CONWAY RANCH CONSERVATION EASEMENT MANAGEMENT PLAN

April 2014

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I. INTRODUCTION

(a) Management Plan Purposes and Uses

The purpose of the Conway Ranch Management Plan is to provide that aquaculture and sheep grazing operations, natural resource management, and public uses be conducted in a manner and to an extent that will not diminish or impair the Conservation Values and that all uses are consistent with the terms and purpose of the Conservation Easement (Exhibit A: Map of Conservation Easement). These activities shall be consistent with the best management practices for the general geographic area, and consistent with all applicable laws and regulations. This plan is an initial effort at documenting the current activities that take place on the property and sets forth the process for determining future management direction.

It is recognized that this property and its water have been manipulated, managed, and utilized by various owners and lessees since at least 1872 when it was first homesteaded by James Wilson and Harlan P. Noyes. Natural and human caused changes will inevitably occur on this property in the future and one goal of this Management Plan is to provide a framework for responding to those changes with actions that ensure the preservation and function of the protected natural habitats, scenic vistas, and public access resources.

The process of creating and modifying this plan is based on the concept of collaboration and cooperation between the landowner and the easement holder. It may be desirable to seek the expertise of outside agencies, organizations, and consultants to provide technical advice for improving the condition and functionality of the property. To achieve this outcome, these agencies, such as the USDA Natural Resources Conservation Service (NRCS), may be invited to participate in updating the Management Plan.

(b) Protocols for Updating Management Plan

The Conway Ranch Management Plan may be updated and adjusted anytime as necessary, by mutual agreement of Mono County and Eastern Sierra Land Trust (ESLT) or successor easement holder. It is anticipated that some adjustments to the Management Plan will be due to the results of the annual Conservation Easement monitoring. In any case, the Management Plan will be updated no less frequently than once every five years.

Requests for changes to the Management Plan shall follow the Notices section (Section 21) of the Conservation Easement. Mono County and ESLT will make every effort to schedule updates and requests for changes to the Management Plan for the Annual Meeting timeframe to facilitate efficient communications. Written requests or communications may be made by personal delivery, overnight delivery, regular mail, e-mail, or facsimile transmission, with hard copy by mail following email or facsimile. Where consent of ESLT is required, approval shall be sought as described in the Written Advisement section (Section 9) of the Conservation Easement.

If agreement is not reached on updates or changes to the Management Plan, Mono County and ESLT may mediate the disagreement, as described in Section 11 (Disputes and Remedies), in the Conservation Easement. If mediation is not successful, legal action may be undertaken.

(c) Mono County-ESLT Annual Meeting

To provide the opportunity for appropriate and timely adaptive management of the property and to foster good communication, ESLT and Mono County will convene an Annual Meeting each year prior to April 1. Prior to the Annual Meeting, Mono County will provide an Operations Plan to ESLT for the year that will address planned sheep grazing and associated irrigation, commercial aquaculture and associated groundwater extraction, public access activities and infrastructure improvements, other commercial activities, and any other planned activities on the property.

ESLT will respond to the Operations Plan based on the following criteria: a) sheep grazing and irrigation practices employ best management practices as determined by the Grazing Lease provisions, b) groundwater extraction is consistent with the current Groundwater Study and associated groundwater monitoring results and there is no risk of impairing the Conservation Values, c) public access and infrastructure improvements, and any other planned activities, do not impair or adversely impact the Conservation Values. The Operations Plan will also include any desired changes or updates to the Management Plan. This document will become effective upon the mutual consent of Mono County and ESLT.

ESLT will provide a report on the previous year's annual monitoring of the Conservation Easement prior to the Annual Meeting. Updates to the Management Plan based on the results of the annual monitoring and any desired management changes will be discussed.

