat and by providing permanent protections and restrictions on land use activities through the terms of the conservation easements.

Progress to Date The long-term objective for the Deer and Mill Creeks Acquisition and Enhancement Program is to restore and protect a continuous corridor of riparian, aquatic, and associated upland habitat along key tributaries of the upper Sacramento River. TNC has

already protected 1,576 acres along Deer and Mill Creeks and is negotiating easements or fee acquisitions on another 2,612 acres. In addition, TNC has initiated revegetation projects on Mill Creek and Dye Creek in coordination with the Mill Creek Conservancy and the Los Molinos Unified School District. The initial phase of the project is being funded with 1997 Category III funds from CALFED, the National Fish and Wildlife Foundation, the Mennen Foundation, and CVPIA.

f. Monitoring and data evaluation

Monitoring for the proposed project consists of: (1) compliance monitoring, to ensure that the terms of the acquired conservation easements are met by landowners retaining fee title and use of the property; and (2) biological monitoring, to evaluate the conservation benefits of the revegetation projects.

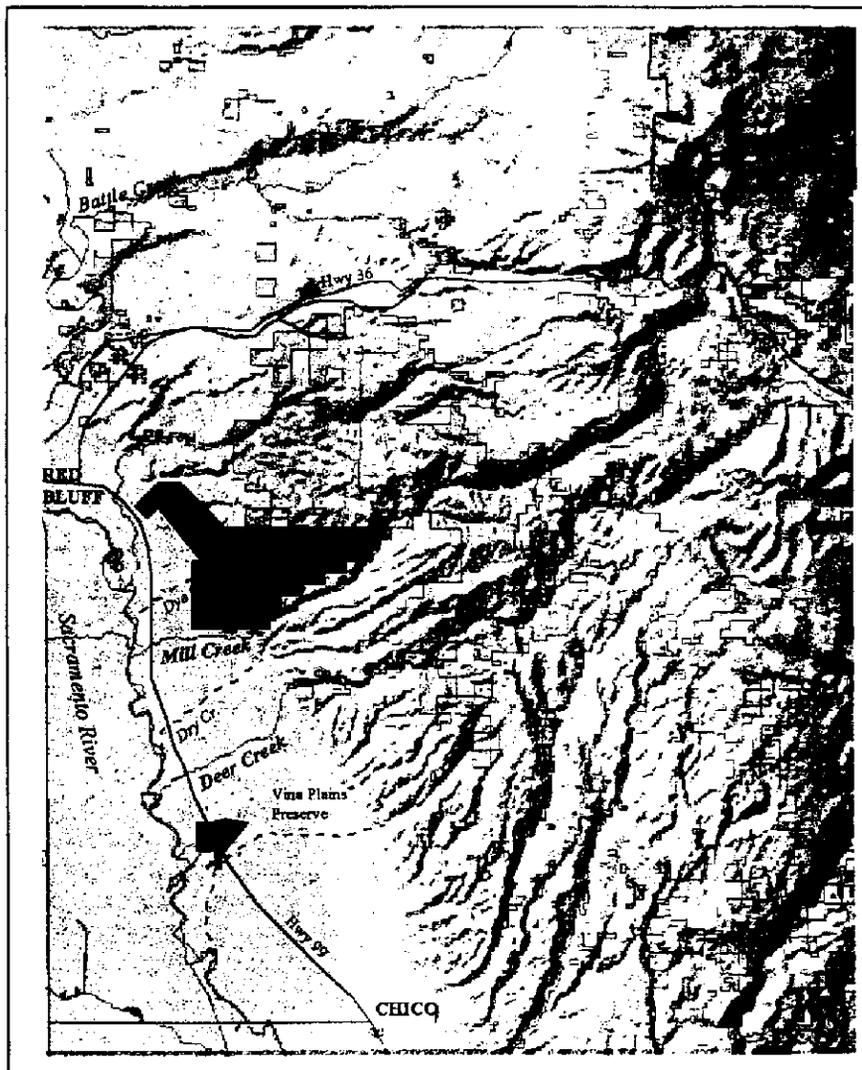
Compliance monitoring includes (1) preparation of an Easement Documentation Report (EDR) at the time the easement is acquired, and (2) establishment of compliance monitoring protocols. Monitoring of the easement properties will be done on an annual basis (or as needed) and will generally include a site inspection and contact with the property owner. Compliance monitoring reports will be made available to CALFED on request and will be maintained with the Easement Documentation Report as a record of the condition of the property.

