Board Meeting AGENDA

June 3 – 4, 2015
Madera County – South Subregion

SIERRA NEVADA CONSERVANCY

JUNE 3, 2015

Board Tour **1:00 – 4:30 p.m.**
Members of the Board and staff will participate in a field trip to explore issues and activities related to Forest Health in the South Subregion. Members of the public are invited to participate in the field tour but are responsible for their own transportation and lunch. The tour will start in the main parking lot of the United States Forest Service Bass Lake Ranger District located at 57003 Road 225, North Fork, CA 93643.

Reception **5:00 – 6:30 p.m.**
Following the Board tour, Boardmembers and staff will attend a reception open to the public. The reception will be held at Crossroads Lumber located at 57839 Road 225, North Fork, CA 93643.

JUNE 4, 2015

Board Meeting **9:00 a.m. – 1:00 p.m.**
North Fork Rancheria Community Center *(End time is approximate)*
56900 Kunugib Way, North Fork, CA 93643

I. Call to Order

II. Roll Call

III. Approval of March 5, 2015, Meeting Minutes (ACTION)

IV. Public Comments
Provide an opportunity for the public to comment on non-agenda items.

V. Board Chair's Report

VI. Executive Officer's Report (INFORMATIONAL)
a. Administrative Update
b. Policy and Outreach Update
c. Strategic Plan Revision Update
d. Rim Fire Grant Report
e. Miscellaneous Updates

VII. Deputy Attorney General's Report (INFORMATIONAL)

VIII. Proposition 1 Grant Guidelines (ACTION)
The Board will review and may approve Proposition 1 Grant Guidelines.

IX. Sierra Nevada Watershed Improvement Program (INFORMATIONAL)
The Board will be updated on the progress of the Sierra Nevada Watershed Improvement Program.

X. Joint Powers Agreement with the State Coastal Conservancy (ACTION)
The Board will review and may approve a Joint Powers Agreement with the State Coastal Conservancy for purposes of carrying out covenant responsibilities for a property in Mendocino County (lands donated to the United States Forest Service under the Pacific Forest and Watershed Lands Stewardship Council).

XI. Boardmembers' Comments
Provide an opportunity for members of the Board to make comments on items not on the agenda.

XII. Public Comments
Provide an opportunity for the public to comment on non-agenda items.

XIII. Adjournment

Meeting Materials are available on the SNC Web site at www.sierranevada.ca.gov. For additional information, or to submit written comment on any agenda item, please contact Ms. Armstrong at (530) 823-4700, toll free at (877) 257-1212; via email to tristyn.armstrong@sierranevada.ca.gov; in person or by mail at: 11521 Blocker Drive, Suite 205, Auburn CA 95603. For reasonable accommodations, including documents in alternative formats, please contact Ms. Armstrong at least ***five (5)*** working days in advance.

***Closed Session*:** Following, or at any time during, the meeting, the Board may recess or adjourn to closed session to consider pending or potential litigation, property negotiations, or personnel-related matters. Authority: Government Code Section 11126, subdivision (e)(2)(B)(i).

Board Meeting MINUTES

March 5, 2015
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

SIERRA NEVADA CONSERVANCY

I. Call to Order

Board Chair BJ Kirwan called the meeting to order at 9:02 a.m.

II. Oath of Office for New Boardmembers

Deputy Attorney General Christine Sproul administered the Oath to Supervisor Jennifer Montgomery to represent the Central Subregion, and Eraina Ortega to represent the California Department of Finance.

III. Roll Call

Present: Louis Boitano, John Brissenden, Burt Bundy, Todd Ferrara, Pam Giacomini, Barnie Gyant, Ron Hames, Allen Ishida, Bob Johnston, Bob Kirkwood, BJ Kirwan, Jennifer Montgomery, Eraina Ortega, Woody Smeck, and Este Stifel

Absent: None

IV. Approval of December 4, 2014, Meeting Minutes (ACTION)

ACTION: Boardmember Giacomini moved, and Boardmember Kirkwood seconded, a motion to approve the December 4, 2014, Meeting Minutes. The motion was passed unanimously.

V. Public Comments

None

VI. Board Chair's Report

Board Chair BJ Kirwan extended thanks to all Boardmembers who attended the previous day's summit. Kirwan also thanked Executive Officer Jim Branham for organizing the program. Kirwan counted at least fourteen government agencies, including the California Department of Fish and Wildlife, California Air Resources Board, CAL FIRE, United States Forest Service, California Department of Conservation; as well as nonprofits, including The Nature Conservancy, among others. Kirwan stated these are the people we need to convene to determine how we implement the Sierra Nevada Watershed Improvement Program.

VII. Executive Officer's Report (INFORMATIONAL)

Executive Officer Jim Branham acknowledged the team effort involved in implementing the summit, including all Sierra Nevada Conservancy (SNC) staff, and particularly Regional Policy and Program Manager Angela Avery, Communications and Outreach Coordinator Brittany Covich, Regional Science Coordinator Nic Enstice, Administrative Assistant Tristyn Armstrong, Mt. Whitney Area Representative Mandy Vance, and a number of others. Branham noted it

was a well-attended event with an overflow crowd. Branham committed to circling back with all participants in the near term to address next steps.

Branham indicated the SNC organizational chart now has some blank spots, and will get a couple more soon. Assistant Executive Officer Joan Keegan has left for the Chief Deputy Director position at the California Department of Fair Employment and Housing, and Sustainability Coordinator Kim Carr has left for a job at CAL FIRE working on climate issues. Branham also shared that two other employees, Mt. Whitney Area Manager Julie Bear and Senior Mt. Lassen Area Representative Linda Hansen, are retiring. The process to fill those positions has been initiated. Branham acknowledged the work that each of them have done to make us who we are, and wished them well.

a. Administrative Update
Administrative Services Chief, Amy Lussier, reported the unit is working with Branham to fill vacancies resulting from recent staff departures. She shared that ten years is a good time to evaluate what works and where positions make the most sense. A decision on the Assistant Executive Officer candidate is expected in the next week.

Lussier reported the Governor's proposed budget was released, and SNC received the requested $10,000,000 in local assistance funds from Proposition 1. Also, the budget change proposal submitted for two new positions to support the Proposition 1 program was approved.

Lussier indicated that SNC's base budget, which comes from the Environmental License Plate Fund (ELPF), is as expected but the current budget could change during the May Revise process. She stated her unit is working on cost savings drills to address an anticipated seven percent decrease in ELPF for next fiscal year. It was also reported that the managers are meeting to discuss options the organization will take to achieve those cost savings.

Lussier shared that Linda Hansen's office in Susanville has been closed and SNC will not renew its lease with BLM while determining where to locate the northern field office. Boardmember Woody Smeck was thanked for providing office space in Three Rivers for Mt. Whitney Area Representative, Sarah Campe. The National Park Service is providing that office space rent free based on a Memorandum of Understanding that the two organizations will work collaboratively on mutually beneficial issues.

Lussier shared that, since SNC was created, human resources services have been contracted through other agencies. This approach started with California Department of Parks and Recreation, shifted to Franchise Tax Board and then ultimately to CAL FIRE. It was reported that next week, all

human resources work will be done in-house which will result in increased efficiency, improved customer service and cost-savings for SNC.

b. Status of Forest Biomass Energy – SB 1122
Branham reminded the Board that forest biomass energy and related issues have been reported on periodically, and SB 1122 has been a focus. This measure created a carve-out for forest biomass at a specified scale.
Kim Carr was working on this extensively prior to her departure. Branham reported the California Public Utilities Commission (CPUC) is working to formalize the arrangement, including the details of how to implement a carve-out of 50 MW for forest biomass, at 3 MW or less per plant. Branham imparted the proposal is a mixed bag, as it sets a price for an auction process which is close to where it needs to be, but it also creates an auction format where facilities bid and the utility would have to accept the price. However, there needs to be three facilities to trigger the auction. While some projects are further along than others, there are currently none in operation.

Branham continued by saying the SNC has been in conversations with CAL FIRE and others on how to get three projects ready for the auction. He also noted that once there are three in place, the next auction will not be triggered until there are five facilities in operation. The project in North Fork, which the SNC has been very involved in, will be receiving a $5M grant for technology development and testing from the CA Energy Commission. Branham explained that as the first plant gets ready it will not be able to access the SB 1122 opportunity until there are two more in place.

Boardmember Bob Kirkwood asked how the CPUC decided on the auction approach. Branham explained the auction approach is what CPUC has used in the past. CPUC has also used this for some other renewable markets that have required there to be five facilities. There were a lot comments that led to this approach. Branham shared that many sectors have commented on the challenges being faced given this approach.

Boardmember Jennifer Montgomery commented that there are two projects in Placer County; one at Cabin Creek, which is past the CEQA process and working toward a power purchase agreement, and the Foresthill project which is also moving along with agreement building and economic viability being affirmed. Branham clarified that the Cabin Creek project is not eligible under SB 1122, but is still a good project.

Branham continued that, when looking at biomass energy production in total, there is a downward trend that is pretty dramatic, and there are a few large plants that utilize agricultural waste in the Central Valley that will likely close in the near future. Assembly Member Brian Dahle has introduced legislation

on this issue generally, and he is working hard on a viable approach to address this, and particularly with the larger facilities.

Kirkwood shared that there are green power companies in the Bay Area that might be interested in engaging on this effort as well as marketing the power produced through it. Kirkwood stated that irrigation districts may be interested. Branham shared the ongoing work of the Biomass Workgroup and others in pursuing viable outlets for the energy to be produced.

Boardmember Bob Johnston shared insight on community choice aggregation counties which may have some relevance, and stated there is also a movement toward actions that affect the pricing of green power.

Branham shared a few other interesting opportunities for biomass use, including the production of a byproduct called biochar, which may be used as a soil amendment and could potentially have other uses. It has the potential to provide more revenue than selling the actual energy. National Forest Foundation, using United States Forest Service (USFS) funding, is conducting a market analysis for forest biomass and looking at other markets and uses. Branham stated that while the energy aspect has been a focus it's important to look at others uses.

Montgomery indicated that the Placer County Cabin Creek project has a Biochar component. She expressed a need to broaden the conversation about biomass by incorporating the aspects related to watershed benefits.

c. Policy and Outreach Update
Angela Avery thanked Boardmembers for taking the time to attend the summit. She indicated the presentations drove home the urgency of the range of issues and the panel discussion was particularly interesting. The SNC will be following up on those discussions and determining what the next steps will be. Avery stated there was a significant effort that took place before the summit in terms of media outreach. Resources Legacy Fund retained Perry Communications Group, which complemented SNC's partnership with public affairs professionals from the USFS. Avery reported that a large number of media outlets received information on the summit, and a few individuals were interviewed. Fox 40, KFBK, Matt Weiser from the Sacramento Bee, Yubanet, and the Grass Valley Union were in attendance. Avery stated there was also interest from other media outlets who were unable to make it, and SNC will be doing a lot of follow-up in the coming weeks.

Avery reported working with USFS and Perry to develop a social media campaign which started on February 18. The SNC's Facebook and Twitter accounts teased the Watershed Improvement Program (WIP) with support

messaging and a calendar. Avery reported an average of 433 people receiving each of those posts, which account for roughly 5,000 people who actually saw and carried those messages. Avery expressed pleasure with the media coverage and SNC plans to do more with it. The PowerPoints will be made available, and the Center for Collaborative Policy took notes which will also be shared, along with the list of participants.

Avery expressed deep gratitude to Izzy Martin and all the staff members at the Sierra Fund, Sierra Nevada Alliance, and others for the amazing contributions of goods and funding for the 10th anniversary reception. The SNC is pleased with the turnout, which exceeded expectations.

Kirkwood stated the key value of the summit was getting everyone in the room and having everyone agreeing in principle on so many things.

Chair BJ Kirwan requested that anything posted on SNC's Twitter or Facebook regarding these events be forwarded to Boardmembers. Avery committed to doing so.

Avery reported that Assembly Member Dahle has introduced Assembly Concurrent Resolution (ACR) 22, which would establish the third week of September as Sierra Nevada Watershed Protection Week. Avery expressed appreciation for Assembly Member Dahle's continued commitment and hard work in support of SNC and the Region at large.

Avery also reported on follow-up to the Board meeting in Bridgeport in September 2014, where California Natural Resources Agency Secretary John Laird encouraged SNC to engage proactively with members of the State Legislature from outside of the Region. Avery reported action has been taken in that direction, and SNC received approval from the California Natural Resources Agency to pursue legislation to that end. Avery indicated the result is AB 985, also carried by Dahle, would establish a relationship with four legislators as participants in SNC activities and serving in a liaison role. Avery stated the California Coastal Conservancy, Santa Monica Mountains Conservancy and others already enjoy this type of relationship, so it was only logical that SNC pursue this option

Avery shared information on other legislation of interest for 2015. Those include SB 317 by Senate President Pro Tempore Kevin de León, a prospective park bond contains a placeholder for funding related to "Rivers, Lakes and Streams," and while it doesn't include specific mention of SNC as was seen in last year's SB 1086, this is of definite interest and will be followed closely.

Avery reported on the introduction of AB 590 (Dahle), which would establish a Biomass State Cost Share Account through the Greenhouse Gas Reduction Fund to be available for the purposes of maintaining the current level of biomass power generation in the state and revitalizing currently idle facilities in strategically located regions.

Avery shared an invitation to SNC to participate in an upcoming meeting of the Legislative Environmental Caucus. Avery indicated SNC was asked by Assembly Member Mark Stone's office to participate in a March 18 meeting of the Legislative Environmental Caucus.

Avery also informed Boardmembers that SNC currently has a display at the Capitol on the Governor's wall which supports the launch of the Watershed Improvement Program (WIP) and reinforces the urgency to restore our forests. Avery recommended that, if Boardmembers have time, and have not already done so, they visit the State Capitol and view the display installed in the annex outside the Governor's Office.

d. Miscellaneous Updates
None

VIII. Deputy Attorney General's Report (INFORMATIONAL)

Deputy Attorney General Christine Sproul reported that there are some California Environmental Quality Act (CEQA) amendment bills moving through the legislature. The California Supreme Court has just issued a decision on CEQA exemptions, which limits the use of exemptions under unusual circumstances. What the court has done is look at the unusual circumstances that result in adverse effects. Sproul will summarize and distribute the information.

Boardmember John Brissenden inquired about FPPC forms, which are due this month. Brissenden stated they haven't gone out, and Executive Officer Jim Branham committed to check and make sure they get out to Boardmembers.

IX. Proposition 1 Grant Guidelines (INFORMATIONAL)

Executive Officer Jim Branham pointed out differences in Proposition 1 compared to Proposition 84, particularly around the process of adopting Grant Guidelines. The California Natural Resources Agency (CNRA) has to provide its approval before staff submits the Grant Guidelines to the Board for finalization. CNRA was sent the draft Guidelines and provided positive feedback. Another key distinction with Proposition 1 is the Administration has instructed that coordination occur between agencies. Branham has met with California Department of Fish and Wildlife (CDFW) and Wildlife Conservation Board (WCB) and those have been positive with a genuine interest in coordination across agencies and programs. He stated that embedded in this approach is the interest in placing money on the

ground in a coordinated fashion, which will help align projects with other funding streams where possible and appropriate.

Branham assured the Board that SNC activities will be consistent with the California Water Action Plan (CWAP). The Board will receive final draft Grant Guidelines for approval at the June Board meeting.

Mt. Lassen Area Manager Bob Kingman reported that Guidelines have been out for public review since February 10, 2015, and SNC is accepting comments until March 27, 2015. Kingman indicated he will be on the road conducting public meetings and a webinar over the next few weeks and is also working closely with CDFW and WCB.

Kingman shared that $10,000,000 will be available in FY15-16 and FY16-17 based on the current budget. The SNC will focus on forest health consistent with the Watershed Improvement Program (WIP). Kingman stated the needs far surpass the available funding but believes the highest quality projects will rise to the top. He also reported eligible applicants remain the same, except for federal entities who are no longer eligible for direct funding.

Kingman stated funding limits in the proposed guidelines have been increased to $500,000 for on-the-ground projects to make a larger effect on the landscape. He also shared that pre-project due diligence grants are still capped at $75,000.

Kingman indicated new bond requirements that will incorporate the use of California Conservation Corps (CCC), new innovative technology, the California Water Action Plan, the California Bioenergy Action Plan, and leverage other state agency programs.

The plan is to seek Board approval of the Grant Guidelines at the June meeting, issue the request for proposals on July 1, and seek Board consideration for awards in December 2015 and possibly again in March 2016. Kingman also shared dates for three public workshops on the Grant Guidelines to be held in March and explained that relevant information is available on the website. Individuals can participate remotely during the Auburn workshop which will be webcast and recorded.

Several Board members commended SNC staff on the development of the Grant Guidelines highlighting the categories, focus on multiple benefits, and clarity. Questions concerning the Grant Application Packet, educational and outreach projects and alignment with other agency's work were also discussed.

Boardmember Este Stifel indicated the Bureau of Land Management (BLM) has benefitted greatly from SNC's grant programs and appreciates the past support.

Kingman closed by thanking Matthew Daley and Marji Feliz of SNC for their good work on the Grant Guidelines.

X. Sierra Nevada Watershed Improvement Program (ACTION)

(*Board Chair BJ Kirwan moved to item XI, pending the return of Boardmember Barnie Gyant to the dais. This item was taken up following item XI.)*

Mt. Whitney Area Representative, Mandy Vance, thanked Boardmembers for their engagement and attendance at the Sierra Nevada Watershed Improvement Program (WIP) Summit and gave a status update on WIP activities and the Tahoe National Forest pilot watershed assessment. Vance reported that SNC would be meeting with Region 5, Pacific Southwest Research Station, and the Tahoe National Forest to finalize a template for watershed analyses that can be used on other forests. She also noted the need to engage other public and private landowners to broaden the watershed assessment beyond USFS lands and relayed the importance of involving collaborative groups at the watershed level to identify needs and challenges. Vance recognized that all watersheds are different and the WIP must work closely with all of them in accordance with the unique nature of each.

