

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

**TO:** Honorable Board of Supervisors

**DATE:** March 11, 2014

**FROM:** <sup>MD</sup> Mary Dietrich, Facility Services Director  
By: Laurie Morse, Property Manager

**SUBJECT:** PG&E Bear River Property Acquisition and Conservation Easement Transfer

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**ACTION REQUESTED / RECOMMENDATION:**

1. Approve the acquisition of approximately 10.12 acres of real property adjacent to the Bear River Campground located at 2550 Campground Road in Colfax, CA (portion APN 101-120-001) from the Pacific Gas and Electric Company, and the conveyance of a conservation easement over said property to the Placer Land Trust, at a budgeted net county cost of \$54,000; and,
2. Adopt a Resolution authorizing the Director of Facility Services, or designee, to execute the Transaction Agreement, the Conservation Easement, and the Funding Agreements; and to execute all documents and take all actions necessary to complete the acquisition and conveyance based on the attached Material Terms; and,
3. Authorize the real property to be added to the Master Fixed Asset list following the close of escrow.

**BACKGROUND:** Since the early 1970's, Placer County has operated the Bear River Campground on approximately 192 acres of riverfront property pursuant to a no-cost State of California Operating Agreement. The current 20-year agreement will expire in November 2017, and it is expected the County will be able to extend this agreement beyond that date. In addition to the property leased from the State, the County leases 15 acres of property adjacent to the Bear River Campground from Pacific Gas and Electric Company (PG&E) at a cost of \$1,800 annually. This lease expired on December 31, 2013, and is currently in month-to-month holdover. The Bear River Campground offers campsites, day use areas, multi-use trails, and river access for fishing, rafting, swimming and gold panning. Until 2006, a caretaker occupied a modular home on the property leased from PG&E. The home has since been removed, leaving behind a concrete slab, utilities and a septic system.

The property leased from PG&E is a part of a broader aggregation of PG&E Watershed Lands that are subject to a 2003 Settlement Agreement between PG&E and the California Public Utilities Commission (CPUC). As part of this Settlement Agreement, the Pacific Forest and Watersheds Lands Stewardship Council (Stewardship Council) was established to be responsible for developing and implementing a Land Conservation and Conveyance Plan (LCCP) to permanently protect these PG&E Watershed Lands. This effort directs the donation of particular Watershed Lands in fee to eligible entities, while simultaneously encumbering the properties with conservation easements to ensure perpetual protection of Beneficial Public Values (BPV) (e.g. natural habitat, scenic character, recreational use).

In 2011, the Stewardship Council released a Request for Proposals to parties interested in the donation of approximately 721 acres of PG&E Watershed Lands in the Lower Drum Planning Unit, located to the north and south of Auburn. The County proposed to receive fee title to the

property it has historically leased from PG&E, and the Placer Land Trust (PLT) separately proposed to receive the associated conservation easement. The County's proposal described how this acquisition would provide opportunities for future improvement to the Bear River Campground, while preserving BPV. Under County ownership, Parks staff would be in a favorable position to solicit competitive grants and/or use County Park Dedication Fees to fund a variety of improvements. This may include restoring portions of the property to a more natural condition, and enhancing public access and recreational opportunities (e.g. picnic areas, trail rest areas, interpretive kiosk, and directional signage). The proposal also indicated the potential for a new caretaker residence, and a bridge crossing that would connect with the existing five-mile trail network. While these enhancements were discussed as potential future amenities, the County's proposal indicated these concepts are contingent on available funding, and the receipt of required permits and approvals.

As a result of the County's proposal, Stewardship Council staff recommended the donation in fee of a  $\pm$  10.12-acre portion of the 15-acres leased from PG&E (see Exhibit B, "PG&E Property"). The remaining acreage, which is excluded from this donation, represents the Pinecroft Spillway that runs through the property. As the Pinecroft Spillway is within the Federal Energy Regulatory Commission (FERC) Project boundary, this area will require ongoing PG&E access and oversight. In a separate action of the Stewardship Council, their Board approved the Placer Land Trust as the recipient of the associated Conservation Easement. Additionally, the Stewardship Council Board directed its staff to facilitate agreements between the County, PG&E, and PLT to complete this transaction.

