2008 A Year of Sound Stewardship
The Stewardship Council protects and enhances watershed lands and uses, and invests in efforts to improve the lives of young Californians through connections with the outdoors.

**Mission**

The Stewardship Council (Stewardship Council) is a private, nonprofit foundation. Established in 2004, its mission is to protect and enhance California’s most beautiful wilderness landscapes. The parcels, located across 22 counties, the land encompasses some of California’s most beautiful wilderness landscapes. The parcels, almost 1,100 in total, stretch from Shasta county in the north to Kern county in the south, from the Sierra Nevada and Cascade ranges to the Eel River watershed in Mendocino County and the Carrizo Plains in San Luis Obispo County.

The Stewardship Council brings together the expertise of leading conservation, natural resource management, business, and public officials to undertake this historic conservation effort for California. Engaged in a unique and collaborative endeavor, the Stewardship Council’s Board of Directors unites a broad range of interests to guide the development and execution of a Land Conservation Program and a Youth Investment Program to benefit current and future generations of Californians. Our core values are collaboration, stewardship, discovery, sustainability and leadership.

Conserving Land, Connecting Youth to the outdoors

**A Unique and Collaborative Endeavor**

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) is a private, nonprofit foundation. Established in 2004, its mission is to protect and enhance California’s most beautiful wilderness landscapes. The parcels, almost 1,100 in total, stretch from Shasta county in the north to Kern county in the south, from the Sierra Nevada and Cascade ranges to the Eel River watershed in Mendocino County and the Carrizo Plains in San Luis Obispo County.

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As I look back on 2008, I am reminded of how far the Stewardship Council has come since its inception in 2004. Instrumental to this growth was former executive director Jayne Battey, whose tenure ended last February. Under Jayne’s leadership, the Stewardship Council developed a strong consensus model of governance and an organizational approach that stressed public outreach, collaboration, and transparency.

In 2008 after an extensive land planning effort, the Stewardship Council embarked on the last phase of its land conservation work, an effort that will result in the conveyance and protection in perpetuity of forest and watershed lands across 22 counties. Last year, we also awarded nearly $2 million to 42 youth serving organizations across California.

Allene Zanger, who took over as executive director in early 2009, is uniquely qualified to continue the work Jayne began. A native Californian, Allene comes from a farming and ranching family. Before joining the Stewardship Council, she held a senior management position with the U.S. Peace Corps. Her experience working in the California Attorney General’s office on natural resource law issues and as a vice president and general counsel of Tejon Ranch Company, combined with her service as director of School-Community Partnerships in the Kern County Superintendent of Schools Office, has positioned her well to lead both the Land Conservation and Youth Investment programs. With anticipation of the important work ahead of us, I welcome Allene as executive director.

The board of directors is also welcoming back two former members, Steve Larson and Mark Rentz. Their choice to return to the board demonstrates how compelling and important the mission of the Stewardship Council is to the citizens of California.

With new leadership in place and experienced members serving on the board, the Stewardship Council is poised to build on the successes of 2008 as we move forward with our mission to protect more than 140,000 acres of watershed lands and connect our youth to the great outdoors.

Mike Chrisman, Board President
Secretary for Natural Resources

2008 was a successful year for the Stewardship Council. It marked an important milestone in our efforts to preserve and enhance 140,000 acres of PG&E-owned watershed lands and the third successful year of grantmaking for the Youth Investment Program.

In 2008, the Stewardship Council began the land conveyance phase of its work; we piloted a process to select conservation easement holders and new landowners on four sets of land that present unique land use and conservation challenges. The pilot program served as a learning process and provided invaluable lessons and experience.

With the benefit of stakeholder recommendations, the Stewardship Council has now developed clearer, more efficient and cost-effective approaches to achieving the goals and objectives established during the land conservation planning phase. The refined process will continue to provide significant opportunities for the engagement of all interested stakeholders.