Boardmembers engaged in dialog about the Summit, the pilot project on the Tahoe National Forest and opportunities for funding WIP activities. They discussed connections that could be made with California Department of Fish and Wildlife to restore 10,000 acres of meadows; potential private funding partners such as Coca Cola; and federal funding possibilities such as the California Department of Fish and Wildlife opportunities. The discussion recognized the need to approach upper watersheds as a system and think beyond fuels work.

Boardmembers identified a range of needs such as trails and roads, invasive species and abandoned mines which should be considered under the WIP and which might create jobs in rural communities. They discussed the importance of including downstream user education in the effort and identified the Sierra Climate Adaptation and Mitigation Partnership (CAMP) as an example of how this might be accomplished.

A number of potential means for generating investment for WIP were discussed. These included considering a public goods charge to tap into dam operation and irrigations district funding and establishing rankings to better position projects for funding related to the California Water Plan.

ACTION: Boardmember Johnston moved, and Boardmember Kirkwood seconded, a motion to approve the plan to guide the development of the Sierra Nevada Watershed Improvement

Program, with the suggested addition of an education and outreach component, and authorize staff to take the necessary actions to develop and implement it. The motion was passed unanimously.

XI. Sierra Nevada Strategic Funding Initiative (ACTION)

Executive Officer Jim Branham indicated this item complements the Grant Guidelines in terms of opportunities that exist that are consistent with our mission but beyond our fiscal abilities. Branham continued by saying this Board has often discussed the need to be more proactive and aggressive in bringing funds into the Region. The SNC has developed a strategic funding initiative that will utilize the skills of Fund Development Analyst Elissa Brown to maximize investment from a variety of sources.

Brown indicated she is developing strategies to bring more funding into the Region by building on the strengths of the Sierra Nevada to increase capacity and fill gaps related to our mission. The goal is to make more resources available.

Brown stated the initiative is focused on providing more user friendly informational resources, which will include a newsletter with a calendar and research memos, along with a user-friendly website. Brown stated there is a desire to work more closely with Regional organizations to identify funding resources. Brown explained that for areas with specific needs or priorities, SNC can potentially provide more grant preparation support and thus opportunities to increase funds leveraged.

Boardmember Jennifer Montgomery asked if there is to be a focus on specific funding areas. Brown responded yes, and all information will be linked from our website to centralize all the information.

Boardmember John Brissenden asked about a previous workshop with the OHV Commission and if that was to happen again. He suggested adding community foundations and The Sierra Fund to the list of resources. Brown explained that the OHV deadline has already passed and that we will coordinate again in the future.

Boardmember Barnie Gyant suggested that Brown add the United States Forest Service to these lists of funding opportunities, and in particular funding for collaborative groups. Brown committed to doing so.

Boardmember Ron Hames expressed his appreciation for this work, as it is exactly what his county needs.

ACTION: Boardmember Brissenden moved and Boardmember Montgomery seconded a motion to approve the Strategic Funding Initiative and direct staff to take the necessary actions for its successful implementation. The motion was passed unanimously.

XII. Boardmembers' Comments

Boardmember John Brissenden asked staff to revisit information generated from an August 2014 committee meetings in Alpine County focusing on long term plans for the SNC and that they be brought forward to the Board at a future meeting. He also shared the results of a meeting with the California Insurance Commissioner, noting that the Commissioner will convene a meeting of insurance industry professionals to try and get them involved in supporting healthier forests in the Region.

Boardmember Woody Smeck noted that there are several National Park Service (NPS) and Forest Service anniversaries coming up and that the NPS is engaged in efforts to draw more youth into the Parks.

XIII. Public Comments

None

XIV. Adjournment

Board Chair Kirwan adjourned the meeting at 11:20 a.m.

Current Status – Budget & Human Resources

Earlier this year, the Sierra Nevada Conservancy (SNC) was notified that due to shortfalls in Environmental License Plate Fund (ELPF) revenue (the funding source of our base budget), reductions in the current year and 2015-16 were necessary. In mid-April, SNC was asked to increase its originally proposed 2014-15 budget reduction of $90,000. After reviewing our salaries and operating expenditures we reduced our allotments to the minimum amount necessary to retain current employees, programs, and facilities. We were able to find additional savings of $225,000 bringing our total reduction for Fiscal Year (FY) 2014-15 to $315,000. To achieve these savings, we will not be going forward with contracts that were in negotiations, will be delaying maintenance and upgrades of equipment, cancelling training classes, limiting travel to mission-critical, and will not be filling four positions that are vacant until July 1 at the earliest. The current status of SNC's 2014-15 budget can be viewed on page two of this report.

Currently we anticipate that a similar reduction will be necessary for FY 2015-16, as had been previously communicated by the Natural Resources Agency. This level of reduction represents approximately a seven percent cut to our operating budget. However, if ELPF revenues continue to lag, the reduction could increase. These reductions will certainly have implications on our ability to continue with our various initiatives and will likely further affect the filling of current vacancies. At the time this report was prepared, the Governor's May Revise to the budget had not yet occurred. Staff will be providing a verbal update at this Board meeting on any new information contained in the May Revise, as well as additional information on our plans for addressing those reductions.

Current Status – Human Resources

In March, Bob Kingman was named as the new Assistant Executive Officer for the SNC, replacing Joan Keegan. Bob was one of SNC's earliest hires, and has served as Mt. Lassen Area Manager for the past nine years. He will have primary responsibility for overseeing the grant program, field operations, and number of key initiatives.

Over the past couple of months, Mt. Whitney Area Manager Julie Bear, and Mt. Lassen Area Representative Linda Hansen have retired. Both are long-serving SNC employees and will certainly be missed by the organization.

In April, SNC advertised two Area Manager Positions, one to fill the vacancy behind Bob Kingman in the Mt. Lassen Area, and one to fill the vacancy behind Julie Bear in the Mt. Whitney Area. We have received good response for both positions and plan to hold interviews at the end of May. Due to the budget restrictions, the earliest start date for both positions will be July 1. As for the other vacancies, we will wait for the passage of the 2015-16 budget to assess if we can move forward. The current SNC organizational chart can be viewed on page three of this report.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.

2014-15 SNC EXPENDITURES AND ENCUMBRANCES
Through April 2015

Environmental License Plate Fund (ELPF) Support Budget	*Budgeted*	*Expended thru April*	*Projected for May & June*	*Remaining Balance*
Personal Services				
SALARIES AND WAGES	1,778,755	1,463,793	309,487	5,475
STAFF BENEFITS	806,405	664,441	139,774	2,190
Personal Services, Totals	***$2,585,160***	***$2,128,234***	***$449,261***	***$7,665***
Operating Expenses & Equipment				
GENERAL EXPENSE	92,659	92,366	293	0
PRINTING (outside printing, copier maintenance)	17,565	17,565		0
COMMUNICATIONS (phones, delivery services)	33,790	28,155	5,634	1
POSTAGE	2,212	2,212		0
VEHICLE INSURANCE	3,696	3,696		0
TRAVEL	64,838	49,934	14,904	0
TRAINING	18,933	17,133	1,800	0
FACILITIES	275,648	252,066	23,582	0
UTILITIES	15,500	10,859	4,641	0
CONTRACTS- INTERAGENCY AGREEMENT	312,376	154,495	157,881	0
CONTRACTS- EXTERNAL	268,426	268,426		0
INFORMATION TECHNOLOGY	117,958	61,924	56,033	1
PRO RATA (control agency costs)	238,603	178,952	59,651	0
VEHICLE OPERATIONS	19,542	16,150	3,392	0
Total Operating Expenses & Equipment	***$1,481,746***	***$1,153,933***	***$327,811***	***$2***
Total ELPF Support Budget	***$4,066,906***	***$3,282,167***	***$777,072***	***$7,667***

Prop 84 Support Budget	*Budgeted*	*Expended thru April*	*Projected for May & June*	*Balance*
Personal Services				
SALARIES AND WAGES	183,869	145,071	25,695	13,103
STAFF BENEFITS	78,522	66,851	11,542	129
Total Personal Services	***$262,391***	***$211,922***	***$37,237***	***$13,232***
Operating Expenses & Equipment				
GENERAL EXPENSE	48	47	0	1
TRAVEL	4,179	862	500	2,817
Total Operating Expenses & Equipment	***$4,226***	***$909***	***$500***	***$2,817***
Total Prop 84 Support Budget	***$266,617***	***$212,831***	***$37,737***	***$16,049***

Agenda Item VI.a
Administrative Update

SIERRA NEVADA CONSERVANCY

5/12/15

Jim Branham
Executive Officer

Bob Kingman
Assistant Executive Officer

Amy Lussier
Division Chief
Administrative Services & Grants Administration

Lynda Young
Personnel & Business Services Officer

Matthew Daley
Grants Analyst

Dave Madrigal
Information Technology Analyst

Lisa Forma
Grants Analyst
PL: Calaveras

No Picture Available

Lisa Primeaux
Budget Analyst

Barbara Harriman
Grants Technician

Donna Martinez
Contracts & Procurement Analyst

Jennifer Barnes
Personnel Specialist

Denice Maberry
Administrative Technician
Auburn Receptionist

Angela Avery
Division Chief
Regional Policy & Programs

Brittany Covich
Communication & Outreach Coordinator

Brandon Sanders
Legislative Coordinator
AR: Amador

Nic Enstice
Regional Science Coordinator

Theresa Burgess
Board Liaison

Marji Feliz
GSRC Coordinator

Belinda Gutierrez
Communication Support Analyst

No Picture Available

VACANT
Mt. Lassen Area Manager

No Picture Available

VACANT
Mt. Lassen Analyst
AR & PL: Lassen, Modoc, Plumas, Sierra
Located in Susanville

Chris Dallas
Mt. Lassen Analyst
AR & PL: Butte, Shasta, Tehama
PL: Amador, Tuolumne

Lynn Campbell
Mt. Lassen Analyst
AR & PL: El Dorado, Nevada, Sierra

Julie Griffith-Flatter
Mt. Lassen Analyst
AR & PL: Placer, Yuba

No Picture Available

VACANT
Mt. Whitney Area Manager

Located in Mariposa

Mandy Vance
Mt. Whitney Analyst
AR: Calaveras, Tuolumne

Located in Mariposa

Danna Stroud
Mt. Whitney Analyst
AR & PL: Alpine, Inyo, Mono

Located in Bishop

Autumn Hutchings
Mt. Whitney Technician
AR: Mariposa

Located in Mariposa

Sarah Campe
Mt. Whitney Analyst
AR & PL: Fresno, Kern, Madera, Tulare
Located in Three Rivers

Tristyn Armstrong
Administrative Assistant

No Picture Available

VACANT
Sustainability Specalist

Elissa Brown
Fund Development Analyst

Located in Mariposa

No Picture Available

Liz vanWagtendonk
GIS Analyst

Located in Mariposa

AR = Area Representative
PL = Project Lead

Background

In December 2014 the Sierra Nevada Conservancy (SNC) Board directed staff to develop and implement the Sierra Nevada Watershed Improvement Program (WIP) to increase awareness of the Sierra Nevada Region and the urgent need for action to protect the services and values the Region provides to all of California.

In March, the SNC co-hosted with the US Forest Service the Save California: The Urgency to Restore Our Primary Watershed Summit (Summit) to launch the Sierra Nevada WIP. The Summit brought together key partners from within the Region and heads of state agencies including the California Natural Resources Agency, Cal EPA, Department of Fish and Wildlife, the Wildlife Conservation Board, CAL FIRE, the California Air Resources Board, and others to understand the urgent need for action and the importance of working together. The discussion included key policy issues and funding opportunities associated with restoring the health and resiliency of Sierra Nevada watersheds.

Current Status

Leading up to the Summit, staff worked with Perry Communications Group (through the generous support of the Resources Legacy Fund) and the U.S. Forest Service (USFS) Public Affairs team to generate media interest around the launch of the Sierra Nevada WIP. Those efforts resulted in significant media attention including coverage in a number of regional and national outlets, as well as a feature story in the April issue of The Forestry Source and a front page story in the Sacramento Bee (see news articles included with Board materials).

In addition to the traditional media campaign, SNC staff worked with the USFS Public Affairs staff to roll out a social media campaign that ran before, during, and after the Summit. The team developed hashtags – words or phrases preceded by a pound sign (#) that are attached to social media messages to identify communications on a specific topic – including #RestoretheSierra, #CASierraNevada, #cawater, #cadrought, and attached these identifiers to all social media messaging. Tweets utilizing these hashtags got nearly 19,000 views on Twitter and over 60 new followers across the two social media platforms utilized in support of the Summit: Facebook and Twitter. Staff is currently developing two new social media campaigns – one with USFS and one with CAL FIRE – to link the importance of and need for the WIP with Wildfire Awareness Week and the impending fire season. Both new campaigns will utilize the new hashtags.

The launch of the WIP resulted in a new communications partnership opportunity. The WIP closely aligned with policy recommendations incorporated in the Association of California Water Agencies' (ACWA) headwaters framework, and tied closely with a new study released by The Nature Conservancy (TNC) on forest management and water yield. In late March, SNC, ACWA, and TNC joined together to distribute a press release around the three entities' focus on headwaters issues. Distribution of the press release followed Governor Brown's press conference on the emergency drought package

established to deal with a fourth year of drought, and the message focused on the need to address upper watershed health as a key part of managing the state's water resources.

Additionally, staff is working with California Natural Resources Agency and the USFS to have the Sierra-Cascade Region recognized as a flagship landscape under President Obama's Resilient Lands and Waters Initiative. No funding comes with inclusion, though the Sierra-Cascade Region could become an area in which Federal agencies showcase conservation and restoration efforts that make the Region more resilient to a changing climate.

Meetings and Legislative Actions

At the time of this writing, staff is organizing meetings with many of the state department heads who participated in the Save CA: The Urgency to Restore Our Primary Watershed Summit panel discussion.

SNC staff has been working with Assembly Member Brian Dahle's office to advance legislation creating four Legislative Liaisons to work with the SNC. Assembly Bill (AB) 985 passed out of the Assembly Natural Resources Committee on April 13 with unanimous bipartisan support. The bill was amended by the committee to remove the requirement that two legislators be from within the Region, out of concern over limiting the appointment authority of legislative leadership. The amendment does not preclude leadership from appointing legislators who represent the Region and will result in a broader pool of legislators from which leadership can make appointments. The bill has met the policy and fiscal committee deadlines, and is now a consent item on the Assembly floor. It will move next to the Senate sometime before the June 5 house of origin deadline.

Assembly Concurrent Resolution (ACR) 22, which would establish Sierra Nevada Watershed Protection Week, is still pending referral to policy committee. Staff is working with the author, Assembly Member Dahle, to request that referral. Unlike actual bills, resolutions are not subject to most legislative deadlines which affords some flexibility as to when the measure is advanced.

Staff is closely tracking Senate Bill 317, which is Senator Kevin de León's park bond vehicle. Unfortunately, the Sierra Nevada Region is not included in the current iteration. This is especially disappointing because the last version of a park bond, also brought forward by Senator de León, included the SNC and would have provided funding directly for implementation of forest and watershed health projects. The SNC partners including Sierra Business Council, TNC, and Trust for Public land are currently working to ensure Sierra Nevada Region inclusion in this measure and staff will continue to track its progress.

Another item of interest is Assembly Member Dahle's AB 590, which would establish a funding stream for biomass infrastructure investment within the Greenhouse Gas Reduction Fund. The bill passed from Assembly Natural Resources with bipartisan support, despite extensive commentary in opposition from Center for Biological Diversity. This bill will be taken up again in the second year of the current legislative session, allowing Assembly Member Dahle to build support and continue negotiations on the measure's details.

Late last fall, SNC agreed to participate as an advisory committee member on a documentary film of the Rim Fire produced by the Filmmakers Collaborative of San Francisco called The Fire Next Time. The USFS and the Yosemite Stanislaus Solutions collaborative group were also key advisors in the development of this film which illustrates the broader issues and impacts that result from large, damaging fires like the Rim Fire. A short introductory version of the film was released just after the launch of the Sierra Nevada Watershed Improvement Program, and SNC staff has been working with the filmmakers to identify opportunities to screen the film with decision-makers.

SNC staff, the USFS, and Filmmakers Collaborative of San Francisco worked with Senator Tom Berryhill and Assembly Member Frank Bigelow to host a screening of the movie at the State Capitol on May 5. The program brought Legislators and staff together for a one-hour event, consisting of the movie screening, discussion on the Watershed Improvement Program, and a question and answer session with SNC, Forest Service, and the film producers.

Outreach Materials

Staff developed an update to the State of the Sierra Nevada's Forests Report (Report). The Report update highlights scientific research that adds to the case made in the original Report and supports the value and benefit of the Sierra Nevada WIP. See Attachment A.

Staff has also updated the Drought Fact Sheet originally developed and released last year. Updates this year highlight current drought figures as California moves into a fourth year of drought. Updates also highlight the impacts of drought on Sierra forests such as the increased susceptibility of drought-stressed trees to the bark beetle and the resulting rampant tree-mortality currently seen throughout the Region. See Attachment B.

Great Sierra River Cleanup

This year's Great Sierra River Cleanup will be on September 19, and preparations are going strong. We've developed our artwork, promotional materials, and coordinator resources, and are already publicizing the Cleanup on our website and through social media. We've continued outreach efforts to new and returning cleanup groups, and have hosted in-person training for nearly 30 Sierra Nevada AmeriCorps Partnership members. Nearly 20 coordinators also signed up for our one-hour training webinar. We have initiated sponsor recruitment efforts and will continue them until late June.

Current Sierra Nevada Research

In an on-going effort to identify and share science relevant to the Sierra Nevada Region and the WIP, SNC staff continues to track and monitor research. Attachment C includes summaries of and links to two research papers that discuss the different roles forests play relative to carbon storage, sequestration, and emissions.

- Aboveground Live Carbon Stock Changes of California Wildland Ecosystems, 2001–2010
- Recovery of Ponderosa Pine Ecosystem Carbon and Water Fluxes from Thinning and Stand-Replacing Fire

Next Steps

In an effort to impart the urgent need for action in the Sierra Nevada Region and the value and importance of the Sierra Nevada WIP, staff will continue to identify and pursue opportunities for meetings with key partners and decision-makers. As California enters the 2015 fire season, the risk of extreme fires is compounded by the on-going drought. Staff will utilize current events to underscore the urgent need for action in the Sierra Nevada Region using both traditional and social media and the SNC website. We will also continue to identify and share relevant scientific research to support legislative and policy discussions and to obtain the funding necessary to protect the Region and the values and benefits it provides.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.

