



# CAPITAL REGION™

## WATER

### DeHart Watershed Management Recommendation



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June 24, 2015

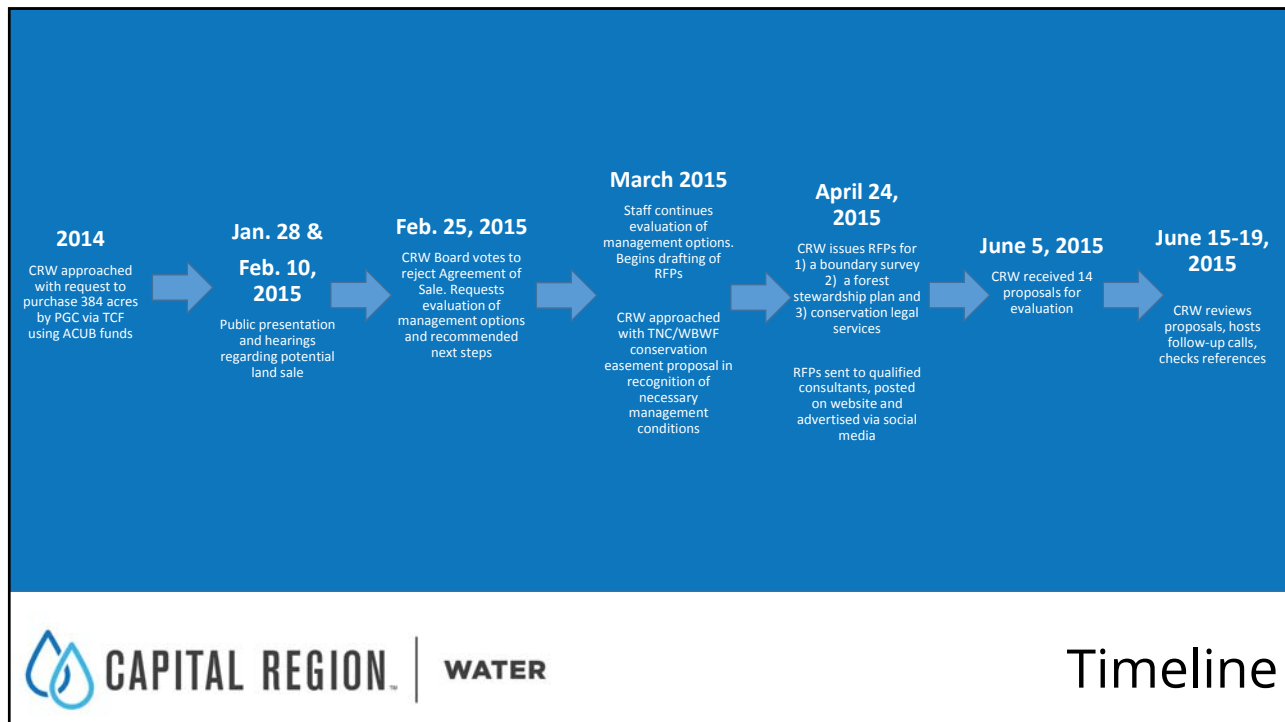
Primary source of drinking water for the City of Harrisburg and portions of Penbrook Borough and Susquehanna and Lower Paxton Townships

- Built in 1940s
- Holds 6 billion gallons
- 5 mile long reservoir
- Surrounded by forested property
  - 51% CRW owned, +/-8,000 acres
  - 43% PGC owned, SGL 210/211
- Expired stewardship plan, operations managed for water supply



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DeHart Watershed



**Water:** Preserve and/or enhance the high quality drinking water by improving the capacity of the system to produce the resource. Watershed security must also be maintained to insure the safety of the supply. Critical riparian buffer zones must be maintained and established as necessary. All water resources on the property must be recognized, including any springs, tributaries, and wetlands. In addition, the plan must complement existing operations and source water protection efforts that provide drinking water to nearly 67,000 people.

**Revenue:** Improve the capacity of the watershed and downstream properties to produce carbon-friendly revenue options. Revenue streams will allow CRW to enhance and protect the asset. This includes sustainable timber harvesting and monetizing of ecosystem services.