During the spring and early summer, I toured the magnificent watershed lands and met with a diverse group of stakeholders. The level of collaboration among public agencies, nonprofit organizations, and tribes was inspiring. It is a testament to our shared appreciation of these lands that diverse groups and individuals can come together to plan for the conservation and enhancement of these remarkable places.

I also visited a variety of programs funded by the Stewardship Council’s Youth Investment Program. The efforts of organizations across California to provide underserved youth with opportunities to enjoy the outdoors and appreciate nature are truly commendable. After spending time with young people in these outstanding programs, I can say with certainty that young people who spend quality time outdoors in nature will become vested in protecting our state’s natural resources.

The Stewardship Council has been privileged over the past five years to join outstanding individuals and organizations throughout the state in an effort to preserve California’s precious natural resources and connect youth to the outdoors. I look forward to working with the Stewardship Council’s committed board of directors, staff, stakeholders, and partners to advance this important mission.

Allene Zanger, Executive Director
Stewardship Council

Cover photo: Blue Lakes. Photo by Toby Perry.
2008 marked the Youth Investment Program’s third successful year of grant funding. Over the past three years, we have awarded more than 6 million dollars to over 130 organizations. Stewardship Council funds are making a difference across California by helping organizations connect more than 140,000 youth to the outdoors. By identifying and funding outstanding outdoor programs, the Stewardship Council is making lasting changes in the lives of California’s youth.

Stewardship Council grants help build parks, ball fields, community gardens, playgrounds, recreation centers, and pools. We fund organizations that support California’s most vulnerable youth—those from underserved urban neighborhoods and rural areas; young people whose parents are incarcerated; physically disabled kids; and those from ethnic or tribal communities with limited resources. While a youth from inner-city Oakland may appear to have little in common with one from a Central Valley farming community—sadly, their lives can be similarly deficient in the amount of productive time spent outdoors. Stewardship Council funds provide young people across the state with opportunities to hike, camp, bike, fish, swim, skateboard, garden, and play ball outside. Outdoor recreation and education builds healthy, engaged, skilled, and informed youth—the future stewards of the state. Here is a look at just a few of our 2008 grant recipients.

Non-Traditional Gateways
The scent of pine and the occasional call of a wild turkey meet teen runners as they train for a marathon. With the support of a Stewardship Council grant, Students Run Oakland is providing urban youth with a non-traditional gateway to the outdoors. Within the context of training for a marathon, the runners not only participate in structured physical fitness training and nutrition education, but also explore the East Bay’s open spaces and parks. Low-income urban youth do not often have the means to enjoy natural places, even those available in their own cities. But with the impetus of competitive running, these young people are experiencing the flora and fauna of the East Bay hills while honing their athletic skills.

Outdoor Education Programs
Stewardship Council funds are also supporting school-based programs that integrate outdoor experiences into their core curriculum. Both Escuela Popular Accelerated Family Learning Center, a public charter high school in San Jose that serves a mostly Spanish-speaking population, and the Barack Obama Middle School (formerly Alternative Learning Center) in Oakland are using Stewardship Council funding to support programs that connect underserved students to the natural world through wilderness experiences and outdoor adventure. Back at school, this invaluable real-world learning becomes the foundation of more formal classroom lessons.

Families and Communities—Outdoors Together
Meanwhile, in San Francisco, a Stewardship Council grant helps support Alemany Farm, a verdant oasis in a desert of asphalt and concrete. This multi-acre farm—replete with vegetable gardens, fruit trees, beehives, a pond, and giant windmill—serves the neighboring Alemany Community, a public housing development struggling with high unemployment and recurring violence. Working on the farm provides residents (both children and adults) with opportunities to learn more about the environment, grow their own food, and train for green jobs. This farming enterprise is engaging not only the Alemany youth, but their whole community. Outdoor experiences that are this fully integrated into the lives of young people make a lasting positive impact.

