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February 22, 2011

John Donnelly
Executive Director
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95814

Dear John:

Since 2007, we and others have been expressing our concerns about the lack of transparency and the questionable advisability of large-scale, multi-million dollar state investments intended to protect forest lands from various threats - in particular possible future development and possible future undesirable forest management. We support government involvement in forest conservation, and were advocates for the Prop 84 bonds. We also are practitioners of conservation on our own lands every day, by harvesting less than we grow, protecting old growth, improving stream and upslope forest habitat, and managing for a rich and ecologically diverse forest landscape.

In a number of conversations dating to 2007, we advocated for the WCB to set specific ecological objectives associated with forest investment. To our knowledge they declined, leaving the WCB reactively seeking to buy whatever might be offered for sale. We understand the WCB did agree to adopt a policy affirming the need for market based assumptions in appraisals, and to give consideration to the ability to achieve project objectives with means other than fee and conservation easement acquisitions. Full disclosure of transactions *before* the dollars have left the state coffers will assure that citizens know to what degree these policies are being implemented.

Our questions get to the heart of the merits of investments being made on behalf of taxpayers for an extended time, since these investments are paid for with bonds. So we continue to ask the same series of questions, primarily about how these funding decisions are made, what ecological objectives are being achieved, the consideration of alternatives, and a process for full disclosure of the structure and analyses before the transactions are approved and funded.

We again encourage the WCB to consider the tangible benefits that can be achieved today through investment in restoration activities for forests. We believe there are far greater ecological benefits from activities such as protecting streams from the risk of sediment pollution, or managing to help a forest overcome abusive harvest practices of the past, as opposed to buying more real estate that is too expensive for the state to maintain. The current estimate of \$1.2 bb in deferred maintenance in our Park System is a good analog of the need to use what funds are available to take care of what we already own, or what can be improved in partnership with private landowners, rather than buying more land.

As California's financial condition continues to deteriorate, these state expenditures must also fit into a matrix of priorities for utilization of declining state funds. This issue goes well beyond the environmental questions. There is the implication from some that if we keep asking these questions, our own credibility will be questioned, and perhaps the support of many environmental organizations will be withdrawn, or

worse. In the interest of the people of California and their needs, which have to come first, the chips will have to fall where they may.

For the moment, our request is simple: Given the challenging valuation issues associated with conservation easements for North Coast forests (and a history of issues with appraisals released after the fact), take a step back. Allow for adequate public review of the two large North Coast conservation easement transactions (items number 23 and 24, more than \$38 million in cash) currently on your February 24 agenda, before the money has been spent.

The review we request will happen either before or after the transactions are completed. Given the current condition of the state, it would seem to be in everyone's interest to let an appropriate review occur before the deals are done. Maintaining confidence in future bond financed conservation deals will be enhanced if you will honor our request. The transparency that the citizens of California expect, from the actions and decisions of their public officials, deserve the highest priority. Thank you for your consideration.

Sincerely



Sandy Dean
Chairman

Cc: John McCamman
Ana Matosantos
Jim Kellogg
Karen Finn
Senator Fran Pavley
Senator Noreen Evans
Assembly Member Jared Huffman
Assembly Member Richard Gordon
Assembly Member Michael Allen