



**Stewardship**  
Council

**2011 Annual Report**

## **Stewardship Council**

### **Board Roster**

Current as of June 1, 2012

### **Officers**

**President – Art Baggett Jr.**

**Secretary – Randy Livingston**

**Treasurer – Lee Adams**

Vice Presidents

**Chair, Fiduciary Committee – Truman Burns**

**Chair, Watershed Planning Committee – Soapy Mulholland**

**Chair, Youth Investment Committee – Mike Schonherr**

### **Board Members**

Association of California Water Agencies

**Board Member: Mark Rentz**

**Alternate: Dave Bolland**

California Department of Fish and Game

**Alternate: Nancee Murray**

California Farm Bureau Federation

**Board Member: Karen Mills**

**Alternate: Noelle Cremers**

California Forestry Association

**Board Member: David A. Bischel**

**Alternate: Nina Kapoor**

California Hydropower Reform Coalition

**Board Member: Richard**

**Roos-Collins**

**Alternate: Pete Bell**

California Public Utilities Commission

**Board Member: Paul Clanon**

**Alternate: Nancy Ryan**

California Public Utilities Commission Appointed

**Board Member: Steve Larson**

**Board Member: David Muraki**

California Natural Resources Agency

**Board Member: John Laird**

**Alternate: Todd Ferrara**

California Tribal Interests

**Board Member: Larry Myers**

**Alternate: Ken Tipon**

Central Valley Regional Water Quality Control Board

**Board Member: Soapy Mulholland**

Division of Ratepayer Advocates

**Board Member: Truman Burns**

**Alternate: Cherie Chan**

Pacific Gas & Electric Company

**Board Member: Randy Livingston**

**Alternate: Mike Schonherr**

Regional Council of Rural Counties

**Board Member: Robert A. Meacher**

**Alternate: Lee Adams**

State Water Resources Control Board

**Board Member: Art Baggett Jr.**

**Alternate: Charlie Hoppin**

Trust for Public Land

**Board Member: David Sutton**

**Alternate: Jessica Daugherty**

U.S. Forest Service/Bureau of Land Management

**Board Member: Chris Nota**

**Board Member: Cynthia Staszak**



“As a result of our efforts, new partnerships are being formed to protect and enhance the beneficial public values of California’s watershed lands.”

Art Baggett, *President, Stewardship Council Board of Directors*

**During the past year,** the Stewardship Council has made great strides towards achieving our dual mission: conserving tens of thousands of acres of California’s watershed lands and investing in programs that connect underserved youth to the outdoors.

The Stewardship Council’s principal mandate is to protect and enhance the beneficial public values on approximately 140,000 acres of PG&E-owned watershed lands to ensure that the natural and cultural heritage; scenic grandeur; and forestry, agricultural, and recreational values are preserved for future generations. We are accomplishing this by selecting future land stewards that demonstrate a commitment to protecting those values and the capacity to carry out their responsibilities as landowners or conservation easement holders. As a result of our efforts, new partnerships are being formed to protect and enhance the beneficial public values. The Stewardship Council is also embarking on a program to fund a variety of enhancement projects on the watershed lands.

The board has selected a number of local and regional land trusts and other qualified organizations to hold conservation easements over PG&E’s watershed lands. They have also recommended a variety of organizations, ranging from local, state, and federal public agencies to a Native American tribe, to receive fee title donations to nearly 30,000 acres of watershed lands.

By the end of 2012, the board hopes to complete its recommendations of new land stewards and make progress towards identifying high priority projects that merit Stewardship Council funding. Those projects may include recreational enhancements, habitat restoration, protection of cultural resources, and educational initiatives to connect youth to the watershed lands. The projects will involve not only new landowners and

conservation easement holders, but also other stakeholders as conservation partners.

Since 2006, our Youth Investment Program has awarded more than \$11.5 million in grants to over 160 organizations, improving the lives of tens of thousands of youth and developing the next generation of environmental stewards.

To sustain our Youth Investment Program’s work beyond the life and funding of the Stewardship Council, the board established the Foundation for Youth Investment (FYI). FYI is administering the Stewardship Council’s grantmaking program in 2012 and supporting innovative practices to increase the breadth and relevancy of programs for underserved youth. FYI is quickly becoming a leader in funding outdoor youth programs and promoting best practices in this important field.

The board and staff of the Stewardship Council look forward to further engagement with stakeholders and partners who share our passion and sense of purpose. We will continue to seek public input as we implement the land conservation program and support efforts to build a sustainable program to connect youth to the watershed lands and other natural places.



A handwritten signature in black ink that reads "Art G. Baggett Jr."