The Big City Mountaineers are using their grant to fund the Urban Families Gateway Program, which brings Alameda teens and their families together for free outings that include hiking, biking, fishing, rock climbing or kayaking in local parks and recreation areas. Being outdoors together gives parents and teens a chance to reconnect, share the fun and challenge of outdoor sports, develop healthy lifestyles, and appreciate nature.

At the Peralta Hacienda Historical Park (some of the only open space in the section of Oakland with the highest percentage of children), a
Stewardship Council grant supports the Breaking Ground Program. This program brings ethnically diverse youth and Lao Mien elders together to tend a community garden and prepare outdoor banquets. As these young people and members of their community work together—gardening, cooking and sharing stories—they gain a greater appreciation of each other’s cultures and traditions.

But the Stewardship Council is not just supporting urban communities. Far from the hustle and bustle of the Bay Area, near California’s border with Oregon, the Karuk Tribe is using their funds to support the Eco-Cultural Youth Camps and Scientific Academic Advancement Program. This program brings tribal youth and elders together to sustain local traditional ecological knowledge. At seasonal camps, elders pass down their cultural knowledge of the natural environment and land management practices to the next generation.

By connecting youth with the outdoors through non-traditional gateways, school programs, and community activities, the Stewardship Council is making a lasting difference across California.

2008 Highlights

**A Year of Funding**

The Youth Investment Program awarded $2 million to 42 youth-serving organizations.

**Bringing Youth Organizations Together**
October 1, 2008, in Sacramento.

In its effort to strengthen the connections among California’s youth-serving organizations, the Youth Investment Program facilitated the first Sacramento region youth-organization gathering. Hosted by Splash (a place-based, watershed education program), the meeting brought together more than 25 youth-serving organizations in the Sacramento region. Professionals in the field made connections and strengthened their networks of people, programs, and organizations that connect children to the outdoors.

**Leading the Education Effort**
October 8 – 9, 2008 in Oakland.

The annual meeting of the California Biodiversity Council (formed in 1991 to improve coordination and cooperation between resource management and environmental protection organizations at federal, state, and local levels) focused on efforts to connect children to nature. The Stewardship Council worked with the California Roundtable on Recreation, Parks and Tourism to organize the event. The Stewardship Council helped develop the meeting agenda and plan field tours to East Palo Alto, Oakland, and San Francisco. These tours gave attendees an opportunity to meet with local outdoor education leaders and learn about the barriers that prevent children in these communities from getting outdoors.

Leading the Youth Effort

Steve Hagler, Director of Youth Investment

Steve Hagler has been known to say that he has “the greatest job in the world.” What could be better than overseeing a program that gives away over two million dollars a year to organizations that connect youth with the outdoors? For this father, educator and outdoorsman—not a thing.

Steve has been working to improve the lives of young people through education for nearly two decades. Before joining the Stewardship Council in 2005, he spent 15 years working for the San Francisco Unified School District, where he helped raise the achievement levels of some of the district’s lowest performing students. In other positions for the district, he developed experiential and outdoor education programs. He brings this wealth of experience in program development and work with young people to his position as director of the Youth Investment Program. Steve cares deeply about California’s youth and the organizations that support them. His empathy and knowledge have made the Youth Investment Program more than just a source of funding—it has become a partner organization, helping youth organizations around the state connect with the resources they need for success.

Even when off the clock, Steve is working for California’s youth. He has held leadership positions in many youth-focused organizations, including the San Francisco Police Wilderness Program Board, the West Region of the Association of Experiential Education, and the Presidio Stewardship Program.

Steve earned his Master’s of Education and teaching credentials from San Francisco State University. He also holds a Certificate of Completion from the Environmental Educators Training Program of the Headlands Institute and a BA in US History from the University of California, Berkeley.

In his free time, Steve can be found living the life he advocates for others—spending time with his children in the great outdoors.