In order to conclude this acquisition, the County must enter into a three-party Transaction Agreement with PG&E and PLT. The Transaction Agreement describes a variety of details associated with County acquisition of the PG&E Property, and it requires the County, as Fee Grantee, to convey a Deed of Conservation Easement to PLT. The Deed of Conservation Easement is one of several transaction documents included as exhibits to the Transaction Agreement that must be executed by the County. Other documents include the Grant Deed, Lease Termination Agreement, and a Fee Grantee Environmental Agreement. All documents have been reviewed and approved by County Counsel.

In addition to these agreements and with your Board's approval, the County will enter into two separate Transaction Funding Agreements with the Stewardship Council, which will defray over \$35,600 of County transactional costs, including surveying, project management and legal review. The County will receive funding within 30 days of executing of the Transaction Funding Agreements, and after providing detailed grant reports to the Stewardship Council. County Counsel has also reviewed and approved the Transaction Funding Agreements.

The attached Resolution authorizes the Director of Facility Services, or designee, to execute and implement all documents necessary for the above described transactions, subject to the attached Material Terms (see Exhibit A, Material Terms), and County Counsel and Risk Management approval. This transaction is allowed pursuant to Government Code Section 25350 that provides for the acquisition of real property interests. This action has been publicly noticed pursuant to this Code.

The transaction will not be concluded until the Stewardship Council finalizes a LCCP incorporating the Deed of Conservation Easement, which describes how the activities and uses on the PG&E Property will ensure preservation of BPV. The LCCP must be reviewed and approved by the Stewardship Council's Planning Committee, receive a 30-day public review period, and then be presented to their Board of Directors for final approval. After this approval,

PG&E will submit the LCCP to the CPUC for review and final approval. Once approved, the escrow process will begin. It is anticipated that Close of Escrow will occur prior to June 2015.

**ENVIRONMENTAL CLEARANCE:** Staff determined the acquisition of this property and the granting of a Deed of Conservation Easement is categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15317 and 15325. These sections provide for the transfer of ownership of land to accept easements or fee title interests in order to maintain the open space character of an area and to preserve existing natural conditions and other resources.

**FISCAL IMPACT:** While no consideration will be paid to PG&E for the Property, the acquisition costs total an estimated \$90,000, including surveying, escrow, title, legal and project management expenses, of which \$35,671 will be paid by the Stewardship Council. The remaining acquisition costs totaling \$54,000 have been budgeted for by the Parks & Grounds Division since inception of the project. Following County acquisition of this property, cancellation of the PG&E lease will result in an \$1,800 annual savings. No other changes in operations and maintenance costs are anticipated, as the PG&E Property is currently operated and managed as a part of the Bear River Campground. Any future projects to enhance the PG&E Property will require separate review and Board approval.

MD:MR:LM:NT:KT

ATTACHMENTS: EXHIBIT A – MATERIAL TERMS  
EXHIBIT B – PG&E PROPERTY  
RESOLUTION

CC: COUNTY EXECUTIVE OFFICE  
AUDITOR - CONTROLLER

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## PG&E BEAR RIVER PROPERTY ACQUISITION

### MATERIAL TERMS

#### Transaction Agreement

1. Property: That certain real property known as PG&E Bear River Property, located in the unincorporated area of Placer County, adjacent to the Bear River Campground located at 2550 Campground Road in Colfax, CA, consisting of a portion of Assessor Parcel Number 101-120-001, and totaling approximately 10.12 acres ("PG&E Property" – Exhibit A).
2. Parties: Pacific Gas and Electric Company, a California corporation, ("PG&E), the County of Placer, a political subdivision of the State of California ("County") and Placer Land Trust, a California non-profit public benefit corporation ("PLT").
3. Purpose of Agreement: The purpose of the Transaction Agreement (Agreement) is to achieve the following:
  - a) County to accept fee title from PG&E for the PG&E Property through Grant Deed
  - b) Provide for an easement over the PG&E Property as conveyed through the recordation of a "Deed of Conservation Easement" from County to PLT over the PG&E Property (Easement).

