

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

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| <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):

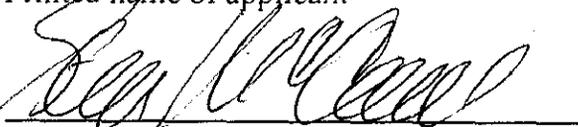
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| <input type="checkbox"/> Planning | <input checked="" type="checkbox"/> Implementation |
| <input type="checkbox"/> Monitoring | <input type="checkbox"/> Education |
| <input type="checkbox"/> Research | |

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 the 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 2.4) 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.

Steve McCormick

Printed name of applicant



Signature of applicant

Title Page

Project Title: Mokelumne Corridor: Acquisition, Management, and Monitoring at Staten Island

Applicant:

The Nature Conservancy
201 Mission Street, 4th floor
San Francisco, CA 94105
phone (415) 777-0487; fax (415) 777-0244
Contact: Mike Eaton
phone (916) 683-1699; fax (916) 683-1702
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Participants/collaborators in implementation:

U.S. Bureau of Land Management and the other Cosumnes River Preserve partners, including: CA Department of Water Resources, CA Department of Fish and Game, Ducks Unlimited, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, Sacramento County, American Farmland Trust, and U.S. Natural Resources Conservation Service

Type of organization and tax status:

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

d. Tax identification number and/or contractor license, as applicable:

The Nature Conservancy's taxpayer identification number is 53-0242652.

Executive Summary

Project description

The Nature Conservancy requests \$15,730,000 to acquire, manage, and monitor two conservation easements covering the 9,200-acre Staten Island as part of an overall purchase plan for the property. The Conservancy plans to purchase a conservation easement over the majority of the island (approximately 90 percent) and an easement on parts of the island's periphery (approximately 10 percent) allowing existing levees to be set back. The actual levee setback activity is not part of this project. Initial management activities will include biological and cultural surveys and the development of restoration, engineering, and monitoring plans. Engineering plans will prescribe optimal levee location and design. Only willing sellers will be involved, and payment will be limited to no more than fair market value established by an appraisal. The Conservancy anticipates that easement interests of the properties acquired may be transferred in the future to a qualified agency or organization.

The current private owners of Staten Island have very recently volunteered to join the Cosumnes River Preserve as a partner, an outcome that has almost doubled the effective size of the Preserve and provides tremendous potential for retaining the waterfowl values of the island achieved through efforts of the current managers. However, Staten Island is owned as an investment of a retirement fund. The wildlife benefits achieved at the island are due to the good will of the current ownership — something that could change significantly if the island is sold. Currently, there is no guarantee or even likelihood of long-term or permanent protection of the island's biological values.

The Staten Island acquisition is complex. See Figure 1 for a financial breakout of the entire acquisition project. While such a project, particularly on this large a scale, is challenging, the rewards will be substantial and precedent-setting. The Conservancy has had success with large and complex projects. We believe we can give this project its best opportunity to succeed. The proposed project builds upon the momentum of the Conservancy's existing efforts in the region. Through protection of the lower floodplain of the Cosumnes River, including the McCormack-Williamson Tract and Staten Island, the Conservancy seeks to increase floodplain benefits and facilitate natural process restoration throughout this corridor. Many of our earlier protection efforts have received CALFED funding.

The funds requested for the acquisition of the two conservation easements are separable. Funding for one does not necessarily require funding for the other. However, it should be noted that a significant conservation investment in this project will be needed, and its success will depend on securing a firm commitment of substantial funding.

We expect to complete the program proposed here within three years. The project will submit quarterly financial and programmatic reports to CALFED.

Staten Island is located in northern San Joaquin County, between the North and South Forks of the Mokelumne River. The project lies within the Sacramento-San Joaquin Delta Ecological Management Zone and the East Delta Ecological Management Unit. See Maps 1 and 2.

Primary biological/ecological objectives

The primary biological/ecological objectives of this proposal are to

- Allow for restoration of a significant amount of *riparian, freshwater tidal emergent wetland, shallow water, and aquatic habitats* needed by resident and anadromous fish.
- Allow for *floodplain expansion* and *natural process restoration*.
- Protect critical *agricultural wetlands*, an important wintering area for migratory waterfowl.

- Facilitate population expansion of species associated with functioning East Delta habitats, particularly *splittail*, *Delta smelt*, *eastside tributary fall-run chinook salmon*, *sandhill cranes*, *waterfowl*, *shorebirds* and *neo-tropical migrant bird species*.

Habitats

Primary enhancements to habitats from the acquisition of easement interests include adding *8,200 acres of agricultural wetlands* and facilitating the addition of *1,000 acres of tidal freshwater wetlands and native fish habitat* as well as *30 miles of shaded riverine aquatic habitat* along the Mokelumne River.

Stressors

The protection of wetlands proposed here, as well as future floodplain restoration that we envision, will reduce stressors such as *levees, bridges, and bank protection, separation of rivers from their floodplains, riparian vegetation removal, loss of wetland habitat, and loss of agricultural lands*.

Third-party impacts

There are no known negative third-party impacts from the activities for which we are requesting funding. Third-party impacts associated with modification or construction of levees will be evaluated as part of restoration plans developed with these funds.

Applicant qualifications

The Nature Conservancy has extensive experience in property acquisition, habitat restoration, and land management. The Conservancy has successfully implemented the activities described in this proposal at the project area and elsewhere.

Monitoring and data evaluation

An initial resource assessment will be conducted on both easements to determine conditions at time of purchase and to provide a starting data point on which initial stewardship and monitoring programs will be based. In addition, the Conservancy will work cooperatively with other stakeholders to seek consensus on appropriate restoration and farm preservation plans, as well as to develop monitoring programs that adequately track ecosystem response.

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

Since the Cosumnes River Preserve was dedicated in 1987, Preserve staff and volunteers have developed extensive community support working with local and regional schools, community groups, and public agencies. The San Joaquin County General Plan and the Delta Protection Commission Plan support the land uses expected to result from implementation of this project.

The activities proposed are compatible with the objectives of CALFED, the nine agencies and partners of the Cosumnes project, the Central Valley Project Improvement Act, the Central Valley Habitat Joint Venture, and the U.S. Natural Resources Conservation Service's Wetland Reserve Program, and the U.S. Environmental Protection Agency's National Estuary Program

Project Description

Proposed scope of work

The Nature Conservancy requests \$15,730,000 to acquire, manage, and monitor two conservation easements covering the 9,200-acre Staten Island as part of an overall purchase plan for the property. The Conservancy plans to purchase a conservation easement over the majority of the island (approximately 90 percent) and an easement on parts of the island's periphery (approximately 10 percent) allowing existing levees to be set back. The actual levee setback activity is not part of this project. However, preliminary management activities will include the development of restoration plans, which will lay out optimal levee location and design.

