

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. The bond measure included an allocation of \$25 million for the Sierra Nevada Conservancy (SNC). The SNC has coordinated with other Proposition 1 funding agencies to maximize the investment of bond funds in the Region.

The Fiscal Year (FY) 2015-16 state budget included an appropriation of \$10 million, to be awarded over two fiscal years. At the June 2015 Board Meeting, the Board approved the Sierra Nevada Conservancy Proposition 1 FY 2015-16/16-17 Grant Guidelines. Under those guidelines, SNC administered three rounds of proposal submission and review. Over those three rounds, SNC received 59 proposals requesting \$19,285,972 for the \$10,000,000 in available funding. A total of 32 Proposition 1 grants for \$9,881,830 were authorized by the Board.

The FY 2017-18 state budget included an appropriation of \$8 million, to be awarded over two fiscal years. At the June 2017 Board Meeting, the Board approved the Sierra Nevada Conservancy Proposition 1 FY 2016-17/17-18 Grant Guidelines. The SNC released a request for proposals on June 20, 2017, with a pre-application deadline of September 1, 2017, and a full application deadline of November 1, 2017.

For the September 1, 2017, deadline, SNC received 34 pre-applications totaling \$10,184,564. For the November 1, 2017, deadline, SNC received 32 full applications totaling \$8,955,323. The applications included 18 Category 1 (site improvement) projects and 14 Category 2 (planning) projects. SNC staff worked closely with applicants after the submission of pre-applications, including making site visits to all Category 1 proposals.

After the evaluation process, 23 applications totaling \$6,953,810 in requests scored above the 80 point threshold for possible funding. Staff is recommending 15 projects totaling \$2,964,338 for authorization at this meeting. SNC is completing the required due diligence and CEQA compliance on the remaining eight projects that scored above the threshold, and they may be recommended to the Board at a future meeting.

In summary, since the initiation of SNC's Proposition 1 Grant Program, the total value of grant requests received was \$28,241,296 for the \$18,000,000 in available funding. SNC plans to administer one more competitive grant round for Proposition 1. If the Board authorizes the grants being recommended at this meeting, a total of 47 Proposition 1 grants for \$12,846,168 will have been authorized as follows:

- 34 projects are in the Mt. Lassen Area
 - 7 are located in the North Subregion
 - 12 are located in the North Central Subregion
 - 15 are located in the Central Subregion

- 13 projects are in the Mt. Whitney Area
 - 9 are located in the South Central Subregion
 - 2 are located in the East Subregion
 - 2 are located in the South Subregion
- 27 are Category 1 Implementation Projects, 20 are Category 2 Planning Projects

Current Status

Evaluation has concluded for all 32 applications received in the 2017 round that were determined to be complete and eligible. Nine projects scored below the 80-point threshold and will have the opportunity to consult with SNC staff regarding possible reapplication in a future round. Of the 23 projects that scored above the 80-point threshold, 15 projects have the necessary environmental compliance in place, while eight projects are still undergoing CEQA analysis. Staff currently recommends adoption of necessary CEQA findings and authorization of 15 grants worth \$2,964,338. Please see the included [maps](#) for project locations.

The projects currently recommended for grant awards are primarily Category 2 Pre-Project Activity grants, as planning projects are generally eligible for a CEQA exemption, and thus require a greatly simplified CEQA process. The eight projects that do not yet have completed CEQA documents are Category 1 projects for on-the-ground work, which require a more involved CEQA analysis. Provided all requirements are met, these projects will likely be recommended to the Board at a future meeting.

Please see [Exhibit A](#) for details on the 2017 applications, including links to the complete application packages and CEQA documentation.

Category 2 Projects Recommended for Funding

Mt. Whitney Region

Project #1004 – Category 2 Pre-Project Activities - \$64,750

This project is proposed by the Mariposa County Fire Safe Council – Wagner Ridge Watershed Protection Plan, with a CEQA exemption 15306 for Information Collection. Over the next year, this project will create the necessary environmental documentation to widen a critical 4.2-mile section of the Wagner Ridge fuel break on 228 acres. The Project lies at the boundary of both Mariposa and Tuolumne counties, the Merced and Tuolumne river watersheds, and spans through National Forest land, Bureau of Land Management (BLM) land, and private property. The Project was designed by the local collaborative, SouthWest Interface Team (SWIFT) which is made up of representatives from federal, state, and local agencies with a focus on coordinating firefighting and resource management efforts. Primary partners on this project are the Fire Safe Council, Bureau of Land Management, Stanislaus National Forest, and CAL FIRE. The Project protects two major watersheds that supply municipal and irrigation water into the San Joaquin Valley and multiple low-income and disadvantage communities.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1005 – Category 2 Pre-Project Activities - \$73,669

