

98B.137

4.5 PSP Cover Sheet (Attach to the front of each proposal)

Proposal Title: Battle Creek Riparian Habitat Protection  
Applicant Name: The Nature Conservancy  
Mailing Address: 201 Mission Street-4th Floor, San Francisco, CA 94105  
Telephone: (415) 777-0487  
Fax: (415) 777-0244  
Email: \_\_\_\_\_

Amount of funding requested: \$ 2,820,000 for 3 years

Indicate the Topic for which you are applying (check only one box).

- |   |   |
|---|---|
| <input type="checkbox"/> Fish Passage/Fish Screens      | <input type="checkbox"/> Introduced Species       |
| <input checked="" type="checkbox"/> Habitat Restoration | <input type="checkbox"/> Fish Management/Hatchery |
| <input type="checkbox"/> Local Watershed Stewardship    | <input type="checkbox"/> Environmental Education  |
| <input type="checkbox"/> Water Quality                  |   |

Does the proposal address a specified Focused Action? \_\_\_\_ yes \_\_\_x\_\_\_ no

What county or counties is the project located in? Tehama and Shasta

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

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

Indicate the primary species which the proposal addresses (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> San Joaquin and East-side Delta tributaries fall-run chinook salmon |   |
| <input checked="" type="checkbox"/> Winter-run chinook salmon                                | <input checked="" type="checkbox"/> Spring-run chinook salmon |
| <input checked="" type="checkbox"/> Late-fall run chinook salmon                             | <input checked="" 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 checked="" type="checkbox"/> Migratory birds  | <input checked="" type="checkbox"/> All chinook species       |
| <input type="checkbox"/> Other: _____  | <input type="checkbox"/> All anadromous salmonids             |

Specify the ERP strategic objective and target (s) that the project addresses. Include page numbers from January 1999 version of ERP Volume I and II:

Riparian and Riverine Aquatic Habitat (Vol.1,pp.147-154)  
Freshwater Fish Habitat and Essential Fish Habitat (Vol.1,pp.155-159&160-163)  
(Vol.2,pp.209&216)  
Riparian and Shaded Riverine Aquatic Habitat (Vol.2,p.215)

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: _____          |

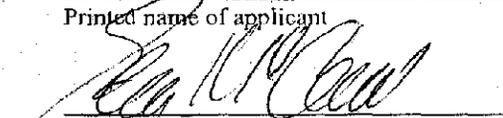
Indicate the type of project (check only one box):

- |                                     |  |
|-------------------------------------|--|
| <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 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**

***Title of project: Battle Creek Riparian Habitat Protection***

***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; e-mail pmcnutt@tnc.org

***Participants/collaborators:***

U. S. Fish and Wildlife Service (CVPIA)  
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  
JL Foundation  
Point Reyes Bird Observatory

***Type of organization and tax status:***

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

***Tax identification number: 53-0242652***

## Executive Summary

**Project title:** Battle Creek Riparian Habitat Protection

**Applicant:** The Nature Conservancy

### *Project description and location*

The Nature Conservancy requests \$2,819,980 from the 1999 CALFED Ecosystem Restoration Program for the acquisition, initial stewardship, and monitoring of critical riparian easements totaling more than 6,100 acres along the middle reaches of Battle Creek in the upper Sacramento River watershed. In addition to CALFED funding, The Nature Conservancy is also pursuing funds from other public and private sources to support Battle Creek restoration projects. The proposed project is part of a comprehensive effort to restore and protect a continuous corridor of riparian, aquatic, and associated upland habitat along key tributary streams of the Sacramento River in eastern Tehama and Shasta Counties, including Deer, Mill, and Battle Creeks. This proposal is being submitted for funding under the Habitat Restoration: Channels, Floodplains and Marshes category.

The proposed project includes funding to permanently preserve four key properties on Battle Creek in order to protect existing riparian and aquatic habitat. TNC intends to acquire conservation easements on three of the properties. For the fourth property, TNC intends to acquire the property in fee, and funding is requested either to partially fund the purchase of the property or to fund a conservation easement if the property will be resold. Each acquisition will be purchased from a willing seller at a purchase price determined by a qualified appraiser. Stewardship and monitoring activities include preparation of initial resource assessments to provide a baseline monitoring report for each property, fencing of riparian areas on three properties, and monitoring of neotropical migrant birds conducted by the Point Reyes Bird Observatory.

### *Ecological/Biological Objectives*

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

- To **protect and restore natural riparian, aquatic, and terrestrial habitats** in order to maintain continuous habitat corridors along key tributary streams and at their confluences with the main stem of the upper Sacramento River.
- To improve the **long-term sustainability of freshwater fish habitat and the natural production of anadromous fish populations**, in particular steelhead trout and winter-run, spring-run, fall-run, and late fall-run chinook salmon.
- To **protect essential fish habitat** that support various life cycle stages of chinook salmon and steelhead trout from degradation by purchasing conservation easements from willing sellers.

Battle Creek supports a Sacramento River tributary ecosystem that is highly ranked in the CALFED Ecosystem Restoration Program Plan and in the U.S. Fish and Wildlife Service's Anadromous Fish Restoration Plan. Already, a significant restoration project has been proposed on Battle Creek through the Battle Creek Salmon and Steelhead Restoration Project ("Battle Creek Restoration Project") between the Resource Agencies (California Department of Fish & Game, National Marine Fisheries Service, U.S. Bureau of Reclamation and U.S. Fish & Wildlife Service) and PG&E. Implementation of the Battle Creek Restoration Project will reopen and restore 42 miles of instream aquatic habitat for all four runs of native salmon as well as steelhead trout. This proposal complements the Battle Creek Restoration Project by

protecting Battle Creek's riparian habitat and freshwater springs through the protection and initial stewardship of key riparian properties. In addition, this proposal supports CALFED Ecosystem Restoration Program objectives by protecting Priority Group 1 species, including **winter-run and spring-run chinook salmon, steelhead trout, and late fall-run chinook salmon**, as well as other high-priority species including the **pacific lamprey, valley elderberry longhorn beetle, and bald eagle**.

***Costs and third-party impacts***

The total request for funds is \$2,819,980. This figure includes funding for acquisition and initial stewardship activities as well as operations costs. Other funds needed to support the long-term monitoring for these properties will be raised separately from other public and private sources. There are no known negative third-party impacts from the activities for which we are requesting funding.

***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 Battle, Deer and Mill Creeks, and at Gray Davis Dye Creek and Vina Plains Preserves. ***Monitoring and data evaluation***  
The proposed project includes both biological and compliance monitoring components. Biological monitoring will include initial resource assessments of each property. Compliance monitoring will be designed and implemented on all easement properties. The Nature Conservancy will also coordinate with ongoing large scale monitoring programs in the project area, including the salmon monitoring programs conducted by the USF&WS.

***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. The proposed project is also compatible with the objectives of other CALFED program elements.