The objectives of this acquisition, management, and monitoring effort are to

- Facilitate restoration of *riparian, freshwater tidal emergent wetland, shallow water, and aquatic habitats* needed by resident and anadromous fish.
- Initiate efforts to *expand the floodplain* and *restore natural processes*.
- Protect critical *agricultural wetlands*, an important wintering area for migratory waterfowl.

The proposed project builds upon the momentum of the Conservancy's existing efforts in the region: Through protection of the lower floodplain of the Cosumnes River, the McCormack-Williamson Tract, and Staten Island, we intend to increase floodplain benefits and facilitate natural process restoration throughout this corridor. Many of these protection efforts have received CALFED funding.

The current private owners of Staten Island have recently volunteered to join the Cosumnes River Preserve as a partner, an outcome that has almost doubled the effective size of the Preserve and provides tremendous potential for retaining the waterfowl values of the island achieved through efforts of the current managers. However, Staten Island is owned as an investment of a retirement fund. The wildlife benefits achieved at the island are due to the good will of the current ownership — something that could change significantly if the island is sold. Moreover, the development of freshwater tidal wetlands by setting back levees will not occur unless the owners are compensated for their loss of income opportunities and the activity does not conflict with existing and future uses of the property. Under the current scenario critical long-term conservation goals will not be achieved, especially given that the present managers are expected to retire in the next couple of years. Implementation of the proposed project is crucial in order to provide permanent protection and linkage to the Cosumnes River Preserve.

The Staten Island acquisition is complex. See Figure 1 for a financial breakout of the entire acquisition project. It reveals that, in addition to the conservation funding requested herein, a commitment of at least one significant private investment partner is necessary. This investor, presumably a farmer intent on producing annual crops, will be needed to purchase the underlying fee of that portion of the island to be encumbered by the agricultural conservation easement and the levee set-back easement. Interested parties have been identified; however, there is no guarantee that commitments can be secured for the large sum of money needed to purchase the underlying fee interests in the property and the additional costs of the substantial improvements. While such a project, particularly on this large a scale, is challenging, the rewards will be substantial and precedent-setting. The Conservancy has had success with large and complex projects. We believe we can give this project its best opportunity to succeed.

Given these conditions, the Conservancy requests that funds be reserved and committed at such time as an agreement on partnership and deal terms become imminent. A deal of this type will not ripen unless substantial funding opportunities are made available. CALFED can provide the momentum for this project by funding this important conservation opportunity.

For the conservation easement element of the proposal, part of the larger fee title acquisition strategy, we request a grant of \$15,300,000 (plus expenses) to purchase such easements on 9,200 acres. These perpetual legal restrictions would accomplish two purposes:

- Approximately 90 percent of the island, or 8,200 acres, will be covered by a conservation easement and be restricted to wildlife-compatible agriculture, preserving the capability of these acres to support traditional heavy use by wintering waterfowl. The easement on this portion will prohibit conversion of the land to non-agricultural uses and bar practices that would degrade the agricultural capability of the land. It will also forbid growing vines, orchards, and other permanent crops that have little or no value as habitat. We expect that the right to pursue limited habitat restoration and conduct subsidence-reversal experimentation and pilot projects will be included in the provisions of the agricultural easement.
- Approximately 10 percent of the island (or 1,000 acres) — located along its periphery, particularly along the South Fork of the Mokelumne River — will be covered by a conservation easement that will permit the relocation of the existing levee farther from the river, creating tidally-influenced freshwater wetlands on the outboard portion of the island.

These acreages and their locations are tentative, subject to development of a management plan in conjunction with our future partners in this venture, such as CALFED, Delta Commission, and the agricultural investor.

The funds requested for the acquisition of the two conservation easements are separable. Funding for one does not necessarily require funding for the other. However, it should be noted that a significant conservation investment in this project will be needed, and its success will depend on securing a firm commitment of considerable funding.

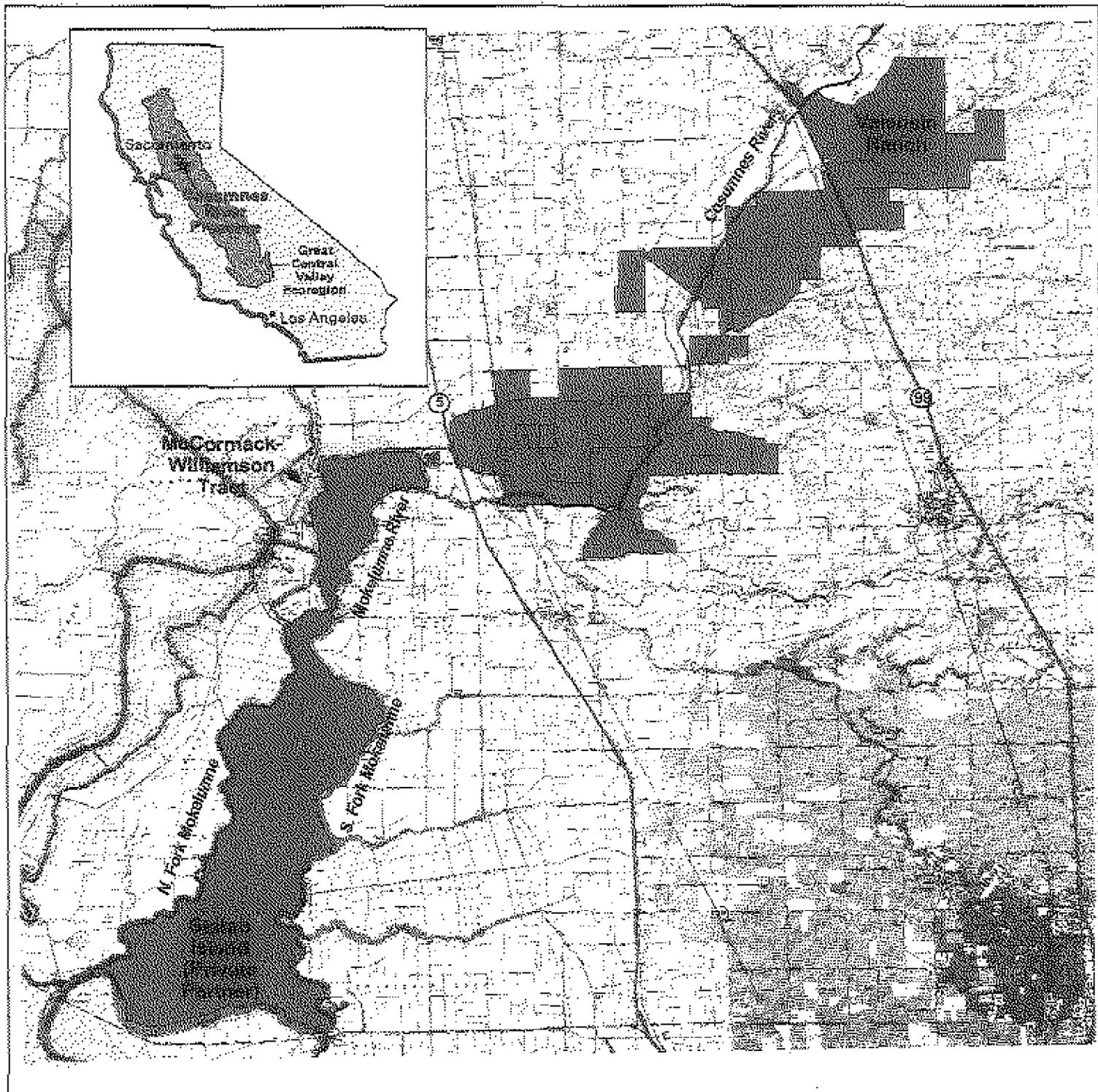
Only willing sellers will be involved, and payment will be limited to no more than fair market value established by an appraisal. The Conservancy anticipates that easement interests of the properties acquired may be transferred in the future to a qualified agency or organization.

