

Board Meeting AGENDA

March 4 – 5, 2015
Sacramento, CA



MARCH 4, 2015

Save CA – The Urgency to Restore Our Primary Watershed Summit

1:00 p.m. – 4:30 p.m.

*East End Complex Building (Training Rooms A, B, and C)
1500 Capitol Avenue, Sacramento, CA 95814*

This event will be co-hosted by the Sierra Nevada Conservancy (SNC) and the U.S. Forest Service. The summit will begin with presentations of key research on issues associated with watershed and forest health, including information referenced in the [State of the Sierra Nevada's Forests Report](#). Speakers will focus on the impact that current conditions in the Sierra Nevada may have on California's water, air, and climate. Following those presentations, a facilitated discussion with key agency stakeholders will give partners an opportunity to discuss current science, related issues, and efforts underway to address them.

SNC's 10 Year Anniversary Celebration

5:00 p.m. – 7:00 p.m.

*Elks Tower Ballroom
921 11th Street, Sacramento, CA 95814*

Following the Summit, members of the public are invited to join Boardmembers and staff at a 10 Year Anniversary Celebration sponsored by The Sierra Fund.

MARCH 5, 2015

Board Meeting

9:00 a.m. – 1:00 p.m.

*Department of Food and Agriculture Auditorium
1220 N Street, Sacramento, CA 95814*

(End time is approximate)

I. Call to Order

II. Oath of Office for New Boardmembers

III. Roll Call

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

V. Public Comments

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

VI. Board Chair's Report

VII. Executive Officer's Report (INFORMATIONAL)

- a. Administrative Update
- b. Status of Forest Biomass Energy – SB 1122
- c. Policy and Outreach Update
- d. Miscellaneous Updates

VIII. Deputy Attorney General's Report (INFORMATIONAL)

IX. Proposition 1 Grant Guidelines (INFORMATIONAL)

The Board will review draft Proposition 1 Grant Guidelines and public comments to date. The Board may make modifications and/or provide direction to staff.

X. Sierra Nevada Watershed Improvement Program (ACTION)

The Board will review and may take action to approve the draft Sierra Nevada Watershed Improvement Program Plan.

XI. Sierra Nevada Strategic Funding Initiative (ACTION)

Staff will provide an overview of the Strategic Funding Initiative, the SNC's plan to attract investment from a variety of other agencies for projects consistent with the SNC's mission. The Board may act to approve the plan.

XII. Boardmembers' Comments

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

XIII. Public Comments

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

XIV. 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

December 4, 2014
Grass Valley Elks Lodge
109 South School Street
Grass Valley, CA 95945



I. Call to Order

Board Chair BJ Kirwan called the meeting to order at 8:47 a.m. and reminded attendees that the Board would be entering a closed session as noticed on the agenda.

II. Roll Call

Supervisor Hank Weston and Supervisor Ron Hames were sworn in to represent the Central and East Subregions, respectively.

Present: BJ Kirwan, Bob Kirkwood, Bob Johnston, John Brissenden, Pam Giacomini, Sharon Thrall, Hank Weston, Ron Hames, Louis Boitano, Allen Ishida, Bernie Gyant, and Este Stifel. Todd Ferrara arrived after roll call was taken.

Absent: Eraina Ortega and Woody Smeck

III. Closed Session (This Portion Of The Meeting Is Not Open To The Public)

Evaluation of the performance of the Executive Officer by the Sierra Nevada Conservancy Board. (Government Code, Section 11126, subd. (a)(1))

RESUME OPEN SESSION APPROXIMATELY 9:15 a.m.

Chair Kirwan reported that the Board met in closed session to conduct a performance review of the Executive Officer.

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

ACTION: Boardmember Giacomini moved and Boardmember Brissenden seconded a motion to approve the September 4, 2014, meeting minutes. The motion passed unanimously.

V. Public Comments

John Amodio, representative with the Tuolumne River Trust and fiscal officer for Yosemite Stanislaus Solutions (YSS), commended the Sierra Nevada Conservancy (SNC) staff on their work with the YSS. He said that staff has helped YSS make progress on their efforts, especially around the Rim Fire. Amodio said that YSS discovered common ground among stakeholders and also realized that challenges and problems that the group face are being faced by others throughout the Sierra Nevada Region. Amodio thanked the SNC for the financial and technical support.

VI. Board Chair's Report

Board Chair Kirwan expressed her regret that she was not able to attend the presentations that were given in place of the tour on Wednesday, December 3, but said that she heard from other Boardmembers that they were excellent.

Boardmember Este Stifel commented on the quality of the presentations and information shared about projects, particularly on the Hirschman's Pond project.

VII. Election of Chair and Vice Chair for 2015 (ACTION)

Boardmember John Brissenden nominated BJ Kirwan to serve another term as the SNC Board Chair.

Boardmember Sharon Thrall nominated Boardmember Pam Giacomini to sit as Vice Chair.