## Project Description

### *Project description*

The Nature Conservancy requests \$2,819,980 from the 1999 CALFED Ecosystem Restoration Program for the acquisition, initial stewardship and monitoring of critical riparian properties totaling more than 6,100 acres along the middle reaches of Battle Creek in the upper Sacramento River watershed.

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

**Land acquisition** under this proposal will focus on the protection of four key properties. The Nature Conservancy intends to acquire conservation easements on three properties along the main stem of Battle Creek in order to provide permanent conservation protection of natural processes while maintaining land in private use and ownership. For the fourth property, which is on the North Fork of Battle Creek, the Conservancy intends to acquire the property in fee, and funding is requested either to partially fund the purchase of the property or to fund a conservation easement if the property will be resold. If the property is to be held by the Conservancy beyond the three-year grant term, a conservation management plan will be developed for the property. The terms of the easements or conservation management plan will ensure the protection of the riparian habitat and connectivity of the stream to the surrounding land, but may vary slightly to fit a particular property or a landowner's needs.

With the signing of the historic Battle Creek Salmon and Steelhead Restoration Project final agreement in principle ("Battle Creek Restoration Project") by the Resource Agencies (California Department of Fish and Game, National Marine Fisheries Service, U.S. Bureau of Reclamation and U.S. Fish and Wildlife Service) and PG&E to restore instream flows and install fish ladders and screens, it is now important to protect the relatively pristine habitat along the stream from degradation and development. The specific properties identified for protection are high-priority candidates for preservation due to their strategic locations. These properties are shown in Figures 2, 3, 4 and 5.

- **Miller Ranch (1,600 acres)** is located on the main stem of Battle Creek above the Coleman Fish Hatchery and has frontage on both sides of Battle Creek. This stretch of the creek serves as a spawning area for fall-run and late fall-run chinook salmon and as a holding area for spring-run chinook salmon. The property is currently held by a trustee due to a bankruptcy, and the Conservancy is currently working with the trustee and interested parties on the disposition of the property. The Conservancy may purchase the property in fee and then resell the property with a conservation easement, or we may work with other interested parties who would purchase the underlying fee with the Conservancy purchasing the conservation easement. Funding is requested only for the value of the conservation easement. Sections of the riparian habitat would be fenced where needed to keep livestock from entering the creek.
- **McCampbell Ranch (1,400 acres)** is contiguous to the Miller property and has extensive frontage along the north side of Battle Creek and additional frontage on the south side. The property is important to protect winter-run and spring-run fish passage as well as the habitat of Baldwin Creek. Baldwin Creek, which enters Battle Creek from this property, supports steelhead

trout and winter-run juvenile rearing habitat. The total size of the ranch is 2,000 acres; however, the proposed conservation easement would cover approximately 1,400 acres of key habitat and floodplain. Sections of the riparian habitat will be fenced where needed to keep livestock from entering the creeks.

- **Long Ranch (3,100 acres)** is located on the south side of Battle Creek with frontage along the South Fork, and it is adjacent to the Miller and McCampbell Ranches. This portion of the creek is important for winter-run and spring-run fish passage. While much of this 12,000-acre ranch is within the watershed of Battle Creek, the proposed conservation easement would cover the riparian habitat area of 3,100 acres. The Long, Miller, and McCampbell Ranches represent three large private landholdings that have served to protect an intact riparian habitat along miles of Battle Creek.
- **Brainerd Ranch (80 acres)** is on the North Fork of Battle Creek with almost one mile of frontage on the south side of the fork above Eagle Canyon Dam and frontage along Digger Creek. Protection of this property would preserve important winter-run and spring-run chinook salmon spawning habitat. The property is on the market, and the Conservancy is currently negotiating to purchase it in fee. We may either hold the property or resell the underlying fee while recording a conservation easement. The property has adjudicated water rights which are currently leased to PG&E. Acquisition of this property will provide the opportunity to assess the future uses of those water rights. The Conservancy would fence the riparian habitat to limit intrusion from livestock in the creek.

The protection of these Battle Creek properties complements acquisitions being made by the Bureau of Land Management (BLM) in the lower reaches of the creek. The purchase of conservation easements on Battle Creek is supported by the Battle Creek Watershed Conservancy and occurs with willing sellers only.

**Stewardship and Monitoring** activities include: preparation of initial resource assessments to provide a baseline monitoring report for each property, fencing of riparian areas on three properties, and bird monitoring of neotropical migrants conducted by the Point Reyes Bird Observatory. Funding for long-term compliance monitoring of the conservation easement is not requested in this proposal and will be funded separately.

#### *Proposed scope of work*

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

- **Acquisition.** Tasks include all necessary due diligence steps including appraisals, hazardous materials assessments, preparation of Easement Documentation Reports, and surveys (if necessary). The Conservancy is currently working with the landowners of all four properties. We plan to complete all four acquisitions within the three-year term of the grant. For the Long, McCampbell, and Miller ranches, the Conservancy will submit to CALFED or the representative agency a copy of the recorded conservation easements. For the Brainerd ranch, the Conservancy will submit the proposed management plan for the property or the recorded conservation easement, as the case may be. The Conservancy will request that, if possible, capital funds be placed in escrow prior to closings or as an alternative, the Conservancy will close with its own

funds and request reimbursement from CALFED for capital costs in addition to other acquisition costs.