Management activities include preparation of biological and cultural surveys and of engineering and management plans. We will also assess habitat restoration needs and develop habitat restoration plans as appropriate. We anticipate that such plans will recommend removal of levees, setting back levees, and in some cases, re-grading farm fields. Actual construction expenses for levee and land work are not covered by this grant proposal; a number of other funding sources will be developed by staff for this purpose once the acquisition is completed.

An initial resource assessment will be conducted on both easements to determine conditions at time of purchase and to provide a starting data point on which initial stewardship and monitoring programs will be based. In addition, the Conservancy will work cooperatively with other stakeholders to seek consensus on appropriate restoration and farm preservation plans, as well as to develop monitoring programs that adequately track ecosystem response. Acquisition of the conservation easements will require approximately two years from the date of funding, assuming that purchase terms can be agreed upon. Start-up stewardship activities would require an additional year after closing escrow.

Location and/or geographic boundaries of project

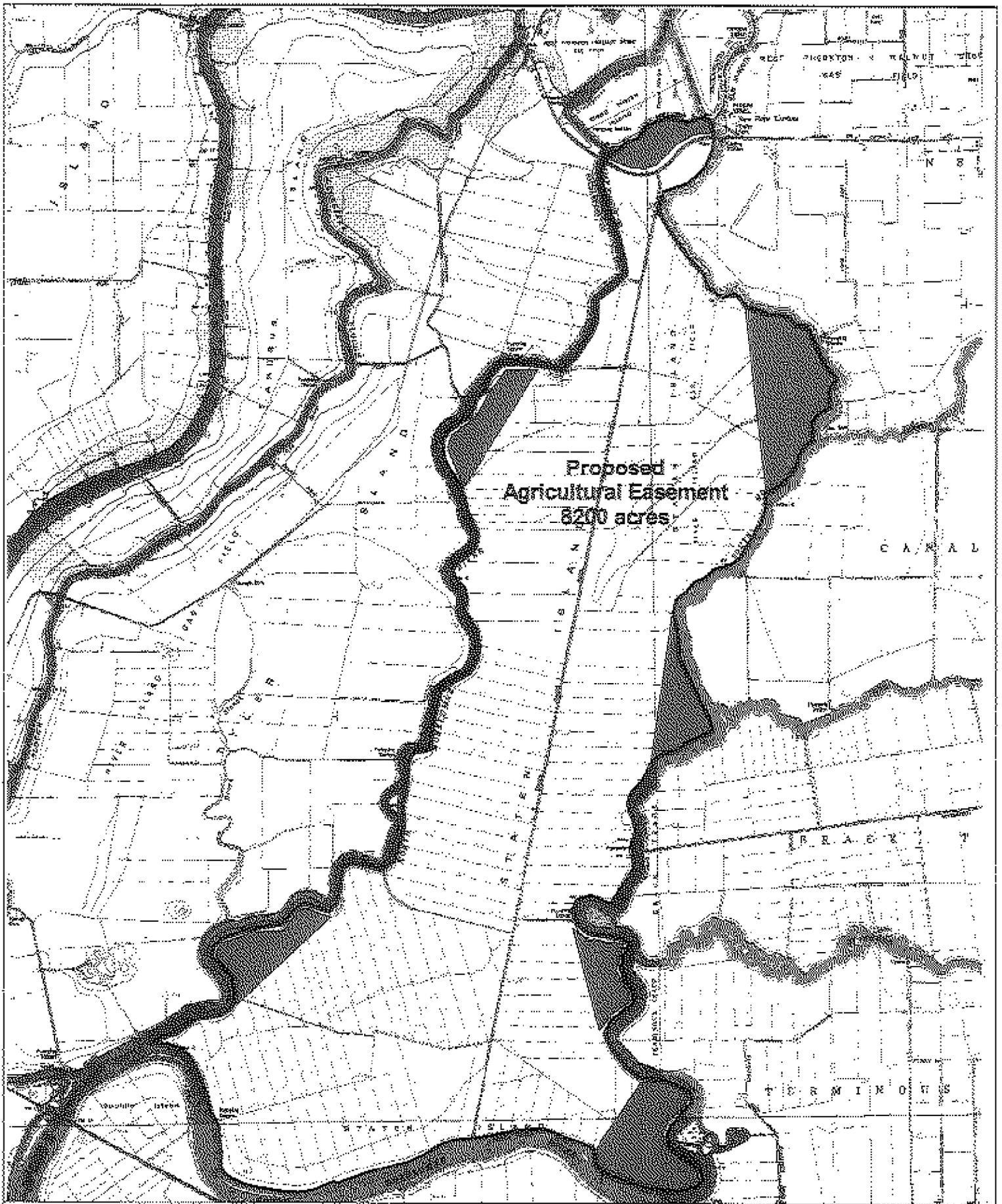
Staten Island is located in northern San Joaquin County, between the North and South Forks of the Mokelumne River. The project lies within the Sacramento-San Joaquin Delta Ecological Management Zone and the East Delta Ecological Management Unit. See Maps 1 and 2.