ACTION: Boardmember Kirkwood moved and Boardmember Ishida seconded a motion to elect BJ Kirwan as the 2015 Sierra Nevada Conservancy Board Chair. The motion passed unanimously.

ACTION: Boardmember Brissenden moved and Boardmember Ferrara seconded a motion to elect Boardmember Giacomini as the 2015 Board Vice Chair. The motion passed unanimously.

VIII. Executive Officer's Report (INFORMATIONAL)

a. Administrative Update

Executive Officer Jim Branham introduced Amy Lussier, SNC's Chief of Administrative Services Division. Lussier gave the Board an update on the SNC's recent information technology, safety, and budget activities. Lussier thanked staff member David Madrigal for his hard work as SNC's sole IT person.

Board Chair Kirwan thanked Lussier for her assistance in facilitating the Board's performance evaluation of the Executive Officer.

b. Policy and Outreach Update

Branham introduced Angela Avery, Regional Policy and Programs (REPO) Manager, and acknowledged the work that she and her staff have done to raise the visibility of the SNC in the media.

Avery updated the Board on staff activities around the release of the State of the Sierra Nevada's Forests report, and on the upcoming activities that will support the SNC's efforts to release the Sierra Nevada Watershed Improvement Program (WIP). She noted that the REPO team would be planning activities around the March 2015 Board meeting such as a forest summit, a press conference, and possibly a legislative hearing to further highlight the WIP. Avery highlighted meetings and tours that the staff has had with partners and legislators on Sierra

Nevada issues, and opportunities to increase investment in the Region. Avery also updated the Board on the release of the SNC's fiscal year 2013-14 Annual Report and provided each member with a copy.

c. Great Sierra River Cleanup Update

Avery introduced Marji Feliz, project manager for the Great Sierra River Cleanup (GSRC). Branham thanked the South Yuba River Citizens League for their contributions to the start-up of the Great Sierra River Cleanup, and commented that the event has been a great success for the SNC. Feliz presented the results of the 2014 GSRC, highlighted legislative and sponsorship contributions, and shared images from the event. Some interesting facts that Feliz shared included that over 700 tons of trash have been removed over the past six years, with 800 pounds being taken out by helicopter this year. Sixty-six groups participated in this year's GSRC.

d. Miscellaneous Updates

Branham updated the Board on efforts to select projects to be funded by the \$1 million that the SNC Board set aside for Rim Fire restoration at a past meeting. Branham said that no new projects are being brought to the Board yet, but that discussions about project development are still in process.

Branham also updated the Board on staff's involvement in the Forest Carbon Action Team (FCAT) and the associated efforts to develop a plan to maximize forest sector opportunities to store carbon and reduce greenhouse gas (GHG) emissions. Branham said that the team anticipates having a plan in place in 2016.

e. Discussion Relating to Forest Health Issues

Brett Storey from Placer County gave a presentation on the county's efforts to develop a biomass facility, noting that the county's biomass efforts started with an SNC grant. Storey updated the Board on the county's progress and noted that Placer County and its partners at the Placer County Water Agency expect to spend \$2-10 million for cleanup following the King Fire.

Boardmembers and Storey engaged in a dialogue on topics including the comparison between greenhouse gasses released as a result of pile burning and burning biomass in an enclosed facility. Storey indicated that newer biomass gasification systems are more effective in reducing emissions than the technology identified in Placer County's analysis. There was also discussion relating to the difference in emissions from biomass facilities compared to other energy processing facilities, and it was noted that Placer County's operating area for the Cabin Creek biomass project includes parts of Nevada. Storey stated that they do not have an agreement with Nevada yet, but would be moving forward with that agreement soon. In addition, Storey mentioned that their operating areas will be based off of the priority areas for the National Forests, and that those areas may be in Nevada.

Branham closed the discussion, thanking Storey and noting that the Forest Carbon Action Team (FCAT) that SNC staff is part of will be working to calculate the benefits from forest treatment and utilization of biomass-to-energy facilities on reducing future wildfire.

Public Comments

Kerri Timmer, Government Affairs Director for the Sierra Business Council (SBC) thanked the SNC for helping to sponsor SBC's 20th anniversary event in October, 2014. She shared information about a cap and trade investment opportunities webinar that SBC would be hosting, and introduced SBC's Sierra Climate Adaptation and Mitigation Partnership (Sierra CAMP), sharing information about efforts that members have engaged in to address climate change in the Sierra.

Izzy Martin from the Sierra Fund updated the Board on efforts that The Sierra Fund has been undertaking to put together a 10 year anniversary celebration for the SNC in March.

IX. Deputy Attorney General's Report (INFORMATIONAL)

Christine Sproul updated the Board on California Environmental Quality Act (CEQA) reform legislation, most of which did not pass in the last session. Two CEQA bills did reach the governor's desk: AB52 has new requirements for consultation with American Indian Tribes that may affect some of SNC grantees; and AB543, which was vetoed by the governor, had new requirements to translate CEQA documents into other languages. The CEQA cases on exemptions that will help guide SNC in future actions have not yet been scheduled for argument by the CA Supreme Court.