We have awarded more than 6 million dollars to over 130 organizations.
Funding Outdoor Programs for Youth

Across The State

**Infrastructure Funds**
Helping Organizations Create Green Spaces in Their Communities

- Fields full of fire ants, neglected lots and abandoned buildings, barren city parkland, miles of asphalt and concrete—for many urban youth this is the outdoors. Without safe, green spaces to play and learn, youth will stay indoors. An indoor-only life is one deficient in exercise, community interaction, and appreciation of nature.

Stewardship Council infrastructure funds help community organizations build, develop and renovate outdoor spaces and recreation facilities so that youth have clean, safe, attractive spaces to play and learn.

**A Fresno Ball Field**
In southeast Fresno, where poverty and crime abound, green spaces are few. So the Boys and Girls Clubs of Fresno County looked to the Stewardship Council for help. With infrastructure funds, they will renovate a 30-year-old sports and recreation field. In a community where 35 percent of the children live in poverty, this field will provide a safe place for youth to participate in team sports and other outdoor activities—a healthy alternative to passing time on the streets where crime is rampant and the lure of gangs intense.

**An Oakland Farm**
West Oakland is a food desert. There are 40 liquor stores and plenty of fast food outlets, but not a single grocery store. The life expectancy of residents here is significantly lower than Alameda County’s average, and the rate of diseases associated with poor nutrition is high among children. So when the City of Oakland selected City Slicker Farms to convert two adjacent city parks into an urban farm, the Stewardship Council was there with funding. The one-acre farm will provide organic food for low-income residents, serve as an open gathering space for community events, and host school programs that teach ecology, gardening, and composting. Throughout the Bay Area and across California, Stewardship Council infrastructure funds are creating spaces that make going outside safe and worthwhile.

**Grant Recipients**

**2008 Grant Recipients**

**Infrastructure Fund Awards**
Over $100,000 in funding for grassroots organizations.

- • Alemany Farm
- • Big Chico Creek Watershed Alliance
- • Chico Food Network
- • Escuela Popular Accelerated Family Learning Center
- • Gateway Mountain Center
- • Project Great Outdoors
- • Project Ole
- • Tides Center/BEETs Rangers
- • Wilderness Arts & Literacy Collaborative
- • Wildplaces

**Impact Fund Awards**
Over $400,000 in funding to spark innovation and lower barriers for established outdoor programs.

- • Adventure, Risk, Challenge
- • EarthTeam
- • East Bay Asian Youth Center
- • East Oakland Boxing Association
- • Feather River Land Trust
- • Fresh Lifelines for Youth
- • Friends of Peralta Hacienda Historical Park
- • GirlsVentures
- • Golden Gate National Parks Conservancy
- • Hill Country Community Clinic
- • Karuk Tribe
- • Literacy for Environmental Justice
- • Oakland Food Connection

**Infrastructure Fund continued**

- • Oakland Unified School District Office of Alternative Education
- • Project Arvay
- • Real Options for City Kids
- • San Joaquin River Parkway and Conservation Trust
- • Students Run Oakland
- • Tuolumne River Preservation Trust
- • Women’s Mountain Passages
- • Yosemite National Institutes (WildLink)

**Impact Fund continued**

- • City of Richmond, Parks and Lighting Division
- • Community Alliance for Family Furnishings

**Collaboration Fund Awards**
Over $300,000 in funding to support ventures that eliminate barriers preventing young people from connecting with the outdoors.

- • Big City Mountaineers
- • California State Parks Foundation
- • City of Richmond, Parks and Lighting Division
- • Community Alliance for Family Furnishings

** Infrastructure Fund continued**

- • City of Richmond, Parks and Lighting Division
- • Community Alliance for Family Furnishings

- • City of San Joaquin
- • GirlsVentures
- • Golden Gate National Parks Conservancy
- • Hill Country Community Clinic
- • Karuk Tribe
- • Literacy for Environmental Justice
- • Oakland Food Connection