The Transaction Agreement includes the following exhibits to be executed:

- a) Lease Termination Agreement terminating the County's lease with PG&E
  - b) Environmental Liability Agreement describing County's responsibilities for any future hazardous materials remediation.
4. Purchase Price: No cost to County.
  5. Close of Escrow: Close of escrow shall occur no later than sixty (60) days after approval by California Public Utilities Commission (CPUC) has been obtained, provided that all Conditions Precedent in Transaction Agreement have been satisfied or waived. In no event shall the Closing Date occur after the Outside Date of June 30, 2015.
  6. Conditions to Close: The Close of Escrow shall be conditioned on all of the following: 1) Baseline is completed and approved by Pacific Forest and Watershed Lands Stewardship Council, PG&E, and County; 2) Placer Title Company shall be prepared to issue CLTA title insurance coverage subject only to the standard printed exceptions to such title insurance policy and the permitted encumbrances; 3) PG&E and County have performed each and every covenant in the Transaction Agreement as applicable at or prior to close of escrow;
  7. Delivery of PG&E's Documents. PG&E shall deliver copies of all tests, surveys, maps, plans, records, permits, correspondence reports or other materials affecting the PG&E Property which are within the PG&E's possession or control and which have not already been provided to the County.
  8. Right of Inspection. For a period not to exceed sixty (60) days following the Effective Date of the Transaction Agreement, County, or its authorized representatives, shall be permitted to survey and inspect the PG&E Property. No invasive testing may be conducted unless and until the testing plans and procedures are approved in writing by PG&E.

9. Closing Costs: PG&E shall pay any recording fees for recordation of the Grant Deed and the Environmental Agreements; and County shall pay any real property conveyance or transfer taxes charged by the County, escrow fees charged by the Title Company, the cost of any ALTA or other survey required by the Title Company in order to issue the policies of title insurance, and the premium and endorsement charges for the policy of title insurance. County and PG&E shall each pay its own legal and professional fees and fees of other consultant incurred with regard to this transaction.
10. PG&E Reserved Rights: PG&E retains rights to ingress and egress over PG&E easement areas, maintenance of existing electrical transmission facilities, construction of future electrical transmission facilities, and all riparian and surface water rights.
11. Representations and Warranties: PG&E shall provide warranties and representations regarding the PG&E Property as defined in the Agreement.

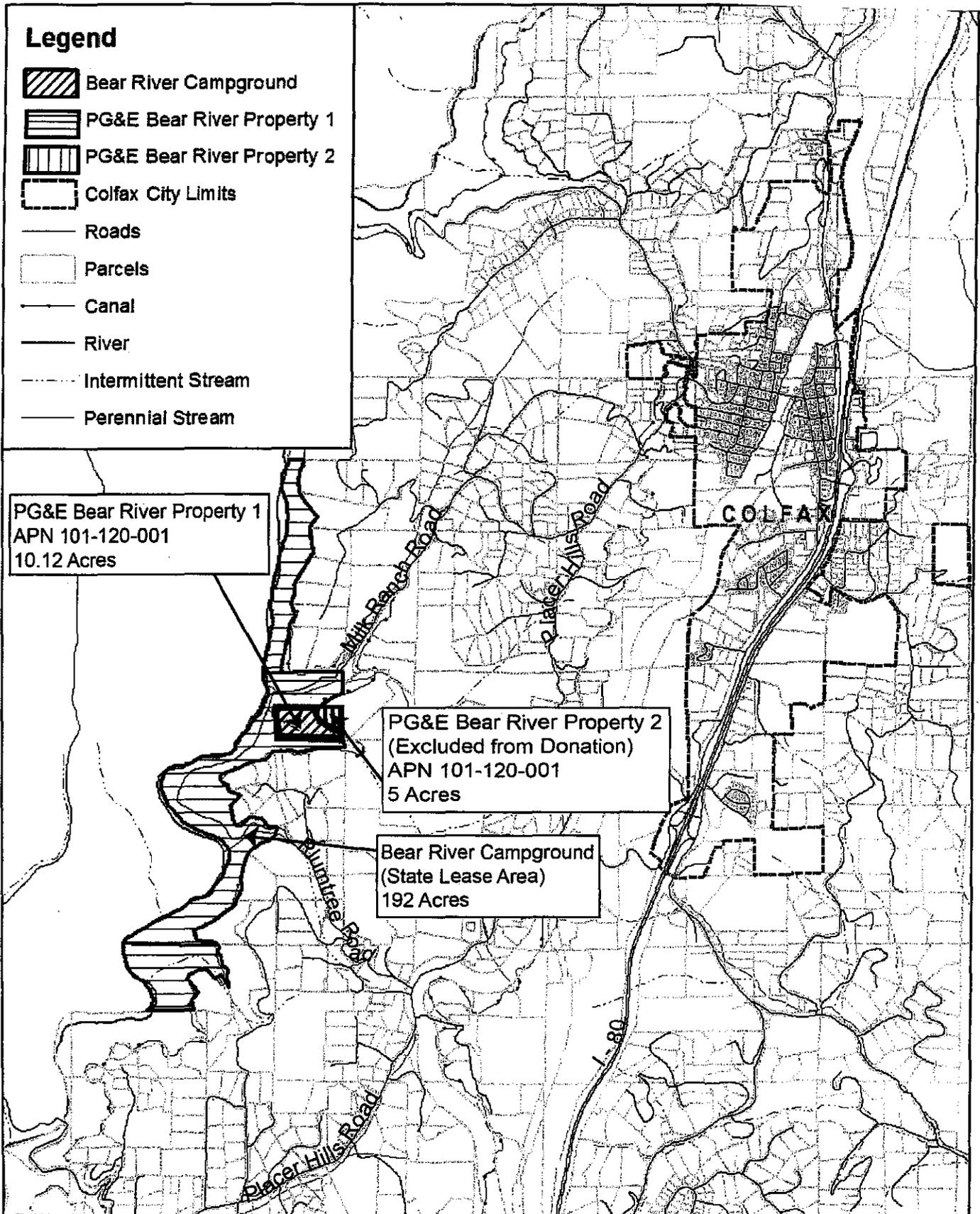
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## DEED OF CONSERVATION EASEMENT