Agenda Item VIb
Attachment A

The State of the Sierra Nevada's Forests
Update: Spring 2015

This update was released by the Sierra Nevada Conservancy on May 5, 2015

BACKGROUND

In the fall of 2014, the Sierra Nevada Conservancy released the first edition of the State of the Sierra Nevada's Forests Report, detailing the urgent need for restoration in the Sierra Nevada Region. Since that report was released, California has entered a fourth consecutive year of drought, and is experiencing record-low snowpack. The Sierra Nevada Region, the source of more than 60% of California's developed water supply, is now in a state of even greater distress. This update details the risks those conditions pose to resources valued by the entire state.

KEY POINTS

CALIFORNIA'S WATER SUPPLY AT RISK

- High-intensity wildfires can denude a landscape, dramatically increasing runoff and sediment that degrades water quality, damages infrastructure, and reduces reservoir storage capacity. Following a late-April storm, the Rubicon River ran brown with soil that had washed down from the King Fire burn area, impacting Placer County Water Agency's water supply and hydropower infrastructure.
- The Nature Conservancy recently published research on the nexus between fuel reduction and water yield, and concluded that an increase in forest restoration activities would result in an increase of streamflow. In the Feather River Watershed, the primary water source for the State Water Project, an increase in streamflow of up to 285,000 acre-feet could be realized as a result of increased forest restoration in that watershed.[1] That volume of water could serve more than 500,000 households for a year.

INCREASED AIR POLLUTION AND GREENHOUSE GAS EMISSIONS

- Trees store carbon, but a recent study shows that from 2001 to 2010, California lost live carbon storage equal to the amount of carbon found in 29 billion gallons of gas.[2] That carbon is now more likely to be emitted into the atmosphere as trees begin to decay, adding to the emissions we are already experiencing from increasingly active fire seasons.
- Surveys recently completed show that more than ten million trees have died in the southern Sierra Nevada in the last six months from drought and insect-related causes. This unprecedented amount of tree die-off will add massive amounts of new fuel to the forest ecosystem.[3]
- The King Fire and the Rim Fire released emissions equal to what 3.1 million cars produce in a year. Recent research suggests that total emissions from these two fires represent only a fraction of the total emissions that will come from their burn scars over the next few decades as the trees begin to decay.[4]
- Prescribed burning, managed wildland fire, and mechanical fuel reduction treatments can augment carbon storage in the long term by shifting stored carbon from many small trees to fewer large, old trees.[5]
- According to the American Lung Association's State of the Air Report, many western states experienced more high-particle air pollution episodes between 2011 and 2013 due to drought and wildfires.[6]

BIOMASS UTILIZATION

- Biochar, a byproduct of some bioenergy production processes, can sequester carbon in the soil for hundreds to thousands of years, and improve water retention and plant growth.[7]
- Removal and utilization of woody biomass for energy generation, when coupled with the production of biochar, results in a carbon-negative energy production process. Utilization of biochar in soils has the potential to offset over 10% of our current emissions.[7]

NEXT STEPS

The Sierra Nevada Conservancy, in partnership with the U.S. Forest Service, has established the Sierra Nevada Watershed Improvement Program (WIP) to address the conditions that currently exist. Through the WIP, federal, state, and local partners will work together to analyze restoration needs at the watershed level, with the goal of matching funding and addressing policy barriers in order to complete projects that restore the Sierra Nevada to a healthier condition.

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Agenda Item VIb
Attachment B

Drought and the Sierra Nevada

Sierra Nevada snowpack is at its lowest

At the end of what are typically California's wettest months, manual and electronic measurements recorded the statewide water content of Sierra snowpack at about 5% of average, and many reservoirs fed by Sierra rivers are only half full. The impacts of ongoing drought, record low snowpack, and dwindling reservoir levels are being felt acres the state:

- For the first time in state history, Governor Edmund G. Brown Jr. issued an executive order mandating a 25% reduction in water use in cities and towns across California due to record-low snowpack and the ongoing drought.
- Dry conditions are leading to a year-round fire season in the Sierra. For example, the Round Fire on the east side of the Sierra in early February burned 7,000 acres in an area that would normally be under several feet of snow.
- Recent surveys indicate that as many as 10.4 million trees in the southern Sierra have died as a result of the ongoing drought and a rise in bark beetle infestations.
- Hydropower production in the Sierra dropped by nearly 50% as a result of the drought, forcing utility companies to bridge the power gap with more expensive alternatives.
- Records show that snowpack in the Tuolumne River Basin - the primary water supply for the City of San Francisco - contained 74,000 acre-feet of water. During the same week last year the snow total was 179,000 acre-feet.

Sierra forests and meadows play a role in ensuring water quality and reliability for the state. As is evidenced by the ongoing drought, rising temperatures and changing precipitation patterns threaten California's water system and make investing in resilient Sierra Nevada watersheds more important than ever.

The Sierra Nevada Region is the source of more than 60% of California's developed water supply.

Healthy Sierra Nevada forests and meadows are critical components to California's water system, and restoring them has become more important than ever.

Left: CA Department of Water Resources surveys Sierra snowpack near Echo Summit in April 2010.
Right: CA Department of Water Resources Sierra snowpack survey at the same location in April 2015.

Statewide Summary of Snow Water Content

Data as of April 1, 2015
Map courtesy of California Cooperative Snow Surveys and the California Department of Water Resources

Sierra Nevada resources are already under pressure

During the historic drought of 1977 roughly 22 million people called California home. Now, California's population has grown to more than 38 million, and in 2050 the population is projected to increase to 50 million. As our population grows, even more pressure will be placed on the state's primary water source - the Sierra Nevada.

Sierra meadows have become degraded, resulting in a loss of natural storage that would be released slowly over the dry months when flows are needed most. Healthy meadows also filter sediment and pollutants, contributing to higher quality water for your tap. Investing in meadow restoration is key to optimizing the storage and water quality improvement opportunities that the Sierra Nevada provides naturally.

In addition, Sierra forests are overgrown and unhealthy, and current drought conditions will likely result in an increase in the frequency and intensity of large, damaging wildfires. These fires, like the Rim Fire, can dramatically increase sedimentation and reduce the storage capacity of existing reservoirs.

Sierra Nevada forests and watersheds are at a critical point. Failure to understand the urgency of the situation in the Sierra Nevada will have devastating impacts on California's water future. A well-coordinated, comprehensive program that increases the pace and scale of restoration is essential to address the conditions that currently exist.

The Sierra Nevada Conservancy, in partnership with the U.S. Forest Service, has launched the Sierra Nevada Watershed Improvement Program - a coordinated, integrated, collaborative program to restore the health of California's primary watershed through increased investment and needed policy changes. Restoring and protecting the health of forests, soils, streams, and meadows, improving habitat conditions, preserving working landscapes, and improving local socio-economic conditions will be key outcomes of the Program, and will help prepare California's primary water source for future drought conditions.

Immediate investments in projects that make the Sierra Nevada more drought and fire resilient, such as meadow restoration, forest thinning, and biomass utilization, are essential to ensuring that California's water system can perform under future pressure.

The Sierra Nevada Conservancy is a state agency that carries out a mission of protecting the environment and economy in a complementary fashion across 25 million acres, one-quarter of the state. To learn more, please visit the Sierra Nevada Conservancy Web site.

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Research Summaries: Sierra Nevada Forests and Carbon

Sierra Nevada Conservancy (SNC) staff is regularly tracking research that has relevance to the Sierra Nevada Watershed Improvement Program and Sierra Nevada Region. Below are some examples of research of which staff has recently become aware:

Aboveground live carbon stock changes of California wildland ecosystems, 2001–2010

By: Patrick Gonzalez, John Battles, Brandon Collins, Timothy Robards, and David Saah – **2015** Non-journal (and therefore not peer reviewed) full report text link (147pgs)

After the California Global Warming Solutions Act (AB32) of 2006, California set a goal of ensuring "**no net loss of carbon by 2020**" primarily for forest ecosystems. This research compares the state's carbon stocks in 2001 to 2010 to gauge the carbon storage direction of our ecosystems, especially as water-stress and wildfires increase pressure on our plant-based carbon stocks.

It is important to note that this research only looked at changes to the aboveground live carbon pool (e.g. tree trunks, not root systems), therefore any loss in that pool does not equate to a direct emission to the atmosphere. A tree that died in 2005 would be noted as a loss in the aboveground live carbon pool, but the resulting snag (and the carbon therein) could remain on the landscape for decades. The carbon in a snag will mostly decay to the atmosphere over time and is more vulnerable to quickly being emitted to the atmosphere (via fire) than if it were still within a live tree. However, areas noted in the research that changed from forestland to grasslands can reasonably be assumed to have experienced significant carbon emissions from the site even if that is not measured in this research.

The researchers found that between 2001 and 2010, 71 teragrams of carbon were lost from California's forest aboveground carbon live pool. (71 teragrams = 71 million metric tons – note that this is carbon, not CO_2e. To convert carbon to carbon dioxide equivalent, the 71 teragrams would be multiplied by 3.67.) Some direct quotes from the paper:

- We found that areas burned by wildfires, though a small fraction of state land area and carbon stock (carbon stock is the carbon stored in live trees. It makes up approximately 50% of a tree's weight), accounted for a disproportionate share of the state carbon stock decrease.
- Carbon stocks decreased on both public and private lands, with carbon stock loss slightly higher on public lands relative to surface area and carbon stock. Three-quarters of carbon stock loss on public lands came from burned areas while only one-third of carbon stock loss on private lands came from burned areas.

- The disproportionate share of the state carbon stock decrease from burned areas demonstrates the importance of wildfire in the carbon balance of California ecosystems.
- Although prescribed burning, managed wildland fire, and mechanical fuel reduction treatments across public and private lands may release greenhouse gases in the short term, these practices can augment carbon storage in the long term by shifting growing space from many small trees to fewer large, old trees and also enhance resilience to stress and disturbance and potential increases in wildfire frequency due to climate change.
- Our results show that aboveground live carbon losses from ecosystems are as much as 5–7% of state carbon emissions from all sectors. This reversal suggests a new emissions reduction challenge. A suite of forest management strategies, including conservation of high-biomass forests, fire management adapted to future climate change, and reforestation of areas cut for timber, may be necessary for meeting goals for 2020 and beyond.

This research describes a forest ecosystem that, in 2010, was no longer actively storing as much carbon as it had in 2001. Since 2010 we have had four years of drought and some of the largest fires in Sierra Nevada history, so it is unlikely that the situation has improved since then (see the research summary below). *What is most concerning is the conversion of forests to shrublands and grasslands, which can occur after high-severity fire. As opposed to a treatment which slightly reduces carbon stocks on that land briefly, conversion from forests to grasslands can, for the long term, reduce the available carbon storage on that land by 10 to 100 times.* This research demonstrates that our lack of active forest management is making it more difficult for the state to reach its carbon objectives. A comparison of 2010 values to 1990 values would likely be starker than the 2010 to 2001 comparison, and is the next step in this research. *While this research does not answer the question as to whether or not our forests have become net carbon emitters or not, bark beetles (Canada) and drought (Brazil) have been found to lead forests to be net emitters. California cannot afford to suffer a similar fate.*

Recovery of Ponderosa Pine Ecosystem Carbon and Water Fluxes from Thinning and Stand-Replacing Fire

By: Sabina Dore, Mario Montes-Helu, Stephen Hart, Bruce Hungate, George Koch, John Moon, Alex Finkral, and Thomas Kolb – **2012**

The previous article focused on one key role forests have in the carbon cycle, storage. The other two roles are sequestration and emissions, or the rate at which forests absorb or release carbon from/to the atmosphere. We rely upon our forests to pull carbon dioxide from the air to help balance our emissions. But the rate at which carbon is sequestered by forests is not constant and identifying the variables that affect the sequestration rate was the purpose of this research on ponderosa Pine forests in

Arizona (typically drier than Sierra Nevada forests). The authors studied and compared three sites over 5 years – a high-severity burned forest, an undisturbed forest, and a treated forest. The burned site, studied from years 10-15 after the fire, remained a net carbon emitter as the dead trees decayed. The authors estimate that it will take more than 20 years for that land to begin sequestering more carbon than it emits:

- The severe fire had a large and persistent effect on ecosystem carbon stocks and fluxes. Past results at the [burned] site showed that, 10 years after the fire, ecosystem-level carbon was approximately 40% of the carbon stored by the [undisturbed] site, mostly because of a decrease in trees biomass and organic soil. Our measurements were made a decade after burning, during which time additional carbon was lost from the site via decomposition and erosion, and little was stored as new vegetation because of the lack of tree regeneration. If we consider coniferous forests can lose up to 20% of total ecosystem carbon during combustion, our study supports the results of those who documented after-fire carbon losses higher than direct losses during fire.

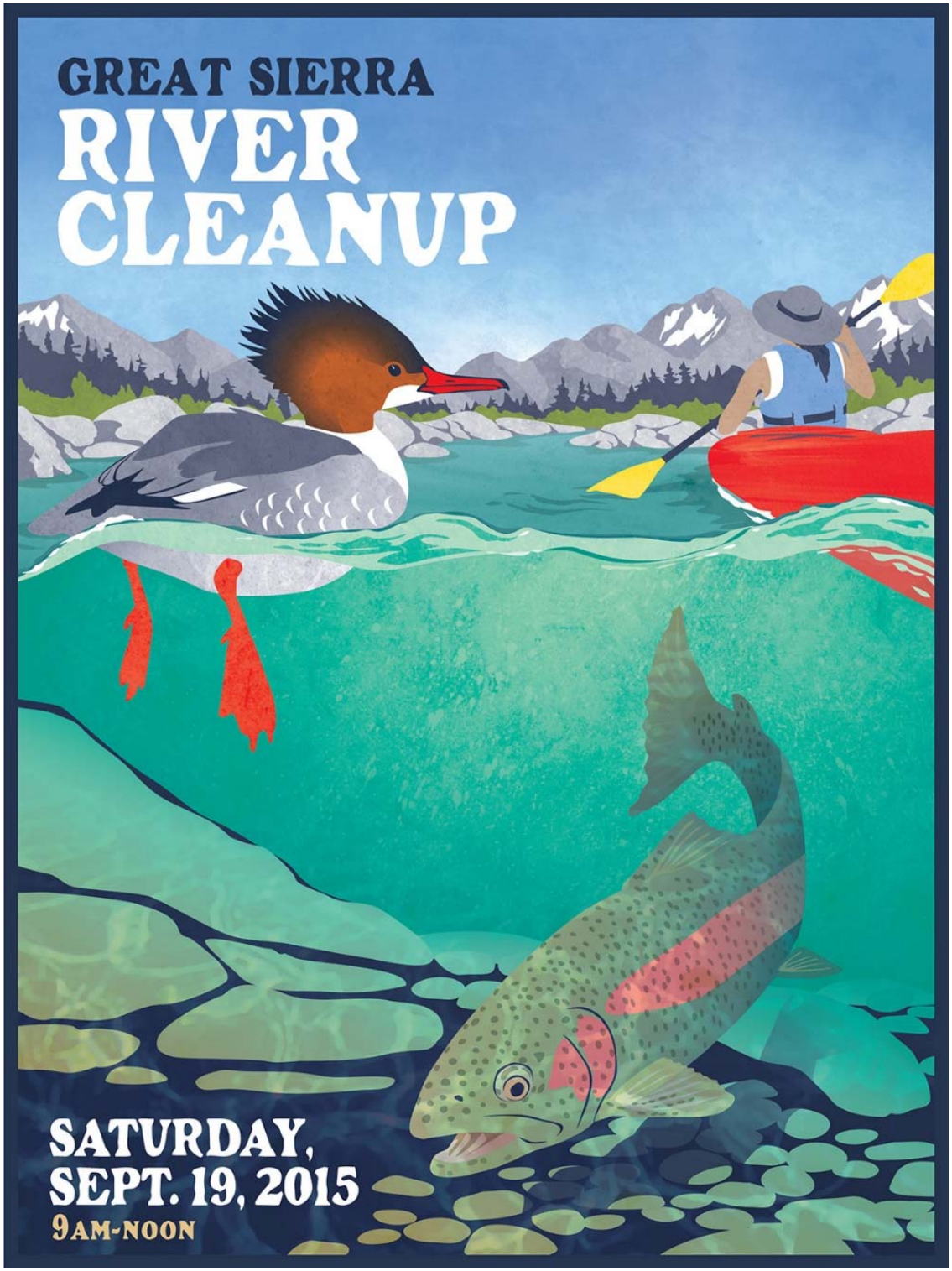
Compared to the undisturbed site, the treatments themselves resulted in an immediate loss of carbon from the stand. A drought hit the study area in year three of their five-year study, at which point the undisturbed site effectively stopped sequestering carbon while the treated stand continued to sequester carbon. Because it was able to continue to sequester carbon, the authors estimated that the removed carbon from the treatment activities would be re-stored on the site (*this time in likely in larger trees*) within 12 years after treatment. The treated stand is also able to withstand the impacts of climate change much better than the undisturbed site – the treated stand was measured to continue sequestration under higher temperatures (by 5 degrees F) and drier conditions. The authors conclude that not only will treatments reduce the likelihood of severe fires and the shift in vegetation type (forest to shrub or grassland) that can follow those fires, but *thinned ponderosa pine forests of the southwestern U.S. have greater carbon sink strength than unthinned forests during drought, which is predicted to increase with climate warming*.

The research described above, along with the research discussed in the last board report, suggests that the Sierra Nevada is likely faced with two future scenarios: (1) no changes are made to our current management strategies and as a result the current storage level in the Sierra not only drops, but we lose significant future carbon stock potential (conversion of forests to shrublands to grasslands); or (2) we dramatically increase our restoration and thinning activities, reduce carbon on the landscape by a relatively moderate amount, but maintain the carbon stock potential and allow our forests the potential to securely store more carbon than we currently have stored.

Note: text in italics represents conclusions of SNC staff based on the research.