X. 2015 Board Meeting Schedule (ACTION)

Jim Branham presented the 2015 Board meeting schedule. It follows the normal pattern of meetings: the first Wednesday and Thursday of March, June, September, and December. The March meeting will be in Sacramento, with other meetings rotating between Subregions. Branham noted that the Labor Day weekend is after the Board meeting in September this year.

ACTION: Boardmember Kirkwood moved and Boardmember Hames seconded a motion to approve the 2015 Board Meeting Schedule. The motion passed unanimously.

XI. Sierra Nevada Forest and Community Initiative Action Plan (ACTION)

Jim Branham presented the draft Sierra Nevada Forest and Community Initiative (SNFCI) Action Plan, and noted that the plan is a contributing piece to a larger Sierra Nevada Watershed Improvement Program (WIP), which will be modeled to some degree off of the Tahoe Environmental Improvement Program (EIP).

Branham introduced Mandy Vance, Mt. Whitney Area Representative for the SNC, who gave a presentation on the SNFCI Action Plan. Vance discussed efforts

involving pilot project activities that the SNC will be undertaking in partnership with the Tahoe National Forest. Vance also discussed efforts that will be made to address funding and policy impediments.

Branham commented that identifying solutions for the policy and infrastructure impediments will be a very important component of the WIP, and cited the lack of wood processing infrastructure available and limitations on using fire on the landscape as examples.

Boardmember Allen Ishida mentioned watershed restoration research that had been done by a university professor out of the state of Washington that may be of help on the WIP.

Boardmember Bob Johnston suggested that there could be a large federal funding program created to address watershed issues and that it would take support from a broad coalition to establish this kind of a program.

Boardmember Thrall thanked staff for their efforts around the creation of the State of the Sierra Nevada's Forests Report and the WIP, and urged staff to make sure the work doesn't get shelved as can often happen with research. Branham agreed that continuing to promote the urgency of the situation will be key.

Boardmember Giacomini commented that the WIP would actually give the SNFCI action plan more strength.

Boardmember Bernie Gyant noted the importance of re-opening existing wood processing facilities and establishing new facilities to handle both burned logs from fires that have occurred and green logs that need to be removed during restoration.

Ishida noted that Boards of Supervisors, regional groups, and legislators need the base information incorporated in the WIP to help advocate for increased investment.

Gyant commented on the efforts that SNC staff would be undertaking in partnership with the Tahoe National Forest would help build a platform for the USFS to address many of the issues the USFS faces when trying to implement ecological restoration goals.

Boardmember Stifel commended the effort that SNC staff has invested to support those collaborative efforts.

Boardmember Kirkwood said that SNC is making great progress with the development of the WIP, and that creating a sales document that helps a broad array of stakeholders see their role as part of the solution will be key.

Branham recognized Kirkwood and Giacomini for their contributions to the SNFCI Action Plan and requested that they continue to be involved in a Board committee for the development of the WIP.

ACTION: Boardmember Kirkwood moved and Boardmember Giacomini seconded a motion to approve the Sierra Nevada Forest and Community Initiative Action Plan and authorize staff to continue with its implementation including the development of a Sierra Nevada Watershed Improvement Program, noting Boardmembers Kirkwood and Giacomini will continue to work with staff to review actions, agreements, etc., necessary to implement this action. The motion passed unanimously.

- XII. 2013-14 Healthy Forests/Abandoned Mine Lands Grant Awards (ACTION)**
Jim Branham introduced Bob Kingman, Mt. Lassen Area Manager for the SNC, and informed Boardmembers that the three grants up for consideration would likely be the final grants awarded through SNC's Proposition 84 grants program.

Kingman described Project #809, the Wood Chip Hydraulic Mine Restoration Project, which would complete remediation of abandoned mine lands using wood chips from forest thinning activities on the Tahoe National Forest.

Julie Bear, Mt. Whitney Area Manager for the SNC, described Project #811, the Stockton Creek Preserve Vegetation Removal Project, which would conduct fuel reduction activities on 350 acres of land, revegetate previously burned slopes in the project area, and monitor water quality both before and after implementation. Bear also described Project #812, the Mono County Thermal Biomass Project. This project would remove and replace old boilers with a thermal biomass boiler system that would utilize forest-sourced biomass being removed off of the local national forest lands.

Boardmember Kirkwood questioned whether Mono County might have considered a gasification system as opposed to a thermal system. Bear responded that the feasibility study indicated that the feedstock for the area may not be able to sustainably support a gasification system, but that over time the County would continue to consider options.

ACTION: Boardmember Kirkwood moved and Boardmember Brissenden seconded a motion to (a) authorize the Executive Officer to file Notices of Exemption for the Wood Chip Hydraulic Mine Restoration Project (SNC 809) and the Mono County Thermal Biomass Project (SNC 812); (b) make findings that there is no substantial evidence that the Stockton Creek Preserve Vegetation Management Project (SNC 811) with mitigation measures may have a significant effect on the environment and adopt the Initial Study/Mitigated Negative

Declaration with mitigation measures and authorize the Executive Officer to file a Notice of Determination for this project; and (c) authorize a grant award to each of the above listed projects for the amounts recommended by the staff, and further authorize staff to enter into the necessary agreements for the recommended projects.