1. Parties: The County of Placer, a political subdivision of the State of California ("County") and Placer Land Trust, a California non-profit public benefit corporation ("PLT").
2. Property: That certain real property known as PG&E Bear River Property, located in the unincorporated area of Placer County, adjacent to the Bear River Campground located at 2550 Campground Road in Colfax, CA, consisting of a portion of Assessor Parcel Number 101-120-001, and totaling approximately 10.12 acres ("PG&E Property" – Exhibit A).
3. Purpose of Easement: The purpose of this Deed of Conservation Easement ("Easement") is to ensure that the Property, with the exception of the Building Envelope, will be retained in perpetuity in its natural, scenic, recreational, or open space condition; and to prevent any uses that will significantly impair the Beneficial Public Values ("Conservation Values") of the Property.
4. Conservation Values: The Easement shall protect and conserve specific attributes of the Property as described herein. No activity, use or development of the Property for any purpose or in any manner that significantly impairs, interferes with, or conflicts with the Conservation Values of the Easement shall be permitted, excepted as specifically permitted by this Easement. Conservation Values are summarized below:
  - a) Habitat for plants, trees and wildlife that are native to the area
  - b) Scenic character of the Property, including viewsheds and adjoining public roadways
  - c) Future recreational access and use of the Property, including non-motorized multiple-use trail use, picnicking, and similar passive recreational uses that are not incompatible with the Conservation Values of the Property.
5. Affirmative Rights and Interests Conveyed: To accomplish the Conservation Purposes of this Easement, the following rights and interests are conveyed to PLT. These rights and interests shall be implemented through a management plan (the "Management Plan") to be developed by PLT with County input following recordation of the Conservation Easement:
  - a) To identify, preserve and protect the Conservation Values, and to prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement and the Management Plan.
  - b) To access, enter upon, monitor, inspect, observe, and study the Property, including the right to access the Property, including the Building Envelope, by motorized vehicle over and on roads owned by County and any rights-of-way or other access ways now or hereafter available to County for access to the Property, at reasonable times not more often than four times per year except when necessary to prevent a violation or potential violation of the terms of this Easement or to monitor and observe specific activities to ensure compliance with the terms of this Easement and the Management Plan.
  - c) To prevent any activity on, use of or practice on the Property that is inconsistent with the purpose and terms of this Easement and the Management Plan and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use
  - d) To require that County's reserved rights be exercised in a manner that avoids unreasonable or significant harm to the Conservation Values.
  - e) To erect and maintain Property signage as defined in the Management Plan.
  - f) To pursue damages from third parties, but not to the exclusion of any right of the County to seek damages or relief from any third party for damage to the Property.
6. Reserved Rights: All rights and obligations of PG&E and County under the Easement are subject to PG&E's Reserved Rights specified in the Grant Deed.