Agenda Item VIb
Policy and Outreach Update

Presented by:
Angela Avery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CLEANUP
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SEPT. 19, 2015
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Background

In September 2011, the Board adopted a Strategic Plan, which established objectives for the Sierra Nevada Conservancy (SNC) within five (5) areas of focus and laid out the strategies the organization will employ in meeting those objectives. The five areas of focus include:

- Healthy Forests
- Preservation of Ranches and Agricultural Lands
- Watershed Protection and Restoration
- Promotion of Sustainable Tourism and Recreation
- Long-term Effectiveness of the SNC

In June 2014, the Board directed staff to re-focus and increase efforts related to healthy forests in recognition of the dire conditions in many of the forests in the Sierra Nevada and the urgent need for action. Per that direction, staff developed the Sierra Nevada Forest and Community Initiative (SNFCI) Action Plan which was approved by the Board in September 2014. In addition, the Board approved the Watershed Improvement Program (WIP) at the March 2015 meeting, building upon the SNFCI Action Plan.

Current Status

The SNC continues to be guided by the Strategic Plan, approved by the Governing Board in 2011.

Annual Action Plans have been used to identify the specific initiatives and activities planned for the year, based on available resources and existing opportunities and conditions. The Board approved the most recent Action Plan in June 2014 and the organization continues to carry out the actions identified in that plan.

While the Focus Areas in the Strategic Plan continue to provide appropriate guidance for the organization, the reduction of base funding, the priority of the Sierra Nevada WIP and the focus of Proposition 1 makes revisions to it necessary, and development of a new Action Plan appropriate.

Next Steps

Staff is recommending that SNC continue to operate under the 2014-15 Action Plan through the end of calendar year 2015. A draft proposal for revising the Strategic Plan and developing a new Action Plan will be presented at the September 2015 meeting, with adoption of final plans expected at the December Board meeting. This approach is being proposed based on a number of key considerations:

- Ongoing and potential base budget reductions are requiring the organization to make a number of adjustments affecting the amount of resources available for various focus areas and initiatives. A more complete picture will emerge in the coming weeks.
- The SNC currently has four staff vacancies that will continue at least through June 2015. These vacancies limit the staff capacity available to develop a draft

proposal at this time, given the activities associated with the WIP and the impending launch of the Proposition 1 Program.

- Development of the WIP is steadily evolving and the SNC expects to have a better understanding of our role over the coming months, better informing the Strategic Plan and Annual Action Plan.

Upon Board approval of this approach, staff will continue to communicate with key stakeholders and partners in developing proposed plans for the September meeting.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments. The Board may wish to assign a Board committee to work with staff in the development of the plans.

Background

The Sierra Nevada Conservancy (SNC) continues to play an active role working with the United States Forest Service (USFS), the Yosemite Stanislaus Solutions (YSS) collaborative, and other partners in ongoing efforts to restore portions of the Stanislaus National Forest that were burned in the 2013 Rim Fire. At the December 2013 SNC Board meeting, the Board authorized up to $1 million of remaining Proposition 84 funds to be directed to this restoration effort.

The SNC awarded a grant of $62,463 to Tuolumne River Preservation Trust (TRT), acting as the fiscal agent for YSS, and coordinating with the Stanislaus National Forest, for a Rim Fire Springs Assessment in July 2014 utilizing Executive Officer authority as previously approved by the Board. The assessment was contracted to the Museum of Northern Arizona's Springs Stewardship Institute (SSI) which is expert in this area and able to mobilize more quickly and perform the work more cost effectively than USFS could have done with their own resources. An extensive assessment of known and discovered springs (80 total) was completed in fall of 2014 and the grant has been successfully completed. This assessment provides a valuable data set for Forest Service restoration efforts across the Rim Fire area.

Current Status

In April of this year, the Executive Officer approved a Rim Fire Restoration Planning grant for $88,035, as it was important that the design work commence as soon as possible in order to meet subsequent timing goals for implementation. The grant provides design and permitting for the restoration of the four meadows and ten springs, and preliminary design for the replacement of the two culverts, all within the Lower Cherry Creek watershed. It is anticipated that SNC will fund a follow-on implementation grant for the meadow and springs restoration and culvert replacement.

As with the Springs Assessment grant, this grant was also awarded to TRT as the fiscal agent for YSS, with the work itself carried out by the Stanislaus National Forest through a combination of their own staff and contractors. The design component of this grant is expected to be completed by September 2015 so that the implementation grant application can be developed as expeditiously as possible.

The SNC also is currently working with the Stanislaus National Forest to develop a forest biomass removal grant application for approximately 200 acres in the Lower Cherry Creek watershed that complements the other SNC-funded work. This area is covered under the USFS's August 2014 Rim Fire Recovery Environmental Impact Statement (EIS) for salvage harvest. However, because of the nature of forest density, tree size, and terrain, the Forest was not able to obtain a salvage contract for thinning and biomass removal in this area. SNC funding will allow tailored biomass removal for optimal forest restoration and watershed health. A preliminary estimate for this work is $200,000+. If California Environmental Quality Act can be completed quickly enough, depending on the necessary determination, it may be possible to bring a grant

recommendation to the September Board meeting for award so that work can commence in late 2015, but 2016 implementation may be more likely.

Next Steps

Efforts will continue to develop the forest biomass removal project. As soon as the design portion of the Planning grant is completed, SNC will work with Stanislaus National Forest and TRT to develop a grant application for the implementation of the meadow, springs, and culvert work. A rough estimate for the cost of the work is in the range of $500,000. If a grant proposal could be developed quickly enough to bring a recommendation to the December 2015 Board meeting for award, work can presumably be completed in 2016. Otherwise, if it is more likely to go to the March 2016 Board meeting for consideration, it will be more challenging to complete the project in the 2016 calendar year.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.

Background

California voters passed Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Bond Act of 2014, on November 4, 2014. Proposition 1 added Section 79731 to the California Water Code, authorizing the state to issue bonds, and the legislature to appropriate the proceeds, for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state.

Proposition 1 allocates $25 million of these funds for the Sierra Nevada Conservancy (SNC). The SNC has developed a plan to seek appropriation of these funds beginning with a $10 million appropriation in the 2015-16 Fiscal Year (FY) (which is included in the Governor's proposed budget). Among the purposes described in the statute guiding the expenditure of these funds are:

- Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.
- Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, and greenhouse gas reduction.
- Implement watershed adaptation projects in order to reduce the impacts of climate changes on California's communities and ecosystems.

While Proposition 1, the SNC statutory authority, and the SNC Strategic Plan identify a variety of activities that could be supported with these funds, staff is proposing focusing the program on the points noted above for a number of reasons.

First of all, the SNC Governing Board has identified the protection and enhancement of the multiple benefits associated with healthy forests as the organization's highest priority. Consistent with that direction the SNC and the U.S. Forest Service have launched the Sierra Nevada Watershed Improvement Program, with an initial focus of restoring forest health.

In addition, the SNC is provided a total of $25 million in Proposition 1, intended to be expended over six years, making a focused approach necessary. The proposed grant guidelines do not provide for meadow and stream restoration or abandoned mine lands remediation projects (both previously supported project types). Further, staff is recommending that only very limited acquisition opportunities relating to biomass utilization be authorized under the guidelines.

Finally, staff is basing its recommendation of a Forest Health focus on the fact that Proposition 1 identifies a number of other state agencies with significantly greater resources available to fund projects not included in the proposed guidelines. The SNC is currently coordinating with those agencies and working with partners to ensure the development of competitive projects from the Region.

Current Status

The proposed Final Draft Proposition 1 FY 2015-16; 16-17 Grant Guidelines, included as Attachment A to this staff report, include revisions made as the result of comments received from the public, SNC Board, and the California Natural Resources Agency. The comment period for the draft guidelines closed on March 27, 2015. Public workshops were held in Auburn, Visalia, and Redding, and the Auburn meeting was also live-streamed on the internet.

A detailed summary of all of the comments received during the public review period with SNC responses is provided in Attachment B. Substantive changes to the Draft Grant Guidelines circulated for public comment and brought to the Board in March are listed in more detail below:

- SNC received multiple comments expressing a desire for the guidelines to include conservation easements and fee title acquisitions as eligible projects. In response, staff has developed three alternatives related to this issue and is seeking direction from the Board. Staff is recommending Alternative 1 based on previous Board comments and its consistency with the Healthy Forest focus.
    - Acquisition Alternative #1:
        - Category 1: Fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities, ***and***
        - Category 2: Pre-acquisition or due diligence activities that will result in a fee title acquisition that supports forest products manufacturing and/or biomass utilization facilities
    - Acquisition Alternative #2:
        - Category 1: Fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities, and fee title acquisitions or conservation easement acquisitions that protect forested lands from conversion to other uses and protect natural resources, ***and***
        - Category 2: Pre-acquisition or due diligence activities that will result in fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities, or will result in a fee title acquisition or conservation easement acquisition that protects forested lands from conversion to other uses and protects natural resources
    - Acquisition Alternative #3:
        - Category 1: No acquisitions will be considered, ***and***
        - Category 2: No pre-acquisition or due diligence activities that result in an acquisition will be considered
- Application requirements for CEQA and appraisals have been added for acquisition projects pending Board direction.

- Prescribed burning has been identified as an eligible fuel treatment.
- Specific direction is included for applicants to comply with requirements to consult California Conservation Corps/Local Conservation Corps.
- Evaluation criteria have been expanded to include examples of project benefits that will be evaluated, as well as more specific direction for applicants.
- Changes have been incorporated to accommodate requirements associated with the Human Right to Water (Water Code Section 106.3).
- Information has been added about how SNC will implement Tribal Consultation policy.

Next Steps

Staff will make any final revisions to the Final Draft Grant Guidelines based on Board direction received at this meeting and complete a companion Grant Application Packet (GAP) with necessary forms and instructions. Staff expects to release the guidelines, GAP and a Request for Proposals upon passage of the state budget.

Recommendation

Staff recommends approval of the Sierra Nevada Conservancy Proposition 1 FY 2015-16/16-17 Grant Guidelines, incorporating Acquisition Alternative #1 and all other Board recommendations; to make non-substantive changes as needed; and to take actions to implement the FY 2015-16/16-17 Sierra Nevada Conservancy Grant Program.

Agenda Item VIII
Attachment A

Sierra Nevada
Watershed Improvement Program

Proposition 1
DRAFT GRANT GUIDELINES
Fiscal Years 2015-16 and 2016-17

FUNDED BY THE
Water Quality, Supply, and Infrastructure Improvement Act of 2014

The Sierra Nevada Conservancy initiates, encourages, and supports efforts that improve the environmental, economic, and social well-being of the Sierra Nevada Region, its communities, and the citizens of California.

www.sierranevada.ca.gov

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I. INTRODUCTION

Background

The Sierra Nevada Conservancy (SNC) is a California state agency that initiates, encourages, and supports efforts that improve the environmental, economic, and social well-being of the Sierra Nevada Region, its communities, and the citizens of California.

The Laird-Leslie Sierra Nevada Conservancy Act (Act), enacted in 2004, and commencing with Public Resources Code (PRC) Section 33300, established the SNC; Sections 33343 and 33346 set forth the authority for SNC to award grants of funds in order to carry out the purposes of the Act. The SNC adopted its Strategic Plan in accordance with the Act; this document provides general direction for SNC's activities and these Grant Guidelines.

Forested watersheds of the Sierra Nevada Region provide more than sixty percent of California's developed water supply and are the primary source of fresh water flowing into the Sacramento-San Joaquin Delta. These forests filter water, store snowpack, and slow runoff from winter storms, producing the high-quality and reliable water supply that Californians depend on. However, many forests in the Sierra Nevada are unhealthy and at risk for disease and uncharacteristically large wildfires.

The threat that declining forest health places on the reliability and quality of California's water supply is so great that many statewide plans have called for action to restore forests and safeguard the state's primary water source. The California Water Action Plan, developed by the California Natural Resources Agency, Environmental Protection Agency, and California Department of Food and Agriculture, clearly recognizes the importance of the Sierra to the state's water resources and specifically calls for restoration of forest health through ecologically sound forest management.

In addition, the 2013 California Water Plan Update completed by the Department of Water Resources, points to declining watershed health, long-term drought, catastrophic fire, and climate change in the Sierra Nevada as water supply challenges of regional and statewide significance. The 2013 Update notes that large, damaging fires resulting from overgrown forest stands are a threat to water and air quality, as well as the many other benefits provided to the state by forested watersheds. Climate change and drought in the Sierra Nevada will only increase the frequency of catastrophic fires, leading to devastating water supply consequences.

In 2011, Governor Brown signed AB 685, the Human Right to Water (HRTW) (Water Code Section 106.3)**.** The legislation states that "every human has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." The law requires all relevant state agencies to consider the HRTW "when revising, adopting, or establishing policies, regulations, and grant criteria" relevant to achieving the human right to water.

California's 2012 Bioenergy Action Plan includes a broad array of action items related to the promotion of forest bioenergy, and the Sierra Nevada Conservancy is identified as one of the key responsible agencies for implementing those action items. Utilizing

biomass, the small-diameter woody material and diseased or insect-infested wood generated from forest restoration projects, to create energy will help the state meet environmental mandates such as reducing greenhouse gas (GHG) emissions. Value created from biomass can also help fund restoration activities that create jobs in rural regions, reduce fire danger, improve air and water quality, and reduce waste.

The California Natural Resources Agency's Safeguarding California augments and identifies strategies regarding adaptations and risk management relating to climate change. This plan states, "Efforts to improve forest health not only make forests more capable of withstanding climate impacts (and avoids the negative impacts associated with forest losses), but those efforts will also increase the long-term carbon storage capacity of forests and aid in fighting climate change."

Proposition 1 Competitive Grant Program

California voters passed Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Bond Act of 2014, on November 4, 2014. Proposition 1 added Section 79731 to the California Water Code (CWC), authorizing the state to issue bonds, and the Legislature to appropriate the proceeds, for multibenefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state. Section 79731 (i) of the CWC allocates $25 million of these funds for SNC. The SNC anticipates awarding up to $10 million in this grant round.

The SNC will focus this grant program on forest health projects that result in multiple watershed benefits, consistent with the following purposes identified in Proposition 1:

- Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.
- Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, and greenhouse gas reduction.
- Implement watershed adaptation projects in order to reduce the impacts of climate changes on California's communities and ecosystems.

While Proposition 1, the SNC statutory authority, and the SNC Strategic Plan identify a variety of activities that could be supported with these funds, the SNC is focusing the program as noted above for a number of reasons. First of all, the SNC is provided a total of $25 million in Proposition 1, intended to be expended over six years, making a focused approach necessary. Further, a number of other state agencies have significantly greater resources available to fund the types of projects that the SNC has supported in the past, including fee title and conservation easement acquisitions, meadow and stream restoration, and abandoned mine lands remediation. Finally, the SNC Governing Board has identified the protection and enhancement of the multiple benefits associated with healthy forests as the organization's highest priority.

Forest Health is a primary goal identified in a variety of SNC plans and programs. Projects that create or improve forest conditions inherently tend to result in a combination of multiple watershed and ecosystem benefits such as: improved water quality, reduced erosion, and improved water yield; reduced likelihood of high-intensity fire and the

negative consequences of such fires; protecting and enhancing natural resources and habitat; assisting the regional economy through increased restoration efforts; improved air and water quality, contributing to increased carbon sequestration, stable carbon storage, and reduced GHG emissions; and support to collaborations that partner to create and implement projects to improve Forest Health. The SNC will coordinate with CAL FIRE and other state agencies' GHG and timber restoration grant programs to achieve maximum watershed and resource benefits.

The SNC appreciates the importance of projects not eligible under these Guidelines. Entities searching for grants for such projects are urged to contact SNC Area Representatives to identify alternative funding opportunities and other assistance.

Grant Guidelines and Grant Application Packet

The Grant Guidelines describe project eligibility and the process used by the SNC to solicit proposals, evaluate applications, and authorize grants under the SNC Proposition 1 Grant Program. They also explain the scope of, and the requirements for, grant applications. A Glossary of Terms is provided.

A Grant Application Packet (GAP) supplements these Grant Guidelines, and includes detailed information and forms needed for a grant application. For applicants who want more information about the administrative requirements once a grant is authorized, sample grant agreements are provided at http://www.sierranevada.ca.gov/other-assistance/applying-for-a-grant.

II. GRANT PROGRAM INFORMATION

Applicant Eligibility

Grant funds may be authorized for:

- Public agencies (any city, county, special district, joint powers authority, state agency): Please note that federal agencies are not eligible to receive Proposition 1 grants per the definition of eligible entities.
- Qualifying 501(c)(3) nonprofit organizations: "Nonprofit Organization" means a private, nonprofit organization that qualifies for exempt status under Section 501(c)(3) of Title 26 of the United States Code, and whose charitable purposes are consistent with the purposes of the SNC.
- Eligible Tribal Organizations: (includes any Indian Tribe, band, nation, or other organized group or community, or a tribal agency authorized by a tribe, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians and is identified on pages 47868 to 47872, inclusive, of Number 155 of Volume 77 (August 10, 2012) of the Federal Register, as that list may be updated or amended from time to time).

NOTE: SNC's governing statute does not allow grants to mutual water companies or to state Indian tribes on the Native American Heritage Commission's California Tribal Consultation List (entities otherwise eligible under Proposition 1), unless the state Indian tribes also meet the Eligible Tribal Organizations criteria listed above.

Project Funding and Eligibility

Grants up to $500,000 for Category 1 (on-the-ground projects), and up to $75,000 for Category 2 (necessary activities that will lead to a specific future on-the-ground project), will be made by the SNC for projects meeting the criteria described below. Category 1 projects will be given preference. Funds available for Category 2 grants will be limited to 10 percent of the total amount allocated to the SNC in Proposition 1.

In order to be eligible to receive a grant award from the SNC under this program, projects must meet ***all*** of the following criteria:

- Be located within a conifer or mixed-conifer forested area of the Sierra Nevada Region, or have a direct impact on forest lands and waters within the Region.
- Be consistent with the SNC mission and program areas as defined in the SNC Strategic Plan and the Sierra Nevada Watershed Improvement Program (WIP) as they relate to forest health.
- Meet the requirements of Proposition 1 in regard to forest and watershed health.