Public Comments

Bridget Fithian of the Sierra Foothill Conservancy (SFC) communicated that the original SNC grant for the acquisition of the Stockton Creek Preserve resulted in a great partnership between the local utility agency and the SFC, and that the partnership has resulted in increased forest restoration work in the watershed. Fithian also commended SNC staff for all of their work and commitment to SNC's mission.

Boardmember Todd Ferrara congratulated staff on establishing a great process for the Proposition 84 grants program stating that he sits on another board that will be looking to utilize the SNC's process as they develop their Proposition 1 grant program.

XIII. Discussion of Proposition 1 Allocations for the SNC (INFORMATIONAL)

Jim Branham introduced SNC's proposed process for distributing Proposition 1 funds should they be appropriated by the legislature in the next fiscal year. Branham also mentioned that funding was identified in Proposition 1 that was not allocated to the SNC, but that could be spent in the Sierra. He noted that staff would be working hard to play matchmaker between projects, potential grantees, and other granting agencies to maximize the amount of funding invested in the Region. Branham recommended that the focus of SNC's grant program be on forest health and forest restoration to remain in line with the agency's priority set forth in past Board meetings.

Branham introduced some of the different requirements laid out in Proposition 1 as compared to Proposition 84, and went over SNC's proposed grant guidelines development schedule.

Boardmember Kirkwood asked whether there was language in Proposition 1 that would limit SNC from being a grant re-distributor for other agencies. Branham said he wasn't aware of any language that would prohibit that, and that staff would continue to pursue those opportunities. Kirkwood asked whether SNC would seek to ask legislators to co-host the grant guideline development workshops required to help connect with other constituencies, specifically those in Los Angeles. Branham said that the staff is having conversations with other Conservancies about partnering where possible.

Boardmember Giacomini commented that the timeline was very aggressive and asked whether staff felt it was realistic. Branham responded that it is an aggressive timeline, but that staff felt it would be achievable.

Boardmember Johnston commented that SNC could be helpful to other agencies with funding in Proposition 1 by offering to run their grant process for them, but still allowing the agency to make the award decisions. Branham noted that this could be done through an interagency agreement, but noted that such an approach is uncommon in state government, although staff would continue to make the SNC available if there is interest from other departments.

Boardmember Ferrara asked whether SNC could identify where projects may get funding from other agencies and offer technical assistance or other types of support to help those grantees in the region be more successful getting funding from other agency programs. Branham said that SNC has helped partners in the Region apply for other funds and will continue to provide technical assistance when available.

Boardmember Stifel commented on Kirkwood's suggestion to hold Proposition 1 grant guidelines meetings in Los Angeles, and suggested that SNC send staff to other agencies' public meetings to help engage new partners. Branham agreed that that would be a great idea.

ACTION: Boardmember Giacomini moved and Boardmember Kirkwood seconded a motion to approve the proposed focus and plan for development of Proposition 1 Guidelines. The motion passed unanimously.

Public Comments

Kerri Timmer, SBC, said that SBC has been tracking other agencies who might have funding that could be spent in the Sierra and would be following those agencies' grant guidelines development processes.

Izzy Martin of the Sierra Fund said that there has been new information developed in an attempt to boost the availability of funds to disadvantaged communities. Currently Sierra Nevada communities are not included as eligible for those funds. Martin also commented on SNC's proposed grant program focus, reminded Boardmembers about the influence that mining had on forest health, and encouraged Boardmembers to keep mining projects as eligible for funding in future grant programs.

XIV. Revisions to the 2014-15 Action Plan (ACTION)

Joan Keegan, Assistant Executive Officer for the SNC, presented the revisions to the 2014-15 Action Plan. Keegan noted that major changes are not being proposed at this time, but that actions related to the WIP development and the Proposition 1 guidelines development have been added. Keegan noted that additional focus has

been placed on communications activities around the WIP, but that workload will continue to be monitored and that staff would notify the Board if additional changes are needed.

ACTION: Boardmember Kirkwood moved and Boardmember Johnston seconded a motion to approve the revisions to the SNC 2014-15 Action Plan. The motion passed unanimously.

XV. Potential Legislative Proposal (ACTION)

Branham introduced a legislative proposal that SNC submitted to the Natural Resources Agency to establish Senate and Assembly members as liaisons to the SNC Board. He noted that the language mimicked statutes guiding other state conservancies. Branham explained that the SNC was awaiting word from Agency as to whether they go forward with seeking an author for the proposed legislation.

Boardmember Kirkwood commented that expanding the Board can't hurt, but recommended that SNC would have to be more active about incorporating legislators in activities than other conservancies have been.