Biological monitoring plans for the revegetation sites will be developed in consultation with CALFED and may include aerial photography of riverine habitat and channel meander in the lower reaches of the creeks. Plant survival will be monitored annually for the three-year term of the project. Following the protocol developed for existing revegetation projects, a complete census will be conducted two months after planting and annually thereafter within the three years of the project, in order to determine survival rates. In addition, TNC is currently conducting water temperature monitoring along Dye Creek and will implement temperature monitoring at two sites on Mill Creek next year. However, single revegetation projects may have only negligible impacts on water temperatures during the term of the project. TNC will also coordinate with ongoing monitoring programs in the project area, including the juvenile and adult spring-run salmon monitoring programs conducted by the California Department of Fish and Game.

g. Implementability

No permitting or environmental clearance is required to implement the proposed acquisitions. All properties on which easements are to be acquired will be reviewed regarding the condition of the title (e.g., liens, encumbrances, or other factors which might limit enforcement of the conservation restrictions) and the condition of the property (e.g., due diligence inspection for hazardous materials). TNC will comply with any regulatory requirements for the Deer Creek revegetation projects.

Community support and involvement are important components of the proposed project. The Nature Conservancy will work cooperatively with landowners, local community members, and the local watershed groups — Deer Creek Watershed Conservancy and Mill Creek Conservancy — to ensure coordination with local watershed management plans.