7. Permitted Uses and Practices. Subject to PLT's permission, County shall be allowed to perform the following Permitted Uses and Practices:
- a) The ownership and right to sell or transfer the Property in its entirety.
  - b) Those rights relative to the Building Envelope specified in the Easement.
  - c) The right to control predatory and invasive animals (including feral pigs) by the use of selective control techniques.
  - d) The right to utilize the Property for recreational or educational purposes that are compatible with the protection of the Conservation Values and that require or cause no significant surface alteration or other development or impairment of the land outside of the Building Envelope.
  - e) All rights for the management and improvement of the Property that are specifically allowed by the Management Plan.
8. Prohibited Uses and Practices: The County is prohibited from performing the following Uses and Practices:
- a) Industrial activity. Any and all industrial activity on the Property is prohibited.
  - b) Mining and excavation activity. Mining and the removal or extraction of soil or minerals from the Property is prohibited. Filling, excavating, draining, dredging, mining, drilling, removing, exploring for or extracting minerals, loam, gravel, soil, rock, sand or other material on or below the surface of the Property, or granting or authorizing surface entry for any of these purposes, is prohibited. However, County reserves the right to permit limited excavation of the surface of the Property to create recreational and maintenance structures and improvements as described in the Easement, or for ecological or scientific research or archaeological investigation, if conducted under then current generally accepted professional standards without adverse impact to the Conservation Values.
  - c) Commercial activity. Any and all commercial activity on the Property is prohibited, except for activities that enhance or protect the Conservation Values.
  - d) Overgrazing. Overgrazing, as further defined in the Management Plan, is prohibited.
  - e) Irrigation. Irrigation outside of the Building Envelope is prohibited, except as necessary to facilitate restoration and enhancement of natural habitat and approved by PLT.
  - f) Off-road motorized vehicles. The use of motorized vehicles off of established road is prohibited, except: (i) if by County or under the County's control for property management, or (ii) if the use of motorized vehicles is by PLT for the purposes of monitoring and enforcing this Easement and the Management Plan.
  - g) Roads. The construction or creation of new roads, for purposes other than creating a roadway and/or parking area for the public to access the Property for recreational use, or as necessary to properly manage and maintain the Property and its Conservation Values, is prohibited. Maintenance of existing roads is allowed.
  - h) Dumping. The dumping or accumulation of trash, ashes, garbage, inoperative or unserviceable vehicles, equipment or parts thereof, waste, or other debris on the Property including, without limitation Hazardous Materials, is prohibited. For the purposes of this instrument, "Hazardous Materials" shall mean any substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulations, or requirements as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment. This prohibition shall not be construed to prevent the use, storage, or disposal of organic matter or compost that is not detrimental to the Conservation Values. No filling, dumping, excavation, or other alteration may be made to the surface or subsurface of the Property or to its surface waters or wetlands.

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# Before the Board of Supervisors County of Placer, State of California

**In the matter of:** A Resolution authorizing the Director of Facility Services, or designee, to execute a Transaction Agreement to acquire approximately 10.12 acres from Pacific Gas & Electric Company, to convey a conservation easement over said property to Placer Land Trust, execute Funding Agreements between the County and Pacific Forest and Watersheds Lands Stewardship Council, execute all other documents and take all actions necessary to these property transactions.

**Resol. No:** \_\_\_\_\_

**RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held \_\_\_\_\_, 2014 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Board of Supervisors

Attest: Clerk of said Board  
  
\_\_\_\_\_

**WHEREAS**, since the early 1970's, the County of Placer (County) has leased approximately 15 acres from the Pacific Gas and Electric Company (PG&E), the fee-title owner of said property (APN 101-120-001); and,

**WHEREAS**, the property is located adjacent to Bear River Campground in Placer County and possesses significant conservation, habitat, and public recreation values; and,

**WHEREAS**, pursuant to a 2003 Settlement Agreement between PG&E and the California Public Utilities Commission, the property currently leased from PG&E became available for donation; and,

**WHEREAS**, in May 2011, the County Parks Division submitted a proposal to the Pacific Forest and Watersheds Lands Stewardship Council (Stewardship Council) to receive, at no cost, fee title of a 10.12 acre portion of the 15 acre property (PG&E Property); and,

**WHEREAS**, on September 15, 2011, the Stewardship Council Board approved Placer County as the fee-title recipient and the Placer Land Trust as the conservation easement recipient over said PG&E Property, and,

**NOW THEREFORE, BE IT RESOLVED**, that the County Board of Supervisors does hereby authorize the Director of Facility Services, or designee, to execute a Transaction Agreement, a Deed of Conservation Easement and Funding Agreements, to execute all other documentation, take all other actions necessary to complete this transaction, and does hereby consent to the acceptance and recordation of the Grant Deed and Deed of Conservation Easement for the PG&E Property.