ACTION: Boardmember Johnston moved and Boardmember Brissenden seconded the motion to continue to pursue the legislation identified in the December 4, 2014, staff report. Boardmember Ferrara abstained from the vote. The motion passed unanimously.

XVI. Boardmembers' Comments

Board Chair Kirwan recognized Boardmembers Thrall, Briggs, and Hunt for their service on the Board, noting that the December meeting was their final one. Thrall said that it had been a pleasure getting to know the Board and staff and said that she would remain engaged with SNC in her Subregion.

XVII. Public Comments

Kerri Timmer, SBC, shared that their organization was recently awarded a grant to run the Small Business Development Center for north eastern California and recommended Kristin York with SBC as a resource for more information about the program.

XVIII. Adjournment

Kirwan adjourned the meeting at 12:08 p.m. and welcomed attendance at the March meeting in Sacramento.

Current Status – Budget

The Governor's proposed State Budget for 2015-16 was released on January 9, 2015. The budget includes the Sierra Nevada Conservancy's (SNC) base budget request as well as the \$10 million for Proposition 1 grant funds and two new positions to support the program. As for the Environmental License Plate Fund (ELPF), revenues are declining so we have been asked by the Natural Resources Agency to create a plan for cost savings in the current year and in 2015-16. These cost savings reductions are not reflected in the Governor's 2015-16 proposed budget but we anticipate they will be included in the Governor's May Revise of the state budget. The cost savings for ELPF will not affect any of SNC's current positions. As for program delivery, the effects will be modest this year but in 2015-16 there will likely be impacts on our efforts. We will be reviewing our Strategic Plan and Action Plan to identify items that can be postponed, reduced or removed. The current status of SNC's 2014-15 budget can be viewed on page two of this report.

Current Status – Human Resources

Four members of the SNC team will be leaving the organization this fiscal year. Each of them has worked for SNC for the past seven years. Joan Keegan, who served as our Assistant Executive Officer (AEO), has been appointed by the Governor as the Chief Deputy Director of the Department of Fair Employment and Housing. Joan's last day was January 23, 2015. Kim Carr, most recently the Sustainability Specialist, has accepted a new position with CAL FIRE as an Assistant Deputy Director for Climate and Energy. Kim's last day was February 5, 2015. Linda Hansen, the Mt. Lassen Representative in Susanville, will be retiring at the end of March. Julie Bear, most recently the Mt. Whitney Area Manager, will be retiring at the end of April.

The departure of these four staff members represents a significant event in SNC's history. Each of them are long-time SNCers who have contributed greatly to the successes of our organization. While their contributions will live on, we will obviously miss having them as a part of the team.

We have begun the process of filling the AEO position by posting a job opportunity. While it is hard to be precise as to how long the process will take, we are moving forward in an expeditious but thoughtful way. Our goal is to find the best possible person available to us to fill Joan's very large shoes. Staff will provide a verbal update at this meeting.

As for the other vacancies, the management team is considering how to proceed in dealing with these departures both in terms of replacement and workload, while considering some of the ELPF budget pressures that exist. 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.

BOARD REPORT

2014-15 SNC EXPENDITURES AND ENCUMBRANCES

Through January 27, 2015

State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	2,114,276	981,073	1,133,204	46%
STAFF BENEFITS	876,000	444,368	431,632	51%
<i>Personal Services, Totals</i>	<i>\$2,990,276</i>	<i>\$1,425,441</i>	<i>\$1,564,836</i>	<i>48%</i>

<i>Operating Expenses & Equipment</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	191,235	107,653	83,582	56%
TRAVEL - IS	59,226	31,962	27,264	54%
TRAVEL - OS	3,574	0	3,574	0%
TRAINING	25,000	10,588	14,412	42%
FACILITIES	274,847	160,591	114,256	58%
UTILITIES	16,800	8,358	8,442	50%
CONTRACTS- INTERAGENCY AGREEMENT	354,311	149,109	205,202	42%
CONTRACTS- EXTERNAL	362,333	188,903	173,430	52%
INFORMATION TECHNOLOGY	109,320	28,790	80,530	26%
EQUIPMENT	-	-	-	0%
OTHER ITEMS OF EXPENSE	23,000	12,686	10,314	55%
PRO RATA (control agency costs)	238,603	119,302	119,302	50%
<i>Operating Expenses & Equipment, Totals</i>	<i>\$1,658,247</i>	<i>\$817,940</i>	<i>\$840,307</i>	<i>49%</i>

Local Assistance				
<i>Appropriation</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
2014 Appropriation; Reverted 2007 & 2008 funds (Returned grant funds that have been allocated to the RIM Fire and other recently approved projects)	1,550,000	62,463	1,487,537	4%

SNC EXPENDITURES	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
<i>State Operations</i>	<i>4,648,524</i>	<i>2,243,381</i>	<i>2,405,143</i>	<i>48%</i>
<i>Local Assistance</i>	<i>1,550,000</i>	<i>62,463</i>	<i>1,487,537</i>	<i>4%</i>
<i>SNC EXPENDITURES, TOTALS</i>	<i>\$6,198,524</i>	<i>\$2,305,844</i>	<i>\$3,892,680</i>	<i>38%</i>

Agenda Item VII.a
 Administrative Update



Jim Branham
 Executive Officer

No Picture Available
VACANT
 Assistant Executive Officer



2/15/15



AR = Area Representative
 PL = Project Lead

Background

Through recent State policies California has made clear support for the use of woody biomass to create renewable energy while at the same time protecting the state's valuable forests, and the Region's communities, from wildfire. Development of small scale biomass power generation facilities in high fire risk areas that utilize forest byproduct will provide a ready market for biomass.