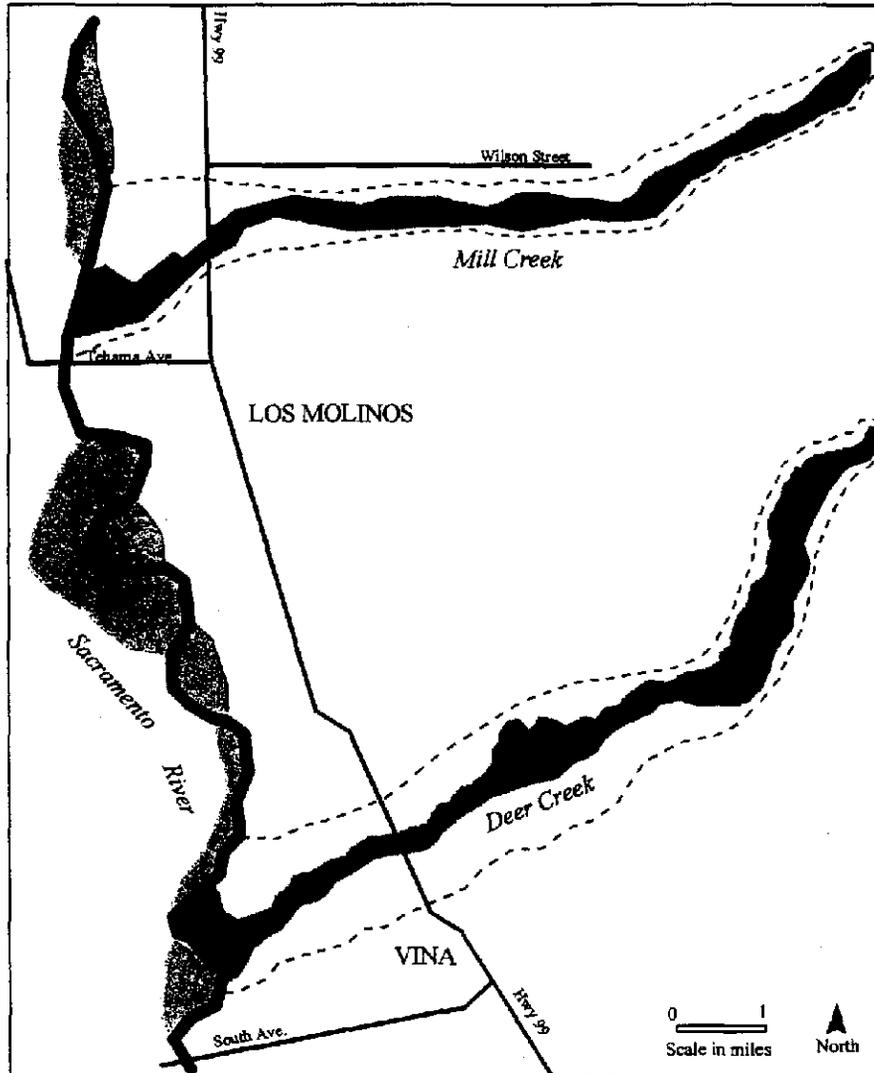


Deer and Mill Creeks

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Scale in miles North

- The Nature Conservancy
- ▨ Lassen National Park
- Other Public Lands

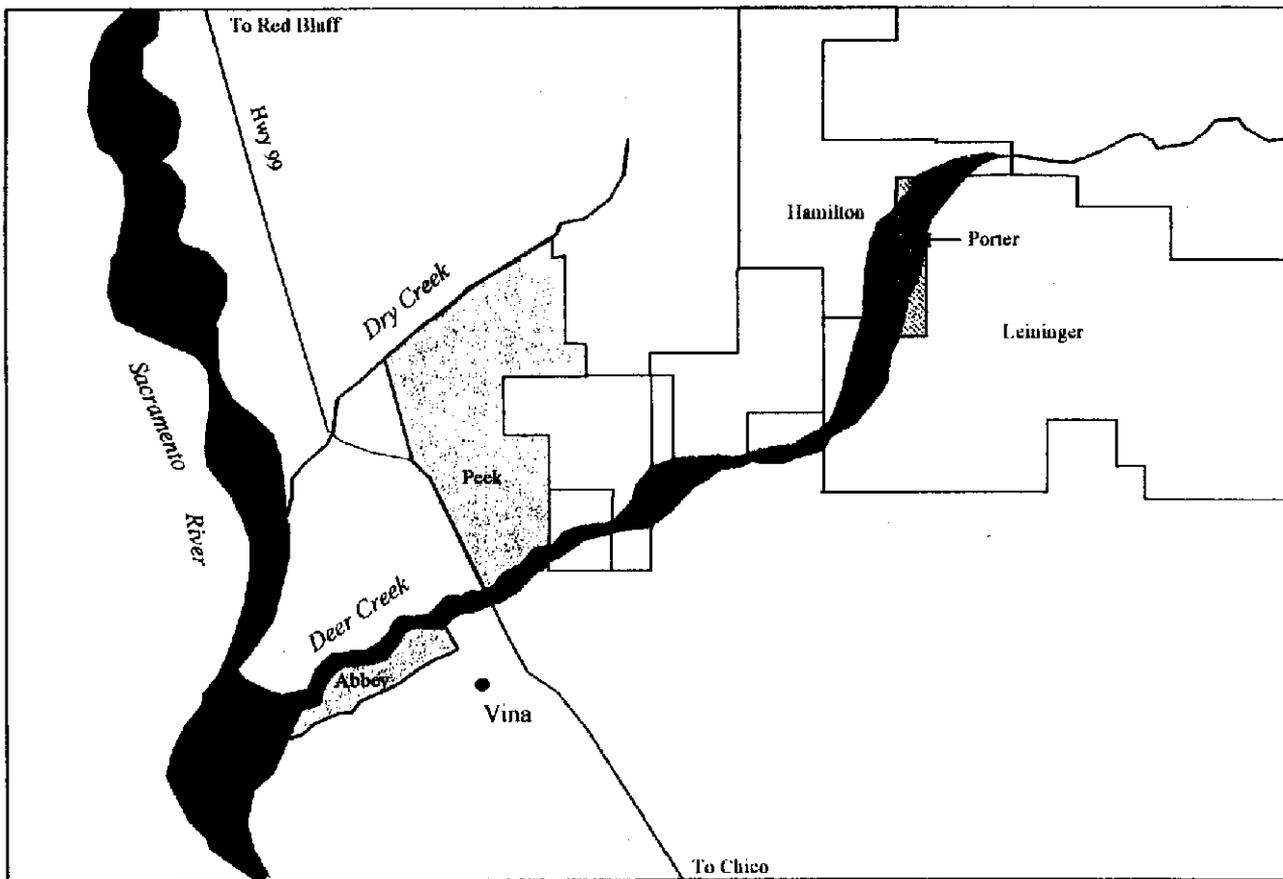
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**DEER AND MILL CREEKS
ACQUISITION AND ENHANCEMENT**