Grant Categories

Category 1 grants include site improvement or restoration projects. **NOTE:** The SNC Board will discuss three alternatives for fee title and conservation easement acquisitions

(described below). Final Grant Guidelines will reflect the Board's decision. Examples of potential Category 1 grant projects include, but are not limited to:

- Implementing fuel treatment projects (including mechanical treatment and prescribed fire) to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health, including utilization of biomass and/or a full range of forest products, including saw logs, resulting from sustainable activities associated with improving forest health as referenced in California's 2012 Bioenergy Action Plan
- Projects that protect and restore watershed health by improving forest conditions through treatments to prevent or treat forest pests and invasive species, as well as reforestation and implementation of suitable stand improvement activities after wildfire
- Forest management to increase forest resilience, and/or improve habitat conditions and biodiversity including: reducing canopy cover for snowpack retention, reducing ladder fuels, etc.
- Vegetation treatments to increase carbon sequestration benefits, and foster adaptation resiliency of vegetation in light of predicted climate change
- Acquisition Alternative #1 (subject to Board discussion and decision / action): Fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities that increase capacity to improve forest health (Staff Recommendation)
- Acquisition Alternative #2 (subject to Board discussion and decision / action): Fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities that increase capacity to improve forest health, or fee title acquisitions or conservation easement acquisitions that protect forested lands from conversion to other uses and protect natural resources
- Acquisition Alternative #3 (subject to Board discussion and decision / action): No acquisitions will be considered

Category 2 grants are limited to pre-project activities that are necessary for a specific future on-the-ground project that meets the requirements in these Guidelines for Category 1 projects.

Examples of Category 2 grant projects include work such as:

- Acquiring permits for a specific future on-the-ground project
- Completion of California Environmental Quality Act (CEQA), and/or National Environmental Policy Act (NEPA) environmental documentation for a specific future on-the-ground project
- Performing necessary studies and assessments, and developing necessary project designs related to a specific site or physical project
- Preparing plans or supplementing existing plans that will result in a specific project or a set of projects
- Acquisition Alternative #1 (subject to Board discussion and decision / action): Pre-acquisition or due diligence activities that will result in a fee title acquisition that supports forest products manufacturing and/or biomass utilization facilities that increase capacity to improve forest health (Staff Recommendation)

- Acquisition Alternative #2 (subject to Board discussion and decision / action): Pre-acquisition or due diligence activities that will result in fee title acquisitions that support forest products manufacturing and/or biomass utilization facilities that increase capacity to improve forest health, or will result in a fee title acquisition or conservation easement acquisition that protects forested lands from conversion to other uses and protects natural resources
- Acquisition Alternative #3 (subject to Board discussion and decision / action): No pre-acquisition or due diligence activities that result in an acquisition will be considered.

Ineligible Projects

Examples of ineligible projects include:

- Grants to service or repay loans
- Projects dictated by a legal settlement or mandated to address a violation of, or an order (citation) to comply with, a law or regulation
- Operations and maintenance of existing structures, including roads
- Education, outreach, or event-related projects, although these types of activities may be included as a small part of the overall implementation of a project eligible for SNC grant funds

This list is not exhaustive and is offered only as guidance to potential applicants. The SNC will make determinations of eligibility on a project-by-project basis during the project proposal phase. If an applicant has questions about the eligibility of their project, they can consult with their Area Representative.

Project Development

These Guidelines govern the preparation, submittal and review of grant applications for Fiscal Years 2015-16 and 2016-17.

- Requests for Proposals will be published on July 1, 2015, contingent upon enactment of the California state budget. See Table 1 for application submittal deadlines and possible award dates.
- Potential applicants should contact the SNC Area Representative assigned to their county to determine whether a potential project is eligible for consideration.
- Applicants are strongly encouraged to submit a pre-application to be reviewed by SNC staff and subject matter professionals.
- Applicants shall consult with representatives of the California Conservation Corps (Email: Prop1@ccc.ca.gov), and California Association of Local Conservation Corps (Email: inquiry@prop1communitycorps.org) to determine the feasibility of Corps participation. The Corps have developed Proposition 1 Water Bond Guidelines that fully describe the consultation process that takes five business days to complete after an email submission of project details. Certain project types have been exempted from the consultation requirement, namely projects that solely involve either planning or acquisition activities. The

complete application package submitted to SNC must include the response from the Corps and the details related to work the Corps will be completing if it is feasible for them to do so. Please refer to the SNC Grant Application Packet (GAP) for more information on the Corps consultation process.

- All project proposals are required to clearly describe the connection between improved forest health and resulting benefits to water quality, water supply and/or watershed function.
- All project proposals are required to address how CEQA, and where necessary, NEPA, compliance will be achieved. The SNC requires all proposals to comply with CEQA at the time the Board authorizes any grants. See additional details in the GAP.
- All project proposals are required to identify and state progress and projected dates of completion for all permits necessary to complete the project.
- The SNC has determined that most, if not all, of the grants awarded to support the focus area of Healthy Forests will have an indirect relationship toward the advancement of HRTW. Up to sixty percent of California's developed water supply originates in the Sierra Nevada Region, and its forests are the natural infrastructure that capture, filter, and store precipitation. To the extent possible, applicants proposing projects for funding under this grant program should identify and describe the populations downstream that derive HRTW benefits from the project.
- In compliance with the Professional Foresters Law (PRC Sections 750-753, et seq.) projects that directly impact on the management and treatment of the forest resources and timberlands of this state are required to use Registered Professional Foresters. Projects implemented on federally managed lands will be permitted to use "qualified but exempt" federal staff to satisfy this requirement (Category 1 Applications only).

Land Tenure for Category 1 Projects

Applicants must submit documentation to the SNC showing that they have adequate tenure to, and site control of, the properties to be improved or restored (minimum of ten (10) years), and authority for SNC to monitor the project site for twenty-five (25) years.

Proof of adequate land tenure includes, but is not necessarily limited to:

- Fee title ownership
- An easement or license agreement
- Other agreement between the applicant and the fee title owner, or the owner of an easement in the property, sufficient to give the applicant adequate site control for the purposes of the project and long-term management
- For projects involving multiple landowners, all landowners, or an authorized designee must provide written permission to satisfy land tenure requirements.

Land Tenure Requirements (Alternate Process)

When an applicant does not have tenure at the time of application, but intends to establish tenure via an agreement that will be signed upon grant authorization, the applicant must

follow the alternate land tenure process by submitting a template copy of the proposed agreement, memorandum of understanding (MOU), or permission form at the time of application. Once a project has been authorized for funding by the SNC Board, the applicant must submit documentation of land tenure before a complete grant agreement can be executed. Applicants are encouraged to submit this information in an expeditious manner. If this information is not provided within 90 days of Board authorization, the SNC may choose not to fund the project.

Special Requirements for Acquisitions *(subject to Board action regarding Acquisition Eligibility)*

A grant application for funds to acquire an interest in real property is required to specify all of the following:

- The intended use of the property
- The manner in which the land will be managed
- How the cost of ongoing management will be funded
- A recent appraisal (If the appraisal is older than one year, the applicant must consult with SNC staff prior to submission.) The SNC may require applicants to provide a Phase I or Phase II Environmental Site Assessment (toxics report) on any property proposed for acquisition. Applicants should consult with SNC staff to determine if this requirement is applicable.
- All applications for fee title acquisitions of property intended to support forest products manufacturing and/or biomass utilization facilities that increase capacity to improve forest health are required to have completed and approved CEQA documents for the acquisition and any future use or project to be built on the land.

Long-term Management and Monitoring

- The property restored or enhanced with funds provided by the SNC shall be operated, used, and maintained consistent with the purposes of the grant and in accordance with the long-term management plan for the project.
- The SNC and its officers, employees, agents, and representatives shall have access to monitor the project site for a minimum of twenty-five (25) years from the date of the grant agreement execution.
- If the project includes water quality monitoring data collection, it needs to be reported to the State Water Resources Control Board (SWRCB) in a manner that is compatible and consistent with surface monitoring data systems or ground water monitoring data systems administered by the SWRCB.
- If the project includes watershed monitoring data collection, it needs to be reported to the Department of Conservation (DOC) in a manner that is compatible and consistent with the statewide watershed program administered by the DOC.

Environmental Documents

The SNC requires all proposals to comply with CEQA at the time the Board authorizes any grants. In addition to CEQA compliance, NEPA compliance is required for all projects proposed on federal land. Since the complexity of CEQA compliance will vary depending on the proposed project activities and the type of applicant, it is very important that applicants consult with SNC staff as early as possible to determine which documents will be required in a full application. Status of CEQA compliance must be addressed in the project proposal.

Eligible Costs

DIRECT PROJECT COSTS

Only project costs for items within the scope of the project, within the time frame of the project agreement, and supported by appropriate documentation, are eligible for payment. Costs related to project-specific performance measures, reporting, and required signage must be addressed in the project budget.

ADMINISTRATIVE EXPENSES

Administrative expenses may not exceed 15 percent of the SNC-funded direct project costs. Applicants will be required to submit an indirect cost allocation plan. Detailed information about eligible administrative expenses and examples of how to prepare a cost allocation plan are available in the GAP and on the SNC website.

Ineligible Costs

Examples of ineligible costs include, but are not limited to:

- Establishing or increasing a legal defense fund or endowment
- Making a monetary donation to other organizations
- Paying for food or refreshments
- Unsubstantiated administrative costs

If an application contains ineligible costs, the SNC may contact the applicant to confirm that the project is still viable if they are removed from the project budget.

Performance Measures and Reporting

Performance measures are used to track progress toward project goals and desired outcomes. They provide a means of reliably measuring and reporting the outcomes and effectiveness of a project and how it contributes to the SNC achieving its programmatic goals.

- Applicants must propose project-specific performance measures at the time of complete application submittal. Detailed information and recommended performance measures can be found in the GAP. Applicants may also propose alternative performance measures, which will be subject to the approval of SNC staff if the grant is authorized. The proposed measures will be finalized in consultation with SNC staff prior to grant agreement approval. Please refer to the GAP for further description of how performance measures will be

considered as part of the application.

- All grantees will be required to provide deliverables in the form of periodic progress reports and a final report. The final report must include data related to the project performance measures. See http://www.sierranevada.ca.gov/other-assistance/managing-your-grant for additional information on the required content of these reports.

Applications will not be considered for scoring until complete and submitted to the SNC. The submission deadlines to be eligible for scoring and potential authorization are:

Table 1

Application Deadline	Possible Board Authorization Dates
September 1, 2015	December 2015 or March 2016
March 1, 2016	June 2016 or September 2016
September 1, 2016*	December 2016 or March 2017
March 1, 2017*	June 2017 or September 2017

* *These application dates are subject to remaining Proposition 1 funds after the first two award periods.*

Evaluation Process and Criteria

After submission of a complete application, the SNC will use the following evaluation process in determining a project score of up to 100 points.

- Evaluation Teams and subject matter experts will score the applications based on the criteria values described in these Grant Guidelines.
- Applications scoring 85 or more points may be eligible for a recommendation for award.
- After all application requirements are completed, funding recommendation(s) will be placed on the Board meeting agenda as an action item at the direction of the Executive Officer.

Evaluation Criteria for Category 1 Projects:

- The degree to which the project improves Forest Health which results in multiple tangible benefits that further the purposes of Proposition 1, and the degree to which the project aligns with existing state planning priorities or state plans referred to in the Grant Guidelines, including the California Water Action Plan, and the SNC mission and program areas as defined in the SNC Strategic Plan and the SNC WIP (up to 45 points)
  - Examples of benefits include: improved water quality, increased quantity of available water, increased amounts of water for human use, improved air quality, improved wildlife habitat, reduction of GHG emissions, increased carbon storage, reduced risk of wildfire, improved economic opportunities, protection of working landscapes, improved or protected access for recreation, etc. When feasible, proposals should clearly describe the measurable or quantifiable benefits expected from the project.

- The design and readiness of the project, including the proposed budget, funding sources, environmental documents, permits, and long-term management plan (up to 25 points)
- The likelihood of successful implementation based on the applicant's capacity and experience in implementing similar projects using proven methodologies or employing new or innovative technology or practices (up to 10 points)
- The degree to which the project has community and beneficiaries support and the project is consistent with similar efforts and/or larger plans on nearby or surrounding lands, or identified partnerships (up to 10 points)
- The degree to which the project leverages resources of other agencies, organizations, and funding sources to maximize public benefits and outcomes (up to 10 points)

Evaluation Criteria for Category 2 Projects:

Pre-project activities will be evaluated on the following criteria that emphasizes the connection between the specific on-on-the-ground project and SNC Proposition 1 goals for Forest Health. They are:

- The degree to which the specific future on-the-ground Forest Health project will achieve multiple tangible benefits that further the purposes of Proposition 1 and aligns with existing state planning priorities or state plans referred to in the Grant Guidelines, including the California Water Action Plan, and supports the SNC mission and program areas as defined in the SNC Strategic Plan and the SNC WIP (up to 45 points)
  - Examples of benefits include: improved water quality, increased quantity of available water, increased amounts of water for human use, improved air quality, improved wildlife habitat, reduction of GHG emissions, increased carbon storage, reduced risk of wildfire, improved economic opportunities, protection of working landscapes, improved or protected access for recreation, etc. When feasible, proposals should clearly describe the measurable or quantifiable benefits expected from the project.
- The design and readiness of the project, including an explicit description of the specific future on-the-ground project to which the Category 2 project leads, including restrictions, technical documents, and agreements necessary to complete the specific future on-the-ground project (up to 25 points)
- The likelihood of successful implementation based on the applicant's capacity and experience in implementing similar projects using proven methodologies, or employing new or innovative technology or practices (up to 10 points)
- The degree to which the project has community support and the project is consistent with similar efforts and/or larger plans on nearby or surrounding lands, or identified partnerships (up to 10 points)
- The degree to which the project leverages resources of other agencies, organizations, and funding sources to maximize public benefits and outcomes (up to 10 points)

NOTE: The SNC will consider the geographic distribution of projects and project types and may prioritize projects based on this consideration.

Consultation and Cooperation with Local Agencies

In compliance with the SNC's governing statute, local government agencies, such as counties, cities, and local water districts, are notified of eligible grant projects being considered for funding in their area.

For all applications under consideration, SNC staff will notify the county and/or city affected and public water agency (when appropriate), and request comments within 15 business days following notification. The SNC will make all reasonable efforts to address concerns raised by local governments. The individual SNC Board members representing each geographic Subregion within the SNC boundary will also be notified at this time and may wish to communicate with the affected entities as well.

On September 19, 2011, Governor Brown issued Executive Order B-10-11, which provides, among other things, that it is the policy of the administration that every state agency and department subject to executive control, implement effective government-to-government consultation with California Indian Tribes. SNC staff will work to implement all aspects of the Tribal Consultation Policy when evaluating project applications.

When possible, project-specific resolutions of support from affected cities, counties, Tribal organizations, and water agencies should be included with the application.

Grant Awards and Agreements

For each awarded grant, the SNC develops an individual grant agreement with detailed provisions and requirements specific to that project. Please be aware that if an entity is authorized to receive a grant from the SNC, the provisions listed below will also apply:

- Actual awards are conditional upon funds being available from the State of California.
- Grant-eligible costs may be incurred by the grantee only after the grantee has entered into a fully executed agreement with the SNC; only these costs will be eligible for reimbursement.
- To the extent practicable, grantees will be required to include onsite signage indicating that the project was funded by the Sierra Nevada Conservancy using Proposition 1 funds. Signage guidelines and logo graphics will be available on the SNC website.

The SNC will provide assistance to the grantee to ensure the grantee's clear understanding and interpretation of the terms and conditions of the grant.

III. GLOSSARY OF TERMS

Unless otherwise stated, the terms used in the SNC Proposition 1 Grant Guidelines shall have the following meanings:

Acquisition – To obtain ownership of permanent interest in real property through fee title or conservation easements. Leaseholds and rentals do not constitute acquisition.

Administrative Costs – Administrative costs include any expense which does not relate directly to project implementation. Similar to the traditional definition of 'overhead,' administrative costs include rent, utilities, travel, per diem, office equipment and supplies, services such as internet and phone, etc.

Applicant – The entity applying for a SNC grant pursuant to these Guidelines.

Application – The individual grant application form and its required attachments pursuant to the SNC Program.

Authorized Representative – The officer authorized in the Resolution to sign all required grant documents including, but not limited to, the grant agreement, the application form, and payment requests.

Biological/Other Survey – An evaluation or collection of data regarding the conditions in an area using surveys and other direct measurements.

Board – The governing body of the SNC as established by PRC Section 33321.

Bond or Bond Act – Proposition 1, Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Public Resources Code Section 79700 et seq.).

Capital Improvement Projects – Projects that utilize grant funds for site improvement and/or restoration.

CEQA – The California Environmental Quality Act as set forth in the Public Resources Code Section 21000 et seq. CEQA is a law establishing policies and procedures that require agencies to identify, disclose to decision makers and the public, and attempt to lessen significant impacts to environmental and historical resources that may occur as a result of a proposed project to be undertaken, funded, or approved by a local or state agency. For more information, refer to: http://ceres.ca.gov/ceqa/

CEQA/NEPA Compliance – Activities an entity performs to meet the requirements of CEQA and/or NEPA.

Collaborative Process – Cooperation between stakeholders with different interests to solve a problem or make decisions that cut across jurisdictional or other boundaries; often used when information is widely dispersed and no single individual, agency, or group has sufficient resources to address the issue alone.

Condition Assessment – Characterization of the current state or condition of a particular resource.

Conservancy – The Sierra Nevada Conservancy as defined in Public Resources Code Section 33302 (b).

Conservation Easement – Any limitation in a deed, will or other instrument in the form of an easement, restriction, covenant, or condition which is, or has been executed by or on behalf of the owner of the land, subject to such limitation and is binding upon the successive owners of such land, and the purpose of which is to retain land predominantly in its natural, scenic, historical, agricultural, forested or open-space condition (Civil Code Section 815.1).

Data – A body or collection of facts, statistics, or other items of information from which conclusions can be drawn.

Design – Preliminary project planning or identification of methodologies or processes to achieve project goals.

Eligible Costs – Expenses incurred by the grantee during the performance period of an approved agreement, which may be reimbursed by the SNC.

Enhancement – Modification of a site to increase/improve the condition of streams, forests, habitat, and other resources.

