

### **Background**

In 2007, the Moonlight Fire burned approximately 65,000 acres, 45,000 of which was on the Plumas National Forest (PNF). In 2014, the Regional Forester directed the forest to develop fire restoration plans that would identify the landscape restoration needs, cultivate partnerships, and obligate fire settlement funds within three years of their receipt. The PNF has nearly completed the environmental Analysis and Decision and is now developing agreements to obligate the funds and complete the work. Obligation of the restoration funds is critical as they are vulnerable to “fire borrow” wherein federal funds are “swept” from the forest budgets to pay for suppression of large wildfires. PNF representatives have indicated that restoration funds have been “swept” and not reimbursed for other past fire restoration efforts. As such, the forest has been developing contracts, partnerships, and agreements with county, state, and other federal agencies (for example: Plumas County, California Community Colleges, and Bureau of Indian Affairs, respectively) to obligate the funds and complete the Moonlight restoration work.

In March 2017, staff from the PNF approached the SNC with a proposal to obligate several million dollars of Fire Settlement Funds (FSF) in a long-term agreement with the Sierra Nevada Conservancy (SNC) to implement needed restoration activities in the Moonlight Fire area. SNC staff has since met with representatives from the PNF and the regional office in Vallejo several times to discuss the proposal and the obligations that would be included in an agreement. After exploring different options to maximize benefits and flexibility, it has been mutually determined that a stand-alone Good Neighbor Agreement (GNA) between the PNF and the SNC would be the best contractual tool. A GNA is an administrative tool made available permanently to the US Forest Service (USFS) through the Good Neighbor Authority in the 2014 Farm Bill, which allows agreements to be made with state agencies to implement specific types of projects on USFS land.

### **Current Status**

Staff from the SNC, USFS Regional Office, and the PNF have been discussing a potential GNA that would facilitate several years of restoration work. The GNA would be for a term of ten years and originally include approximately \$7.2 million dollars for environmental review, restoration work, and administrative costs. Implementation of this proposal and administration of the funds is estimated to require a dedicated SNC staff commitment of .5 personnel year (PY), which will be covered by the agreement. The SNC would also receive a yet-to-be-determined administrative charge to cover indirect costs of implementing the agreement.

The proposed GNA would cover the entire PNF to allow for the possible addition of more restoration funds in the future if the arrangement proves to be efficient and beneficial to all parties. Successful expenditure of these funds on restoration projects would demonstrate an innovative approach to restoring capacity of the PNF, allowing them to complete more pro-active forest health work and truly increase the pace and scale of forest restoration. Establishing a new model to help administer FSF could be beneficial to all forests in the Sierra Nevada Region and build capacity of local

organizations to restore impacted landscapes. Depending on the SNC's experience with this proposed GNA, it could be considered as a model going forward.

Federal legislation was enacted this year to help protect USFS budgets from fire borrowing, but will not take effect until 2020. Until that time, forests' budgets are still susceptible to borrowing. This agreement will protect those funds and ensure they are used for intended purpose of restoration.

The SNC would administer funds through contracts or grants to local organizations and workforces to complete CEQA review and restoration work. Communication with boards and directors of the local Resource Conservation Districts and nonprofit organizations indicate that there is a strong desire to establish longer-term contracts to complete the work, helping to build capacity and sustain staff.

### **Next Steps**

Upon approval by the Governing Board, SNC staff will finalize the GNA scope of work and administrative responsibilities and execute the agreement. Staff will then work with control agencies to add the Fire Settlement Funds into the SNC budget beginning in FY 2018-19.

After the funds become available, staff will initiate CEQA review for the identified restoration projects. Upon completion of CEQA analysis, staff will prepare a recommendation for the SNC Board to consider adopting CEQA documentation and awarding contract(s) or grant(s) for implementation of the restoration projects.

### **Recommendation**

**Staff is recommending authorization to finalize details and execute a Good Neighbor Agreement with the Plumas National Forest, and to accept and administer approximately \$7.2 million of Fire Settlement Funds for restoration projects in the Moonlight Fire area.**