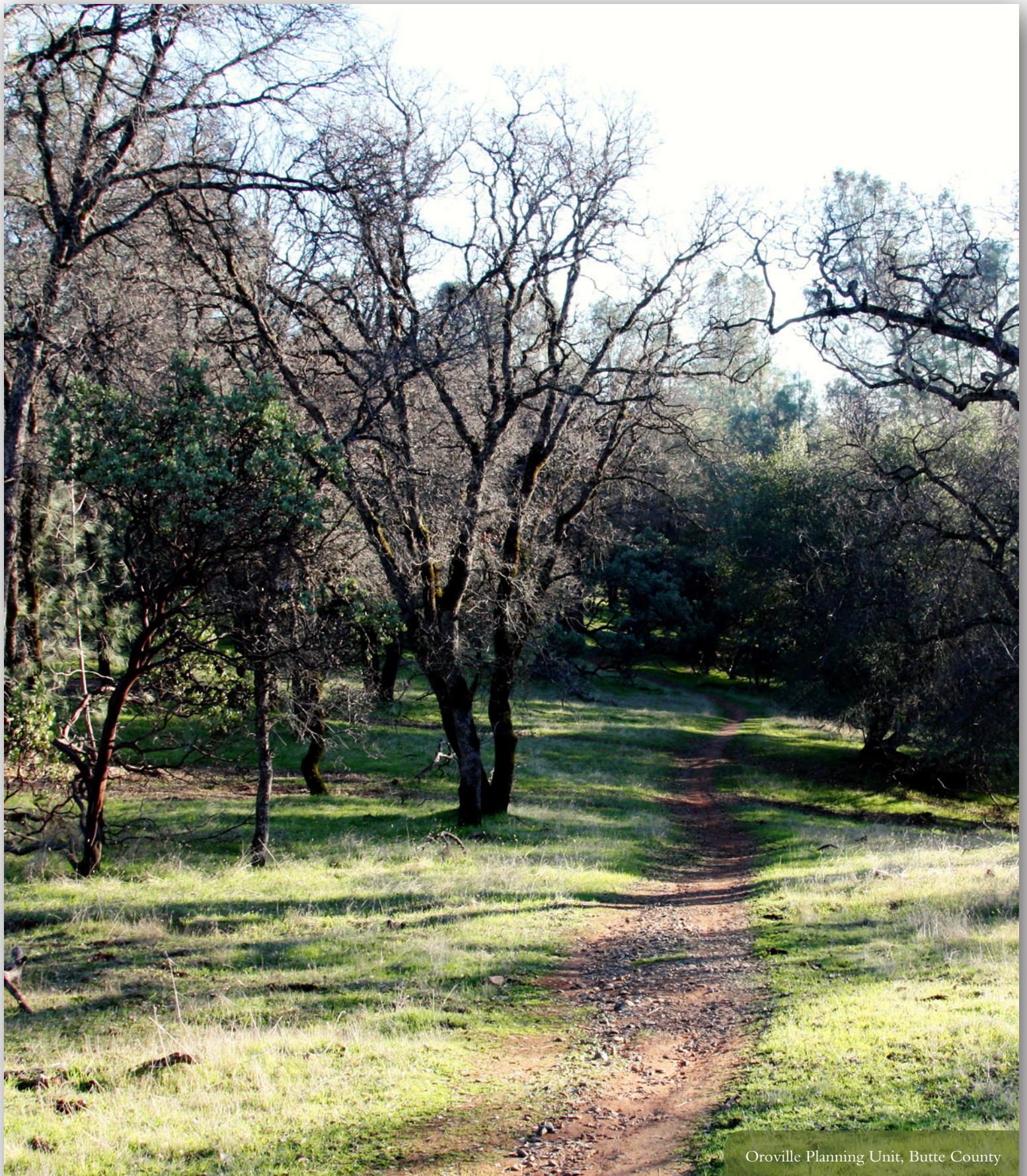
Art G. Baggett Jr., Board President



A handwritten signature in black ink that reads "Allene Zanger".

Allene Zanger, Executive Director  
Stewardship Council

**Conserving Watershed Lands. Investing in Youth.**



Oroville Planning Unit, Butte County

## Land Conservation Program

# Board Recommends Donations of Watershed Lands

In 2011 and the first half of 2012, the Stewardship Council made significant progress toward the goal of protecting and enhancing the beneficial public values (outdoor recreation, sustainable forestry, agriculture, habitat protection, open space preservation, and protection of cultural and historic resources) on approximately 140,000 acres of watershed lands currently owned by PG&E. Most notably, the Stewardship Council board has recommended future landowners and conservation easement holders for over half of the watershed lands. After a significant public outreach effort, the board considered input from a large and diverse set of stakeholders before making these recommendations.

The selected organizations possess a wide breadth and depth of experience in land conservation or land management and range from small, locally based organizations to large, national organizations. To date, the Stewardship Council board has selected thirteen organizations to receive donations of fee title to watershed lands located in twelve different counties. These organizations include the following:

## Fee Title Donees: Local Agencies

- Plumas County
- Shasta County
- Tuolumne County
- Placer County
- Fall River Resource Conservation District
- Fall River Community Services District
- Auburn Area Recreation and Park District