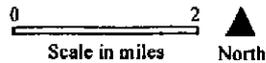
- Existing and restorable riparian vegetation
- ▨ Sacramento River riparian vegetation
- - - Floodplain limit line

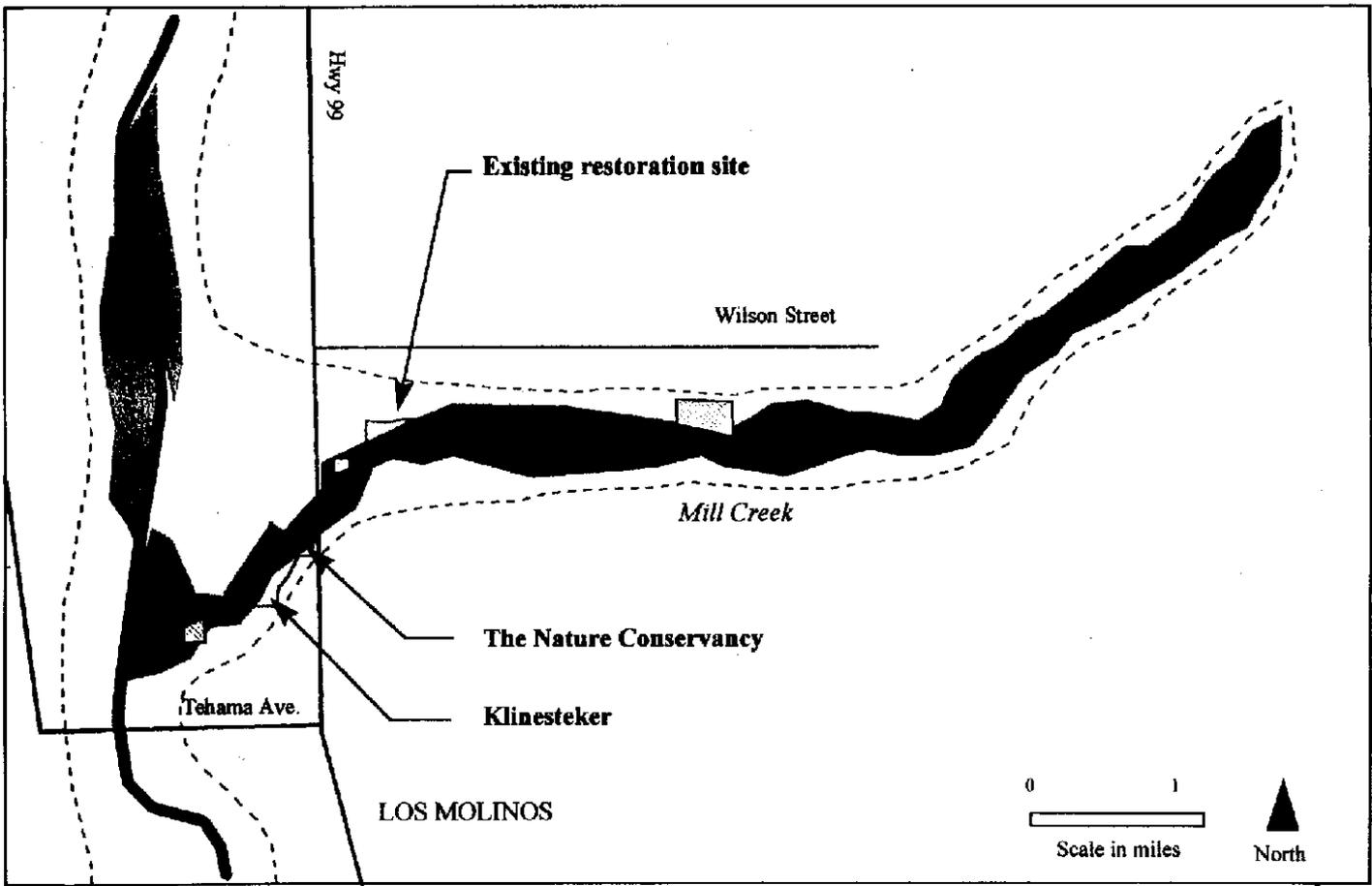
The
Nature
Conservancy



Lower Deer Creek Riparian Area

-  Existing and restorable riparian vegetation
-  Proposed easement acquisitions





LOWER MILL CREEK RIPARIAN AREA

-  Existing and restorable riparian vegetation
-  Proposed CVPIA easements
-  Sacramento River riparian vegetation
-  Floodplain boundary



V. Costs and Schedule to Implement Proposed Project

a. Budget costs

The total project cost is \$2,592,570.

The total request for CALFED funds for the proposed project is \$1,994,400.

Project Phase and Task	Direct Salary, Benefits and Labor Hours	Overhead Labor (General, admin and fee)	Service Contracts	Material and Acquisition Contracts	Misc. and other Direct Costs	Total Cost	CALFED Request
Land Acquisition	\$55,000 [1,275 hrs]	\$11,000	\$42,000	\$1,874,700		\$1,982,700	\$1,487,000
Start-up Stewardship	\$4,000 [150 hrs]	\$800	\$5,500			\$10,300	\$10,300
O&M Funds					\$187,470	\$187,470	\$140,600
Revegetation	\$84,000 [2,675 hrs]	\$16,800	\$147,000	\$53,000	7,000	\$307,800	\$263,000
Monitoring	\$22,000 [685 hrs]	\$4,400	\$60,000		\$2,000	\$88,400	\$88,400
Outreach	\$12,000 [275 hrs]	\$2,400		\$250	\$1,250	\$15,900	\$5,100
Totals	\$177,000 [5,060 hrs]	\$35,400	\$254,500	\$1,927,950	\$197,720	\$2,592,570	\$1,994,400

Other Contributions

To date, acquisition and revegetation activities in the Deer and Mill Creeks project area have been supported by public and private funding totaling over \$850,000. Funds have come from the Central Valley Project Improvement Act (AFRP), CALFED (Category III), the National Fish and Wildlife Foundation, and the Mennen Foundation, as well as from private donations for land acquisition and management, project development, and staff support.