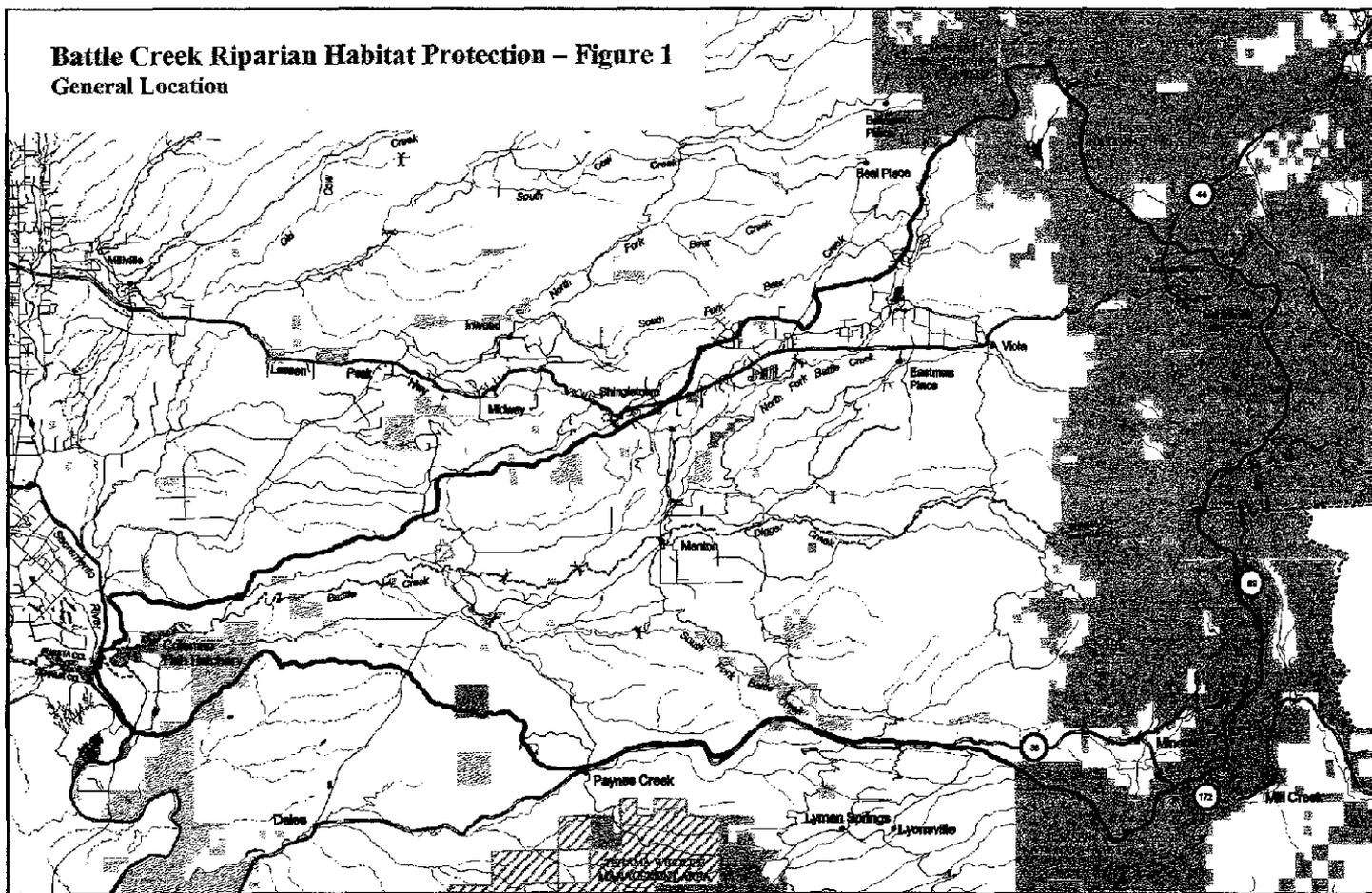
- **Stewardship and Monitoring.** Following acquisition, initial stewardship activities will include fencing of sensitive riparian areas on three properties and development of the initial resource assessments. The Conservancy will subcontract with Point Reyes Bird Observatory to conduct bird monitoring of neotropical migrants in the Battle Creek watershed.
- **Project management.** The Conservancy will oversee all phases of the project, including land acquisition and contracts for professional services and biological monitoring. We will continue to participate in local landowner meetings regarding land protection strategies in the region and to cooperate with the three local watershed organizations and other private and public agencies.

***Location/boundaries of the project***

The properties described in this proposal are located in the watershed of Battle Creek in Shasta and Tehama counties in the Northern Sacramento Valley Ecological Management Zone. These parcels are all identified as high priority for protection because of their strategic location on Battle Creek, which supports various life cycles of Priority Group I species, and because they include properties at risk of incompatible development and habitat degradation.

Figures 1 and 2 show locations of the properties and illustrate the parcelization that has occurred around Battle Creek.

**Battle Creek Riparian Habitat Protection – Figure 1**  
**General Location**



County Border  
 Major Road  
 Minor Road  
 River

Intermittent Stream  
 Canal, Slough, Penstock  
 Watershed Boundary  
 Dam

## Battle Creek Watershed



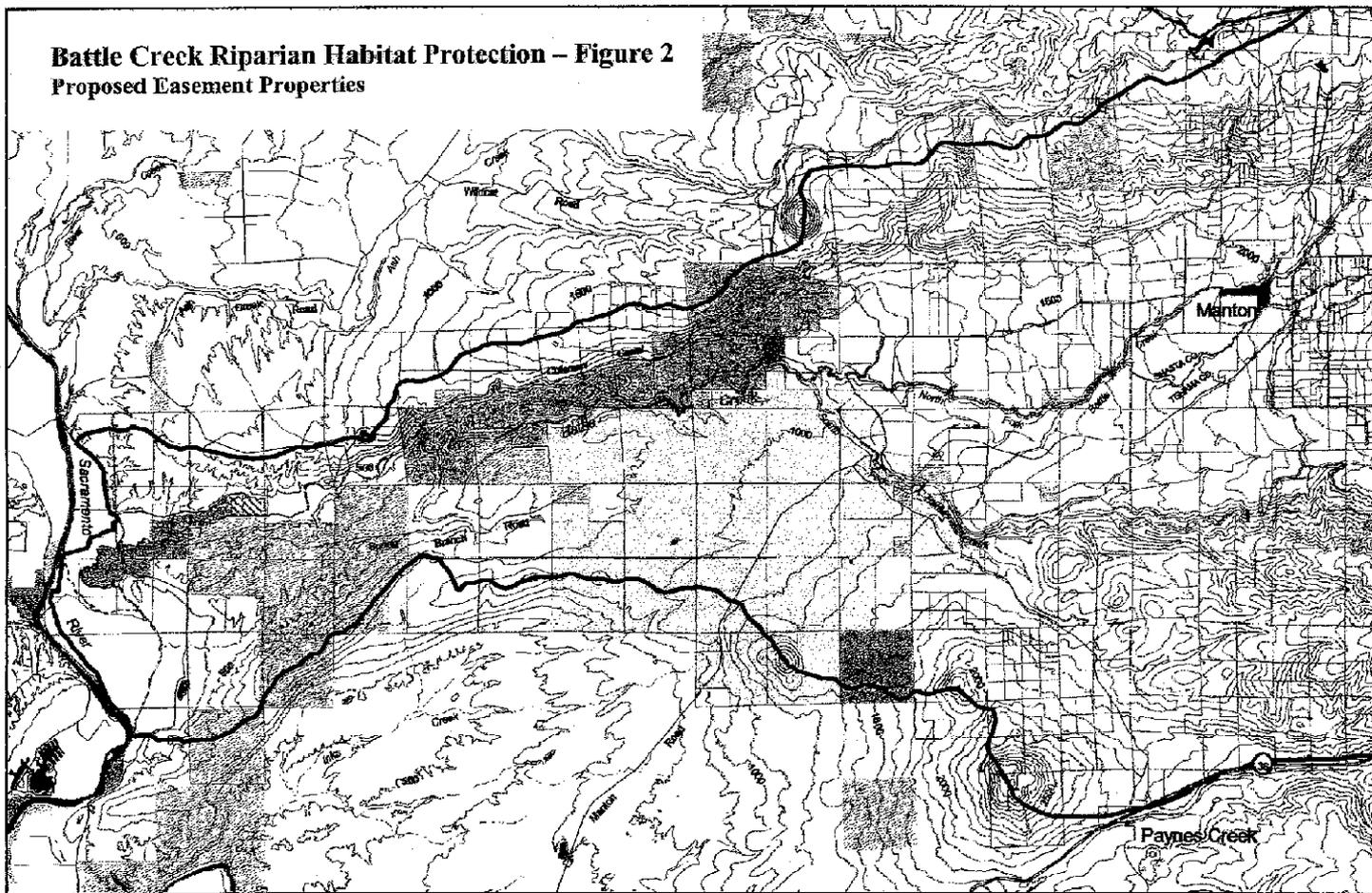
1:276000  
 0 1 2 3 4 5 Miles

Prepared April 1, 1998

State Lands  
 California Department of Forestry  
 California Department of Parks and Recreation  
 California Department of Fish and Game  
 Bureau of Indian Affairs