## Fee Title Donees: Federal Agencies or Federally Recognized Tribes

- U.S. Forest Service
- Bureau of Land Management
- Potter Valley Tribe

## Fee Title Donees: State Institutions

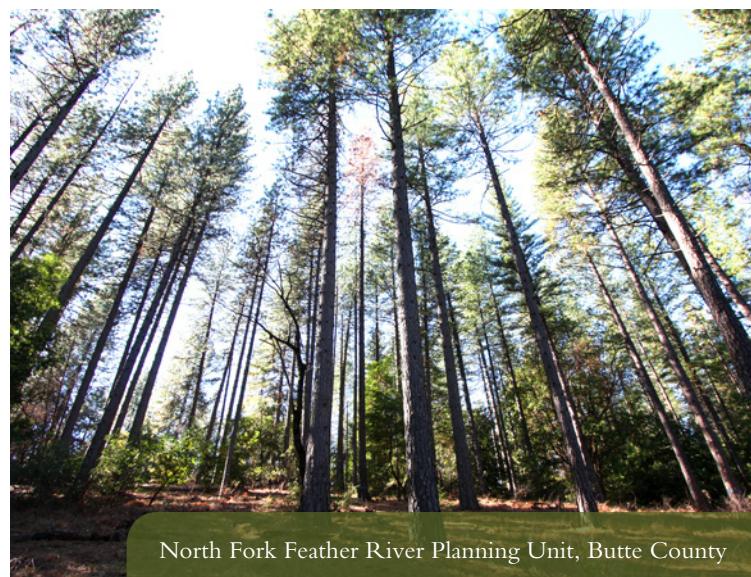
- California Department of Forestry and Fire Protection (CAL FIRE)
- California Department of Parks and Recreation
- University of California Center for Forestry (UC)

The board also recommended the following eleven organizations to become conservation easement holders on watershed lands located in seventeen different counties:

## Prospective Conservation Easement Holders

- Ducks Unlimited
- Feather River Land Trust
- Mother Lode Land Trust
- Sequoia Riverlands Trust
- Sierra Foothill Conservancy
- Placer Land Trust
- Shasta Land Trust
- Bear Yuba Land Trust
- Northern California Regional Land Trust
- Pacific Forest Trust
- Western Shasta Resource Conservation District

*Continued on next page*





Fall River Mills Planning Unit, Shasta County

The selection of these organizations to become fee title or conservation easement holders on the watershed lands represents an important milestone and lays the groundwork for the creation of new and exciting partnerships.

Two of the state institutions recommended for donation, UC and CAL FIRE, would receive over 17,000 acres of forested lands located across Shasta, Amador, and Nevada counties. These donations will significantly expand the state's research and demonstration forest system. Featured in this annual report is an article describing how these land donations will broaden the ability of the UC Center for Forestry, CAL FIRE, and other research institutions to conduct and facilitate research/education and outreach on natural and managed forest ecosystems. These efforts would include research on forest management, climate change, water resources, and other natural resource issues that affect all Californians.

The board also recommended the donation of lands located in Placer County to the Auburn Area Recreation and Park

District for the creation of a new park and the enhancement of recreational opportunities. An article describing the district's plans is also featured in this report.

The selected organizations are now working with the Stewardship Council and PG&E to negotiate the transactions and develop plans that identify resources and funding (from the Stewardship Council and other organizations) to preserve and enhance the beneficial public values. This effort will culminate in the development of land conservation and conveyance plans (LCCPs). These LCCPs will describe how the beneficial public values will be preserved and enhanced and how other requirements of the Land Conservation Commitment will be achieved. We anticipate that the first LCCPs will be issued for public review in late 2012. The LCCPs will also serve as the basis for PG&E's filings with the California Public Utilities Commission and Federal Energy Regulatory Commission for approval of the specific real estate transactions. We look forward to continuing this work on the watershed land conveyance process throughout 2012 and beyond.

# Vital Research in Sierra Nevada and Southern Cascade Forests

A new resource is proposed for harvest in select forested areas of the Sierra Nevada and southern Cascades: knowledge.

In November 2011, the Stewardship Council Board of Directors recommended a fee title donation of 5,220 acres of land along the Pit River to the California Department of Forestry and Fire Protection (CAL FIRE) and 3,100 acres to the University of California – Center for Forestry (UC). With these and other land donations from PG&E, both organizations will together receive a total of more than 17,000 acres of land across four watersheds: Pit-McCloud River, Cow-Battle Creek, Mokelumne River, and Yuba-Bear River.

The donated lands will allow UC and CAL FIRE to establish new research and demonstration forests. Demonstration forests provide a variety of public benefits including sustainably harvested timber, carbon storage, wildlife habitat, recreation, education, and applied research/demonstration. These lands

will also allow CAL FIRE and UC to form new partnerships and expand existing partnerships with other research institutions.

The total donation to UC of 4,584 acres represents the largest donation of forested land in the university's history. These lands will improve the scope of UC's research forest system by increasing the range of latitudes, elevations, and forest types available for study. Both UC and CAL FIRE will monitor and study large-scale, long-term changes to managed forests over time. This research, essential to improving forest ecology and management practices in California, will include the study of how forests adapt to climate change.

Through their commitment to sustainable forestry and cutting edge research, UC and CAL FIRE are helping to conserve forests for the benefit of present and future generations of Californians.

The lands donated to CAL FIRE and the University of California will allow research on improving forest ecology and management practices in California.



# Lower Drum

## Recreation Is Key

“GOAL!” The Auburn Area Recreation and Park District (ARD) hopes this sound of triumph will be heard far and wide once the planning, design, and construction of a new park in the Sierra Nevada foothill town of Auburn is approved and completed. In November 2011, the Stewardship Council Board of Directors recommended the ARD as the prospective fee title donee for 64 acres within the Lower Drum planning unit.