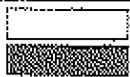
Map 1. Cosumnes River Preserve



Based on 1:24,000 USGS quad maps, Sacramento and San Joaquin Counties.
 Cartography by The Nature Conservancy, April 1999.

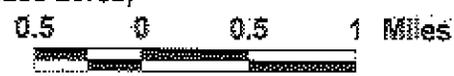


Map 2. Cosumnes River Preserve: Staten Island



Area under consideration for agricultural easement (8200 acres)

Areas under consideration for levee setback study (1000 acres)



Ecological/Biological Benefits

Ecological/Biological Objectives

The ecological/biological objectives of this proposal are to

- Facilitate restoration of *riparian, freshwater tidal emergent wetland, shallow water, and aquatic habitats* needed by resident and anadromous fish.
- Allow for *floodplain expansion* and *natural process restoration*.
- Facilitate protection of a *contiguous habitat corridor* along the lower Cosumnes and Mokelumne rivers.
- Protect critical *agricultural wetlands*, an important wintering area for migratory waterfowl.
- Facilitate population expansion of species associated with functioning East Delta habitats, particularly *splittail, Delta smelt, eastside tributary fall-run chinook salmon, sandhill cranes, waterfowl, shorebirds* and *neo-tropical migrant bird species*.

Long-term benefits from the proposed land acquisition will be particularly significant because controlling this property will enable us to expand the river's floodway and undertake natural process restoration on a much larger scale than has been possible so far. Moreover, the acquisition will interrupt the encroaching pattern of residential and vineyard development. Acquiring the island will also allow protection of a contiguous habitat corridor, containing a mosaic of habitats, reaching from Stone Lakes to the north and the Valensin Ranch portion of the Cosumnes River Project all the way to the Mokelumne Forks confluence — essentially, the “East Delta Habitat Corridor” envisioned in the ERPP. The proposed easement acquisitions (particularly the one featuring agricultural land preservation) promote good will and cooperation with the local community and minimize the conservation dollar investment.

There are no practical or feasible alternatives to fee and easement land acquisition to achieve comparable objectives. Efforts to purchase easements directly from the current landowner were unsuccessful; the landowner was not interested in that sort of arrangement.

The protection of wetlands proposed here, as well as future floodplain restoration that we envision, will reduce stressors such as *levees, bridges, and bank protection, separation of rivers from their floodplains, riparian vegetation removal, loss of wetland habitat, and loss of agricultural lands*.

This project will help achieve a number of strategic objectives regarding restoration or enhancement of CALFED priority species. Species addressed include *splittail, Delta smelt, steelhead, and chinook salmon* (all races), *greater sandhill cranes, waterfowl, shorebirds, and wading birds*. (Targets for these species are listed in ERPP, Vol. II, pp. 20-46.)

Primary enhancements to habitats from the acquisition of easement interests include adding *8,200 acres of agricultural wetlands* and facilitating the addition of *1,000 acres of tidal freshwater wetlands and native fish habitat* as well as *30 miles of shaded riverine aquatic habitat* along the Mokelumne River.

The hypothesis we are testing is that the proposed acquisitions, management, and planning activities will 1) result in restoration of riparian, freshwater tidal emergent wetland, shallow water, and aquatic habitats, and that such habitats will produce demonstrable expansions of species associated with a functioning East Delta ecosystem (particularly juvenile salmon, splittail, and Delta smelt); and 2) protect critical agricultural wetlands in such a manner that they will continue to be used by significant numbers of migratory birds.

Linkages

The plan presented here proposes to expand land preserved within the Cosumnes River Project area. These lands, located in the Cosumnes River's lower floodplain and known as the Cosumnes River Preserve, total nearly 14,000 acres and represent a cumulative investment in land, management, planning, and scientific investigation in excess of \$40 million to date. This funding represents a mix of federal, state, local, mitigation, and private sources. Management partners at the Preserve include U.S. Bureau of Land Management, California Department of Fish and Game, Ducks Unlimited, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, Sacramento County, American Farmland Trust, Natural Resources Conservation Service, and The Nature Conservancy.

As a result of two previous rounds of proposals, CALFED has awarded the Conservancy and our partners a total of \$11,125,100 to acquire additional Preserve lands. These grants have resulted in acquisition of four properties totaling more than 2,800 acres. Two other acquisitions, the McCormack-Williamson Tract and one other property, are presently pending and are expected to close prior to June 1 of this year. At that point only \$290,000 of the awards will remain unspent; further transactions are in progress to commit those funds. Additionally, almost \$1,500,000 in CVPIA funds have been used on the acquisition of Valensin Ranch and Howard Ranch. See Appendix 1 for a full accounting of the real estate expenditures and lands acquired at the CRP. This project would also help link to the Delta the habitats protected by the U.S. Fish and Wildlife Service at the Stone Lakes National Wildlife Refuge (a CALFED-funded project) and acquisitions at the soon-to-be-established North Delta National Wildlife Refuge.

This project addresses a number of CALFED strategic goals (*species, ecosystem processes and biotic communities, harvestable species, and habitats*), objectives, and targets.

Primary strategic objectives that will be achieved or facilitated by this project include ecosystem process objectives such as *creation of appropriate temperature and hydraulic regimes; reestablishment of frequent inundations of floodplain; and increase of estuarine productivity*. Habitat objectives include *restoration of aquatic, wetland, and riparian habitats and protection and wildlife-compatible management of agricultural lands*. Specific targets to fulfill these objectives are:

- Natural Floodplain and Flood Processes; Target 1: Expand floodplain area in the...East Delta Ecological Management Unit by putting approximately 10 percent of levied lands into the active floodplain of the Delta (ERPP, Vol. II, pg. 91).
- Central Valley stream Temperatures; Target 1: More frequently maintain daily water temperatures in channels to meet needs of salmon and steelhead migrating through or rearing in Delta (by improving riparian habitat along levees) (ERPP, Vol. II, pg. 92).
- Delta Channel Hydraulics; Target I: Reestablish more natural internal Delta water flows in channels (ERPP, Vol. II, pg. 93).
- Bay-Delta Aquatic Foodweb; Target 1: Increase primary and secondary nutrient productivity (ERPP, Vol. II, pg. 95).
- Fresh Emergent Wetland Habitat (Tidal); Target 1: Increase existing tidal freshwater marsh habitat in the Delta by restoring 30–45,000 acres of lands designated for floodplain restoration (ERPP, Vol. II, pg. 99).
- Fresh Emergent Wetland Habitat (Non-tidal); Target 1: Restore a total of 3,000 acres of non-tidal freshwater marshes in the North and the East Delta Ecological Management Units (ERPP, Vol. II, pg. 100).