National Park Service  
 Bureau of Land Management  
 Lassen National Forest  
 U.S. Fish & Wildlife Service  
 Private

**Battle Creek Riparian Habitat Protection – Figure 2**  
**Proposed Easement Properties**



- County Border
- == Major Road
- Minor Road
- River

- Intermittent Stream
- Canal, Slough, Panstock
- Contour Line
- Dam

### Battle Creek Watershed



Contour Interval = 100 feet

1:275000

0 1 2 3 Miles

Prepared April 1, 1999



- Long Ranch
- Miller
- McCampbell
- Drainerd
- Parcels within watershed

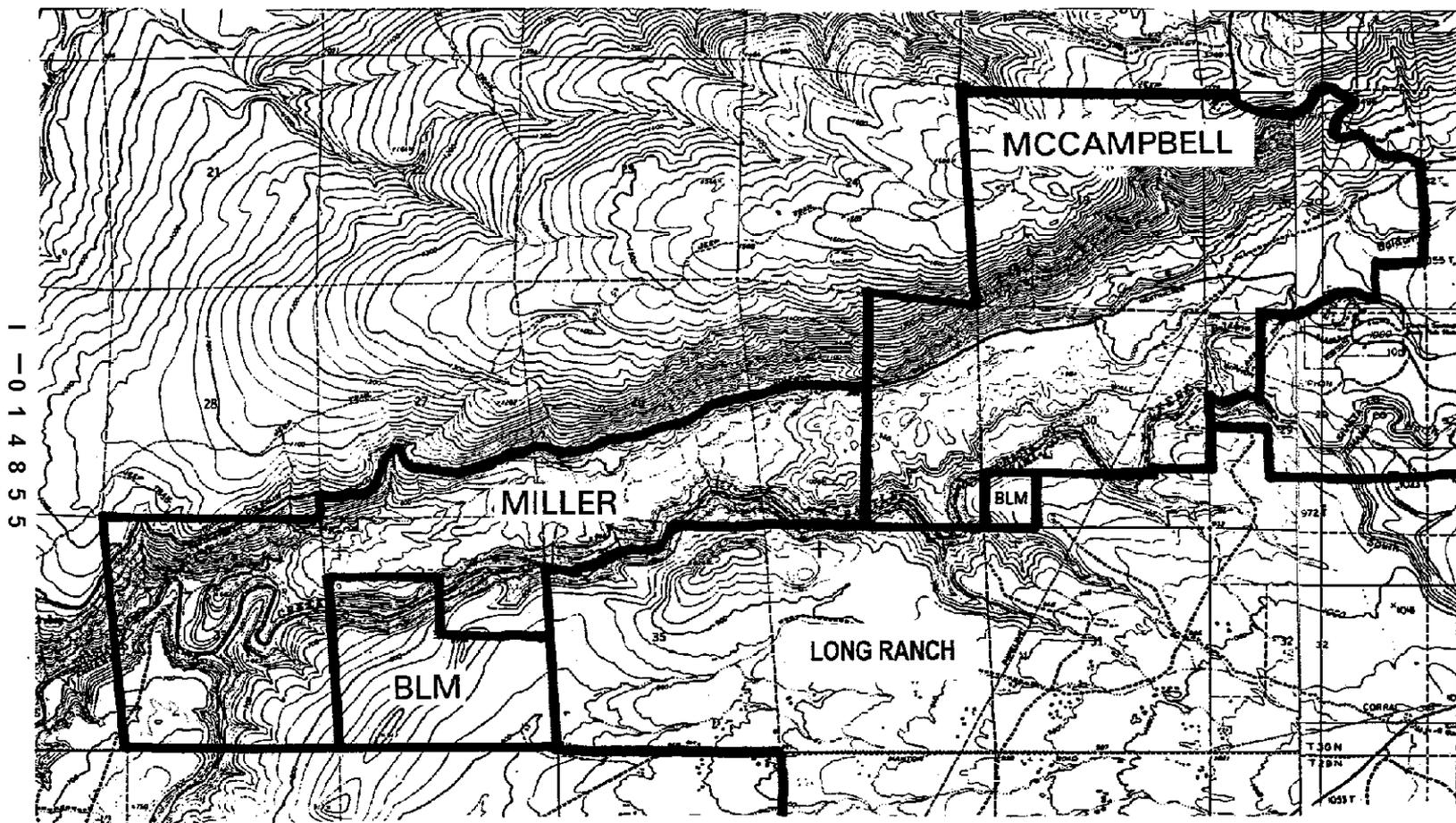
#### Ownership

- State Lands
- Bureau of Land Management
- U.S. Fish and Wildlife Service
- Watershed Boundary

1-014854

1-014854

**Battle Creek Riparian Habitat Protection – Figure 3  
Miller and McCampbell properties**



TUSCAN BUTTES NE, CALIF.