For the proposed project, The Nature Conservancy will pursue funding from other public and private sources to meet the total project budget. This CALFED funding request represents approximately 75 percent of the total project cost. TNC intends to raise the balance of \$597,299 from public and private sources, including CVPIA. In addition, the Corps of Engineers strongly supports this proposal and is seeking Federal funding from environmental

restoration authorities such as Section 1135 and Section 206 in order to participate in this project.

Budget Detail

- Most of the required tasks will be implemented by TNC staff, though some tasks may be carried out by subcontractors. Some of the due diligence tasks related to acquisition (e.g. appraisals and surveys) will most likely be carried out by subcontractors with whom the applicant has an established relationship. In such cases, there is an increased efficiency and most often a related savings in cost and time in engaging a subcontractor who is already familiar with the project area and with the applicant's requirements. Similarly, some of the implementation tasks of the revegetation activities will most likely be subcontracted to local contractors or landowners who have been directly involved in vegetation efforts in the project area.
- The Operations and Management funding is calculated at 10 percent of the capital cost and is intended to be held in a permanent endowment. Annual income from that fund is to be used for ongoing management costs, including compliance monitoring.
- Overhead is calculated as 20 percent, which is The Nature Conservancy's federally-approved rate as of July 1, 1998, on salaries and benefits.
- If CALFED is able to offer only partial funding for the project, the project applicants would be willing to revise the scope of the project accordingly, either by scaling down the project and/or pursuing additional funding sources.

b. Schedule milestones

Note that schedule of completion is dependent on timing of final grant contract.