- Seasonal Wetland Habitat; Target 2: Restore and manage 2,000 acres of additional seasonal wetland habitat and improve management ... in East Delta Ecological Management Unit (ERPP, Vol. II, pg. 101).
- Riparian and Riverine Aquatic Habitats; Target 4: Restore 8 to 15 miles of this habitat in the East Delta EMU (also see Stage 1 Action re: SF Mokelumne R.) (ERPP, Vol. II, pg. 103).
- Agricultural Lands; Target 1: Cooperatively manage 40–75,000 acres of agricultural lands (also see Stage 1 Action re: Staten Island) (ERPP, Vol. II, pg. 105).
- Levees, Bridges, and Bank Protection; Target 1: Increase shoreline and floodplain riparian habitat in Delta by changing vegetation management practices ... on berms on ... Mokelumne River (ERPP, Vol. II, pg. 110).

Other ecosystem restoration programs benefiting from this project include:

- Central Valley Project Improvement Act
- North American Waterfowl Management Plan and Central Valley Habitat Joint Venture
- Farmland protection promoted by the 1995 U.S.D.A. Farm Bill and the state Agricultural Stewardship programs
- U.S. Environmental Protection Agency's National Estuary Program

System-wide Ecosystem Benefits

The acquisition of levee set-back easements complements the upstream conservation efforts of the Cosumnes River Project, particularly in regard to flood flow and the ecological advantages of physically linking patches of both terrestrial and aquatic habitat. The farmland easement acquisitions benefit the area in a number of ways: first, by ensuring that disruptive activities and land uses will not occur in the vicinity of the existing and restored habitat lands, and second, by adapting the row and field crop agriculture conducted on the easement lands to provide important supplemental habitat and food for native species, particularly migratory birds. The acquisitions and their benefits will also build upon wildlife-compatible farming efforts elsewhere in the Cosumnes River Project area.

Compatibility with Non-Ecosystem Objectives

This project provides benefits for other CALFED objectives including improving water quality (e.g., temperature, organic material, sediment filtering, etc.) by restoring shaded riverine habitat along the river corridor and by facilitating the expansion of the Mokelumne River floodplain. We anticipate that expanding the Mokelumne floodplain will result in greater floodwater storage and conveyance, which in turn will reduce pressure on upstream and downstream levees during storms.

Third-party benefits of this proposal, both immediate and future, include

- ***Facilitation of levee setbacks***, which will provide greater and longer-term ***flood protection*** for the island itself, for upstream areas benefited by enhanced floodwater drainage, and for downstream areas benefited by the river's increased capacity for holding and conveying floodwaters at and around Staten Island.
- ***Agricultural easements***, which will permanently ***protect farming by limiting urban use encroachment***.
- ***Protected and managed agricultural wetlands***, which will provide ***recreational opportunities*** such as birdwatching, hunting, hiking, and fishing.
- Direct production and enhanced survival of juvenile chinook salmon, which will benefit the ***commercial fishing industry***.

Technical Feasibility and Timing

Other approaches to achieving our objectives include obtaining voluntary agreements with landowners, or providing financial or other incentives, for them to manage their properties to protect habitat and species. These approaches do not provide permanent protection, and they rely on the ability of conservationists to convince landowners to engage in activities that are sometimes contrary to their economic self-interest. Therefore, neither is entirely practical or equitable.

The most obvious alternative, which would cost the same number of conservation dollars but be simpler, is to purchase easements directly from the existing landowner. That effort has been made and rejected by the landowner.

The proposed program complies with existing laws and regulations. Immediate activities do not trigger permit requirements. Some longer-term benefits (such as levee setbacks or removal) will result from activities that will require permits and additional site-specific analysis, though neither levee construction nor modification will be funded through this proposal. In addition, there are no known encumbrances or environmental compliance problems associated with the property under option.

The Cosumnes River Preserve is supported by San Joaquin County's General Plan and by the Delta Protection Commission's plan for its jurisdiction. The project proposed here will assist both agencies in implementing their plans.

The major implementation issues associated with the project are our ability to arrive at a mutually agreeable sale price and our ability to coordinate the various investors and other participants in order to achieve the outcome described in this proposal. However, the Conservancy is experienced in transactions of this complexity and magnitude, and the necessary participants are willing to explore such a deal. By providing conservation funding assurances, CALFED can play the crucial role of catalyst. Without such backing, it is unlikely that we will be successful.

Monitoring and Data Collection Methodology

Biological/Ecological Objectives

The hypothesis we are testing is that the proposed acquisitions, management, and planning activities will 1) result in restoration of riparian, freshwater tidal emergent wetland, shallow water, and aquatic habitats, and that such habitats will produce demonstrable expansions of species associated with a functioning East Delta ecosystem (particularly juvenile salmon, splittail, and Delta smelt); and 2) protect critical agricultural wetlands in such a manner that they will continue to be used by significant numbers of migratory birds.

The Nature Conservancy's approach to testing this hypothesis is conducted on two levels, described below.

Monitoring Parameters and Data Collection Approach

1) *Initial Resource Assessment.* An initial resource assessment will be conducted on all acquisitions and easements purchased by The Nature Conservancy. This "baseline monitoring" describes the condition of the property at the time of purchase and provides a starting data point on which initial stewardship and monitoring programs will be based. In addition these data will be used as follows:

- To provide information for restoration planning
- In the case of easement purchases, the initial assessment or "Easement Documentation Report" provides a description of the property at the time of purchase and is necessary for subsequent legal compliance monitoring.
- To provide a starting point from which future trends can be determined, and to generate some of the information needed for larger-scale planning and monitoring.

The parameters to be described and measured in the initial assessment include, but are not limited to, endangered species surveys, terrestrial and aquatic habitat type and condition mapping, land uses and infrastructure, levees and bank protection, water uses and distribution, vegetation and animal species monitoring transects, archeological surveys, and exotic species assessments. We will conduct these initial assessments once during the three-year grant cycle.