SCALE 1:39,448

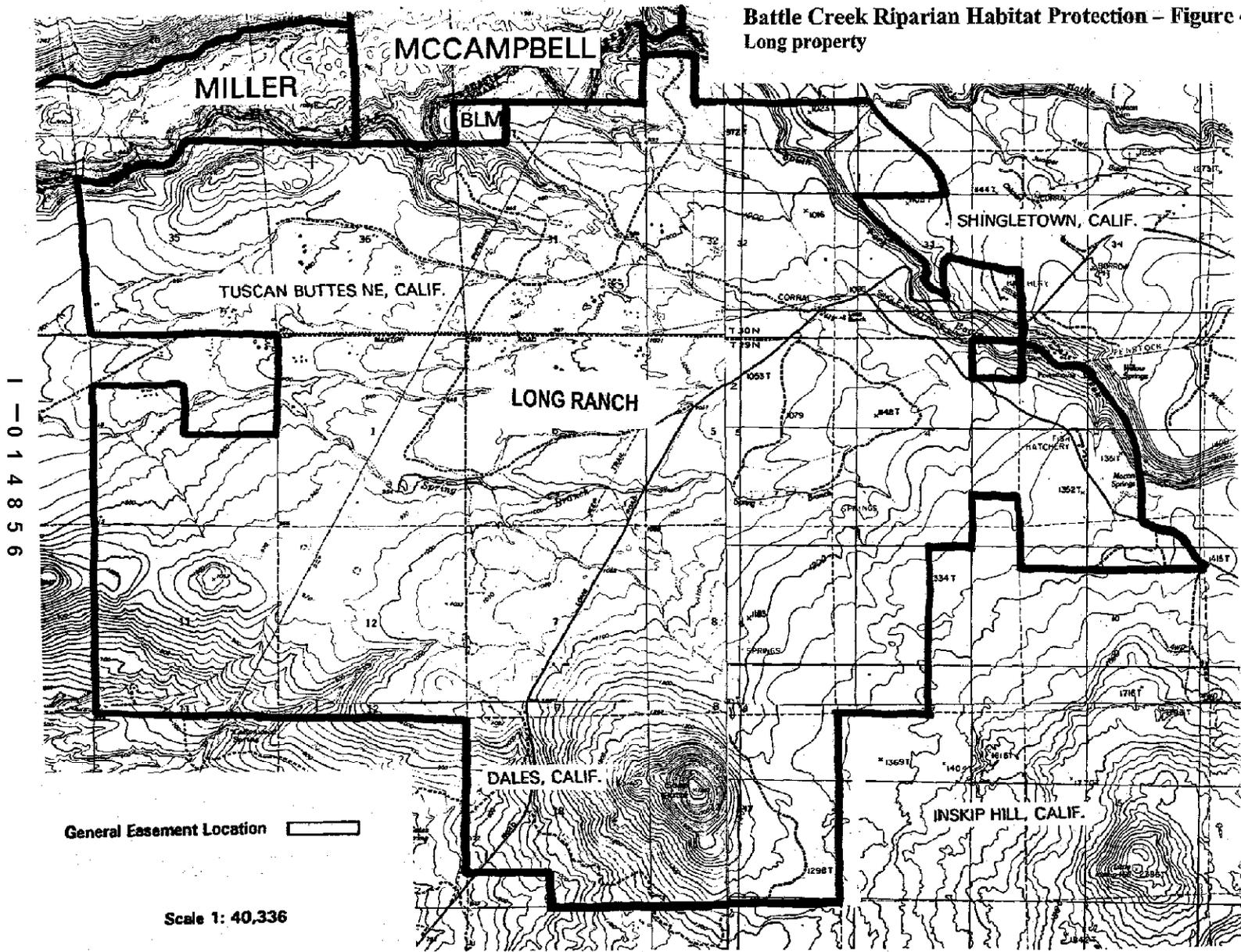
SHINGLETOWN, CALIF.

GENERAL EASEMENT LOCATION

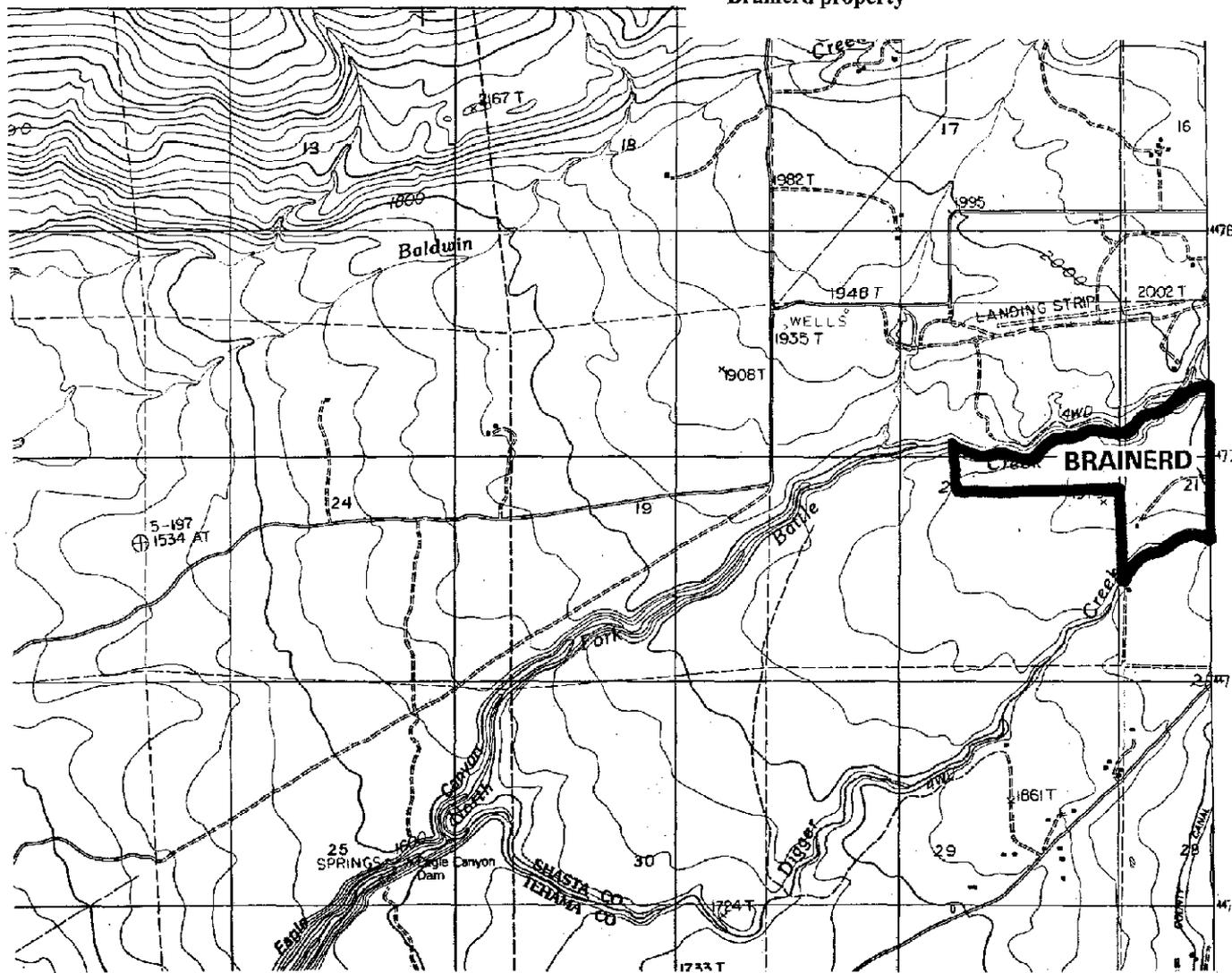


CONTOUR INTERVAL 20 FEET  
DOTTED LINES REPRESENT 100-FOOT CONTOURS  
NATIONAL GEODETIC VERTICAL DATUM OF 1929

Battle Creek Riparian Habitat Protection - Figure 4  
Long property



Battle Creek Riparian Habitat Protection – Figure 5  
Brainerd property



SCALE 1:24 000

SHINGLETOWN, CALIF.

1-014857

1-014857

## **Ecological/biological benefits**

The proposed project supports the objectives of the CALFED Ecosystem Restoration Program Plan by focusing on Priority Group I species and riparian and fish habitats and by providing broad ecosystem benefits. The primary biological/ecological CALFED objectives are

- To **protect and restore natural riparian, aquatic, and terrestrial habitats** in order to maintain continuous habitat corridors along key tributary streams and at their confluences with the main stem of the upper Sacramento River.
- To improve the **long-term sustainability of freshwater fish habitat and the natural production of anadromous fish populations**, in particular steelhead trout and winter-run, spring-run, fall-run, and late fall-run chinook salmon.
- To **protect essential fish habitat** that support various life cycle stages of chinook salmon and steelhead trout from degradation by purchasing conservation easements from willing sellers.