FY 1998-99 (July 1, 1998 - June 30, 1999)

- Continue negotiations with willing landowners
- Begin due diligence (appraisals, surveys) on selected parcels under negotiation
- Negotiate contracts and easements with willing landowners
- Close acquisition of easements on at least two parcels
- Implement start-up stewardship actions and develop biological monitoring plans on acquired easement properties
- Plan and begin implementation of revegetation projects

FY 2000-2001 (July 1, 1999 - June 30, 2001)

- Continue negotiations with willing landowners
- Continue due diligence on selected parcels under negotiation
- Negotiate contracts and easements with willing landowners
- Close acquisition of easements on two parcels
- Implement start-up stewardship actions and biological monitoring plans
- Establish compliance monitoring on acquired easement properties
- Complete implementation of revegetation projects and continue biological monitoring

c. Third-party impacts

Because the acquisition of conservation easements will maintain property in private ownership and use, the project should not significantly alter the ownership or land use pattern in the area. In addition, local contractors and landowners may be involved in the revegetation activities, helping to support the local economy. No third-party impacts are anticipated.

VI. Applicant Qualifications

The Nature Conservancy is an international, private, non-profit membership organization whose mission is to preserve plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has over 45 years of experience in identifying, protecting, and managing significant natural areas. Its strength and reputation are built on the policy and practice of applying the best conservation science available and of building partnerships with local communities, private organizations, and public agencies to achieve mutual conservation goals.

The Nature Conservancy of California uses a wide variety of tools to help forge solutions to conservation issues. We employ the following four methods most frequently: acquisition of land or conservation easements, land management and restoration, land-use planning and conflict resolution, and community education and outreach.

Several of The Nature Conservancy's landmark conservation projects have focused on riparian ecosystems. Conservation efforts for these complex natural communities must include maintaining and restoring the natural processes that are essential to the long-term health of the hydrological system. In addition, The Nature Conservancy strives to balance the protection and restoration of natural communities with compatible human uses.

Specific examples include:

Cosumnes River Project, Sacramento County. The Cosumnes River's annual floods keep alive forests and wetlands like those that once covered the Central Valley, providing homes and rest stops for tens of thousands of waterfowl and migratory birds. Working side by side with the local agricultural community and other partners, the Conservancy is managing and restoring thousands of acres to health. Protection tools here include acquisition, conservation easements, management and restoration, and cooperative arrangements with farmers to develop sustainable agriculture.

Sacramento River Project, Butte County. The great Central Valley was once covered by jungle-like riverside forests estimated at nearly one million acres. Today they have been reduced to 20,000 acres. Working with local agricultural interests, TNC is currently staging the largest streamside restoration project in the U.S. Our goal is to replant a continuous 100-mile stretch of forest along the Sacramento River.

Santa Margarita River Project, Riverside County. The lands of an historic *rancho* on the Santa Rosa Plateau, with its rolling hills, stands of rare Engelmann oak, and perennial streams within the larger Santa Margarita River watershed provide the thousands who visit this keystone project area with a remarkable glimpse of California's past. Working with local partners, TNC is committed to safeguarding the plateau and maintaining the health of the adjoining river corridor while meeting the needs of a growing human community through a variety of tools.

VII. Compliance with Standard Terms and Conditions

While The Nature Conservancy's systems comply with OMB Circulars A-110, A-122 and A-133, our accounting systems do not currently comply with all provisions of the cost accounting standards (which are applicable to federal procurement contracts). Therefore, the Conservancy would strongly prefer a grant or cooperative agreement. In addition, given the definitions in federal law, it would appear that this type of project would most reasonably fall under a grant or cooperative agreement.