2) *Monitoring Ecosystem Recovery by Initiating Cooperative Scientific Ventures.* A long-term restoration vision is currently being formulated for Staten Island. The Nature Conservancy is committed to working cooperatively with agencies, Delta farmers, environmental interests, and water stakeholders to seek consensus on the appropriate restoration and farm preservation plans. We will also engage with the appropriate science and data collection partners to initiate monitoring programs that adequately track and measure ecosystem response. Likely partners include CALFED agencies, Ducks Unlimited, U.S. Fish and Wildlife Service, California Department of Fish and Game, and the U.C. Davis Cosumnes Science Consortium.

Table 1. Monitoring and Data Collection Information

Question to be evaluated?	Monitoring Parameters and Data collection Approach	Data Evaluation Approach	Comments / Data Priority
Expanded conservation management at Staten Island will increase the number of waterfowl wintering in this area?	There is an ongoing waterfowl monitoring program conducted on Staten Island by Ducks Unlimited.	Aerial photography and visual counts carried out during scheduled winter flights in the Delta.	We are not requesting funding for this program.
Are bird diversity and abundance increasing as a result of restoration efforts and easements restrictions?	The Cosumnes River Preserve has a long term bird volunteer monitoring program which will be expanded to include portions of Staten Island. Volunteers record bird species and abundance in both riparian zones and wetland habitats.	Data is assemble on spreadsheets and housed at the Preserve and displayed on our website.	This program has been conducted for over 10 years. We are not requesting funding.
Do lands protected by easements and acquisitions contribute to the recovery of species of concern to Calfed?	TNC will work cooperatively with Calfed agencies and nonprofits to asses the region-wide health of Delta fish and avian species.	TNC will encourage the placement of monitoring stations for aquatic and riparian species on acquired sites. On easements, TNC will encourage landowners to participate in monitoring programs.	Funding is not requested in this proposal
Conditions of the easements will be met by the landowner? (Compliance monitoring)	Site visits are made, conditions recorded, and property owner is notified of infractions. Parameters measured will vary with the individual easement. At Staten Island they would likely include restrictions on development and crop type.	Standard monitoring forms, reports made available to Calfed.	Funding is requested for the initial 3 years of compliance monitoring

Local Involvement

The San Joaquin County Board of Supervisors, Administrative Officer, Planning Director, and Water Resources Director have received notice of this proposal (letter attached). Because of the potential benefit to Sacramento County of activities enabled by the proposed activities, we have also notified the Sacramento County counterparts of these officials.

Members of the Lower Mokelumne River Task Force (LMRTF) have been informed of this proposal, and we will actively coordinate with that group as it becomes a more formal operation. Similarly, the Cosumnes River Task Force (CRTF) was consulted and will be engaged as we move toward implementation of the activities proposed. Together, the LMRTF and CRTF include all of the relevant Resource Conservation Districts, Reclamation Districts, and other major stakeholders. They will serve as important stakeholder forums for development of the Mokelumne River Feasibility Study by the U.S. Army Corps of Engineers. Through the MRTF's and CRTF's regular meetings (and more frequent meetings of workgroups organized by reaches of the river), we will assure close coordination of this program with their plans and objectives.

The Corps of Engineers' Feasibility Study, funded as a directed action by CALFED in 1999, will provide another vehicle for assuring local and interagency involvement in the activities made possible by this grant. The Corps' Project Study Plan should be complete by June 1999. The Corps process also presents the opportunity for leveraging additional federal dollars for future improvements (such as levee setbacks), and it is the vehicle for engineering and environmental review of specific future activities.

In addition, the Cosumnes River Preserve carries out a regular program of outreach to decision-makers and community groups in the greater Sacramento region. Activities in this program include periodic presentations to or participation with the Galt Chamber of Commerce, the North Delta Conservancy, the Delta Protection Commission, service clubs, historical societies, and other groups. These presentations serve to keep key constituencies informed of Preserve activities and to provide the vehicle for further involvement by those who seek it.

If this grant is approved, we will develop and implement an outreach plan specific to this program — one focused on the landowners and farm organizations who are engaged in ongoing discussions about conveyance improvements in the corridor and who will be the beneficiaries of such improvements.

Finally, the Preserve has a web page (www.cosumnes.org) with background information, maps, and descriptions of current programs.



Cosumnes River Preserve
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International Headquarters
Arlington, Virginia

TEL 916 683-2142
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April 9, 1999

Mr. Jack Sieglock
Member, Board of Supervisors
San Joaquin County
222 East Weber Avenue, Room 701
Stockton, CA 95202

Dear Mr. Sieglock:

Over the past few years, The Nature Conservancy has received significant funding from the CALFED Bay-Delta Program for land acquisitions and related activities in Sacramento County that protect farmland, improve floodwater conveyance, and improve habitat conditions for fish and other species in the lower floodplain of the Cosumnes River. The activities supported by these grants have resulted in significant improvements in floodplain management and significantly improved habitat conditions. In addition, our activities to date (funded by CALFED, other public, and private sources) have protected over 10,000 acres of agricultural land – land that is now free from development pressure, but remains in farming (and on the property tax rolls). Pending property acquisitions and our partnership with Staten Island will soon increase that number to approximately 35,000 acres. While these activities (except for Staten Island) have been focussed within Sacramento County, our floodwater management projects have benefited both Sacramento and San Joaquin.

As you probably know, another CALFED competitive funding round is upon us, with proposals due to CALFED in mid-April. The Nature Conservancy will be submitting two proposals to CALFED in this round for activities in or potentially benefiting San Joaquin County. The proposals are:

1. A proposal for easement acquisitions to protect farmland on Staten Island and enable a setback levee to be constructed on Staten Island. Our hope is to play a facilitating role in improving conveyance in the Mokelumne corridor, if the various agencies (CALFED, Corps of Engineers, SAFCA, San Joaquin and Sacramento Counties, the Resource Conservation Districts, and others) currently addressing this problem decide that expanded channel cross-sections through levee setbacks are a part of the solution.
2. A proposal for acquisition of easements and fee interests in additional land along the lower Cosumnes River, in Sacramento County. The object here is to develop funding for projects that will assist in reducing flood stages or accommodating floodwater along the lower Cosumnes. This funding would provide a local match for federal funding made

available through the Corps' Feasibility Study process now underway. We do not have transactions ready to go for this funding, but a funding commitment from CALFED would enable us to move ahead, working with the Corps and the two groups organizing to address issues on the two rivers. The acquisitions and activities anticipated would increase floodplain storage and reduce flood stages on the Cosumnes and lower Mokelumne, benefiting both Counties. As always, we will only seek acquisitions from willing sellers.