The initial vision for the proposed park includes a multi-purpose sports field (a boon to Auburn’s many soccer teams and enthusiasts), an adjacent “adventure” playground incorporated into the natural surroundings (especially convenient for team members’ younger siblings), a small dog park, interpretive trails, and picnic areas with nearby restrooms.

The 24-acre tract proposed for the park is in a highly developed area that includes a small airport, golf course, and subdivision. The suburban location and proximity to major roads make it a viable location for regional recreation in an area with a growing demand for developed parks. But because open space is important too, the pending park design incorporates the region’s native oak woodland.

Likewise, approximately 20 miles north of Auburn, near the foothill town of Colfax, another tract from the Lower Drum lands would allow Placer County to enhance recreation at the Bear River Campground. The existing campground is a popular facility offering campsites and day use, five miles of multi-use trails, and access to the Bear River for fishing, rafting, swimming, and gold panning.

The Stewardship Council Board has recommended Placer County as the fee title donee for this 15-acre tract adjacent to the campground. Acquiring the tract would allow the county to plan, design, and construct improvements that would enhance recreation opportunities by developing a trail (that could connect to existing trails) for hikers, bikers, and equestrians. The county has also proposed developing a trail rest area, complete with a bench and interpretive kiosk, which would offer information on local plants, fish, and wildlife.

Under the management and leadership of the ARD and Placer County, these lands will provide Californians with recreation opportunities for years to come.





# McArthur Swamp

## Improving Wildlife Habitat and Grazing

In the shadow of Mount Shasta, approximately 75 miles northeast of the city of Redding, lies an area rich with grasslands, wetlands, lakes, and rivers. On any given day, a bald eagle or prairie falcon might be seen overhead as it scans for prey. When the days grow shorter and colder, geese and mallards make these lands home as thousands of migratory birds take brief respites from their long flights. All the while, cattle graze on open stretches of pasture, just as their brethren have done for more than 70 years. Such is the harmony of McArthur Swamp.

Keeping the needs of habitat, native species, rich cultural history, and long-standing ranching operations in mind, the Stewardship Council Board of Directors has recommended that the Fall River Resource Conservation District (FRRCD) receive fee title to approximately 4500 acres at McArthur Swamp and Ducks Unlimited hold the conservation easement. The lands have been owned and managed by PG&E for the past 87 years.

The Stewardship Council, PG&E, FRRCD, Ducks Unlimited, members of the Pit River Tribe, local ranchers, and other

stakeholders will develop a demonstration project, culminating in a land management plan for McArthur Swamp. In the first stage of the demonstration project, degraded wetlands in the swamp will be re-contoured to better capture early spring run-off from snow melt, creating ideal conditions for migrating waterfowl. The project will also focus on weed control in the nearby uplands—these efforts will improve nesting cover for birds and pasture forage for grazing cattle. Other goals of the project include promoting diverse meadow plant species (including those with ethno-botanical value), maintaining or improving water quality, and improving an already economically viable grazing operation. This demonstration project will have value beyond McArthur Swamp as the strategies used and lessons learned can be implemented to enhance both grazing and habitat in other areas across the state.

Through this collaboration of stakeholders, the varied animal and plant species that call McArthur Swamp home, as well as the people who both visit and work the lands, will continue to benefit from its vast resources for generations to come.

# Foundation for **Youth Investment**



# The Stewardship Council's Legacy

## Foundation for Youth Investment

In 2010, to continue the legacy of its Youth Investment Program, the Stewardship Council Board of Directors created the Foundation for Youth Investment (FYI). With an initial grant of \$2.1 million from the Stewardship Council, FYI will fund outdoor programs and infrastructure projects that improve the lives of young Californians by connecting them to the outdoors.

The Stewardship Council's legacy is great: the Youth Investment Program has awarded over \$11.5 million in grants to outdoor programs and projects since 2006, changing the lives of more than 250,000 young people.

FYI is poised to expand on that work. In the words of Steve Hagler, FYI's Executive Director, "This is an exciting effort to continue the work of the Stewardship Council and an opportunity to bring more funding and resources to programs that help connect young people to the outdoors. FYI will reach diverse communities and work across California to support outdoor youth providers and help expand their programs, bringing new energy and donors to the field."

Thanks to the Stewardship Council's support, FYI is poised to provide funding and resources that create transformational outdoor experiences for California's youth beginning in 2012.