With instream flow issues being addressed by the Battle Creek Restoration Project, the protection of the riparian habitat along Battle Creek and its tributaries is an important next step. Such protection would limit future development in the riparian corridor which could lead to groundwater extraction from new wells and degradation of water quality from increased use of septic systems. Such habitat protection is also important to promote the continued health of riparian vegetation and the creek's freshwater springs and natural processes. The project's main scientific hypothesis is that the proposed acquisitions and easements will protect habitat, including freshwater springs, for all four runs of chinook salmon and steelhead trout and will enhance riparian and stream bank conditions.

### ***Priority Species and Habitats***

Battle Creek is a high priority for protection due to its existing populations of Priority Group I anadromous fish species and other at-risk species, including the pacific lamprey and the valley elderberry longhorn beetle, and due to its pristine riparian and fish habitat. The project benefits several Priority Group I species and habitats as described in the Ecosystem Restoration Program Plan:

- *Sacramento winter-run and spring-run chinook salmon and steelhead trout.* The proposed project benefits these first-tier priority species by protecting their natal rearing areas, holding areas, migratory pathways, and spawning grounds along Battle Creek.
- *Sacramento fall run and late fall-run chinook salmon.* The proposed project benefits late fall-run and fall-run chinook salmon by protecting spawning habitat from degradation and human disturbance and by protecting shaded riverine aquatic habitat. In addition, the project provides critical habitat for the pacific lamprey, other native resident fish and neotropical migratory birds.
- *Instream and shaded riverine aquatic habitat.* The proposed project protects excellent shaded riverine habitat that exists largely in its natural state. Protecting extensive shoreline vegetation provides woody debris and leaf and insect drop and supports the survival and health of juvenile salmon and resident fishes.

### ***Key Stressors***

The proposed project addresses key stressors affecting the Battle Creek ecosystem:

- *Channel form changes: Loss of existing riparian habitat.* 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 through the acquisition of fee or easement interests in key riparian parcels and permanently protects existing habitat.
- *Land use: Grazing and development.* Grazing and development impacts can include loss of riparian habitat, increased erosion, and decreased water quality. New development and its associated wells and septic systems would likely interrupt and degrade underground water flows that feed freshwater springs and the creek. The proposed project intends to address these stressors by providing permanent habitat protection through restrictions in the conservation easements that will limit grazing and development in the riparian areas. This will reduce the adverse impacts on the riparian and aquatic habitat areas.

By protecting existing riparian, aquatic and associated terrestrial habitats before their loss or degradation, we can improve the long-term sustainability of natural production of anadromous fish populations. Failure to protect existing habitat could allow changes in land use resulting in negative impacts that would eventually require costly restoration and potential loss of freshwater springs.

### ***Linkages***

The project meets multiple objectives of both the CALFED Ecosystem Restoration Program Plan and the CVPIA Anadromous Fish Restoration Program by protecting important riparian and freshwater fish habitat. In particular, this project complements and builds on the Battle Creek Restoration Project. With critical funding support from CALFED, the implementation of the Battle Creek Restoration Project will increase instream flows along 42 miles of Battle Creek, remove five diversion dams, install fish ladders and screens at the three remaining diversion dams, and establish an adaptive management plan. To support the ecosystem objectives of the Battle Creek Restoration Project for Battle Creek, The Nature Conservancy has committed to help raise \$3 million in private funds to complete and implement the project. The proposed project also complements conservation efforts by the Bureau of Land Management downstream and adds to the corridor of protected habitat within the Battle Creek watershed.

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, including Deer, Mill, and Battle Creeks. The Nature Conservancy's efforts have been supported by previous grants from CALFED and CVPIA. To date, the Conservancy has protected 3,395 acres along Deer and Mill Creeks and is negotiating easements or fee acquisitions on another 4,062 acres. In addition, we have initiated revegetation projects on Mill Creek and Dye Creek in coordination with the Mill Creek Conservancy and the Los Molinos Unified School District.

The Nature Conservancy is also working with the U.S. Fish and Wildlife Service and the Wildlife Conservation Board to acquire (15,000 acres to date) and restore (2,640 acres to date) lands along the Sacramento River. These efforts have been supported by CALFED as well in order to create and maintain the natural channel and bank conditions necessary to achieve large, self-sustaining populations of anadromous fish.

The proposed project addresses Ecosystem Restoration Program Objectives for the North Sacramento Valley Ecological Zone as described in Volumes 1 and 2 of the ERPP:

- *Riparian and Riverine Aquatic Habitats* (Vol.1, pp. 147-154). The vision for riparian and riverine aquatic habitats is to protect and increase the amount and quality of riparian trees, shrubs, herbaceous growth and organic matter in order to create a complex vegetation corridor that provides shaded riverine aquatic cover for anadromous fish species and other associated at risk plant and animal species including the pacific lamprey and valley elderberry longhorn beetle. In areas of Battle Creek, there are still several large, private landholdings that have served to protect an intact riparian habitat.
- *Freshwater Fish Habitat and Essential Fish Habitat* (Vol.1, pp. 155-159 and 160-163)(Vol.2, pp.209). Battle Creek has flowing freshwater fish habitat supporting salmon and steelhead trout as well as essential fish habitat. Many of the properties along Battle Creek also support freshwater springs that supply cold water to the creek. This project supports these habitats by protecting and maintaining habitat connectivity and complexity through the prevention of development and degradation of the riparian and associated terrestrial habitat.

The proposed project implements the recommended Programmatic Actions described in the ERPP by (a) cooperatively negotiating long-term agreements with local landowners to maintain riparian communities (Vol.2, pp. 215) and (b) supporting the preliminary Battle Creek watershed community strategy (which will be completed in June 1999) to protect riparian vegetation through conservation easements and supporting the Battle Creek Watershed Conservancy's consideration of land activities and their impacts on natural processes and the long term health of the watershed (Vol.2, pp. 215).

***Compatibility with non-ecosystem objectives***

The proposed project does not conflict with any CALFED non-ecosystem objectives, and in fact it contributes locally to some of these objectives. For example, protection of riparian and surrounding terrestrial habitat can protect critical freshwater springs, reduce groundwater extraction, and improve water quality.

### **Technical Feasibility and Timing**

The proposed project represents the best alternative for protection of key properties along Battle Creek and its tributaries. One of the expected 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 and potential loss of freshwater springs.

No permitting or environmental clearance is required to implement the proposed acquisitions. All properties or easements 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., Phase I inspection for hazardous materials).

## **Monitoring Parameters and Data Collection Approach**

The Nature Conservancy's approach to testing this assumption is conducted at two levels described below.

### **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 are used to:

- provide information for restoration planning, if needed
- 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
- provide a starting point from which future trends can be determined and generate information needed for larger scale planning and monitoring.