We look forward to working with you and other stakeholders to achieve the flood management, farmland protection, and habitat improvement objectives of the CALFED program, the Lower Mokelumne Task Force, the Cosumnes River Task Force, and the Army Corps Feasibility Studies.

Please contact me if you would like additional information.

Sincerely,



Mike Eaton
Project Director

Cc: ✓Members, Board of Supervisors
✓David L. Baker, County Administrator
✓Ben Hulse, Community Development Director
✓John Pulver, Water Resources Director
✓Don Nottoli, Sacramento County Supervisor and Chair, Cosumnes River Task Force
✓Mr. Jim Shanks, Staten Island



Cosumnes River Preserve
13501 Franklin Boulevard
Galt, California 95632

International Headquarters
Arlington, Virginia

TEL 916 683-2142
FAX 916 683-1702

April 9, 1999

Mr. Pat McCarty
Chair, Delta Protection Commission
PO Box 530
Walnut Grove, CA 95690

Dear Pat:

As you know, over the past few years, The Nature Conservancy has received significant funding from the CALFED Bay-Delta Program for land acquisitions and related activities in Sacramento County that protect farmland, improve floodwater conveyance, and improve habitat conditions for fish and other species in the lower floodplain of the Cosumnes River. The activities supported by these grants have resulted in significant improvements in floodplain management and improved habitat conditions. In addition, our activities to date (funded by CALFED, other public, and private sources) have protected over 10,000 acres of agricultural land — land that is now free from development pressure, but remains in farming (and on the property tax rolls). Pending property acquisitions and our partnership with Staten Island will soon increase that number to approximately 35,000 acres.

As you probably know, another CALFED competitive funding round is upon us, with proposals due to CALFED in mid-April. The Nature Conservancy will be submitting two proposals to CALFED in this round for activities in the Delta primary and secondary zones. The proposals are:

1. A proposal for easement acquisitions to protect farmland on Staten Island and enable a setback levee to be constructed. Our hope is to play a facilitating role in improving conveyance and improving levee reliability in the Mokelumne corridor, if the various agencies (CALFED, Corps of Engineers, SAFCA, San Joaquin and Sacramento Counties, the Resource Conservation Districts, and others) currently addressing this problem decide that expanded channel cross-sections through levee setbacks are a part of the solution.
2. A proposal for acquisition of easements and fee interests in additional land along the lower Cosumnes River, in Sacramento County. The object here is to develop funding for projects that will assist in reducing flood stages or accommodating floodwater along the lower Cosumnes. This funding would provide a local match for federal funding made available through the Corps' Feasibility Study process now underway. We do not have transactions ready to go for this funding, but a funding commitment from CALFED would enable us to move ahead, working with the Corps and the two groups organizing to address issues on the two rivers. The acquisitions and activities anticipated would

increase floodplain storage and reduce flood stages on the Cosumnes and lower Mokelumne, benefiting both Counties. As always, we will only seek acquisitions from willing sellers.

We look forward to working with you and other stakeholders to achieve the flood management, farmland protection, and habitat improvement objectives of the CALFED program, the Lower Mokelumne Task Force, the Cosumnes River Task Force, and the Army Corps Feasibility Studies.

Please contact me if you would like additional information.

Sincerely,



Mike Eaton
Project Director

Cc: Members, Delta Protection Commission
Margit Arambaru, Executive Director



**BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO**

700 H STREET, SUITE 2450 • SACRAMENTO, CA 95814

April 15, 1999

DON NOTTOLI
SUPERVISOR, FIFTH DISTRICT
(916) 874-5468
FAX (916) 874-7593

Mr. Lester Snow, Director
CALFED Bay-Delta Program
1416 Ninth Street, 11th Floor
Sacramento, CA 95814

Dear Lester:

I am pleased to provide this letter of support for the grant proposals to be submitted by The Nature Conservancy. The Cosumnes River Preserve and the Staten Island Consortium, in partnership with The Nature Conservancy are seeking funding from CALFED to accomplish several projects involving flood control and flood plain management improvements in the area of the lower Cosumnes and Mokelumne Rivers. It is my understanding these projects and initiatives are designed to improve flood security for existing agricultural lands and habitat areas and that these projects would involve a number of public agencies, private organizations and property owners.

I am appreciative of the Cosumnes River Preserve's approach which is directed toward maintaining a substantial amount of land in private ownership, toward improving flood protection for agricultural operations in the two river corridors and demonstrating that farming and wildlife habitat can be compatible objectives.

Thank you in advance for your consideration of these proposals.

Sincerely,

Don Nottoli, Supervisor
Fifth District

DN:sv



Cost

Total Request: \$15,731,260

Budget costs:

Direct salary and benefits of \$141,090 are calculated for all tasks described in the Scope of Work. Benefits are calculated at 35.7% of salary paid for hours worked in accordance with our Negotiated Indirect Costs Rate Agreement (NICRA) fringe benefit rate.

Service Contracts of \$70,400 for conservation easement acquisition include the costs of appraisals, hazardous materials surveys, and easement documentation reports, all of which will be obtained from a group of vendors that the Conservancy uses on a regular basis and pays from invoices rather than through a written contract. We will solicit competitive bids for other services obtained through subcontracts, including surveys, initial assessment, and monitoring.

Material costs of \$15,460,000 are estimated capital costs for purchase of conservation easements. Other costs incurred in acquisition of conservation easements are included in Service Contracts

Overhead and indirect costs of \$29,810 included in this proposal are 21.3% of direct salaries and benefits — less than our approved NICRA indirect cost rate, which is 20% of total direct project costs, excluding the purchase price of any land interests. The indirect portion includes costs associated with general office requirements and general staff as well as legal and grants administration staff.

Schedule/milestones

- Contact landowner, conclude negotiations, and sign options on conservation easement properties. Acquisition is anticipated within two years of the award of this grant.
- Initiate surveys and engineering, management, and monitoring plans on conservation easement properties. Each of these activities will be initiated upon close of escrow on each easement and will be completed within one year of closing.
- Conduct initial resource assessment on easements within one year of close of escrow on each easement acquired.
- Monitor conservation easements annually after date of acquisition for the duration of the proposed project.

Our ability to achieve the goals of this project depends on successful project management, including management of subcontractors and providers of professional services, coordination with Cosumnes River Preserve partners and other stakeholders, and provision of timely reports on project progress.