(d) Annual Conservation Easement Monitoring and Enforcement

Annual monitoring is the right and the responsibility of the Conservation Easement holder in order to determine the efficacy of implementation practices established in the Management Plan as well as to ensure that the terms of the Conservation Easement are being upheld. ESLT has the right to enter upon, inspect, observe, and evaluate the property to identify the current condition of, and uses and practices on, the property to determine whether they are consistent with the Conservation Easement. The original grant funders may accompany ESLT on its annual monitoring visits. This monitoring will be supported through the Baseline Conditions Report (Exhibit B) and subsequent reviews, using photographs and narrative descriptions, among other evaluation tools. Monitoring will consider issues such as changing conditions in the vicinity of the Property and impacts to Conservation Values, water conditions, weather and climate conditions, unusual natural events, vegetative variety and quality, and trends in resource conditions. Details about annual monitoring are located in Section 10 of the Conservation Easement.

As described in ESLT's Monitoring Policy (Exhibit C), as landowner, Mono County will be contacted in writing in advance of the proposed monitoring visit and encouraged to take part in the visit. They will also be given the opportunity to discuss the easement and any concerns or questions they may have. All contact with the landowner will be documented and records kept in the permanent and working stewardship files.

ESLT staff shall send at least one written communication to the easement landowner prior to the visit describing the monitoring visit and schedule, and shall send at least one written

communication following the monitoring that includes the annual monitoring report and addresses any issues identified in the visit, if applicable.

If questions or concerns arise regarding an activity or use of the property, ESLT will follow the steps outlined in its Enforcement Policy (Exhibit D).

II. BACKGROUND

(a) Property History

Insert relevant language from Baseline Conditions Report

(b) Easement Summary

Insert summary from final version of the easement

III. PROPERTY ACTIVITIES AND USES

(a) Management of the property as a sustainable working landscape, compatible with protection of conservation values.

The property has long been utilized for commercial sheep grazing and commercial aquaculture, pursuant to multi-year leases and licenses with third parties, and Mono County will continue to interact with, oversee, and, in that way, "manage" those uses of the Property. Some aspects of these activities are referenced in a Conservation Plan developed for Conway Ranch in 2005 by the National Resources Conservation Service (NRCS), which is incorporated herein by this reference (Exhibit E). The Plan provides some recommendations, but not requirements, for management of the Property, some of which the County has already followed or implemented and some of which it has not. The County may (but shall not be required to) implement or follow aspects of the Conservation Plan, or future updated plans, as it deems appropriate, in a manner that does not diminish or impair Conservation Values.

(i) Aquaculture

Pursuant to the terms of an Aquaculture Agreement between the County and Inland Aquaculture Group, LLC ("IAG"), as amended and incorporated herein by this reference, a portion of the Property within the Aquaculture Area is utilized for commercial fish-rearing (aquaculture). Under the Aquaculture Agreement, IAG has a nonexclusive license to use the Property and its fish-rearing facilities, which currently include several improved fish "raceways" consisting of converted irrigation ditches with lining and concrete "boxes," and also some ponds. Water for the fish-rearing comes from use of the County's adjudicated Mill Creek water rights, which is conveyed to the Property through Wilson Creek after flowing through the Lundy hydroelectric plant and released by Southern California Edison. Said water can be diverted from Wilson Creek to the fish-rearing facilities using two diversion pipelines (the "bell" and "bowl" diversions).

The County interacts with IAG regarding its operations to the extent necessary or appropriate under the Aquaculture Agreement and to ensure compliance with that Agreement. But the County does not and cannot exert any direct control over those operations or otherwise manage them. Topics of interaction include, but are not limited to, communications regarding surface water flows and releases by Southern California Edison into Wilson Creek, and the stocking of "rent fish" that IAG is required to provide to the County under the Aquaculture Agreement as consideration for its use of the Property.

Management Objectives:

- Continued use of the property for sustainable commercial aquaculture in a manner that protects the Conservation Values of the property.
- Aquaculture operations will be designed to function primarily on the Mill Creek Adjudicated Water Rights.
- Any proposed pumping or extraction of groundwater for aquaculture purposes or permitted facilities must be evaluated through a Grantor-funded environmental study ("Water Study"), including a temporary pump test (if recommended by the geo-hydrologist conducting the Water Study), and associated monitoring program.
- Aquaculture may be prioritized for water use over grazing, however adequate water must be provided to maintain existing wetlands and associated habitats.