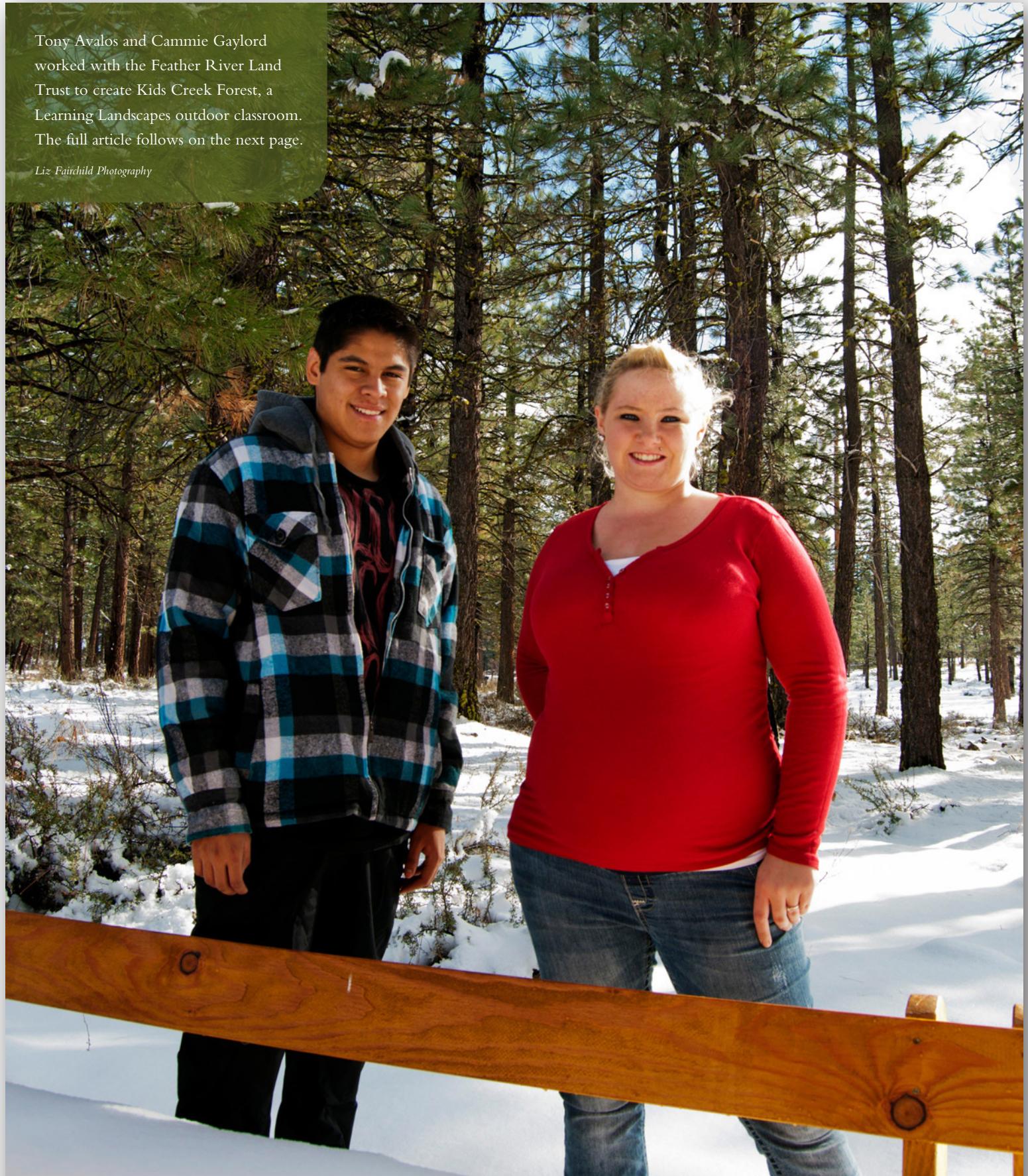
"FYI will reach diverse communities and work across California to support outdoor youth providers and help expand their programs, bringing new energy and donors to the field."

Steve Hagler, *Executive Director,  
Foundation for Youth Investment*



Tony Avalos and Cammie Gaylord worked with the Feather River Land Trust to create Kids Creek Forest, a Learning Landscapes outdoor classroom. The full article follows on the next page.

*Liz Fairchild Photography*



## Youth Investment Program

# 2011 Funding Highlights

## Strategic Initiatives Fund

The Strategic Initiatives Fund addresses many of the barriers preventing underserved youth from experiencing the outdoors. With a Strategic Initiatives grant from the Stewardship Council, FYI is addressing how outdoor youth programs can become more relevant to a growing urban-based, diverse population of kids. In 2011, FYI held a series of regional meetings across the state. From San Francisco to Los Angeles and San Diego to Fresno—providers came together to talk about why cultural relevancy is essential to getting kids outdoors and work on developing best practices for the field.

FYI also convened a wide array of youth providers to design an Outdoor Educators Institute (OEI) that will generate a pool of certified, qualified, competent, and culturally relevant outdoor instructors. This is an exciting initiative that will transform the leadership of outdoor programs by providing training in backcountry and back-office skills, certifications, and hands-on practicums and internships. OEI will help diversify the outdoor instructor corps and develop future generations of land stewards who reflect California's diverse population. FYI looks forward to continuing these efforts throughout 2012.

## Outdoor Trips Fund

The lack of transportation is a commonly cited barrier to getting kids outdoors. That's why the Outdoor Trips Fund is so important. This fund provides small grants for transportation, substitute teacher time, and other essential costs so that students can connect with the outdoors.

In 2011, the Environmental Education Funders Collaborative established the Transportation Fund with a grant from the Outdoor Trips Fund and contributions from other Bay Area foundations and philanthropists. The Transportation Fund will provide school buses to take kids and teachers from low-income schools in Silicon Valley on enriching science-based, outdoor field trips. In 2012, it's estimated that as many as 10,000 students will be able to apply their science lessons in the field as they experience nature firsthand.