The parameters to be described and measured in the initial assessment may include but are not limited to: endangered species surveys, terrestrial and aquatic habitat type and condition mapping, land uses and infrastructure, bank protection, water uses and distribution, vegetation and animal species monitoring transects, archeological surveys, and exotic species assessments. TNC will conduct these initial assessments once during the 3 year grant cycle.

### **2) Monitoring Ecosystem Recovery by Initiating Cooperative Scientific Ventures**

It is The Nature Conservancy's strategy at Battle Creek to help create and join with others to implement large-scale ecosystem monitoring programs. The Battle Creek Restoration Project offers an effective monitoring forum for this creek. The Nature Conservancy has been working with the participants in the Battle Creek Restoration Project and is actively raising \$3,000,000 in private funds to establish an adaptive management and monitoring program for Battle Creek. Securing private funds for management and monitoring is a critical element of the agreement and the success of the Battle Creek Restoration Project.

TNC is requesting \$15,000 from CALFED to subcontract with the Point Reyes Bird Observatory (PRBO) to establish neotropical bird monitoring on Battle Creek. Riparian habitat and bird monitoring will follow the methodology in *A Handbook of Field Methods for Monitoring Landbirds* by C.J. Ralph et al. (U.S.D.A. Forest Service Publication, Gen. Tech. Rep. PSW-GTR-149, 1993). Bird monitoring is a coordinated effort with PRBO to understand the importance of tributaries to the greater Sacramento River ecosystem.

In addition, the Conservancy will work with the U.S. Fish and Wildlife Service to provide access for salmon distribution and abundance monitoring on acquired properties. We plan to work with the Battle Creek Watershed Conservancy, local landowners, and other organizations and agencies to develop a freshwater springs monitoring plan.

**Data Evaluation Approach**

Hypotheses/Questions to be Evaluated	Monitoring Parameters and Data collection Approach	Data Evaluation Approach	Comments/ Data Priority
Conditions of the easements will be met by the landowner? (Compliance monitoring)	Site visits are made, condition recorded, and property owner notified of any infractions. Parameters measured will vary with the individual easement. They would likely include development, stream bank protection and grazing restrictions.	Standard monitoring forms, reports made available to CALFED if requested.	<i>Funding is requested for the initial 3 years of compliance monitoring</i> High
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 such as USF&WS and PRBO to assess the region-wide health of salmon, neotropical birds and other 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.	<i>Funding is requested only for PRBO monitoring in this proposal</i> Moderate

## **Local Involvement**

Community support of and coordination with local watershed plans and other restoration programs are key aspects of the proposed project. The Nature Conservancy works cooperatively with landowners and the local watershed groups — the Battle Creek Watershed Conservancy, Mill Creek Conservancy, and Deer Creek Watershed Conservancy — to develop and encourage community support for watershed conservation. The Conservancy has participated in the Battle Creek Working Group and in local landowner meetings on land protection strategies in Shasta, Tehama, and Butte counties. In addition, acquisition and revegetation activities on Deer and Mill Creeks are coordinated with similar efforts to protect and restore riparian habitat along the main stem of the Sacramento River. We are also working with the Battle Creek and Mill Creek conservancies and the Point Reyes Bird Observatory (PRBO) on developing monitoring studies of bird populations along the creeks. For properties on which fee title would be acquired as a result of this proposal, TNC would work with the U.S. Fish and Wildlife Service to provide access for anadromous fish monitoring.

Peggy McNutt of the Conservancy's Red Bluff office generally discussed this proposal with the Tehama County Supervisors on April 6, 1999. No concerns were raised, and comments included support for land protection that maintained the existing land use and payment of property taxes. Peggy McNutt also spoke to Patricia Clarke, the Shasta County Supervisor representing the Battle Creek region of Shasta County. The attached letter was sent to both the Tehama County and Shasta County Supervisors.

The Battle Creek Working Group and the Battle Creek Watershed Conservancy are organizations interested in this project. The Battle Creek Watershed Conservancy supports the purchase of conservation easements, and a letter of support is attached. Peggy McNutt discussed the proposal with the Battle Creek Working Group on March 30, 1999. The group discussed the different indicators that might be used to illustrate why these proposed acquisitions are important, including the lack of new wells and septic systems in the watershed.

Representatives of The Nature Conservancy have met with the Battle Creek Watershed Conservancy Board and individual landowners to discuss conservation easements. Peggy McNutt participated in a land protection conference that was held by the Tehama Resource Conservation District in March and was attended by landowners. She will participate in an estate planning conference in April.

## **Costs**

**Request: \$2,819,980 including \$2,500,000 of capital costs**

### ***Budget costs:***

**Direct salary and benefits** of \$109,400 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 \$119,200 for conservation easement acquisition include the costs of appraisals, surveys, and phase 1 assessments, all of which will be obtained from a group of vendors that the Conservancy uses on a regular basis and pays from invoice rather than through a written contract. Pt Reyes Bird Observatory has been identified as the subcontractor for neotropical bird monitoring and is included in the \$62,200 stewardship and monitoring line item. We will solicit competitive bids for other services obtained through subcontracts.

**Material costs** of \$2,500,000 are estimated capital costs for purchase of conservation easements. Actual costs for each property will be based on appraisals. Other costs incurred in acquisition of conservation easements are included in *Service Contracts*.

**Overhead and indirect costs** of \$29,100 included in this proposal are 26.6 percent of direct salaries and benefits only — less than our approved NICRA indirect cost rate, which is 20 percent of total direct project costs, including subcontracts but excluding the purchase price of any land interests. Application of our approved rate would result in overhead of \$58,160. As a result, the requested amount results in a \$29,060 cost savings to CALFED. The indirect portion includes costs associated with general office requirements and general staff as well as legal and grants administration staff.

### ***Separable tasks***

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.

### ***Schedule milestones***

**FY 1999-00** (Oct 1, 1999 – Sept. 30, 2000)

- Negotiate contracts and easements with willing landowners. Close acquisition on at least two parcels
- Implement start-up stewardship actions and develop biological monitoring plans on acquired easement properties

**FY 2000-2002** (Oct 1, 2000 - Sept 30, 2002)

- Negotiate contracts and easements with willing landowners. Close acquisition on at least two parcels
- Implement start-up stewardship actions and develop biological monitoring plans on acquired easement properties
- Establish compliance monitoring on acquired easement properties

**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
Acquisition	728	24,000	119,200	2,500,000		7,100	2,650,300
Stewardship and Monitoring	1,383	49,400	62,200			14,800	126,400
Project Management	928	36,000				7,200	43,200
<b>TOTALS</b>	<b>3,039</b>	<b>109,400</b>	<b>181,400</b>	<b>2,500,000</b>		<b>29,100</b>	<b>2,819,980</b>

**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-Sep 01	Year 3 budget Oct 01-Sep 02	Total Cost
Acquisition	1,127,550	2,000	3,000	4,000	1,513,750		2,650,300
Stewardship and Monitoring		5,200	26,200	22,400	39,800	32,800	126,400
Project Management	3,600	3,600	3,600	3,600	14,400	14,400	43,200
<b>TOTALS</b>	<b>1,131,150</b>	<b>10,800</b>	<b>32,800</b>	<b>30,000</b>	<b>1,567,950</b>	<b>47,200</b>	<b>2,819,980</b>

### **Cost-Sharing**

There are no cost-share funds specifically committed for the proposed project. However, to support the ecosystem objectives of the Battle Creek Restoration Project, the Conservancy has committed to help raise \$3,000,000 from private sources for the adaptive management plan component of the Final Agreement. In addition, other costs associated with the proposed land acquisitions, including long-term monitoring of easements and additional funds needed for the purchase of the Brainerd property, will be raised by the Conservancy from other public and private sources.