Specific terms and requirements for the expansion of the aquaculture operation and extraction of groundwater are described in the Conservation Easement. When/if the County receives approval from ESLT for its expanded aquaculture plans, including the facility on Mattly Ranch, it will provide a proposed update to this Management Plan describing the new operations and the Water Study and monitoring program. The County will keep the Management Plan updated, describing any phased construction of the aquaculture expansion and the results of groundwater monitoring. The annual Operations Plan will include proposed levels of groundwater extraction, if any, based on the groundwater monitoring program created in the Water Study.

(ii) Sheep-grazing

Pursuant to the terms of its lease (Exhibit F), the current sheep grazer (F.I.M. Corp) brings sheep onto the property once sufficient pasture has developed through irrigation utilizing the property's surface water rights. (See also Irrigation discussion below.) The northern portion of the property is irrigated to create pasture using the County's water rights under the Walker River decree, specifically through a diversion from Virginia Creek at the top of Conway Summit. That northern portion is ordinarily the first area to be grazed in any season. The other area grazed each year, generally later in the season, is Mattly Ranch. Mattly is irrigated for pasture using the County's water rights under the Mill Creek decree. This is the same water source utilized for aquaculture, as described below. The County has the right to make or change arrangements for sheep grazing with parties other than the current sheep-grazer. No other livestock shall be allowed.

As provided in the Sheep Grazing Lease, the following "Land Use Policies and Restrictions" shall apply:

Property Management:

- (1) Salt or supplements for sheep should not be placed close to water, riparian zones, or known habitats of sensitive plants or wildlife species.
- (2) No fencing shall be constructed without the consent of the Conway Ranch Caretaker.
- (3) Sheep will be herded. Sheep should be moved on the property in a manner that will leave a minimum of four inches of key forage plant species on the property. Rotation of use areas will be achieved whenever practicable.

- (4) Sheep bedding grounds will not be within 250 feet from any historical structure, spring sources, natural wetlands, or the creek.
- (5) Lessee shall comply with any directive given to it by Lessor made in response to an action taken or designation made by an agency of the United States. In that event, Lessee may request Lessor to reduce the rent to be paid by the Lessee for its use of the property.

Water Quality

- (1) Spring sources, natural wetlands and creeks should be avoided. Sheep should be kept at least ten feet away from these areas.
- (2) Sheep and herders shall not disturb the fish raceways or other fish rearing facilities and shall not come within 100 feet of raceway areas.
- (3) All irrigation and movement of water will be managed by the Conway Ranch Caretaker who will be designated by the County. The sheep grazer shall use their best efforts to assist the Caretaker with irrigation issues when the Caretaker requests such assistance.

Current best management practices, as defined by the NRCS, will be considered when updating the Sheep Grazing Lease, and when evaluating the condition of the grazing lands during annual monitoring.

(iii) Irrigation

As noted above, the property is irrigated by surface water from two sources: Virginia Creek (part of a federal decree governing the Walker River system) and Mill Creek. There is a diversion structure at the Lundy hydroelectric powerhouse that allows water flow to be directed toward Mattly, Wilson Creek, and/or into the "return conveyance" that returns water to Mill Creek. The primary purpose of all such irrigation is creation of pasture for wildlife and sheep-grazing. The secondary purpose of the irrigation is maintenance of certain artificial wetlands on the Property. Irrigation has typically been performed by a contractor for the County known as the "water master" or "irrigation specialist." Tasks performed by the contractor include coordinating releases and conveyance of water from their sources to the portions of the Property being irrigated and, with the prior consent of the County, performing routine maintenance of the irrigation system. Such maintenance includes, but is not limited to, cleaning out and repairing ditches and sedimentation basins, managing water flows, and keeping head gates (diversion structures) in good repair. The contractor may also perform other property maintenance with the County's consent, such as fence-mending. At times, the irrigation contractor has also been the same party engaged in sheep-grazing or aquaculture on the Property. The County has the right under this Management Plan to make and change any such contractual arrangements for irrigation as it deems appropriate, provided that the level and at nature of such irrigation activities remains consistent with past practices and does not diminish or impair Conservation Values.