PART C: Certification Regarding Drug-Free Workplace Requirements

CHECK IF THIS CERTIFICATION IS FOR AN APPLICANT WHO IS NOT AN INDIVIDUAL.

Alternate I. (Grantees Other Than Individuals)

A. The grantee certifies that it will or continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about—
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will —
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted —
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a) (b), (c), (d), (e) and (f).

B. The grantee may insert in the space provided below the sites for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check if there are workplaces on file that are not identified here.

PART D: Certification Regarding Drug-Free Workplace Requirements

CHECK IF THIS CERTIFICATION IS FOR AN APPLICANT WHO IS AN INDIVIDUAL.

Alternate II. (Grantees Who Are Individuals)

- (a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;
- (b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to the grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

DI-2010
June 1986
(This form replaces DI-1863, DI-1864,
DI-1865, DI-1866 and DI-1867)

U.S. Department of the Interior

**Certifications Regarding Debarment, Suspension and
Other Responsibility Matters, Drug-Free Workplace
Requirements and Lobbying**

Persons signing this form should refer to the regulations referenced below for complete instructions:

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions - The prospective primary participant further agrees by submitting this proposal that it will include the clause titled, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. See below for language to be used or use this form for certification and sign. (See Appendix A of Subpart D of 43 CFR Part 12.)

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions - (See Appendix B of Subpart D of 43 CFR Part 12.)

Certification Regarding Drug-Free Workplace Requirements - Alternate I. (Grantees Other Than Individuals) and Alternate II. (Grantees Who are Individuals) - (See Appendix C of Subpart D of 43 CFR Part 12)

Signature on this form provides for compliance with certification requirements under 43 CFR Parts 12 and 18. The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of the Interior determines to award the covered transaction, grant, cooperative agreement or loan.

PART A: Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

CHECK IF THIS CERTIFICATION IS FOR A PRIMARY COVERED TRANSACTION AND IS APPLICABLE.

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PART B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

CHECK IF THIS CERTIFICATION IS FOR A LOWER TIER COVERED TRANSACTION AND IS APPLICABLE.

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

DI-2010
June 1999
(This form replaces DI-1993, DI-1994,
DI-1995, DI-1996 and DI-1997)

**PART E: Certification Regarding Lobbying
Certification for Contracts, Grants, Loans, and Cooperative Agreements**

**CHECK IF CERTIFICATION IS FOR THE AWARD OF ANY OF THE FOLLOWING AND
THE AMOUNT EXCEEDS \$100,000: A FEDERAL GRANT OR COOPERATIVE AGREEMENT;
SUBCONTRACT, OR SUBGRANT UNDER THE GRANT OR COOPERATIVE AGREEMENT.**

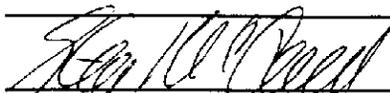
**CHECK IF CERTIFICATION IS FOR THE AWARD OF A FEDERAL
LOAN EXCEEDING THE AMOUNT OF \$150,000, OR A SUBGRANT OR
SUBCONTRACT EXCEEDING \$100,000, UNDER THE LOAN.**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the authorized certifying official, I hereby certify that the above specified certifications are true.


SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

Steve McCormick, California Regional Director, The Nature Conservancy

TYPED NAME AND TITLE

DATE

SI-2010
June 1999
ITM's form replaces CI-1852, CI-1964,
CI-1926, CI-1928 and CI-1931

MILL CREEK CONSERVANCY

P.O. Box 188 • Los Molinos, CA 96055
(916) 595-4493 • 384-2734

Steve McCormick
The Nature Conservancy
201 Mission St.
San Francisco, CA 94105

24 June 1998

Re: Support for land protection program along Mill Creek

Dear Steve,

The Board of Directors of the Mill Creek Conservancy has asked me to convey to you a letter affirming our full support of The Nature Conservancy's land protection program along Mill Creek.