## Infrastructure Fund

The Infrastructure Fund is designed to support efforts to make community parks and open space more accessible, viable, and

safe for children and youth. The following article (adapted from an article by the Feather River Land Trust) illustrates how an Infrastructure grant helped create outdoor classrooms for youth in the Feather River region.

### Students Leave a Legacy of Outdoor Classrooms

On a snowy day in 2011, Tony Avalos and Cammie Gaylord, alums of C. Roy Carmichael (CRC) Elementary, returned to the school to visit Kids Creek Forest. Tony and Cammie looked on with satisfaction at the outdoor classroom, complete with a loop trail, amphitheater style seating, and welcoming sign.

Kids Creek Forest is one of the 14 properties Feather River Land Trust (FRLT) is conserving through its Learning Landscapes program. Learning Landscapes will enhance students' contact with the natural world, place-based learning, and hands-on stewardship experiences in every Feather River Watershed public school, reaching approximately 2,500 K-12 school children annually.

Tony and Cammie took lead roles in creating CRC Elementary's Learning Landscape. In 2009, Cammie devoted her senior project to cleaning up barbed wire, planning the classroom's layout, and installing hay bales for temporary seating. For his senior project in 2011, Tony worked with FRLT's partner, Sierra Buttes Trail Stewardship, to create a walking loop trail.

This story is being replicated across the Feather River region. With a \$90,000 grant from the Stewardship Council, FRLT is working with students and teachers to install signs, seating areas, and safe access trails at nine other schools. Local communities are stepping up with generous in-kind donations.

Does it make a difference? Yes, it does. Teachers at CRC Elementary are now bringing their students outside two to three times more often. Students like Tony and Cammie are leaving a legacy for younger students so that as Cammie says, "My own children can experience what I did."

# 2011 Grant Recipients

2011 was an exciting year for the Youth Investment Program. Our grantmaking connected over 18,000 young Californians to the outdoors. We are proud to support programs that connect youth to both familiar spaces close to home and our pristine California wilderness. Here is a complete list of the organizations funded in 2011 through our competitive grant rounds:

## **2011 CATALYST FUND AWARDS**

\$156,500 was awarded to grassroots organizations that connect underserved youth with outdoor experiences within or near their communities.

**Alliance Equine Rescue and Youth Educational Foundation**  
Equine Assisted Riding for Health, Emotional Growth, and Learning

**Community Grows**  
Green Jobs Internship

**Downtown High School**  
Get Out and Learn

**Growing Up Wild**  
Rites of Passage Program

**Kids in Parks**  
Environmental Education for Underserved Youth

**Movimiento**  
Rural-Urban Youth Environmental Leadership

**Native Springs Foundation**  
The Environmental Ambassador Program

**North Roseville Recreational Education and Creative Center, Inc**  
Recreation Education & Creative Center, Inc. Programs

**Planting Justice**  
Food Justice and Culinary Arts Educational Program

## **PUEBLO**

Youth Park Stewards

**Revive the San Joaquin**  
San Joaquin River Kayak Connection

**Sonoma Valley Teen Center**  
Outdoors to Excellence

**Sunrise Middle School**  
Outdoor Program

**WildPlaces**  
Immersed in the Wild and Rio Limpio Program

## **2011 IMPACT FUND AWARDS**

\$500,000 was awarded to established organizations that connect underserved youth to the outdoors.

**Adventure Risk Challenge (ARC)**  
A Literacy and Leadership Program

**Arise High School**  
Beyond the Classroom

**Bay Area Wilderness Training (BAWT)**  
Frontcountry Leadership Training Program

**Bay Area Outreach and Recreation Program (BORP)**  
Outdoor Adventures Program

**Boys & Girls Clubs of San Francisco**  
Leaders in Training

## **Boys & Girls Clubs of Fresno**

Adventures Connecting Career Education and Sparking Stewardship for Youth

**California Community Partners for Youth**  
Step-Up/Ahead Outdoor Education

**California State Parks Foundation**  
Outdoor Youth Connection

**Girl's Incorporated of Alameda County**  
Eureka! Teen Achievement Program

**Golden Gate National Parks Conservancy**  
Stewarding Diverse Environmental Leadership Program

**Native Alliance of the Sierra Nevada Foothills**  
Native Youth Conservation Project

**Native American Health Center Youth Services**  
Chae-Mal Wilderness Program

**New Leaf: A Sustainable Living Collaborative**  
Outdoor Experiences

**Project Avery**  
Outdoor Leaders Training Project

**Real Options For City Kids (ROCK)**  
Leadership Development through Outdoor Education



In 2011, the Youth Investment Program awarded grants that will connect more than 18,000 young Californians to the outdoors.

**Safire Rising**  
**(an ACRJ Program)**  
Linking Environmental Stewardship  
and Climate Justice

**Urban Promise Academy**  
Wilderness Independence and  
Leadership Development

**Urban Tilth**  
Homegrown Experts

**WildLink**  
**(a Nature Bridge program)**  
WildLink

**Youth Enrichment Strategies**  
Camp-to-Community

**Youth for Change, Inc.**  
The Wilderness Exploration and  
Education Program

**INFRASTRUCTURE FUND  
AWARDS**

\$811,500 was awarded to improve community parks and open spaces to make them more accessible, viable, and safe for children and youth.