This project is proposed by the Sierra Resource Conservation District (RCD) – Pre-Development / Acquisition Planning for a Biomass Utilization Campus at the Auberry Mill Site, with a CEQA exemption 15306 for Information Collection. Over the next year, this project will complete the pre-development planning, due diligence, and regulatory requirements for the Sierra RCD to acquire and develop an integrated biomass campus on the Auberry Mill site. The eventual development of a biomass campus on this site will provide a receptacle for non-merchantable biomass for the communities of Auberry and Prather, the High Sierra Ranger District, and other private forest landowners. The watershed within a 35-mile radius of the mill site includes the Upper San Joaquin and Kings River Basins.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Mt. Lassen Region

Project #1002 – Category 2 Pre-Project Activities - \$75,000

This project is proposed by the Tehama County Resource Conservation District (RCD) – Childs Meadow Fuel Reduction and Forest Resiliency Project, with a CEQA Exemption 15306 for Information Collection. This project will be implemented over the next two years in partnership with Collins Pine Company, and will develop a CAL FIRE-approved CEQA-equivalent Timber Harvest Plan document for the Childs Meadow complex. Fuel reduction efforts will be analyzed to provide fire safe protection to the communities of Childs Meadow and Mill Creek, as well as scattered residences and recreational facilities surrounding the project area. The Childs Meadow complex consists of a mountain meadow, associated upland conifer forests and aspen stands, and serves as a southern gateway/recreation area to Lassen Volcanic National Park. The Nature Conservancy holds a conservation easement on the project area, which is within the headwaters of two major anadromous fish streams that lead to the Sacramento River system.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1006 – Category 2 Pre-Project Activities - \$75,000

This project is proposed by the Yuba Watershed Institute – 'Inimim Forest Restoration Project with a CEQA exemption 15306 for Information Collection. The project will be implemented in partnership with the Bureau of Land Management, Mother Load Field Office. Over the next year, the project will complete biological and cultural resource surveys covering approximately 1,200 acres within the forest, develop prescriptions and cost estimates for proposed treatments, prepare a Resources Assessment Report to support the NEPA/CEQA process, and complete a draft joint NEPA/CEQA. The sub-watersheds in the 'Inimim Forest flow into the Middle and South Yuba Rivers and into Englebright Reservoir, then the Lower Yuba River.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1013 – Category 2 Pre-Project Activities - \$74,928

This project is proposed by the Sierra Streams Institute (SSI) – Lower Steephollow Watershed Restoration Implementation Plan with a CEQA exemption 15306 for Information Collection. The project will be implemented in partnership with the Bureau of Land Management and two private landowners on 455 acres in the Lower Steephollow Creek watershed. Over the next two years, SSI and partners will complete a joint NEPA/CEQA and create a Healthy Forest, Watershed, and Fuel Reduction Implementation Plan to develop a wildlife-friendly and fire-resistant landscape, and reduce threat of wildfire to protect the water courses from erosion and sedimentation. Thinning of the forest will help to protect the Bear River and Rollins Reservoir, one of the major water infrastructure assets for the Nevada Irrigation District while reducing wildfire threat to the surrounding community.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1014 – Category 2 Pre-Project Activities - \$74,928

This project is proposed by the Sierra Streams Institute (SSI) – Upper Deer Creek Healthy Forest and Fuel Reduction Implementation Plan with a CEQA exemption 15306 for Information Collection. Over the next two years, SSI will work in partnership with the Bureau of Land Management to develop a joint NEPA/CEQA and an implementation plan for forest restoration on 298 acres in the Deer Creek watershed. This project lies within the footprint of Tahoe National Forest's Western Nevada County Community Defense Project, and forest treatment will reduce threat of wildfire to protect the Upper Deer Creek watershed above Scotts Flat Reservoir, a primary water source for 75,000 residents of Nevada City, Grass Valley, and surrounding areas in Nevada County.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1020 – Category 2 Pre-Project Activities - \$74,793

This project is proposed by the Fall River Resource Conservation District – Crossroads with a CEQA exemption 15306 for Information Collection. The project was developed by the Burney-Hat Creek Community Forest and Watershed Group and is located within the Shasta Trinity National Forest administered by the Lassen National Forest and adjacent to McArthur-Burney Falls State Park. Over the next year, the project will complete necessary supporting surveys and documents for a crosswalk NEPA/CEQA with the Fall River RCD as the lead agency. Implementing treatments would reduce the potential for large, uncontrolled fires, and subsequent erosion and property loss. This project is intended to protect several watersheds from wildfire effects including significantly increased soil erosion that could yield in large amounts of sediment into Lake Britton, Pit River, Hat Creek, Fall River Creek, and Burney Creek streams.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1027 – Category 2 Pre-Project Activities - \$74,483

