

DEPARTMENT OF WATER RESOURCES

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SACRAMENTO, CA 94236-0001
(916) 653-5791



JUN 20 2018

Mr. Dawit M. Zeleke
The Nature Conservancy
555 Capitol Mall, Suite 1290
Sacramento, California 95814

Dear Mr. Zeleke:

The California Department of Water Resources (DWR) and The Nature Conservancy (TNC) have informally agreed to pursue transferring fee ownership of McCormack Williamson Tract (MWT) and Staten Island (SI) from TNC to DWR. TNC has expressed wishes to divest itself of both MWT and SI, with a strong preference for turning both properties over to DWR. DWR intends to expedite this transition consistent with best management practices, and in conformance with all applicable laws, regulations, and policies. DWR cannot currently offer assurances that the ownership transfers will be successfully accomplished. DWR's acceptance of fee ownership is contingent upon completion of further investigations, including but not limited to due diligence, surveys, and documentation, as well as upon initiating development of a suitable long-term funding strategy for management of these lands. DWR is committed to working closely with TNC throughout the transfer process, continuing the close partnership between DWR and TNC over the past 30 years.

The purpose of these ownership transitions would be to preserve, in perpetuity, the potential for achieving the original objectives under which these parcels were acquired with public funds: promoting wildlife-friendly agriculture, wildlife habitat enhancement, and flood risk reduction. DWR would build on the foundation established through the ongoing North Delta Planning process, which has most recently been focused on implementing a project on MWT to achieve these benefits.

TNC acquired MWT in 1999 with the intent to hold the property for three years, during which TNC would maintain wildlife-friendly farming operations and cooperate with state and federal agencies on a long-term restoration program for the property. The original funding agreement between TNC and the U.S. Fish and Wildlife Service also included the identification and transfer of the property to a long-term agency owner. DWR and TNC have subsequently been conducting project planning on MWT, including broad stakeholder input. Project implementation will occur in two phases and will result in levee alterations for reduced flood risk and habitat value, and a new levee to protect transmission infrastructure on site as Phase I. Levee breaches will then restore ecological processes, and restoration of approximately 1,500 acres of habitats (approximately 175 acres of floodplain and riparian habitat, 900 acres of tidal marsh, and 400 acres of subtidal), will occur as Phase II. These management actions will contribute to CA EcoStore goals, and this mosaic of habitats is expected to offer salmon rearing habitat, splittail spawning habitat, and possible benefits to giant garter snake, Delta smelt, and a variety of bird species. Phase I of the project is poised for implementation with permits almost complete and initial funding identified. It is urgent that this work get underway while funding is available, implementation documentation is

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current, and future flooding does not further impede site management.

TNC acquired SI with funds from DWR and the Resources Agency in 2001 and has managed the island since then for wildlife-friendly agriculture. Transfer of SI would also significantly contribute to the public benefits identified for the parcel: agricultural land preservation, wildlife habitat protection, protection of the floodplain from potential inappropriate and incompatible development, and potential future flood management improvement.

DWR proposes to acquire MWT and SI from TNC under the authority of California Water Code Section 258, which allows it to acquire lands for future water resources management needs. State ownership of both MWT and SI would preserve, in perpetuity, the potential for achieving the multiple public benefits associated with the Cosumnes-Mokelumne River Corridor. DWR will work to assure that its planning efforts are consistent with the Delta Stewardship Council's Delta Plan, the Delta Protection Commission Vision 2030 Strategic Plan, the Delta Conservancy's 2017-2022 Strategic Plan, and other important evolving Delta corridor planning efforts.

My staff and I look forward to working closely with TNC to expedite the ownership transition process.

If you have any questions, please call Bill Harrell at (916) 651-0711.

Sincerely,

Original signed by _____

Kristopher A. Tjernell
Deputy Director
Integrated Watershed Management