**A Berkeley Boathouse**
In recent years, much of Berkeley’s Aquatic Park had fallen into disrepair. What should have been a great community resource was instead filled with drug dealers, graffiti and homeless encampments. With the help of a Stewardship Council Infrastructure grant, the Bay Area Outreach and Recreation Program (BORP) and Waterside Workshops are renovating a previously abandoned, city-owned recreation facility. Once the renovation is complete, the facility will house programs that serve low-income youth from West and South Berkeley as well as youth and adults with disabilities. These programs will teach youth how to boat and bikes as well as give them opportunities to explore the park and estuary (home to many species of shore birds). As these youth become more confident and self-reliant, they will begin to lose their fear of the outdoors and appreciate the natural world around them.

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**Funding Outdoor Programs for Youth**

**Catalyst Fund Awards**
Over $100,000 in funding for grassroots organizations.

- • Alemany Farm
- • Big Chico Creek Watershed Alliance
- • Chico Food Network
- • Escuela Popular Accelerated Family Learning Center
- • Gateway Mountain Center
- • Project Great Outdoors
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“The Stewardship Council is dedicated to connecting all the citizens of our state—the young and young at heart, from all walks of life—to California’s watershed lands so that responsible stewardship can begin today and continue for generations to come.”

Michael R. Peevey, President, California Public Utilities Commission
The Land Conservation Program is charged with ensuring that more than 140,000 acres of PG&E-owned watershed lands across 22 counties are preserved and enhanced for a broad range of beneficial public values including outdoor recreation, sustainable forestry, agriculture, habitat protection, open space preservation, and the protection of cultural and historic values.

In 2007, the Stewardship Council completed the first two volumes of the Land Conservation Plan for the watershed lands. These land planning efforts were recognized earlier this year with an award from the Association of Environmental Professionals.

Learning from the Pilot Process

2008 was a year of growth for the Land Conservation Program as the Stewardship Council moved from the initial planning stage for the watershed lands to the conveyance and conservation phase of its work. Since the scope of the conservation and conveyance effort was so large, we began this next phase with four pilot planning units: Bucks Lake in Plumas County, Doyle Springs in Tulare County, Kennedy Meadows in Tuolumne County, and McArthur Swamp in Shasta County. The pilot lands were selected because each presents a unique set of land use and conservation challenges and opportunities.

The pilot process was designed to help us develop a clear, efficient, and cost-effective process for achieving the goals and objectives of the Land Conservation Plan, while providing significant opportunities for the engagement and involvement of interested stakeholders.

As part of the process, the Stewardship Council sought qualified organizations to hold conservation easements or receive fee title on these watershed lands. In a series of public workshops, interested parties provided their ideas for enhancing the beneficial public values on the lands. By the end of 2008, more than 45 potential land stewards had expressed interest in becoming donees for the four pilot sites (representing nearly 20,000 acres). We are pleased with the level of stakeholder collaboration that led to the preparation of the initial land stewardship proposals.

Based on our experiences with the pilot program in 2008, the Stewardship Council has refined its land conservation and conveyance processes to increase efficiency and address recommendations made by interested stakeholders. These changes, together with a growing staff, will allow us to better engage with our stakeholders and increase momentum in the land conveyance and conservation process.

Expanding the Land Conservation Program Team

Beginning in 2007 and continuing into 2008, the Stewardship Council expanded our Land Conservation Program staff. The new team members bring diverse talents and a wealth of land and resource management experiences to the program.

Ric Notini joined the Stewardship Council in December 2007 as the director of the Land Conservation Program. Ric has brought a tremendous amount of public and private sector experience in land use and environmental management to this position. Just before joining us, he managed the planning stage of the Concord Naval Weapons Station’s conversion from military to civilian uses. From 2001 to 2005, he managed the environmental planning and permitting of the new University of California Merced campus, including the development and implementation of a major regional conservation plan for more than 50,000 acres of grazing and wetlands. Ric holds a MS in Water Science from the University of California, Davis.