Environmental Site Assessment – Phase I, Phase II, or other reports which identify potential or existing contamination liabilities on the underlying land or physical improvements of a real estate holding.

Executive Officer – Executive Officer of the SNC appointed by the Governing Board, pursuant to Public Resources Code Section 33328, to manage the SNC.

Fee Title – The primary interest in land ownership that entitles the owner to use the property subject to any lesser interests in the land and consistent with applicable laws and ordinances.

Fiscal Sponsor – An organization that is eligible to receive SNC Proposition 1 grants and is willing to assume fiscal responsibility for a grant project, although another entity would carry out the grant scope of work.

Forests – For the purposes of these guidelines, forests are defined as areas of the Sierra Nevada Region that are characterized by predominantly conifer and mixed-conifer forests.

Forest Health - A healthy forest is a forest that possesses the ability to sustain the unique species composition and processes that exist within it. Forest Health occurs when resilience, recurrence, persistence, and biophysical processes lead to sustainable ecological conditions.

Grant – Funds made available to a grantee for eligible costs during an agreement term.

Grant Agreement – An agreement between the SNC and the grantee specifying the payment of funds by the SNC for the performance of the project scope within the agreement term by the grantee.

Grant Agreement Performance Period – The period of time starting with the end date of the Grant Agreement Term and lasting for ten (10) years for the purpose of adequate land tenure, and for twenty-five (25) years for the purpose of long term monitoring by the SNC.

Grant Agreement Term – The period of time that includes the time for all work to be billed and paid for by the state be completed. This period is the same as the beginning and ending dates of the agreement. The grant agreement specifies the length of time after the grant agreement term end date the grantee is given to submit final close-out documents and deliverables.

Grantee – An entity that has an agreement with the SNC for grant funds.

Grant Scope – Description of the items of work to be completed with grant funds as described in the application form and cost estimate.

Infrastructure Development/Improvement – The physical improvement of real property, including the construction of facilities or structures such as bridges, trails, culverts, or buildings.

In-kind Contributions – Non-monetary donations that are utilized on the project, including materials and services. These donations shall be eligible as “other sources of funds” when providing budgetary information for application purposes.

Land Tenure – Legal ownership or other rights in land, sufficient to allow a grantee to conduct activities that are necessary for completion of the project consistent with the terms and conditions of the grant agreement. Examples include fee title ownership, an easement for completion of the project consistent with the terms and conditions of the grant agreement, or agreements or a clearly defined process where the applicant has adequate site control for the purposes of the project.

Model/Map – Representations to visually show the organization, appearance, or features of an area or subject.

Multibenefit – For the purposes of these guidelines, Multibenefit pertaining to Forest Health may include, but are not limited to: reduction in wildfire risk, improved air quality, improved water quality and quantity, increased carbon sequestration and biomass utilization. Multibenefits pertaining to SNC mission and program areas, the SNC Strategic Plan, and SNC WIP may include, but are not limited to, increased economic resilience, increased or enhanced use of public lands, increased or enhanced recreational benefits

NEPA – The National Environmental Policy Act of 1969, as amended. NEPA is a federal law requiring consideration of the potential environmental effects of a proposed project

whenever a federal agency has discretionary jurisdiction over some aspect of that project. For more information, refer to: https://ceq.doe.gov/

Nonprofit Organization – A private, nonprofit organization that qualifies for exempt status under Section 501(c)(3) of Title 26 of the United States Code, and whose charitable purposes are consistent with the purposes of the SNC as set forth in Public Resources Code Section 33300 et seq.

Other Sources of Funds – Cash or in-kind contributions necessary or used to complete the site improvement/restoration project beyond the grant funds provided by this program.

Outreach Materials – Audio, visual, and written materials developed to help explain a particular topic or subject.

Performance Measure – A quantitative measure used by the SNC to track progress toward project goals and desired outcomes.

Permitting – The process of obtaining any necessary regulatory approvals from appropriate governmental agencies in order to implement the project.

Plan – A document or process describing a set of actions to address specific needs or issues, or create specific benefits.

Pre-Project Due Diligence – The analysis necessary to prepare a future on-the-ground project for implementation.

Preservation – Protection, rehabilitation, stabilization, restoration, development, and reconstruction, or any combination of those activities.

Project – The work to be accomplished with grant funds.

Public Agencies – Any city, county, district, joint powers authority, or state agency.

Region – The Sierra Nevada Region as defined in PRC Section 33302 (f).

Resilience – The ability of an ecosystem to regain structural and functional attributes that have suffered harm from stress or disturbance.

Region-wide – The overall breadth of the SNC Region or multiple Subregions within the Region.

Resource Protection – Those actions necessary to prevent harm or damage to natural, cultural, historical or archaeological resources, or those actions necessary to allow the continued use and enjoyment of property or resources, such as restoration, preservation or interpretation.

Restoration – Activities that initiate, accelerate or return the components and processes of a damaged site to a previous historical state.

Site Improvements – Project activities involving the physical improvement or restoration of land.

SNC – Sierra Nevada Conservancy.

Study/Report – Research or the detailed examination and analysis of a subject.

Total Cost – The amount of the Other Sources of Funds combined with the SNC Grant request amount that is designated and necessary for the completion of a project

Tribal Organization – An Indian tribe, band, nation, or other organized group or community, or a tribal agency authorized by a tribe, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians and is identified on pages 47868 to 47872, inclusive, of Number 155 of Volume 77 (August 10, 2012) of the Federal Register, as that list may be updated or amended from time to time.

Change	Name	Organization	Date	Comment	Proposed Response
N/C	Walck, Cyndie	California State Parks	3/24	The proposed focus for the Prop 1 grants is Forest Heath. I would suggest that the SNC also consider providing funding for watershed restoration and mining legacy projects as well.	SNC staff is available to assist in identifying funding for projects not eligible for the SNC Proposition 1 Grant Round. (GG p. 4 bottom to p.5)
N/C	Maloney, Patricia	UC Davis	3/23	I attended the Proposition 1 workshop held Wednesday, March 18, 2015, and learned that projects that involved "assessments", "evaluations", and possibly even "monitoring" were not going to be considered eligible for Prop 1 funding. I would argue that "assessments" are important.	SNC staff is available to assist in identifying funding for projects not eligible for the SNC Proposition 1 Grant Round. (GG p. 4 bottom to p.5)
	Alford, Christine	American Rivers	3/20	1) The SNC should specify criteria for measuring whether proposals actually advance stated objectives by referencing and complying with state plans. 2) The SNC should specify the multiple benefits that the proposed project would achieve. 3) Are meadow restoration projects eligible for funding? 4) Does this program cover all watersheds. 5) Define "Forest Health". 6) Define "Forest Resiliency". 7) Add specifics regarding evaluation process regarding most relevant programs or priorities. 8) Performance measures - please specify	1. (GG - p. 2-3; p. 12-13) 2. (GG - p. 12, 13) 3. SNC staff are available to assist in identifying funding for projects not eligible for the SNC Proposition 1 Grant Round. (GG p. 4 bottom to p.5) 4. The program covers all watersheds located in a forest within the SNC's jurisdictional boundaries. (GG - p. 6) 5. (GG - p. 16) 6. (GG - p. 18) 7. All applications should include the most relevant programs and or priorities that the proposal outcomes address. (GG - p. 12, 13) 8. Performances measures are addressed, including a reference to the Grant Application Packet fpr more details. (GG - p. 11)

	Creasman, Mary	The Trust for Public Land	3/17	A) The Trust for Public Land recommends removing fee title acquisitions and conservation easements from the list of ineligible projects. 1) Proposition 1 provides substantial and explicit funding and support for land conservation. 2) The Water Action Plan makes conservation a statewide priority. 3) SNC's legislative mandate includes support for land protection. 4) The SNC Strategic Plan explicitly supports the protection of Sierra landscapes. 5) Other conservancies have prioritized acquisitions and easements as part of their Proposition 1 draft grant guidelines. OTHER SPECIFIC COMMENTS: 1) Suggest that SNC prioritize expenditures on properties that are currently protected. 2) Are mountain meadow improvement/restoration projects eligible? 3) Suggest that applicants be allowed to apply for conservation funding at the time of application for forestry or restoration planning. 4) Encourage this section to be explicit about where applications can describe work done by partners. 5) Importance of pre-application consultation. 6) Suggest including "proven technology or practices" in addition to "new or innovative" under Evaluation Criteria. 6) What is	A,A1,A2,A3,A4,A5 (GG - p. 6 - 8; Acquisition Alternatives - *Subject to Board Approval)* Other Specific Comments: 1. Considered, declined 2. Not for this round, but SNC will assist in trying to find other funding sources for this type of project (GG - p. 4) 3. Considered, declined 4. Do not know what section this comment is referring to, but applicants have ample access to Area Representatives for advice (GG- p. 8) 5. Included in GG - p. 8 6. See "proven methodologies" (GG - p.13) 7. "Sufficient written permission" depends on the project and/or the property owner.
	Darlington, Jeff	Placer Land Trust	3/16	1) The SNC should include Conservation Easement and fee title acquisitions as eligible Category 1 grant projects. 2) Proven successful methods should not be penalized in grant scoring. 3) The definition of "Forest" should include more than conifers.	1) (GG - p. 6 - 8; Acquisition Alternatives - *Subject to Board Approval*) 2) See "proven methodologies" (GG - p.13) 3) Forest definition has been expanded to include "predominantly conifer and mixed-conifer" in Glossary (GG - p. 16)
	Tucker, Michelle	Construction Industry Force Account Council	3/10	Requests the Guidelines to include language that supports and includes the use of a competitive bidding process for contracted work. Specifically calls out CCC requirement.	CCC requirement is required as per Proposition 1 language (GG - p. 8) Competitive bidding process in GG; considered, but declined
	Lessik, Alan	California Association of Local Conservation Corps	3/10	Direction on use of CCC/CALCC	Details added (GG - p. 8 - 9))

N/C	Egbert, Mark	El Dorado County and Georgetown Divide Resource Conservation Districts	3/9	As part of the application process, the SNC has conducted a pre-application process to confirm applicant and project eligibility. In our case the process has provided a means to provide an interpretation of grant guidelines and ensures the appropriate documentation is being utilized. It has resulted in an increase in collaboration, increased performance reporting and long-term community benefit. The process also provides the SNC with a hands-on presence to ensure the intent of the State is being realized through the various grant programs it has the authority to	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8)
N/C	Russell, Vance	National Forest Foundation	3/3	I am submitting some brief comments on the Sierra Nevada Conservancy grant guidelines in support of the process that we undertook for the Sagehen Forest Health Grant awarded to National Forest Foundation in 2014. I found the Conservancy's process and staff to be very rigorous and fair. As a professional who both grants funding to organizations and has applied for many grants, I prefer the open process that SNC has followed to be much more rigorous, give better results in the long run and	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8)
N/C	Dyer, Brittany	Madera County	3/3	For the last 5 years I have both written grants and managed awarded projects from SNC. During this time I have utilized SNC staff on multiple levels and have been satisfied with their assistance. Weather it was the program development process, answering clarifying question in the grant application process, or getting guidance during the management process – they have continued to add value. Additionally, I would like to thank SNC and encourage them to continue to keep the fiscal agent in mind while developing such processes. Many funders are requiring more and more from the fiscal agent while restricting the amount of dollars available for admin services. This is a very real problem that makes it difficult for 501(c)3 to make ends meet. Especially non-profits representing	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8) Eligible admin expenses remain at 15% of project implementation costs. (GG - p. 10)

N/C	Haze, Steve	Yosemite Sequoia Resource Conservation and Development Council	3/3	I have been requested to share our experience with SNC's grant programs. We have always found submitting a short form or concept proposal to be a very good way in which to determine the feasibility and whether to make the investment of developing a full proposal. In fact, CAL FIRE has instituted this same approach for their Greenhouse Gas (GHG) Reduction grant program in which a concept proposal is submitted for evaluation. Then, based upon the outcome of the evaluation – they determine whether you are invited to submit a full application. We have had experience with both a single-step PSP versus the two-step and it seems that the latter is preferable and much more economical for 501(c)3 non-profit organizations such	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8-11)
N/C	Esgate, Tom	Lassen County Fire Safe Council, Inc.	3/2	Our organization is in support of the Guidelines as published in the draft. Having been fortunate to have had several SNC grants over the years we have found the SNC staff's assistance an important resource in developing our projects. The staff has been, and continues to be, very helpful with their guidance as to how to develop better projects that can be more effective in restoring our watersheds and enhancing our communities. We would not have had the quality of projects that we have implemented without the staff's help in the early stages of	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8)

	Sloat, Todd	Pit and Fall River Resource Conservation Districts	3/1	Overall, this is a very well prepared draft guideline packet and it provides a clear process for potential applicants to follow. Providing the opportunity for project applicants to discuss their potential project with SNC staff to determine eligibility is very valuable. It allows for project applicants to be more efficient and make a quick determination of whether or not to proceed with a grant proposal. It also allows them to refine the nature of their project to ensure it meets the required criteria. Overall, this process will ensure SNC receives higher quality proposals. A final comment relates to the nature of future agreements between recipients of SNC funds. In past agreements, SNC has withheld 10% of project costs until the completion of the grant. I suspect this process will also be utilized with new Prop. 1 funds and future agreements. This process favors larger, more financially stable entities that have the resources to carry the cash burden associated with the withholding. It also provides very real financial hardships on Contractors who must carry the debt they incur because they do not have the option to withhold 10% of their payment to their vendors (e.g. fuel costs). Hopefully SNC can find a more workable solution to this issue than	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8) 1. Possible modification of the 10% withholding process. To be discussed during grant agreement revision for Proposition 1 Grant Program.

N/C	Jensen, Louise	Lassen Land and Trails Trust	2/27	This early discussion of potential projects between SNC staff and prospective applicants is invaluable. This step not only saves the local agency or non-profit precious staff resources, it must also save the state resources, as well. If a project seems inconsistent with the guidelines or is weak, it is best to know in advance and choose not to apply, go to a more appropriate funding source, or simply re-evaluate the merits of the project all together. It has been our experience that most state agencies are happy to have such initial discussions rather than have to review large numbers of applications for projects which are not appropriate or at a fundable stage. This must save each of those agencies a great deal of staff time in the long run, along with savings in application processing costs and materials cost for communicating with applicants. We know, having chosen to not apply for some past projects following conversations with experienced state agency staff, that the practice has saved our small regional non-	SNC will continue the consultation opportunity for the Proposition 1 Grant Program. (GG - p. 8)
	Cash, Bryan	CNRA	2/26	Direction on use of CCC/LCC	Details added (GG - p. 8-9)
	Diepenbrock, Mart	CCC	2/20	Direction on use of CCC/LCC	Details added (GG - p. 8-9)
	Addis, Reed	Environmental and Energy Consulting	2/17	Direction on use of CCC/LCC	Details added (GG - p. 8-9)

	Timmer, Kerri	Sierra Business Council	3/26	1) Include federal agencies as eligible applicants. 2) Include prescribed burning as an eligible forest treatment. 3) Prioritize projects that a) contribute real-time data regarding impacts of forest treatments on water supply and quality b) achieve co-benefits not necessarily tied to the grant funding c) contribute sustainably harvested material to local biomass utilization facilities where they exist d) explicitly demonstrate and describe how the project will advance the state's climate change goals (GHG emission reductions and carbon storage improvements). e) demonstrate connections/value to downstream beneficiaries. 4) Coordinate with other State agencies (DFW, WCB, DWR) to ensure that Sierra needs are represented in other Prop 1 programs - evaluation team representation	1) Prop 1 specifically excludes federal agencies as eligible applicants. 2) "Prescribed burning" has been added as an eligible forest treatment. (GG - P7.) 3a) Prioritization considered, but declined. A portion of the grant can fund data collection, but only during the life of the grant; 3b) Described in more detail in the GAP - "please describe the multiple benefits that your project identifies". 3c) Included. (GG - P. 7) 3d) Included. (GG - p. 12,13) 3e) Not specifically called out, but implicit through other identified benefits. Applicants should include in project description. 4) SNC is actively engaged with other State agencies to encourage investment in the Sierra

	Wallace, Lisa Prestowitz, Michele	Truckee River Watershed Council	3/27	1) Comments and concerns about special consideration given to projects that use CCC. 2) Clarify: a) Multiple application deadlines b) Project start and end dates c) Post Project Monitoring d) Match e) Pre-application f) Funding Minimum	1) Proposition 1 requires all applicants to ask CCC/CALCC if it is feasible for them to perform work on the proposed project. There is no preference given to project that incorporates CCC into the work plan. No project will be penalized if it does not use CCC, if CCC determines that it is not feasible to be involved with the project. (GG - p.6-7) 2a) Two Year Grant Cycles for Proposition 1 with two deadlines per cycle (GG - p.12) b) Project start is when the grant agreement is fully executed; End date is the date in the grant agreement that represents the completion of the project. c) SNC shall have access to the project for 25 years for monitoring purposes (GG - p. 10) d) There is no match required, but if the project leverages other resources, it may score higher for that criteria (GG -p. 13)

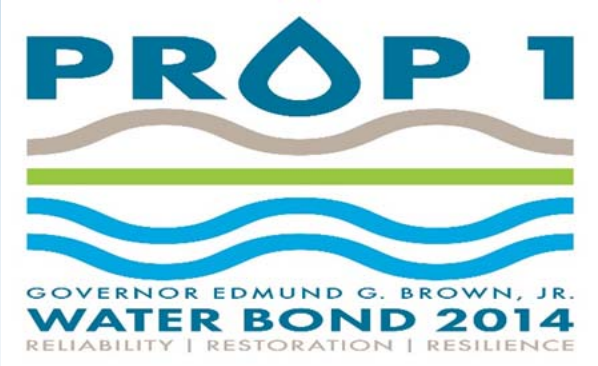
	Kane, Susan	Sierra Cascade Land Trust Council	3/27	1) Fee Title and Conservation Easements should be eligible 2) Prioritize projects that are currently protected or have established that they will be permanently protected in the future. 3) Applicants should be allowed to apply for conservation funding at the time of application for forestry or restoration planning funding. 4) Encourage this section to be explicit about where applications can describe work done by partners. 5) Are mountain meadow improvement/restoration projects included in this program? 6) Importance of the pre-application. 7) Expand definition of "Forest" to include mixed chaparral and oak woodlands. 8) Recommend that projects located on federally owned lands NOT be given priority over privately owned lands. 9) Add prescribed fire as an eligible restoration and management technique. 10) change "may prioritize projects" to "will prioritize projects" when considering the geographic distribution of awards	1. (GG - p. 6 - 8; Acquisition Alternatives - Subject to Board Approval) 2. Considered, but declined 3. Considered, but declined 4. Do not know what section this comment is referring to, but applicants have ample access to Area Representatives for advice regarding building an application (GG- p. 8) 5. SNC will assist in trying to find other funding sources for this type of project (GG - p. 4-5) 6. The SNC will continue to offer support before full application submittal. (GG - p. 8) 7. Considered, but declined 8. Federally owned lands are not given priority over privately owned lands 9. 2) "Prescribed burning" has been added as an eligible forest treatment. (GG - P.7) 10. Considered, but declined
	Zwillinger, Rachel	Defenders of Wildlife	3/27	1) the Guidelines focus on an unreasonably narrow subset of the project purposes authorized in proposition 1. 2) The SNC should strengthen evaluation criteria by aligning more strongly with Water Action Plan and funding for disadvantaged communities 3) CE/Fee Title/Water rights acquisitions should be allowed 4) limit admin costs to 10%	1) Noted; Focus is per Governing Board direction; no change 2) (GG - Evaluation Criteria have been strengthened (GG - p. 12 - 13) 3) Water rights acquisitions are not an eligible project type for SNC, although included in other agencies administering Prop 1; Acquisition Alternatives may be allowed: (GG - p. 7 - 8) - Subject to Board Approval) 4) Project Administrative costs may be up to

	Blake, Lucy	Northern Sierra Partnership	3/27	1) Eligible projects should include both controlled burning as a fuels treatment and research on carbon and water benefits from fuels treatments in connection with a site-specific fuels treatment project. 2) Conservation Easements should be eligible. 3) Evaluation criteria should give greater priority to a) projects that are likely to result in a more resilient forest condition on a landscape scale b) projects that achieve multiple benefits c) projects that enhance forest resilience d) projects that are part of a landscape that has been identified as having relatively greater ecological value and/or higher threat of high intensity mega fire e) projects that commit to securing a significant amount of project funding from other sources 4) recommend SNC staff be part of the evaluation teams	1a) "Prescribed burning" has been added as an eligible forest treatment. (GG - p.7) 1b) The SNC will not be funding "stand alone" research or monitoring projects, but will assist in trying to find other funding sources for this type of project (GG - p.4-5) 2) Acquisition Alternatives: (GG - p. 7 - 8; *Acquisition Alternatives - Subject to Board Approval)* 3a-e) Included (GG - p. 12-13) 4) SNC is considering this possibility.