This project is proposed by The Sierra Fund – Planning for Resilient Forests in Mining-Impacted Landscapes: Fuels Reduction and Erosion Prevention, with a CEQA exemption 15306 for Information Collection. The Sierra Fund will work in partnership with Tahoe National Forest to complete planning and CEQA for a fuels reduction and erosion prevention plan on two specific mine sites covering 99 acres in western Sierra County. Implementation of this planning project is intended to thin overgrown forest, reducing the threat of wildfire that would increase erosion and sedimentation from these vulnerable sites into Oregon Creek and Bullards Bar Reservoir. This project may serve as a pilot for other forest health efforts in abandoned mining areas.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1035 – Category 2 Pre-Project Activities - \$65,000

This project is proposed by the Nevada Irrigation District – Yuba Headwaters Healthy Forests Project with a CEQA exemption 15306 for Information Collection. This project will take approximately two years and will complete a Timber Harvest Plan (THP) for approximately 550 acres of Nevada Irrigation District land in and around English Meadow in the upper Middle Yuba River watershed. The forested slopes around the meadow are heavily overgrown, and treating the forest stands are part of the efforts to improve the hydrologic function of the meadow and reduce threats to the watershed from wildfire. The THP prescriptions will focus on restoring optimal species diversity, uneven-aged forest stands, long-term sustainable yield, and reduced wildfire risk.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1047 – Category 2 Pre-Project Activities - \$74,966

This project is proposed by the Sierra Institute for Community and Environment – Improving Landscape and Watershed Health through Restoring Fire Regimes in Lassen Volcanic National Park, with a CEQA exemption 15306 for Information Collection. Over the next year, the planning project will complete cultural and biological surveys near wilderness trails to meet NEPA and CEQA compliance on approximately 2,400 acres to support future prescribed fire in the National Park. These efforts will reduce fuel loading and risk of catastrophic wildfire as well as restore low- and moderate-severity fire to the headwaters. Additionally, these surveys will be used to update the Environmental Assessment for the park's 2005 Fire Management Plan. This planning project evolved from discussions with the South Lassen Watershed Group (SLWG) collaborative. The project is located in the headwaters of the North Fork Feather River, on lands that directly contribute to the water supply of Drakesbad Guest Ranch National Historic District, Warner Valley Campground, downstream private users in Warner Valley, and is a significant contributor to the municipal groundwater supply for Chester, California.

- To access the complete application package, [click here](#).
- To access the Notice of Exemption, [click here](#).

Category 1 Projects Recommended for Funding

Project #1000 – Category 1 Site Improvement Project - \$500,000

This project is proposed by the Fire Safe Council of Nevada County – Western Nevada County Community Defense Project, with Notice of Determination as a Responsible Agency, based on review of the Mitigated Negative Declaration approved with Nevada County as Lead Agency. The project will be implemented in partnership with Tahoe National Forest over a two-year period and includes forest management and restoration activities on 239 acres. This grant will result in a forest structure with reduced surface, ladder, and crown fuel loading, and will re-establish a healthy forest ecosystem similar to those consistent with frequent low- to mixed-intensity fire regimes. Specific treatments include hand thinning with a combination of hand and machine piling and pile burning. The project site is in the Deer Creek watershed, just above the inlet to Scotts Flat Reservoir that stores water for Nevada City, Grass Valley, and surrounding areas with approximately 75,000 residents. This project is part of the larger Western Nevada County Community Defense Project, a collaborative effort within the Tahoe-Central Sierra Initiative (TCSI).

- To access the complete application package, [click here](#).
- To access the Project Description and Notice of Determination with Mitigated Negative Declaration, [click here](#).

Project #1024 – Category 1 Site Improvement Project - \$499,100

This project is proposed by the Butte County Fire Safe Council – Butte Creek Forest Health Project, with Notice of Determination as a Responsible Agency, based on review of the Mitigated Negative Declaration approved with Butte County Development Services as Lead Agency. Over the next two years, this project will treat fuels within three populated watersheds on three parcels: Paradise Irrigation District (30 acres), Paradise Unified School District (15 acres), and Paradise Pines Property Owners Association (386 acres). This project is implementing the Magalia Forest Management Plan developed under SNC grant #835. Fuel reduction and forest restoration treatments will include thinning, pile burning, prescribed fire, chipping, masticating, and lop and scatter.

- To access the complete application package, [click here](#).
- To access the Project Description and Notice of Determination with Mitigated Negative Declaration, [click here](#).

Project #1034 – Category 1 Site Improvement Project - \$487,715

This project is proposed by the National Wild Turkey Federation – Trestle Forest Health Project, with Notice of Determination as a Responsible Agency, based on review of the Negative Declaration approved with El Dorado County Resource Conservation District as Lead Agency. Over the next two years, this project will be implemented in partnership with El Dorado National Forest on 270 acres immediately adjacent to the community of Grizzly Flats. Treatments include hand thinning and piling. This project is designed to help protect the water line that provides water for the community of Grizzly Flats, and is part of the larger 3,600 acre Eldorado National Forest Trestle Project.