In 2008, the Land Conservation Program team expanded to include three regional managers: Mary Adelzadeh, Heidi Krolick, and Chantz Joyce. The regional managers work with stakeholders and community members to help guide the conservation and enhancement of the lands.

Mary Adelzadeh is responsible for coordinating the development and implementation of land conservation plans for the Stewardship Council’s southern planning units and the Eel River parcel. Mary has years of experience working with tribal, federal, and state governments, as well as non-governmental organizations. She worked...
with the North Fork Mono Rancheria to protect and manage tribal natural and cultural resources. Mary also assisted in the development and coordination of team-taught, interactive training workshops that focused on the ecological, social, and economic health of western public lands and resource-dependent communities through collaborative stewardship. Mary earned a MS in Resource Policy and Behavior, specializing in conservation biology and ecosystem management, from the School of Natural Resources and Environment at the University of Michigan.

Working out of Shingletown, near Redding, Chantz Joyce is responsible for the northern-most watersheds. Chantz holds a BS in Forestry from Humboldt State University and is a California Registered Professional Forester. Prior to joining our team, he was responsible for managing timber harvest plan preparation and implementation on certified forests, including fuels reduction projects, sustained yield plans, road management plans, and water-quality monitoring projects.

Heidi Krolick is responsible for the central watersheds. Along with a MA in Parks, Recreation, and Tourism Management from Lincoln University in New Zealand, Heidi brings to the team years of experience with habitat management and protection as well as conservation easements. Prior to joining us, Heidi drafted and implemented long-term management plans for open space areas, worked on environmental permitting and compliance, and managed large-scale mitigation and restoration projects including grassland, woodland, wetland, and riparian habitats.

Working directly with the land conservation director and the regional managers, Toby Perry is the land conservation project manager. Since joining the Stewardship Council in 2007, Toby has been extensively involved in designing the land conservation and conveyance process. He has previous experience working with ranchers on land conservation issues in Monterey County. Toby holds a MS in Environmental Science and Management, with a specialization in Conservation Planning.

With a talented staff, an engaged board of directors, and committed stakeholders, the Stewardship Council is well positioned to take on the challenges and opportunities of 2009 and beyond.

We are partnering to protect the watershed lands for the benefit of all Californians.
Summary of **2008 Finances**

**Statement of Financial Position**

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<tr>
<th>Assets</th>
<th>2008</th>
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<td>Cash and cash equivalents</td>
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<th>Liabilities and Net Assets</th>
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<td><strong>Total liabilities and net assets</strong></td>
<td><strong>84,066,715</strong></td>
<td><strong>84,950,267</strong></td>
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**Statement of Activities**

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<td>Youth Investment Services</td>
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<td>Net assets, end of year</td>
<td>81,386,195</td>
<td>82,984,880</td>
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The Stewardship Council’s most recent audited financial statements are available for download at the Web site or via hard copy by calling 650.344.9072.

**Cumulative Grant Awards**

The Youth Investment Program awards approximately $2 million in grants to qualified nonprofit organizations and public entities annually. Actual grant payments are made upon the satisfaction of the terms and conditions of the grant awards. As of December 31, 2008, the Stewardship Council has approved $6.2 million of grant awards and made actual cash payments of $3.9 million.

**Ending Cash and Investments**

![Graph showing ending cash and investments for years 2006, 2007, and 2008]

Financing Our Efforts

The Stewardship Council is funded by a $100 million commitment from PG&E, 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.”

Managing our Investments

The Stewardship Council takes great care in the management of taxpayer funds. To ensure that funds are preserved 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. During 2008 we earned 4.58 percent on our investments net of fees, which added $1.8 million to the Council’s assets.
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Chair, Watershed Planning Committee –
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Central Valley Regional Water Quality Control Board

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California Public Utilities Commission
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California Public Utilities Commission Appointed
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California Tribal Interests
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U.S. Forest Service/Bureau of Land Management
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