	Ziegler, Jay	The Nature Conservancy	3/27	1) More detail on the pre-application. 2) Scoring based on the tangible results. 3) Importance of the Safeguarding California Plan (SCP). 4) Project benefits (reduce climate risk, public health, economic). 5) Importance of direction to appropriate Prop 1 source (SNC, WCB ...). 6) Add controlled burning as a fuels treatment strategy. 7) Research on the carbon and water benefits from fuels treatments in connection with a site-specific fuels treatment project should be eligible as a CAT 1 project. 8) Conservation Easements should be eligible. 9) More detail on pre-applications. 10) State plans should be more clear - which ones? 11) Suggest giving more points to projects that are consistent with such plans as the Environmental Goals and Policy Report. 12) Evaluation Criteria should prioritize projects that result in more resilient forest conditions on a landscape scale and projects that are part of a landscape that has been identified as having relatively greater ecological value and/or relatively higher threat of a megafire	1. Details of Project development (GG - p. 8-12) More details will be provided in the GAP and through interaction with the Area Representative. 2. See Evaluation Criteria (GG - p. 12-13) 3. Specifically cited (GG - P. 4) 4. (GG - p. 4-5, 7, 12-13) SNC staff are available to assist in identifying funding for projects not eligible for the SNC Proposition 1 Grant Round. (GG p. 4 - 5) 6."Prescribed burning" has been added as an eligible forest treatment. (GG - p.7.) 7. SNC will not be funding "stand alone" research or monitoring projects, although It can be included as a peripheral activity within a Cat 1 project. The SNC will assist in trying to find other funding sources for this type of project (GG - p. 4) 8. Acquisition Alternatives: (GG - p. 7; *Acquisition Alternatives - Subject to Board Approval)* 9. See response to #1 10. The appropriate State Plans for SNC Proposition 1 funding have been listed in the Introduction. (GG - p. 3 - 4)
	Martin, Izzy	The Sierra Fund	3/27	Requests funding for abandoned mine lands (AML) projects.	Discussed but declined. SNC staff are available to assist in identifying funding for projects not eligible for the SNC Proposition 1 Grant Round. (GG p. 4 bottom to p.5)

Proposition 1 Grant Guidelines

Agenda Item VIII
June 4, 2015



Presented by:
Bob Kingman
Assistant Executive Officer

Focus on Forest Health

- Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.
- Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, and reduce greenhouse gas emissions.
- Implement watershed adaptation projects in order to reduce the impacts of climate change on California's communities and ecosystems.

Background

The SNC Proposition 1 Grant Guidelines promote multiple California State planning priorities:

- California Water Action Plan
- 2013 California Water Plan Update
- 2012 Bioenergy Action Plan
- Safeguarding California (CNRA)
- AB 685 – the Human Right to Water

Public Comments

- Public meetings held in Visalia, Auburn, and Redding
- The SNC received 24 public comments and consulted with CNRA and CCC.
- Important changes to the Grant Guidelines were made as a result.

Proposed Changes

- Reorganization of headings in document
- A proposed alternative to allow special acquisitions
- Addition of prescribed burning as an eligible project type
- Specific instructions to consult with California Conservation Corps/Local Conservation Corps
- Evaluation criteria clarified and examples of project benefits to watersheds expanded

Acquisition Alternative #1

(staff recommendation)

Category 1: Fee title acquisitions to support forest products manufacturing and/or biomass utilization facilities

And

Category 2: Pre-acquisition or due diligence activities that will result in a fee title acquisition to support forest products manufacturing and/or biomass utilization facilities

Acquisition Alternative #2

Category 1: Fee title acquisitions to support forest products manufacturing and/or biomass utilization facilities, or fee title acquisitions or conservation easement acquisition to protect forested lands from conversion to other uses and protect natural resources

And

Category 2: Pre-acquisition or due diligence activities that will result in fee title acquisitions to support forest products manufacturing and/or biomass utilization facilities, or will result in a fee title acquisition or conservation easement acquisition to protect forested lands from conversion to other uses and protects natural resources

Acquisition Alternative #3

Category 1: No acquisitions will be considered

And

Category 2: No pre-acquisition or due diligence activities that result in an acquisition will be considered

Next Steps

- Finalize Grant Guidelines
- Finalize Grant Application Packet (GAP)
- Public Request for Proposals – July 1, 2015
- Applications Deadline – September 1, 2015
- Initial Grant Recommendations – December 2015

Recommendation

Staff recommends approval of the Sierra Nevada Conservancy Proposition 1 FY 2015-16/16-17 Grant Guidelines, incorporating Acquisition Alternative #1 and all other Board recommendations; to make non-substantive changes as needed; and to take actions to implement the FY 2015-16/16-17 Sierra Nevada Conservancy Grant Program.

Background

For more than six years, the Sierra Nevada Conservancy (SNC) has been actively involved in issues relating to forest and community health. The Sierra Nevada Forest and Community Initiative (SNFCI) was adopted by the Board in 2011 and was endorsed by all 22 Sierra counties as well as numerous other groups and organizations. It called for parties to work together in a collaborative manner with the objectives of restoring forests to ecological health and improving local communities' social and economic well-being.

The SNFCI Regional Coordinating Council (Coordinating Council) was formed under SNC's leadership. Representatives on the Coordinating Council include a wide range of diverse perspectives including local government, environmental and conservation organizations, the wood products industry, fire safe councils, community organizations, recreational groups, and public land management agencies. At the same time, a number of local collaborative efforts with objectives consistent with SNFCI have begun in the Region. The SNC has provided substantial financial and staff support too many of these collaboratives and was instrumental in the creation of several of them. Shortly after this initiative began, the United States Forest Service (USFS) Region 5 released its "Leadership Intent for Ecological Restoration" which articulated the need to increase the pace and scale of forest restoration. This document is consistent with SNFCI and has helped to further bring parties together on the many challenges that we face in achieving our objectives. The USFS has been and continues to be a key partner in furthering the objectives of SNFCI.

At the June 2014 Board meeting, the Board directed SNC staff to develop a plan that ensures that the issues being addressed under SNFCI were the organization's top priority. In response to this direction, the State of Sierra Nevada's Forests Report, which represents our best understanding of current forest conditions and potential consequences at this time, was developed by staff and approved by the Board at the September 2014 Board meeting. At the December 2014 Board meeting, the Board approved the SNFCI Action Plan, which was developed to further the objectives of SNFCI by more actively addressing forest and community issues at the Regional level as well as the watershed/county/National Forest level. The Board also instructed SNC staff to move forward with further development of a Sierra Nevada Watershed Improvement Program (WIP), a coordinated, integrated, collaborative program to restore the health of California's primary watershed through increased investment and needed policy changes, including the actions identified in the SNFCI Action Plan and expanding upon them to include a variety of other watershed health issues.

In response to this charge, SNC staff developed a draft Plan to guide development of the WIP, which was approved by the Board in March 2015. This Plan is being organized and coordinated by the SNC and the USFS, in close partnership with a growing group of additional federal, state, and local agencies, and diverse stakeholders. The USFS Region 5 leadership was fully engaged in developing this plan, and has indicated that all of the National Forests in the Sierra Nevada will be active participants

in the WIP. The USFS also co-hosted the March 4 Summit with the SNC, which is covered in more detail in the Policy and Outreach Report.

The WIP will enhance and build upon our ongoing efforts to restore Sierra forests to ecological health. By identifying and quantifying the need for, and cost of, restoration at the watershed level, as well as the impediments to taking such action, we will create a clearer roadmap for moving forward. Engaging other state and federal agencies who support restoration activities will ensure a more strategic and effective approach. The program will also provide critical information for policy makers and "downstream beneficiaries" to consider their role in this restoration effort. At the same time, building on existing collaborative efforts ensures that key interested parties are engaged in the assessment process and in project development and implementation and that ongoing efforts will be enhanced.

Current Status

Since the March launch of the WIP, SNC staff has been focused on developing both the internal structure and external partner relationships required to implement the WIP, and developing the template for approaching implementation of the WIP at the watershed level. Staff has been building on the momentum and interest generated at the March Summit with follow up conversations and meeting with our participants to identify opportunities to leverage our efforts to further our shared objectives under the WIP. The staff also continues to engage new partners in this effort, many of whom are approaching us asking for ways to support the WIP after participating in the Summit, or reading about it through one of the many news outlets that ran the story.

The USFS continues to be a critical partner, and we are currently finalizing an interagency agreement into which they've invested $50,000 to support the WIP. In addition to this agreement, the SNC has also invested $100,000 into an agreement with the Sierra Coordinated Resources Management Council (SCRMC) Joint Powers Authority (JPA) to support the WIP at the watershed level. These critical partnerships and funding commitments are integral to moving the WIP forward in the next year. We have also developed an internal structure to support the WIP, which is being directed by Jim Branham, and coordinated by Mandy Vance. This structure includes the following four teams, comprised of various SNC staff:

- Policy Team (Team Leader: Angela Avery)
- Funding Team (Team Leader: Bob Kingman)
- Communications Team (Team Leader: Brittany Covich)
- Implementation Team (Interim Team Leader: Mandy Vance)

We will most likely identify a new leader for the Implementation Team and engage them through the SCRMC JPA agreement later this year as the watershed level WIP effort gains momentum. We are also working with the USFS and other key partners to identify their roles within this structure.

Here are some of the key outcomes of the last three months from each of our Teams:

Policy

- At our April meeting, the SNFCI Regional Coordinating Council elected to move forward in partnership on the South Fork American River Large Landscape Demonstration Project on the Eldorado National Forest, which is in the early planning stages. This project will give us an opportunity to identify and explore real actions that may help us overcome major policy-related barriers to increasing the pace and scale of restoration on our forested lands.
- The SNC staff has reviewed our list of WIP Summit participants and have identified recommended follow strategies for each, including those who can play a critical role in policy issues as well as funding issues. This includes a meeting with California Air Resources Board and California Environmental Protection Agency to explore opportunities for increasing the use of fire as a restoration tool.
- The recent dramatic increase in bark beetle mortality in the Sierra Nevada has become a focal point of concern around forest health, particularly in the southern Sierra Nevada. A report published based on a flyover study conducted April 15-17, 2015, showed alarming results. In the Sierra and Sequoia National Forests, pine mortality, mostly from western pine beetle, was common and severe almost everywhere at lower elevations. Estimated number of trees killed in these two forests together exceeded five million. Only about 300,000 trees were estimated killed last year in the same area. In response to this emerging issue, SNC staff is exploring potential opportunities to expand the applications of the Categorical Exemptions available to bark beetle infested areas under the Farm Bill in order to increase the pace and scale of restoration of these areas. This includes discussions with the USFS Region 5, CAL FIRE, and the California Natural Resources Agency.

Staff has also been participating in an advisory capacity in meetings with the California Forest Watershed Alliance (CAFWA), a group of urban and rural organizations dedicated to the restoration and improvement of California's watersheds and forests. The members of CAFWA include the Rural County Representatives of California, Association of California Water Agencies, California Forestry Association, California Farm Bureau, and The Nature Conservancy. Members are working together to seek new ways to promote proactive, science-based, and ecologically sound forest management practices that will reduce the risk of destructive megafires.
In late March, CAFWA members took the opportunity to provide a statement for the record to the House Subcommittee on Federal Lands, identifying issues that currently exist on forest lands and providing a number of recommended actions that could address forest health concerns. That statement is provided as Attachment A to this report. In addition to the written statement, ACWA member and Placer County Water Agency representative, Andy Fecko, provided a statement in person.

Funding

- Staff has researched and compiled a comprehensive list of funding opportunities that align with the WIP. The information is available to SNC partners via website, newsletter, or by request, and will assist organizations in search of funds to plan and complete forest health and watershed restoration work.
- Limited technical assistance is also being provided to organizations preparing grant applications to a broad range of federal, state, and private grant-making entities.
- Staff is coordinating closely with other state agencies and funding sources that will be administering grant programs using Proposition 84 and Proposition 1 Bond funds, Green House Gas Reduction revenues, SRA Fire prevention fees, and transportation mitigation fees.
- Staff is closely tracking development of a Parks Bond which, if passed, could provide additional revenue to support protection of public investments in forested recreation areas.

Communications

- Staff has developed a new summary to expand the tools available to staff and partners for sharing information about the WIP. This summary has been provided as Attachment B to this report.
- The other primary updates for the communications activities supporting the WIP are captured in the Policy and Outreach Staff Report.

Implementation

- The SNC is coordinating with USFS Region 5 and the Tahoe National Forest, who is in the process of completing initial data analysis for the lands they manage in order to ground truth and refine the watershed assessment approach at the forest level. They will be presenting their assessment to SNC and USFS Region 5 staff at the end of May, which will help inform the best path forward for performing similar assessment on the USFS lands throughout the Region (a verbal update will be provided, assuming the assessment is completed by the time of this Board meeting).
- We anticipate that this analysis will include a brief written summary providing restoration needs by category (fuels, meadow, roads, etc.), their estimated costs and impediments to implementation, using these three phases:
    - Restoration projects that are NEPA ready/nearly ready in the forest
    - Already identified and additional restoration projects in existing five-year planning areas (both anticipated planning and implementation costs)
    - Restoration activities needed but not currently in line for project planning or implementation due to various types of constraints on the landscape, including but not limited to policy and fiscal constraints

- This preliminary assessment will provide the foundation upon which the SNC, USFS, and other critical partners will build a template for engaging other landowners, collaborative groups, and local stakeholders in developing a well-rounded assessment of the state of our watersheds and their restoration needs. SNC and Region 5 will be meeting to develop this approach following the Tahoe National Forest Assessment at the end of May. The Agreements described earlier in this report with SCRMC and the USFS will provide the primary resources required to develop and execute the specific tasks required to implement the watershed level analysis on a broader scale.

Next Steps

Staff will continue further development and implementation of the WIP, focusing efforts on the four key areas of Policy, Funding, Communications, and Implementation. Efforts continue to focus on the forest/fire/community issues, but we are moving towards the point of developing a more comprehensive approach to watershed health to ensure that aquatic, meadow, habitat, and recreational resources are protected and restored.

Staff will continue to follow up with our March WIP Summit participants to identify opportunities to leverage our efforts to further our shared objectives under the WIP, as well as continue to engage new partners in this effort.

The assessment of restoration needs of the USFS lands will serve as the starting point for a broader watershed assessment to address other lands and additional watershed issues. The SNC and USFS will work with other state, federal, and local agencies, and stakeholders in completing the necessary assessment of restoration needs. It is anticipated that this effort will begin in two or three watersheds and over time expand across the Region. The aggregation of these assessments and resulting action plans will form the WIP. The additional resources and staffing that will be available to us through our agreements with the SCRMC JPA and the UFS will greatly assist us in increasing our ability to advance the implementation of the WIP.

Staff will provide regular updates to the Board as to progress in the development and implementation of the WIP.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.

Agenda Item IX
Attachment A

STATEMENT FOR THE RECORD BY THE
CALIFORNIA FOREST WATERSHED ALLIANCE (CAFWA)

SUBMITTED TO THE HOUSE SUBCOMMITEE ON FEDERAL LANDS

APRIL 23, 2015

Chairman McClintock, Ranking Member Tsongas and Subcommittee Members, the California Forest and Watershed Alliance (CAFWA) is pleased to submit this statement for the record for the April 23, 2015 hearing. The California Forest Watershed Alliance (CAFWA) is a unique alliance of disparate interests including organizations that represent water, environment, local government, timber, and agricultural interests all dedicated to finding a solution to California's ever-growing forest health and fire risk issues. The members of CAFWA, the Association of California Water Agencies, California Farm Bureau Federation, California Forestry Association, The Nature Conservancy California Chapter, and Rural County Representatives of California, are working together to seek new ways to promote proactive, science-based, and ecologically sound forest management practices that will reduce the risk of destructive megafires. Our goal is to protect our forests, our watersheds, our natural resources, our communities, and our local economies by accelerating the pace and scale of forest restoration.