- To access the complete application package, [click here](#).
- To access the Project Description and Notice of Determination with Negative Declaration, [click here](#).

Project #1040 – Category 1 Site Improvement Project - \$250,006

This project is proposed by the Tehama County Resource Conservation District – Onion Ridge Fuel Reduction and Forest Health Improvement, with a CEQA Exemption 15304 for Minor Alterations to Land. The project is a partnership between the Tehama RCD and landowners Collins Pine Company (Collins Pine), and Sierra Pacific Industries (SPI). This 533-acre project will increase forest and watershed health and resiliency in the form of a strategically designed fuel break in eastern Tehama County along a boundary with Lassen National Forest, following a 25-mile long road on the ridge between Mill and Deer Creeks, two anadromous-fish bearing watersheds that drain to the greater Sacramento River Basin. The landowners will treat an additional 173 acres, resulting in 706 acres of land with reduced fire risk. Treatment prescriptions for the fuel break include hand thinning and mastication. Large fire-resistant trees will be left on the landscape, as well as hardwoods and other components that provide wildlife habitat.

- To access the complete application package, [click here](#).
- To access the Project Description with Notice of Exemption, [click here](#).

Project #1043 – Category 1 Site Improvement Project - \$500,000

This project is proposed by the El Dorado County Resource Conservation District – Fire Adapted 50-Sly Park Vegetation Management Project, with Notice of Determination as a Responsible Agency, based on review of the Mitigated Negative Declaration approved with El Dorado County Resource Conservation District as Lead Agency. This project is part of the overall Sly Park Vegetation Management Project, an all-lands approach to creating a fire-resilient landscape encompassing 3,724 acres of forested land surrounding Jenkinson Lake. This grant will fund 260 acres of treatment on El Dorado Irrigation District land, completing the first 867-acre phase of the larger project, and will take approximately two and a half years. Prescriptions will include the use of feller-bunching of sub-merchantable trees, mastication, and hand thinning. The project is a priority of the Fire Adapted 50 Strategy and the South Fork American River Cohesive Strategy (SOFAR) collaborative group, and also falls within the Tahoe-Central Sierra Initiative boundary.

- To access the complete application package, [click here](#).
- To access the Project Description and Notice of Determination with Mitigated Negative Declaration, [click here](#).

Attachments

- [Exhibit A](#)
- [Maps of Project Locations](#)
- [Recommended Project Details \(Project Description, Map\(s\), and CEQA Documents\)](#)
- [Table: Summary of Proposal Scores](#)

Next Steps

Staff will file all necessary adopted CEQA documentation and prepare agreements for each authorized grant. Staff will continue to work with project proponents to complete compliance requirements for the additional eight projects that scored above the threshold, and, depending on successful completion of all requirements, may bring these project to the Board for authorization at a future meeting. SNC staff will work with applicants of projects that did not meet the scoring threshold on continued project development and

possible identification of other funding sources. Remaining appropriated Proposition 1 funds will be available to the SNC for future grant awards.

Recommendation

Staff recommends the Board

(a) authorize the Executive Officer to file Notices of Exemption for the Childs Meadow Fuel Reduction and Forest Resiliency Project (SNC1002), the Wagner Ridge Watershed Protection Plan (SNC1004), the Pre-Development / Acquisition Planning for a Biomass Utilization Campus at the Auberry Mill Site (SNC1005), the 'Inimim Forest Restoration Project (SNC1006), the Lower Steepollow Watershed Restoration Implementation Plan (SNC1013), the Upper Deer Creek Healthy Forest and Fuel Reduction Implementation Plan (SNC1014), the Crossroads project (SNC1020), the Planning for Resilient Forests in Mining-Impacted Landscapes: Fuels Reduction and Erosion Prevention project (SNC1027), the Yuba Headwaters Healthy Forests Project (SNC1035), the Onion Ridge Fuel Reduction and Forest Health Improvement Project (SNC1040), and the Improving Landscape and Watershed Health through Restoring Fire Regimes in Lassen Volcanic National Park project (SNC1047); and

(b) approve findings concurring with the Negative Declaration and Mitigated Negative Declarations and authorize the Executive Officer to file Notices of Determination as a Responsible Agency for the Western Nevada County Community Defense Project (SNC1000), the Butte Creek Forest Health Project (SNC1024), the Trestle Forest Health Project (SNC1034), and the Fire Adapted 50 – Sly Park Vegetation Management Project (SNC1043); and

(c) authorize a grant award to each of the projects listed above and in Agenda Item VII - Exhibit A, for the amounts recommended by staff, and further authorize the staff to enter into the necessary agreements to move forward with these projects.