**Ecosystem health:** Maintain and enhance long-term ecosystem health and viability. Identify and conserve high priority conservation areas, contribute to the conservation of biological diversity and habitat, and actively manage the property for resiliency to withstand threats (invasive species, particularly Hemlock woolly adelgid and gypsy moth, storms, insect invasions, changing climate).

**Compliance and recordkeeping:** Ensure any active management of the property exceeds any federal, state and local requirements and best practices. Implementation of the plan must be monitored and documented with incremental benchmarks.

**CAPITAL REGION. | WATER** **Watershed Goals**

- Scenario 1 – Continuation of current approach
  - CRW retains full ownership
  - CRW retains full management responsibility
  - Timbering and carbon offset potential
- Scenario 2 – Deed restriction
  - CRW retains full ownership; extinguishes some rights
  - CRW retains full management responsibility. Third party may provide enforcement authority if party to restriction, otherwise CRW has sole authority to also reverse restriction
  - Little or no revenue potential
- Scenario 3 – Fee simple sale of property
  - CRW relinquishes surface rights; could consider retaining mineral rights
  - Transferred to potential buyer; highly variable based on land management of buyer
  - One-time payment at approximately \$800-2500/acre
- Scenario 4 – Conservation easement
  - CRW retains ownership; retires land development rights
  - CRW retains management responsibility; third party easement holder with enforcement authority
  - Ongoing timber and carbon offset potential in addition to the one-time easement payment at approximately \$1,000/acre for the full 8,000 acres
  - Donation of easement also an option

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Scenario	1	2	3	4
Approach	"Do Nothing"	"Deed Restriction"	"Sale"	"Conservation Easement"
Ownership	CRW	CRW	Other	CRW
Management / Enforcement	CRW	CRW	Other	CRW & Partner
Potential Revenue Source	Timbering & Carbon	Timbering & Carbon	One Time Payment	Timbering & Carbon & Compensation
Total Revenue – One timber cycle (timber, carbon, land sale values)	\$4 - \$12 Million	\$4 - \$12 Million	\$6-\$20 Million	\$4 - \$20 Million
Potential Revenue – Two Timber Cycles	\$8 - \$24 Million	\$8 - \$24 Million	\$6 - \$20 Million	\$8 - \$36 Million
Benefit Cost Ratio	1/2 = 0.5	2/2 = 1	1/2 = 0.5	3/1 = 3
Rank	3	2	3	1

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Goal: Develop RFPs developed to further evaluate land stewardship opportunities, viability of the FTIG/TNC proposals to alternatives while considering professional services to enhance stewardship

#### Process

- List of qualified consultants gathered from the PA Society of Land Surveyors, Association of Consulting Foresters, foresters and planwriters, Pennsylvania Land Trust Association's (PALTA's) library of experts
- Circulated on April 24, 2015, posted on website and promoted via social media
- Answered consultant questions throughout the process, provided property access
- Received 14 proposals by June 5, 2015
- Proposal evaluation criteria:
  - Boundary Survey and Forest Stewardship Plan proposals: Project Understanding, Approach (including Scope and references), Overall Quality of Proposal
  - Conservation Legal Services: Project Understanding and Approach, Qualifications (including experience and of Proposal)

- Boundary Survey
  - Account and delineation of property
  - Chain of Title research and record
  - Monument marking
- Forest Stewardship Plan
  - Full forest and carbon inventory
  - 10-year stewardship plan
  - "Easy track" management schedule
  - Cost/Benefits analysis for management activities, including timbering strategy

- Conservation Legal Assistance
  - Guidance along legal paths to meet stewardship goals
  - Legal advice for easement process
  - Review, draft, negotiate easement language
  - Prepare legal documentation
- Consulting Engineer's Report
  - Evaluation to ensure efficient operation of water system
  - Satisfies Trust Indenture



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Next Steps – 2 of 3

- Partnership Agreement
  - Secures/confirms easement holder and permanent protection
  - FTIG continues securing ACUB funds
  - Drafting of conservation easement
  - Property appraisal
  - Environmental assessment of property
  - Multiple partners = experience, transparency, accountability



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Next Steps – 3 of

2