**California Community Builders**  
Parks for Community Housing

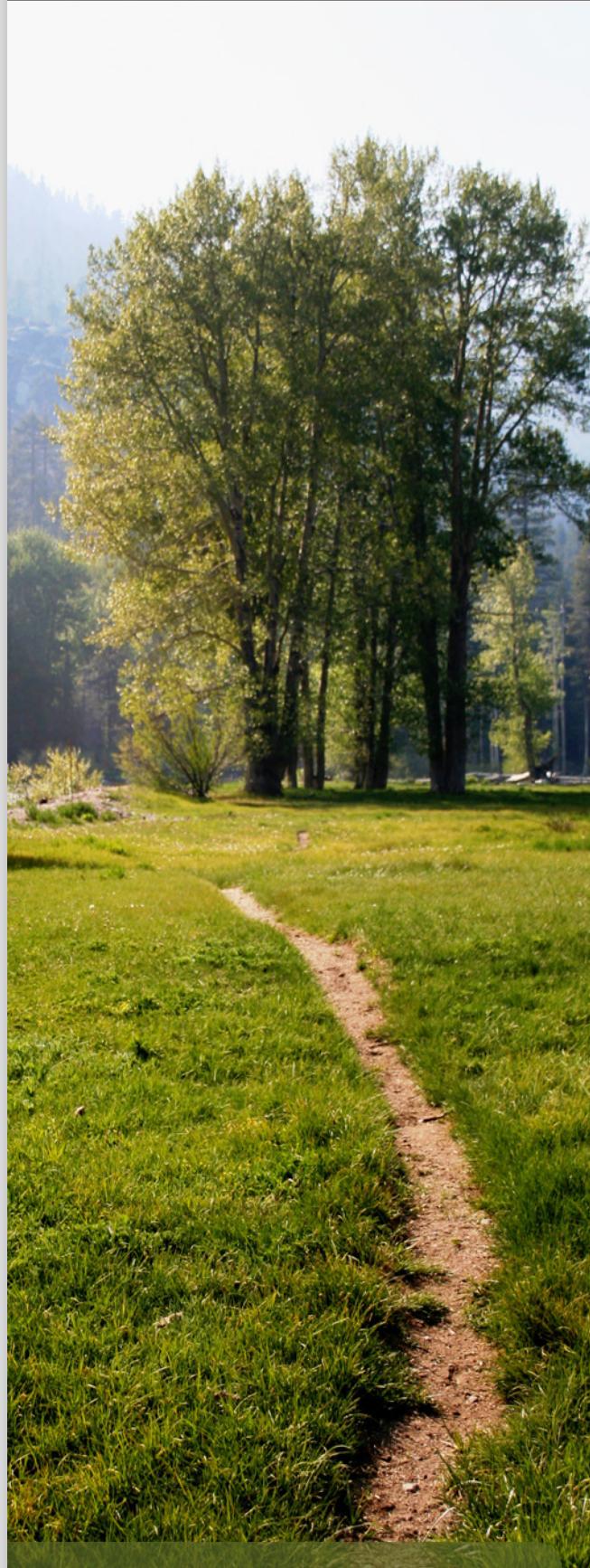
**Chabot Space and  
Science Center**  
Camping in the Redwoods

**City of Kerman**  
Nature Grounds

**East Bay Asian Youth Center**  
Oakland Schoolyard Initiative

**Mid Klamath Watershed Council**  
Outdoor Park and Educational Facility

# Summary of 2011 Finances



## Statement of Financial Position

<b>Assets</b>	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	5,595,666	4,572,721
Investments	50,505,135	45,666,438
Grants receivable	19,487,700	28,594,401
Property and equipment, net	60,043	84,154
Other current assets	234,124	238,527
<b>Total assets</b>	<b>75,882,668</b>	<b>79,156,241</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	240,688	281,215
Grants payable	3,095,337	2,511,059
<b>Total liabilities</b>	<b>3,336,025</b>	<b>2,792,274</b>
<b>Temporarily restricted net assets</b>	<b>72,546,643</b>	<b>76,363,967</b>
<b>Total liabilities and net assets</b>	<b>75,882,668</b>	<b>79,156,241</b>

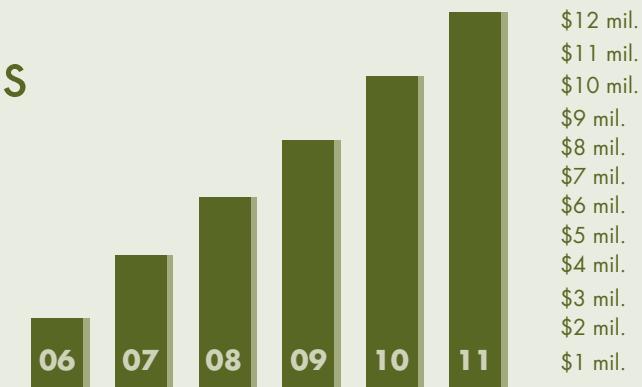
## Statement of Activities

<b>Support and Revenue</b>	<b>2011</b>	<b>2010</b>
Grants	893,299	1,293,285
Investment income	635,306	943,051
<b>Total support and revenue</b>	<b>1,528,605</b>	<b>2,236,336</b>
<b>Expenses</b>		
Land Conservation Services	2,127,901	2,274,509
Youth Investment Services	3,218,029	2,804,123
<b>Total expenses</b>	<b>5,345,929</b>	<b>5,078,632</b>
<b>Change in net assets</b>	<b>(3,817,324)</b>	<b>(2,842,296)</b>
<b>Net assets, beginning of year</b>	<b>76,363,967</b>	<b>79,206,263</b>
<b>Net assets, end of year</b>	<b>72,546,643</b>	<b>76,363,967</b>