Non-routine maintenance and improvements of the irrigation system will be described in the County's annual Operations Plan.

(iv) CDFW Streambed Alteration Agreement (1600 Permit) Requirements
As a condition of approving the County's installation of the Bell diversion pipeline, the
California Department of Fish and Wildlife required the implementation of certain
"compensatory measures" and "reporting measures" which are set forth in a Streambed
Alteration Agreement and related enhancement plan developed by the County and IAG in
conjunction with California Department of Fish and Wildlife (See Notification No. 1600-2012-

0033-R6, incorporated herein by this reference). Such activities include releases of water into the former Bell diversion ditch for the benefit of willow habitat. IAG has been responsible for compliance with such requirements, and the County has overseen IAG's compliance.

(v) Noxious Plants

Noxious plants are defined by the California Food and Agriculture Code as any species of plant that is, or is liable to be, troublesome, aggressive, intrusive, detrimental, or destructive to agriculture, silviculture, or important native species and is difficult to control, or eradicate.

The Sheep Grazing Lease (Exhibit G) addresses weed issues with the following provisions:

- (1) Lessee will confer with Caretaker (who will be designated by Mono County and may change from time to time) to understand the locations of weed outcroppings on Conway Ranch.
- (2) Avoid driving through weed-infested areas.
- (3) Remove weeds from vehicles by washing thoroughly on a paved area or in a car wash.
- (4) Avoid disturbing native vegetation or creating seedbeds (open areas) when possible. This especially applies to sheep bedding areas where weed control will be necessary to reduce the likelihood that invasion occurs into adjacent stands of native vegetation.
- (5) Avoid grazing in areas where weed seed is ripe.
- (6) Remove and dispose of weed seeds from stock portion of the plant if grazing accidentally occurs in a weed infested area.
- (7) Carefully check livestock for weed seed and remove it before the animals are transported onto the Conway Ranch property.

(b) Public access, public recreation, public education, and infrastructure related to such uses.

As described more fully in Chapter 13.40 of the Mono County Code, which is incorporated herein by this reference, the public has free access to portions of the Property outside of the "licensed fish-rearing and fishing area" (described in Chapter 13.40). Public recreation is permitted in those portions of the Property except those activities that are expressly prohibited by Section 13.40.020. Access into the "licensed fish-rearing and fishing area" requires the express permission of the County or its authorized agents, employees, contractors, lessees, or licensees; but with such permission, there has been a "pay to fish" form of public recreation conducted within that area by a nonprofit entity called the Conway Ranch Foundation (CRF), a subcontractor of IAG, pursuant to a separate "Permission Agreement" between the County, IAG, and CRF. There is no permanent infrastructure associated with such public recreation, with the exception of an ADA platform that provides access for persons with disabilities to fish at one of the ponds.

There are no formal public education programs or activities managed by the County at this time. There is an informational kiosk within the licensed fish-rearing and fishing area, which provides information about the Property's history. Other than that, there is no infrastructure for public education. County shall have the right to continue to authorize any such activities by CRF or

other nonprofit entities that are consistent with the Conservation Easement, and will include information about such authorization in the annual Operations Plan.

(c) Protection of historic resources

When funding and other resources are available, the County may engage in activities to restore one or more of the historic buildings on the Property. Otherwise, there is no formal program for protection of historic resources. The County will include a description of any proposed restoration of historic resources in the annual Operations Plan.

(d) Any alternate nonprofit or county commercial use of the property other than aquaculture or grazing

As noted above under Section 2 (regarding public recreation), there has been a "pay to fish" form of public recreation within that area by a nonprofit entity called the Conway Ranch Foundation (CRF), a subcontractor of IAG, pursuant to a separate "Permission Agreement" between the County, IAG, and CRF. Under the terms of the Permission Agreement, all net proceeds are to be used for the benefit of the Property. The fishing activities occur in ponds on the Property. Temporary buildings are used in conjunction with such activities. County shall have the right to continue to authorize any such activities by CRF or other nonprofit entities that are consistent with the Conservation Easement.