Problem Statement: California forests, and other forests across the western United States, are at serious risk of large, high-severity wildfires that threaten lives, communities, water resources, wildlife habitat, and recreation. Although forest thinning and controlled burning are proven methods of reducing the risk of destructive megafires, the current pace and scale of forest management activities are inadequate given the scope of the problem. Our fire season is starting earlier and lasting longer with fires burning hotter than ever before. The growing cost of Forest Service fire suppression activities is negatively impacting the budget available to carry out critical restoration projects that protect forests and will begin to reduce firefighting costs over the long term. Severe drought in western states is exacerbating the decline of forests due to beetle bark infestations. There is an urgent need to restore our forests to a more resilient condition to protect our water resources, communities, and ecological values.

CAFWA Statement of Purpose: CAFWA believes healthy forests matter, not just to those living in and around those forests, but to all Californians who rely on clean water, clean air, and recreational opportunities. The impacts of forest wildfires on our water, energy, environment, and economy are felt by Californians throughout the state. It is time to take a serious look at current forest management policies, and to expand programs to improve forest health. The members of CAFWA are working together to seek new ways to promote proactive, science-based, and ecologically sound forest management practices that will reduce the risk of destructive megafires.

WHAT'S AT RISK?

Water Supply and Storage: Unhealthy forests and catastrophic wildfires affect the short and long term management and sustainability of water supplies. Wildfires in untreated areas cause burned areas to produce increased loads of sediment, ash and debris which cause reservoirs to fill up faster and reduce the life and storage capacity of reservoirs. Burned watersheds without trees and ground cover will result in snowpack melting more quickly. The resulting runoff will be less predictable, and less timely, increasing the difficulty of managing water supply throughout the west.

A recent study by The Nature Conservancy analyzed the potential water yield benefits from ecologically-based forest management in the northern Sierra Nevada and concluded that, if conducted at a landscape scale, fuels reduction in Sierra forests can potentially increase water yield by up to 6 percent. The report also found that it makes economic sense for water suppliers and utilities to invest in ecologically based thinning. Increased water that comes from thinning small trees could have significant economic benefits for downstream hydropower and water users, potentially off-setting between one-third and the full cost of the thinning.

Water Quality: Post-fire flooding has short and long-term impacts throughout watersheds which can extend far beyond the area of the fire. Ash, sediment, nitrogen and phosphorus can severely impact the taste and purity of drinking water, and negatively impact fish other aquatic species that require clear, oxygenated water. Increased sediment deposited behind reservoirs can impact the taste, clarity and odor of water as dissolved organics increase in the water, requiring elevated water treatment costs.

Ecosystem and Wildlife: Destructive megafires have numerous impacts on the ecosystem and wildlife. **These uncharacteristic megafires are causing very large high intensity patches of burned areas, and an ever-increasing trend in the overall percentage of burned area in high severity.** High severity fire can scorch soils, removing valuable organic carbon on the surface and in the soil profile, reducing its water holding capacity. When this occurs on slopes, the fire-sterilized soil is more likely to be carried down-slope, causing erosion and reversing hundreds to thousands of years of natural soil building processes. Wildlife habitat is also impacted by high severity fire as ecosystems shift from cool, canopy covered refugia to hot, exposed, and eroded barrens. Some wildlife can exploit these newly disturbed areas and brush lands, while others may need to migrate elsewhere to survive. Newly disturbed sites are also prone to invasion by non-native plant species that grow quickly and take advantage of recently released nutrients and bare, mineral soil. Additionally, some treeless patches are so severely sterilized that new sources of seeds do not exist and the area must be replanted, incurring greater costs and raising uncertainty about success in a continuing drought.

OPPORTUNITIES

Unfortunately, fuels reduction projects in overgrown forests continue to face numerous obstacles. Despite partnerships between stakeholders and federal, state and local governments, and science that clearly demonstrates the benefits of fuels reduction projects, the pace and scale of proactive forest management is not nearly keeping up with the increased size and severity of wildfires in our western forests. CAFWA believes there are opportunities to help accelerate forest restoration and is undertaking the following actions:

- Building a diverse, bipartisan, urban-rural coalition in California to advocate for increasing the pace and scale of ecologically-based active management in California's forests and watersheds.
- Communicating the importance of California's healthy forests by emphasizing the multiple values that they provide, especially with respect to water resources.
- Pursuing increased funding and new funding sources for forest management from federal, state, and private sources.
- Advocating for policy and legislative reforms that will promote ecologically sound forest restoration.
- Advancing monitoring and research to improve the state of scientific knowledge to better direct future land management decisions.

With respect to funding forest management and fuels reduction, we believe there are several steps that Congress should consider. First, stable, efficient, and responsible wildfire suppression funding is needed. The Wildfire Disaster Funding Act would fund wildfire disasters like other natural disasters, ensuring that agencies do not raid vital conservation programs when suppression funds run out. This would bring up-front funding certainty for fire fighters and stability for forest health activities. The Wildfire Disaster Funding Act will resolve inefficiency and reduce the devastating impacts that fire transfers have had on people, water and wildlife.

Second, Congress should build upon the link between healthy forests and watersheds and downstream water quality and quantity by funding research and demonstration projects. Such funding could be directed to the following programs:

1. Increased funding for the Collaborative Forest Landscape Restoration Act to be directed to fuels reduction and forest restoration projects in CFLRA project areas experiencing significant drought and high wildfire risk, with accompanying research on the effects of such activities on water supply and water quality.

2. Increased funding for USFS and the Bureau of Reclamation to work together, pursuant to the Western Watershed Enhancement Partnership, to implement fuels reduction projects on national forest lands experiencing significant drought and high wildfire risk, accompanied by research on potential water quality and water supply benefits of such activities.

3. Additional funding for other large landscape, collaborative efforts to increase resilience and disaster preparedness, accompanied by a robust research program to study the environmental impacts, including water quality and water supply impacts, of landscape scale treatments in areas experiencing significant drought and high wildfire risk, with priority given to projects with significant matching funds.

Finally, Congress should consider providing additional direction and incentives to the Forest Service to undertake fuels reduction and forest management activities on a landscape scale. This could include a combination of (1) financial incentives for landscape-scale forest management, possibly tied to a job-creation program to bolster rural economies and provide more certainty over multiple years, and (2) regulatory incentives. Regulatory incentives may include providing direction to the Forest Service to use existing authorities to encourage management of the national forests on a landscape scale, including innovative approaches to complying with the National Environmental Policy Act (NEPA) that would meet the policy's goals while expediting ecologically-based forest management. This approach might include, for example, increased use of programmatic Environmental Impact Statements (EIS) that consider environmental impacts and alternatives at a whole-watershed scale while allowing the Forest Service to implement site-specific projects without additional extensive NEPA review, which may significantly decrease per-acre analysis costs and expedite project implementation.

CONCLUSION

Accelerating forest restoration and hazardous fuels reduction is essential to securing multiple benefits from our National Forests. These benefits include wildlife habitat, clean water supplies, recreation, forest products, carbon sequestration, and healthy rural communities and economies.

Inaction on forest health is contributing to catastrophic megafires. CAFWA encourages Congress and the U.S. Forest Service to quickly address the known budgetary and other obstacles that are contributing to this crisis.

Tim Quinn, Executive Director
Association of California Water Agencies

Patricia Megason, Executive Vice President
Rural County Representatives of California

Erin Huston, Federal Policy Consultant
California Farm Bureau Federation

Steve Brink, Public Resources Vice President
California Forestry Association

David Edelson, Sierra Nevada Project Director
The Nature Conservancy, California Chapter

Agenda Item IX
Attachment B

The Sierra Nevada Watershed Improvement Program

The Sierra Nevada Region provides more than 60% of California's developed water supply, but a four-year drought, a century of fire suppression, widespread tree mortality due to insect attacks and disease, and a changing climate have led to an increased risk of large, damaging wildfires.

The Sierra Nevada Watershed Improvement Program will:

- *Restore Sierra forests and watersheds to a healthier state*
- *Improve the quantity and quality of water throughout the year*
- *Reduce greenhouse gas emissions and stabilize carbon storage*
- *Improve local socio-economic conditions and public safety*
- *Improve habitat for wildlife, fish, and plant species*
- *Reduce the risk of large, damaging wildfires*
- *Preserve working landscapes*
- *Protect air quality*

Wildfires in the Sierra Nevada are getting bigger and more intense. Extreme drought and record-low snowpack are leaving forests and meadows stressed, compromising the Region's ability to filter and store water for use later in the year. Greenhouse gasses are being released at a higher rate than previously expected due to drought and insect-related tree mortality, and high-intensity fire events. California needs a well-coordinated, comprehensive program that increases the pace and scale of restoration in the Sierra Nevada to address the conditions that currently exist.

The Sierra Nevada Watershed Improvement Program (WIP) is a coordinated, integrated, collaborative program to restore the health of California's primary watershed through increased investment and needed policy changes. This effort is being organized and coordinated by the state's Sierra Nevada Conservancy (SNC) and the federal United States Forest Service (USFS), in close partnership with other federal, state and local agencies, and diverse stakeholders.

Photos courtesy of the U.S. Forest Service

The Sierra Nevada Watershed Improvement Program will be implemented by federal, state, and local partners working together to analyze restoration needs at the watershed level, with the goal of matching funding and addressing policy barriers in order to complete projects that restore the Region to a healthier state.

There is growing consensus that more must be done to increase the pace and scale of forest restoration in the Sierra Nevada, but a number of policy-related barriers need to be addressed in order to restore our forests and watersheds to a healthier state.

- Controlled burns, under appropriate conditions, help to thin overgrown forests and reduce the risk of large, damaging fires. However, air quality regulations often restrict the available days that forest managers can conduct such burns.
- Policies related to federal funding for fire suppression often result in funds that would otherwise be available for restoration being "swept" to pay for suppression.
- Completion of environmental assessment processes under federal and state regulations can take a year or more, and can be costly. Developing projects on a larger landscape scale may provide greater efficiency in complying with regulations.
- The lack of wood and biomass processing infrastructure in the Sierra Nevada is a significant impediment to forest restoration efforts. Recent state policy efforts such as the Bioenergy Action Plan and SB 1122 (2012) provide direction on increasing the use of forest biomass for energy production. However, a number of challenges still remain.

Opportunities to establish more reliable funding sources for restoration in the Sierra exist, but coordination among federal, state, and local agencies, and private partners is necessary.

- California voters approved the $7.5 billion water bond last year, with a significant amount of funding available for projects that restore California's primary watershed. State agencies are coordinating efforts to maximize the impacts of Proposition 1, including efforts in the Sierra Nevada.
- Sierra Nevada forests are huge carbon reservoirs for the state, but high intensity wildfires are turning those storage pools into emissions sources. Identifying opportunities to increase investment in the Sierra Nevada Region through the Greenhouse Gas Reduction Fund will be critical as California works to meet greenhouse gas emission reduction goals.

The Sierra Nevada Conservancy is a state agency that carries out a mission of protecting the environment and economy in a complementary fashion across 25 million acres, one-quarter of the state. To learn more, please visit the Sierra Nevada Conservancy Web site.

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SIERRA NEVADA CONSERVANCY

Background

The Pacific Forest and Watershed Lands Stewardship Council**,** a California nonprofit public benefit corporation (Stewardship Council), oversees the conservation of approximately 140,000 acres of land currently or formerly owned by PG&E (PG&E Watershed Lands) for a range of beneficial public values including the protection of habitat for fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. Certain PG&E Watershed Lands have been donated to the United States Forest Service (Forest Service) for preservation of beneficial public values (Donated Watershed Lands).

In accordance with prior resolutions of the Board, Sierra Nevada Conservancy (SNC) is implementing the Conservation Covenant Project pursuant to which SNC has entered into conservation covenants with the Forest Service concerning Donated Watershed Lands. The conservation covenants obligate the Forest Service to preserve beneficial public values on Donated Watershed Lands and give SNC the authority to monitor and enforce these obligations. The Stewardship Council has granted funds to SNC for its implementation of the Conservation Covenant Project.

Current Status

Recently, the Stewardship Council identified a parcel in Mendocino County named the Eel River Property that will be donated to the Forest Service. The Eel River Property is located within the Eel River watershed and contains significant beneficial public values. However, the Eel River Property is located outside of SNC's geographical jurisdiction. The State Coastal Conservancy (SCC) has authority to protect the beneficial public values of the Eel River Property pursuant to its enabling legislation at Division 21 of the Public Resources Code. Since SNC is currently implementing the Conservation Covenant Project, it would be efficient for SNC and SCC to work together to protect the beneficial public values of the Eel River Project.

The Joint Exercise of Powers Act, Government Code § 6500, *et seq.* authorizes public entities, including state agencies, to enter into agreements with each other to jointly exercise any powers common to the parties. The law allows the parties to a joint powers agreement (JPA) to jointly exercise their common powers in the combined geographical jurisdiction of all parties to the agreement. It also provides that one or more of the parties to a JPA may provide services to the other parties as specified in the agreement. A JPA between SCC and SNC would enable SNC and SCC to jointly exercise their common powers to accept grants and carry out projects for protection of the Eel River Property. The proposed JPA (Attachment A) provides for SNC to implement the Conservation Covenant Project on the Eel River Property.

Next Steps

Upon approval of both the SCC and SNC Governing Boards, the executive officers of each agency will sign the JPA, and SNC will implement the Conservation Covenant Project at the Eel River Property in accordance with the grant from the Stewardship

Council. SNC will enter into a conservation covenant with the Forest Service, accept grant funds from the Stewardship Council, and take all other actions necessary to implement the Conservation Covenant Project at the Eel River Property.

Recommendation

Staff recommends that the Board authorize the Executive Officer to enter into the a powers agreement with the State Coastal Conservancy (Attachment A) to jointly implement their common powers to accept grants and undertake projects for the protection of the Eel River Property through SNC's Conservation Covenant Project.

Agenda Item X
Attachment A

JOINT POWERS AGREEMENT
Regarding
Eel River Property, Mendocino County

This Joint Powers Agreement ("Agreement"), effective as of _____, 2015 ("Effective Date") is entered into by and between the State Coastal Conservancy ("Coastal Conservancy"), an agency of the State of California established pursuant to Division 21 of the California Public Resources Code, and the Sierra Nevada Conservancy ("SNC"), an agency of the State of California established pursuant to Division 23.3 of the California Public Resources Code, with reference to the following facts:

Pertinent Facts

A. The Coastal Conservancy is charged under Division 21 of the California Public Resources Code with protecting fish and wildlife habitat in coastal watersheds and reserving significant coastal resource sites for public use and enjoyment.

B. SNC is charged under Division 23 of the California Public Resources Code with protecting water quality; providing increased opportunities for tourism and recreation; aiding in preservation of working landscapes; and protecting the physical, cultural, archaeological, historical and living resources of the Sierra Nevada Region.

C. Each party has the authority to carry out projects and to accept grants to achieve the purposes of its enabling statute.

D. The Pacific Forest and Watershed Lands Stewardship Council**,** a California nonprofit public benefit corporation ("Stewardship Council") oversees the conservation of approximately 140,000 acres of land currently or formerly owned by PG&E ("PG&E Watershed Lands") for a range of beneficial public values, including the protection of habitat for fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses and historic values. Certain PG&E Watershed Lands will be donated to the U.S. Forest Service ("Forest Service") for preservation of beneficial public values ("Donated Watershed Lands").

E. SNC, in carrying out a Conservation Covenant Project, has entered into conservation covenants with the Forest Service that give SNC rights to monitor and enforce Forest Service obligations to preserve beneficial public values on Donated Watershed Lands. The Stewardship Council has granted funds to SNC for its implementation of the Conservation Covenant Project.

F. SNC desires to carry out its Conservation Covenant Project on approximately 891 acres of PG&E Watershed Lands located along the Eel River in Mendocino County ("Eel River Property"), as described in Exhibit A, outside the Sierra Nevada Region.

G. The Coastal Conservancy has authority under Division 21 to protect the resources of the Eel River Property, which is in a coastal watershed and contains significant fish and wildlife habitat, and shares SNC's interest in protecting the beneficial public values of the Eel River Property.

H. California Government Code Section 6502 authorizes public agencies to exercise jointly by agreement any power common to the agreeing agencies, notwithstanding that one or more of the agencies lacks geographical jurisdiction in the area in which such power is to be jointly exercised.

I. The parties wish to enter into this joint powers agreement to jointly exercise their common power to carry out projects and to accept grants for purposes of achieving their mutual aim of protecting the beneficial public values of the Eel River Property.

The parties agree as follows, in light of the pertinent facts, above:

1. SNC and the Coastal Conservancy hereby agree to jointly exercise their common power to protect beneficial public values and accept grants with respect to the Eel River Property.

2. SNC shall implement the Conservation Covenant Project at the Eel River Property in accordance with a grant from Stewardship Council. SNC shall enter into a conservation covenant with the Forest Service, accept grant funds from the Stewardship Council, and take all other actions necessary to implement the Conservation Covenant Project at the Eel River Property.

3. SNC shall periodically inform the Coastal Conservancy in writing of the status of the Conservation Covenant Project as carried out at the Eel River Property and shall forward all relevant, final documents to the Coastal Conservancy's Executive Officer.

4. The Effective Date shall be entered into the first paragraph of this Agreement by the last party to sign this Agreement.

5. SNC shall be responsible for, indemnify and hold harmless the Coastal Conservancy, its officers, agents and employees from any and all liabilities, claims, demands, damages, or costs, including without limitation litigation costs and attorney fees, resulting from or arising out of the willful or negligent acts or omissions of SNC, its officers, agents, contractors, subcontractors and employees, or in any way connected with or incident to this agreement.

STATE COASTAL CONSERVANCY

_____ _____

Samuel Schuchat Date
Executive Officer

SIERRA NEVADA CONSERVANCY

_____ _____

Jim Branham Date
Executive Officer