The 2012 Bioenergy Action Plan includes a broad array of action items related to the promotion of forest bioenergy. The Sierra Nevada Conservancy (SNC) is identified as one of the key responsible agencies for these action items, particularly in assisting forested communities to develop forest bioenergy facilities.

Shortly following the adoption of the Bioenergy Action Plan, legislation requiring large utilities to purchase bioenergy was signed into law. Senate Bill 1122 (Rubio, 2012) requires the state's three large investor-owned utilities to collectively purchase 50 megawatts (MW) of energy from new facilities sized at 3 MW or less using primarily byproduct of sustainable forest management. Establishing 50 MW of energy will take a concerted and coordinated effort and SNC has been playing a lead role in the development of these facilities by influencing policies to ensure they effectively support bioenergy, providing technical assistance, and funding project development.

Current Status

The California Public Utility Commission (CPUC) is tasked with establishing the Renewable Market Adjustment Tariff Program for three bioenergy sectors including forest bioenergy. Over the past two years, CPUC drafted proposed program conditions and accepted a few rounds of public comment.

In December 2014 CPUC adopted the final proceeding outlining the program. The highlights of the new program include:

- A minimum of three bidding projects in the auction queue, thus allowing the opening price to increase in set increments. Once one project strikes at a price, then five projects are required in order for the auction price to increase.
- A starting auction price of 12.7 cents per kilowatt (kW)
- A new strategic location definition that no longer caps projects at a \$300,000 interconnection cost but rather allows projects to buy down costs over 300,000.
- Adoption of the definition of sustainable forest management which SNC worked with CAL FIRE and key partners to develop. This requires 80 percent of all biomass feedstock be derived from sustainable forest management practices, while allowing 20 percent to be sourced from agricultural byproduct and other areas.
- The program ends in five years, however, the forest bioenergy sector will likely not be ready to participate in the auction process until it has been underway for a period of time. Assuming progress is being made, a request to extend the program life may be necessary.

The CPUC approach is somewhat of a mixed bag. While setting the price at 12.7 cents provides a reasonable starting place, the use of auction mechanism requiring three bidders to trigger an auction may prove problematic. This is further complicated by the fact that as soon as the first bid is accepted, the requirement goes to five bidders.

Next Steps

SNC staff is coordinating with the Biomass Working Group members to outline a strategy of how to best move three, and then five, projects forward in order to meet the auction process requirements. These projects can be located anywhere in the state as long as it's within an Investor-Owned Utilities' territory (primarily PG&E and Southern California Edison), however the Sierra Nevada remains the most likely location. The SNC has been working with a number of communities to plan and develop forest bioenergy facilities in their area. Staff has been providing support by identifying funding sources, assisting with funding applications, helping to coordinate outreach efforts to build support for projects and providing technical assistance and funding.

There are two communities that are well into the project planning process for SB1122 qualifying projects:

- The one MW facility proposed for North Fork in Madera County. This facility has completed all design and permitting and was just awarded a \$5 million grant from the California Energy Commission to support the majority of the facility construction as well as research on the technology.
- A proposed facility and sort yard located in Wilseyville, Calaveras County (Wilseyville). Proponents are currently developing the CEQA document and securing land use zoning permits.

There are four projects in the Sierra that are well into the feasibility stages. These are located in Grass Valley (Nevada County), Camptonville (Yuba County), Mooretown Rancheria of the Maidu Tribe (Butte County), and Mariposa County. Staff will continue to track progress and determine ways in which the SNC can assist with bringing these projects to fruition.

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

The Sierra Nevada Conservancy (SNC) Board has been consistent in their support and encouragement of SNC staff efforts to increase awareness of the Sierra Nevada Region and the need for urgent action to protect the services and values it provides. In December, the SNC Board emphasized that focus by directing staff to develop and implement the Sierra Nevada Watershed Improvement Program (WIP).

Current Status

Staff is working closely with a key partner, Region 5 of the United States Forest Service (USFS), to define the WIP – a coordinated, integrated, collaborative program to restore the health of California's primary watershed through increased investment and needed policy changes. Staff is also working with other state departments and key partners to assist in development and implementation of the WIP.