Any other commercial activities are required to be non-motorized activities, other than film production which must utilize existing roads, that do not require any surface alteration or other development of the land and that do not impair the Conservation Values on the property. Any monetary proceeds from such commercial activities will be dedicated to the maintenance and operation of the property. Any proposed other commercial activities will be described in the annual Operations Plan.

(e) Construction, maintenance, and repair of the property's roads and trails

The County has no regular program for construction, maintenance, or repair of roads or trails on the Property. The County may, as necessary, authorize a contractor to perform such tasks in a manner consistent with the Conservation Easement.

(f) Communications with funders, lessees, easement holder, and regulatory agencies

The County shall designate a staff person to be the lead contact person for communications with funders, lessees, licensees, the easement holder, and regulatory agencies. That staff person may utilize other staff persons, including county counsel, to assist with such communications. The County may change its designated staff person at any time, and shall notify Grantee of any such change.

(g) Restoration, enhancement, and study of natural resources (if desired or required by the easement or regulatory agencies)

As discussed above under Section 1(a)(iv), certain enhancement activities are required by a 1600 permit (Streambed Alteration Agreement) with California Fish and Wildlife. From time to time, upon request, the County has permitted scientists to study natural resources of the Property in a manner that does not diminish or impair Conservation Values. In addition, representatives from

regulatory agencies sometimes access the Property to observe its condition. Other than that, there are no ongoing activities to restore, enhance, or study natural resources.

(h) Property Restoration Upon Cessation of Aquaculture or Sheep Grazing Operations
In the event that Mono County and ESLT agree that aquaculture and/or sheep grazing operations on
the property have permanently ceased or been significantly downsized, the Conservation Easement
requires that restoration activities be conducted to allow any disturbed or improved portion of the
land where the activity has permanently ceased to return to a natural or semi-natural condition
consistent with the Conservation Values on the remainder of the land. The parties will work
together to create a comprehensive restoration plan that will be funded and implemented by
Mono County, with assistance by the ESLT as possible.

Structures:

• All unused sheds, buildings, fences, and aquaculture infrastructure that are not considered historic or otherwise important should be deconstructed and removed in a timely manner.

Vegetation:

• Following the removal of aquaculture infrastructure and agricultural fences and structures, the impacted area is to be restored with the goal of enhancing the natural, open space, and habitat values of the property.

Irrigation:

• Mono County will continue to provide irrigation to existing meadows and wildlife habitat.

(i) Any other activities and uses

From time to time and as deemed necessary, the County may itself, or through contractors, engage in any of the following property management activities:

- Inspect Property perimeter gates, fences, and roads to detect evidence of trespassing, vandalism, dumping of trash, erosion, and off-road activity.
- Maintain perimeter gates and fences in good working order, including but not limited to mending broken fences as necessary.
- Prevent fire hazards on the Property.
- Security and safety measures.

Such property management activities will be described in the annual Operations Plan and will be consistent with the Conservation Easement.

IV. REFERENCES

(a) Plan Preparers

This plan was prepared by Dan Lyster, former Mono County Economic Development Director, Marshall Rudolph, Mono County Counsel, and Karen Ferrell-Ingram, Project Manager with Eastern Sierra Land Trust. Aaron Johnson, ESLT Lands Director, and Kay Ogden, ESLT Executive Director also contributed.

(b) Table of NRCS Conservation Practice Standards

NRCS CONSERVATION PRACTICE STANDARDS		
		Year
PRACTICE NAME	CODE	Completed
Fence	382	
Fish Raceway or Tank	398	
Grade Stabilization Structure	410	
Irrigation Water Conveyance, Plastic Underground Pipeline	430EE	
Irrigation Water Management	449	
Range Planting	550	
Access Road	560	
Sedimentation Basin	646	
Prescribed Grazing – Irrigated Pasture (CA)	528B	
Prescribed Grazing – Perennial Rangeland (CA)	528C	
Prescribed Grazing – Wetlands	528D	
Structure for Water Control	587	
Pest Management	595	
Water and Sediment Control Basin	638	
Improved Water Application	743	

(c) Other Resources

NRCS Field Office Technical Guide, detailed descriptions of Conservation Practice Standards and Specifications: http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/fotg/