To date, acquisition and revegetation activities in the Dye, Deer, and Mill Creeks project area have been supported by public and private funding totaling over \$1,000,000. Funds have come from public and private sources including the Central Valley Project Improvement Act (AFRP), CALFED (Category III), the National Fish and Wildlife Foundation, the Mennen Foundation and the JL Foundation. The Nature Conservancy continues to work with landowners along Deer, Mill, and Battle Creeks to purchase conservation easements and additional funds from CALFED and other sources will be sought for future acquisitions. The Bureau of Land Management is also working to acquire lands along the lower reaches of Battle Creek.

## **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.



Red Bluff Office  
335 Elm Street  
Red Bluff, California 96080

International Headquarters  
Arlington, Virginia  
Tel. 703 841-5300

Tel. 916 527-0424  
Fax 916 527-0384

April 15, 1999

Ross Turner, Chairman  
Bill Borror  
Barbara McIver  
George Russell  
Charles Willard  
Tehama County Board of Supervisors  
633 Washington Road  
Red Bluff, CA 96080

Dear Board of Supervisors,

As I mentioned in our meeting on April 6, 1999, I am writing to inform you of The Nature Conservancy's intent to submit a proposal for funding under the February 1999 CALFED Bay-Delta Ecosystem Restoration Program. As you know, the CALFED Bay-Delta Program is a consortium of State and Federal agencies whose mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management for the Bay-Delta system.

Our proposed project requests funding for acquisition of conservation easements on three key properties in Tehama County along Battle Creek. Identified properties in Tehama County include: McCampbell (approximately 110 acres), Miller (approximately 500 acres), and portions of the Jones Ranch (approximately 3000 acres). The Miller and McCampbell properties continue across the creek into Shasta County and I am writing to the Shasta County Board of Supervisors as well about the proposal. In addition, I met with the Board of the Battle Creek Watershed Conservancy who support the proposal.

As we discussed, The Nature Conservancy has been actively engaged in conservation activities in eastern Tehama county since the early 1980's, and is committed to working cooperatively with landowners, local organizations, and public agencies. In all conservation projects, The Nature Conservancy works only with willing sellers.

If you have any questions, please do not hesitate to contact me at (530) 527-0410.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy McHutt".

Peggy McHutt  
Project Director

cc. George Robson, Tehama County Planning Department



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335 Elm Street  
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April 15, 1999

Glenn Hawes, Chairman  
David Kehoe  
Irwin Fust  
Molly Wilson  
Patricia Clarke  
Shasta County Board of Supervisors  
1815 Yuba Street, Suite 1  
Redding, CA 96001

Dear Board of Supervisors,

I am writing to inform you of The Nature Conservancy's intent to submit a proposal for funding under the February 1999 CALFED Bay-Delta Ecosystem Restoration Program. As you know, the CALFED Bay-Delta Program is a consortium of State and Federal agencies whose mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management for the Bay-Delta system.

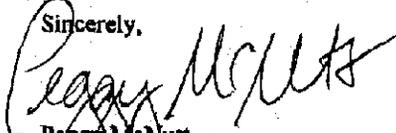
Since the early 1980's, The Nature Conservancy has been actively engaged in conservation activities largely in eastern Tehama County, working to protect key rangelands and riparian habitat along five major tributaries to the Sacramento River. One of those tributaries is Battle Creek which includes land in both Shasta and Tehama Counties.

Our proposed project requests funding for the protection of three key properties in Shasta County along Battle Creek. Identified properties in Shasta County include: McCampbell (approximately 1300 acres), Miller (approximately 1000 acres), and Brainerd (approximately 80 acres). The Miller and McCampbell properties continue across the creek into Tehama County and I am also writing to the Tehama County Board of Supervisors about the proposal. In addition, I met with the Board of the Battle Creek Watershed Conservancy who support the proposal.

The Nature Conservancy plans to purchase a conservation easement on the McCampbell and Miller properties. The Brainerd property will be purchased and may either be held by The Nature Conservancy or resold with a conservation easement. In all conservation projects, The Nature Conservancy works only with willing sellers and is committed to working cooperatively with landowners, local organizations, and public agencies.

I have discussed the proposal with Patricia Clarke and would be happy to attend a meeting of the Board of Supervisors as well to further explain the proposal. If you have any questions, please do not hesitate to contact me at (530) 527-0410.

Sincerely,



Peggy McNutt  
Project Director

cc. Shasta County Planning Department

**The Battle Creek Watershed Conservancy**

PO BOX 606, MANTON, CA 96059-0606

12 April 1999

Ms. Peggy McNutt  
The Nature Conservancy  
335 Elm Street  
Red Bluff, CA 96080

Dear Ms. McNutt:

The Board of Directors of the Battle Creek Watershed Conservancy has directed me to express the support of the Conservancy for your CALFED proposal.

As you know, the goals of the Conservancy include "preserving the "environmental and economic resources of the watershed." Through a long series of local community meetings we have learned the obvious: what the people want most is to have the natural values of the area - the scenery, the ranches, the forests, the streams - remain the same. After all, that is why most of the local residents decided to move here in the first place.

Fortunately, "keeping things more or less the same" is also good news for the environment. The single factor most responsible for our riparian areas being nearly unspoiled, and lacking only water before they can support healthy runs of spring/fall/late-fall/winter salmon (not to mention steelhead), is the fact that much of the most important riparian areas of Battle Creek is in large ranch holdings. Many of these ranches have been in the same family since the turn of the century, and the ranchers have exhibited an extraordinary sense of stewardship for their land.

These ranchers are having a hard time of it these days, and we need to do everything we can to make it possible for them to keep doing what they have been doing so well. Chief among the things which we can and should do is to offer them compensation in the form of conservation easements. At one blow this rewards them for their good stewardship, removes the danger of future development, and reduces the value of their land sufficiently that ranching becomes the optimal economic use well into the future.

For these reasons we strongly support your application for CalFed funding for the four specific properties which you discussed with the Board on March 8th. We hope to continue to work with TNC on conservation easements and related programs.

Sincerely,



Robert Lee  
Secretary, Battle Creek Watershed Conservancy

## **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. 3-85) 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.*

OFFICIAL'S NAME

Patti Brady

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.