The SNC Outreach and Communications team joined forces with the USFS Public Affairs team and Perry Communications Group (through the generous support of the Resources Legacy Fund) to create an education and communications campaign to launch the WIP and develop interest and support. In addition to planning and organizing the Save CA: The Urgency to Restore Our Primary Watershed Summit held in conjunction with this meeting, the three groups worked together to develop and refine key messages and associated materials in support of the WIP. These materials included a WIP Program description and a Statement of Support ([Attachment A](#)) offered for key partner endorsement. The SNC and USFS Region 5 leadership also began engaging partners critical to the success of the launch and will continue to reach out to additional state, federal, and local agencies, interest groups, and non-governmental organizations to garner support for the Program.

Meetings and legislative actions:

In early January, SNC staff met with Assembly Members Brian Dahle (R-Bieber), Mark Stone (D-Santa Cruz), and Rich Gordon (D-Los Altos). The meeting centered on SNC priorities and legislative interests for the year ahead, including the following:

- Sierra Nevada Watershed Improvement Program
- The Development of forest biomass utilization infrastructure
- Sierra Nevada Watershed Protection Week Declaration
- Sierra Nevada Conservancy Legislative Liaison proposal

Feedback from the legislators was supportive and staff plans to engage with the Legislative Environmental Caucus, of which Assembly Member Stone is chair, in the near future to share our State of the Sierra Nevada's Forests Report and discuss the Regional and Watershed elements of the Sierra Nevada Watershed Improvement Program.

Assembly Member Dahle has agreed to carry an Assembly Concurrent Resolution (ACR) declaring the third week of September as Sierra Nevada Watershed Protection Week. This resolution makes a number of assertions as to the myriad benefits the Sierra

provides to citizens and communities across the State, and also acknowledges the Great Sierra River Cleanup, which has quickly become widely known throughout the range.

We are also advancing an effort to add non-voting Legislative Liaisons to the SNC Board. This is in similar fashion to other large regional conservancies. At the time of this writing, the process is moving forward and we are seeking an author for the bill. A verbal update will be provided at this Board meeting.

January marked the beginning of a new legislative session, along with many new members of the Legislature taking office. Staff has been active in making contact with newly elected Sierra members, and will continue to cultivate those and many other relationships in the months ahead.

Other activities include multiple meetings with legislators and staff to discuss the WIP, the distribution of the State of the Sierra Nevada Forests Report, and SNC's 10th Annual Report to a broad cross-section of legislators and staff.

Media:

Staff has worked directly with grantees and local media outlets to publicize the success of both recently awarded and completed projects. Staff worked with Capitol Public Radio on a story about abandoned mine lands in the Sierra and a December award to the Tahoe National Forest, The Wood Chip Hydraulic Mine Restoration Project (Project #809). Staff worked with Mono County on an article in *Biomass Magazine* to promote the Mono County Thermal Biomass Project (Project #812). In addition, staff worked with the Placer Land Trust and Placer County to promote a dedication ceremony held to celebrate the completion of a conservation easement on the Side Hill Citrus Mandarin Ranch – the world's first protected mandarin orchard. SNC awarded funding for that easement through the Ranch and Ag Lands Grant Program in March of 2013. Copies of all of these news stories can be found in the news articles attached to the Board materials.

Current Sierra Nevada Research:

Staff continue to track and monitor research relevant to the Sierra Nevada Region. Summaries of and links to three research papers that discuss the ways Sierra Nevada forest management can impact carbon storage and release are provided in [Attachment B](#):

- Wildfire and Drought Dynamics Destabilize Carbon Stores of Fire-Suppressed Forests
- Fuel Treatment Effects on Tree-based Forest Carbon Storage and Emissions Under Modeled Wildfire Scenarios
- Fire Suppression and Fuels Treatment Effects on Mixed-Conifer Carbon Stocks and Emissions

Next Steps

Staff will continue to identify and act upon opportunities to promote and garner support for the Sierra Nevada Watershed Improvement Program with partners as well as key decision makers, and will focus next steps on the development of watershed level action plans. Additionally, staff will continue to track and participate in legislative and policy activities that provide opportunities for addressing key Sierra Nevada issues.

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.

DRAFT

Statement of Endorsement for the Sierra Nevada Watershed Improvement Program

Dear Federal, State, and Local Agency Leaders:

California is on the brink of losing significant benefits from one of its most important ecosystems, the Sierra Nevada Region. Without immediate action, our primary watersheds – providers of more than 60 percent of California's developed water supply and the primary source of the fresh water that flows into the Sacramento-San Joaquin Delta – will be dramatically transformed forever.

The Sierra Nevada Watershed Improvement Program (WIP) is the solution. The WIP will restore the health of California's primary watersheds through an integrated collaborative program of increased investment and needed policy changes. This program is organized and coordinated by the Sierra Nevada Conservancy and the United States Forest Service in close partnership with local agencies and diverse stakeholders spanning the range of Sierra interests.

As stewards of the Sierra Nevada Region, we, the undersigned, endorse the Sierra Nevada Watershed Improvement Program. We are committed to identifying and quantifying the level of restoration activity needed to restore Sierra Nevada watersheds to a state of proper function and resilience, and will identify the cost of implementing these activities. We will work collaboratively and in good faith to increase state, federal, and private investment in restoration activities, and secure support from those who benefit from the variety of resources that the Sierra Nevada provides to all of California.