Separable tasks

Funding for the two proposed conservation easements are separable. Funding for one does not necessarily require funding for the other. However, a significant conservation investment in this project will be needed, and its success will depend on securing a firm commitment of considerable funding.

TABLE 2. Total Budget

Task	Direct Labor Hours	Direct Salary & Benefits	Service Contracts	Material & Acquisition Costs	Miscellaneous and Other Direct Costs	Overhead and Indirect costs	Total Cost
Conservation easement	1,274	53,000	70,400	15,460,000		12,200	15,595,600
Management activities	1,274	39,000	30,000			7,800	76,800
Project Management	1,092	49,090				9,810	58,900
TOTALS	3,640	141,090	100,400	15,460,000		29,810	15,731,300

TABLE 3. Quarterly Budget

Task	Quarterly Budget, Oct-Dec 1999	Quarterly Budget, Jan-Mar 2000	Quarterly Budget, Apr-June 2000	Quarterly Budget, Jul-Sept 2000	Year 2 Budget, Oct 00-Sept 01	Year 3 Budget, Oct 01-Sept 02	Total Cost
Conservation easement		6,300	6,810	12,820	15,569,670		15,595,600
Management activities		3,000	6,000	11,800	43,000	13,000	76,800
Project Management		4,090	8,000	14,110	16,350	16,350	58,900
TOTALS		13,390	20,810	38,730	15,629,020	29,350	15,731,300

Figure 1

STATEN ISLAND FINANCING SCENARIO

TOTAL VALUE: **\$35,000,000**
(9200 ac. @ \$3200/ac. + imp.)

Funding needs:

1. Easement: 8200ac. farmland conservation easement
@ \$1500/ac.: **\$12,300,000**

1000 ac. levee setback easement
@ \$3000/ac.: **\$ 3,000,000**

2. Fee: 8200ac. under farmland ease. and levee setback ease
@ \$1700/ac. (ave.): **\$13,940,000**

3. Improvements: Corn dryer, headquarters, other homes, shops, equipment, etc.: **\$ 5,760,000**

Cost-Sharing

No funding commitments for this project have yet been made; we hope to fund the easements described here entirely with CALFED funds. As described earlier, we hope to use CALFED funds to leverage significant other public and private funds so that we can eventually achieve fee title ownership of the property. The Conservancy has extensive experience with complex land transactions involving multiple public and private partners. We feel confident that we can bring this experience to bear here. Notably, all of the previously funded CALFED land acquisitions at the Cosumnes Preserve have included multiple sources of funds. Other significant funding sources include California Wildlife Conservation Board, U.S. Natural Resources Conservation Service Wetlands Reserve Program, Clean Water State Revolving Fund, North American Wetlands Conservation Act, and wetlands mitigation/fine sources through the U.S. Army Corps of Engineers.

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 nearly 50 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 been supported by funding from previous grants from CALFED and the Central Valley Project Improvement Act (CVPIA) and its Anadromous Fish Restoration Program, as well as additional public and private funding sources. These projects include the following:

Cosumnes River Project — Sacramento and San Joaquin Counties

Working with public agencies and private landowners, The Nature Conservancy has protected nearly 14,000 acres of floodplain habitat, created more than 1,000 acres seasonal wetlands, restored 850 acres of riparian forest habitat, and implemented innovative levee set-back projects to restore natural channel meander. The project enjoys broad public support and provides many opportunities for local involvement, including public visitation, research, and cooperative management with neighboring farmers. In recent years, The Nature Conservancy has begun working downstream, to include protection and restoration of key parcels near the confluence with the Mokelumne River that are critical to the Bay-Delta ecosystem.

Sacramento River Project — Butte, Tehama, Colusa Counties

An active participant in the SB 1086 process, The Nature Conservancy is collaborating with local landowners and stakeholders to develop the Sacramento River Conservation Area. To date, 15,000 acres have been protected and 2,340 acres restored, supported by funding from many partners and sources, including the U.S. Fish and Wildlife Service, California Wildlife Conservation Board, Department of Water Resources, and others. Through the site-specific management planning process, the Conservancy is focusing on key sub-reaches of the river that are central to the implementation of a limited meander corridor, a high-priority objective for SB 1086 and CALFED.

Mill Creek, Deer Creek, Battle Creek — Butte, Tehama, Shasta Counties

These tributaries of the upper Sacramento River provide critical habitat for healthy populations of high-priority anadromous fish species including steelhead trout and winter, spring, fall, and late fall run chinook salmon. Protection of riparian parcels through the purchase of fee and easement interests is essential to ensuring connectivity of habitat to the main stem of the Sacramento River. Active restoration has also begun on some of the protected parcels, with funding from CALFED and CVPIA and with the cooperation of local watershed conservancies.

Compliance with Standard Terms and Conditions

The Nondiscriminatory Compliance Statement and Small Business Preference forms are attached, as required under the Terms and Conditions of the 1999 CALFED Proposal Solicitation Package.

If state funds are used for this project, the following applies:

The applicants acknowledge the requirement of the Standard Clauses for service and consultant service contracts for \$5,000 and over with non-public entities, as described in the terms and conditions of the 1999 CALFED Proposal Solicitation Package.

If federal funds are used for this project, the following applies:

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.

NONDISCRIMINATION COMPLIANCE STATEMENT

STD. 19 (REV. 3-95) FMC

COMPANY NAME

The Nature Conservancy

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.

Patti Brady

OFFICIAL'S NAME



DATE EXECUTED

April 13, 1999

EXECUTED IN THE COUNTY OF

San Francisco

PROSPECTIVE CONTRACTOR'S SIGNATURE

PROSPECTIVE CONTRACTOR'S TITLE

Director of Human Resources

PROSPECTIVE CONTRACTOR'S LEGAL BUSINESS NAME

The Nature Conservancy

**STANDARD CLAUSES --
SMALL BUSINESS PREFERENCE AND CONTRACTOR IDENTIFICATION NUMBER**

NOTICE TO ALL BIDDERS:

Section 14835, et. seq. of the California Government Code requires that a five percent preference be given to bidders who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of service, are contained in Title 2, California Code of Regulations, Section 1896, et. seq. A copy of the regulations is available upon request. Questions regarding the preference approval process should be directed to the Office of Small and Minority Business at (916) 322-5060. To claim the small business preference, you must submit a copy of your certification approval letter with your bid.

Are you claiming preference as a small business?

_____ Yes* X No

*Attach a copy of your certification approval letter.