The Nature Conservancy's program to work with willing land owners to preserve land through fee and easement acquisition and habitat revegetation will contribute significantly to the protection of the important riparian and aquatic habitat in the Mill Creek watershed. This tributary stream is critically important to sustaining native fish and wildlife and its protection enhances the health of the whole upper Sacramento River watershed ecosystem. Mill Creek also has the highest elevation spawning grounds for the spring run chinook salmon in the United States.

The Mill Creek Conservancy is actively engaged in cooperative efforts with The Nature Conservancy in the Mill Creek watershed, including several revegetation projects in the riparian corridor funded by private and public grants. In addition, the Mill Creek Conservancy coordinated the development of a Mill Creek Watershed Management Strategy, which recommends the establishment of a conservation protection and acquisition program to ensure long-term protection for the riparian corridor.

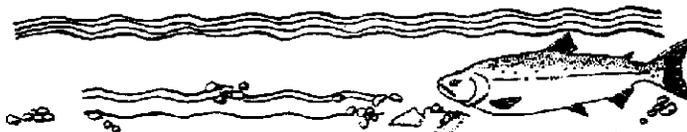
Please feel free to use a copy of this letter show our support of The Nature Conservancy's programs on Mill Creek.

Sincerely,



R. Judd Hanna, Sec/CFO

c: Peggy McNutt
Burt Bundy
Doug Latimer



1 - 0 0 9 5 8 1

I-009581

The Battle Creek Watershed Conservancy

PO Box 606, MANTON, CA 96059-0606

24 June 1998

Mr. Lester Snow
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Dear Mr. Snow:

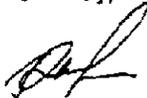
This letter is in support of The Nature Conservancy's CALFED proposal, which requests funding from 1998 Category III ERPP funds for acquisition and enhancement programs on Deer, Mill, and Battle Creeks.

The Battle Creek Watershed Conservancy was formed one year ago to "preserve the environmental and economic resources" of the Battle Creek watershed. Since that time we have been working closely with the Battle Creek Working Group, the ad hoc committee of agencies and other parties with interests in this watershed.

The Working Group has made substantial progress toward its goal of restoring and enhancing the natural population of salmonids in Battle Creek. The Conservancy is taking a wider view, with an emphasis upon protecting the riparian zones and the middle and upper watershed areas upon which the anadromous zones depend for water quality, temperature, and flow timing.

We look toward conservation easements as the most appropriate protective measure for critical areas of our watershed. The Nature Conservancy's proposal is consistent with our planning, and we support the approval of their proposal.

Sincerely,



Robert Lee
Secretary, BCWC



**DEER CREEK
WATERSHED CONSERVANCY**
P.O. Box 307, Vista CA 96092
Phone/Fax: 530-439-2358

*Fred Hamilton, President
Diane Gouner, Executive Director
Sue Knox, Watershed Coordinator
Joan Hemsted, Education/Outreach Coordinator*

June 24, 1998

Leslie Snow
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

RE: Proposal for 1998 Category III funding: Deer and Mill Creeks

Dear Mr. Snow:

This letter is in support of The Nature Conservancy's proposal, which requests funding from 1998 Category III Ecosystem Restoration Projects and Programs, for the Deer and Mill Creek Easement, Acquisition and Enhancement Program.

Deer Creek Watershed Conservancy (DCWC), created by the property owners within the drainage, is an organization formed to protect the unique ecological values of Deer Creek. The Deer Creek watershed property owners have owned, lived and cared for the land for generations and will continue their responsible stewardship for future generations.

To that end the DCWC prepared and signed a Memorandum of Understanding (MOU) which includes landowners, resource agencies, conservation group and others. The MOU has served as a framework to develop our Watershed Management Plan for the Deer Creek watershed which is underway. The plan will include, but not be limited, strategies for short-term restoration, where appropriate, and long-term maintenance and protection of the vernal pool habitat and aquatic resources in Deer Creek.

The Nature Conservancy's proposed project falls within the scope of the MOU. Further, DCWC supports this type of program as part of its overall goal of protecting the riparian and aquatic ecosystem while maintaining private property rights.

Sincerely,

Fred Hamilton, President
Deer Creek Watershed Conservancy