*The Stewardship Council's most recent audited financial statements are available for download at the website or via hard copy by calling 650.344.9072.*

# Cumulative Grant Awards

Each year since 2006, the Youth Investment Program has awarded approximately \$2 million in annual grants to qualified nonprofit organizations and public entities. Actual grant payments are made when organizations satisfy the terms and conditions of the particular funds. From 2006 to 2011, the Stewardship Council approved \$12.2 million in cumulative grant awards and made cumulative cash payments of \$9.2 million.



	2006	2007	2008	2009	2010	2011
Grant awards	2,110,000	2,110,900	1,981,500	1,999,000	1,911,000	2,117,500
Grant payments	1,560,000	944,900	1,421,941	2,254,000	1,444,500	1,533,222
Cumulative grant awards	2,110,000	4,220,900	6,202,400	8,201,400	10,112,400	12,229,900
Cumulative grant payments	1,560,000	2,504,900	3,926,841	6,180,841	7,625,341	9,158,563

# Ending Cash and Investments

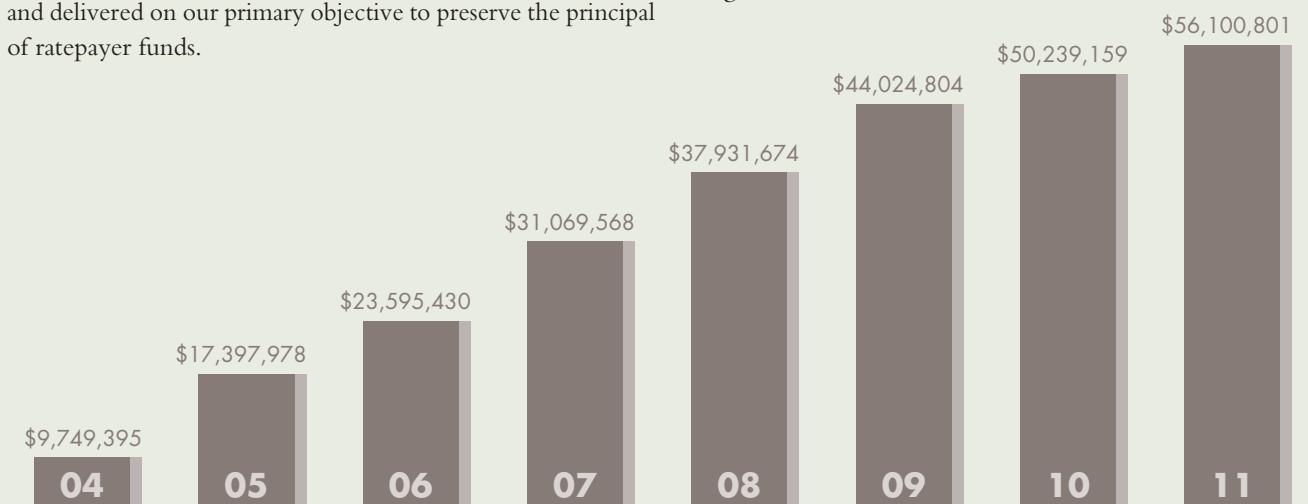
## Managing Our Investments

The Stewardship Council manages funds with great care. To ensure that we preserve funds for future land planning and youth investment program needs, we work to minimize risk while earning a return that outpaces inflation. To achieve this goal, the Stewardship Council invests in a diversified pool of high-quality, fixed-income securities and low-duration, fixed-income mutual funds.

The Stewardship Council's conservative investment strategy has resulted in our eighth consecutive year of positive returns. 2011's return of 0.9% exceeded our benchmark return by 0.1% and delivered on our primary objective to preserve the principal of ratepayer funds.

## Financing Our Efforts

The Stewardship Council is funded by a \$100 million commitment from PG&E ratepayers, paid annually in ten \$10-million installments through 2013. The Land Conservation Program receives \$7 million annually while the Youth Investment Program receives \$3 million annually. Future installments from PG&E (adjusted for inflation) are shown in the Statement of Financial Position under the heading "Grants Receivable." A substantial amount of the annual funding is reserved for land conveyance and enhancement costs, which is reflected in the increasing annual cash and investments balance in the following table.



[www.stewardshipcouncil.org](http://www.stewardshipcouncil.org)

**Pacific Forest and Watershed Lands Stewardship Council**

15 North Ellsworth Avenue, Suite 100  
San Mateo, CA 94401

650.344.9072  
866.791.5150

Front cover photo by Todd Sloat, Burney Gardens Planning Unit, Shasta County  
Back cover photo by Toby Perry, Lake Almanor Planning Unit, Plumas County