Sincerely,

Enclosure: Sierra Nevada Watershed Improvement Program

[SECOND PAGE OF SIGNATURE BLOCKS W/ LOGOS]

Research Summaries: Sierra Nevada Forests and Carbon

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

Wildfire and Drought Dynamics Destabilize Carbon Stores of Fire-Suppressed Forests

By: J. Mason Earles, Malcolm P. North, and Matthew D. Hurteau – 2014

Climate change has led to an increase in droughts, wildfire size, and wildfire severity in the Sierra Nevada region - a trend that is expected to continue. This research looked at how two different forest types will store and manage carbon in the long-term under a variety of potential future drought and wildfire conditions. The forests studied were (1) fir-dominated, overgrown stands that are common in the Sierra Nevada (from decades of fire suppression and selective logging), and (2) pine-dominated forests with an active fire management regime more representative of historic conditions. The researchers asked the following questions: how do the current fire-suppressed forests compare to historic conditions with regards to their carbon storage capacity and storage longevity, and how do these forests respond to increased levels of drought and wildfire? To answer the questions, they used models to simulate carbon sequestration over 300 years under a variety of conditions. They found that when drought and fires are infrequent, fir-dominated forests held more carbon than pine-dominated forests, but the additional carbon was largely stored in dead wood rather than in living trees. When fire and drought increased in frequency, the fir forests lost a considerable amount of their carbon storage, while pine forests lost very little. **“As fire frequency increases, the carbon carrying capacity of fir-dominated forests is substantially more uncertain than pine-dominated forests, leading to greater risks of large-scale carbon losses due to combined fire and drought-induced mortality.”** In essence, pine-dominated forests are more resilient to climate change impacts, and, as we look to store carbon in the long-term, they offer a more stable carbon storage bank than our current fire-suppressed and fir-dominated forests. The authors conclude: **“Continued suppression reinforces this [fir-dominated forest] altered state, perpetuating a condition that is less fire- and drought-tolerant. Fire actively maintains the dominance of a fire- and drought-tolerant species, providing a more stable and permanent carbon sink. In these forests, ecologically appropriate fire may benefit carbon stability and permanence.”**

Fuel Treatment Effects on Tree-based Forest Carbon Storage and Emissions Under Modeled Wildfire Scenarios

By: Matthew Hurteau and Malcolm North – 2009

“Our objective was to model the amount of live- and dead-tree-based [carbon] stored and released over a century with and without wildfire in Sierra Nevada mixed-conifer forests after fuel reduction treatments.” The authors added historical forest conditions (1865) to the comparisons to get a sense how fire suppression (current conditions) may have changed carbon storage in our forests. They compared live versus dead carbon stocks under control, historic, and treatment scenarios, and introduced wildfire at year 50 of the 100 year modeling runs. The historical conditions stored the most carbon at year 0, while at year 100 without any wildfire, current conditions and the burn-only treatments stored the greatest amount of carbon. However, when wildfire was introduced at year 50, the burn-only treatment and historic conditions plus burn treatment stored the most carbon by year 100 and were the only two scenarios that recovered to at least year 0 carbon storage by 50 years after the fire. In other words, 50 years was not long enough for the stands to recover to their pre-fire carbon stocking levels. The wildfire emissions were greatest under current conditions, but the emissions from the five prescribed fire events in each burn scenario (modeled to have prescribed fire on them once every 20 years to maintain the stand) roughly equaled the current conditions wildfire emissions. The difference is the amount of dead tree and snag carbon in the current conditions forest scenario post-wildfire – much of that will decay and be released to the air over decades and is not captured in the immediate emissions release measurements. The authors conclude: **“The consistently high storage and low emissions of the 1865 reconstruction suggest that a low-density forest, dominated by large, fire-resistant pines, may be a desired stand structure for stabilizing tree-based [carbon] stocks in wildfire-prone forests,”** and that the California Climate Action Registry Forest Sector Protocol be changed to include accounting from wildfire emissions just as the IPCC 2006 guidelines do.

Fire Suppression and Fuels Treatment Effects on Mixed-Conifer Carbon Stocks and Emissions

By: Malcolm North, Matthew Hurteau, and James Innes – 2009

Under California Climate Action Registry Guidelines, forest managers are penalized if they reduce fuel loads to reduce fire risk, but wildfire emissions themselves are not accounted for. This research looked at current conditions (fire suppressed & overstocked forests), a variety of treatment options, and historical conditions to determine how carbon emissions and storage differ between them. First, emissions from the equipment necessary to do treatments and/or to haul logs to a mill or biomass facility were a small percentage of overall emissions from thinning and/or burning. Critically, **“...because of the lack of the big trees that dominated historic forests, today’s fire-suppressed forests are found to store approximately 25% less carbon than they did pre-fire suppression.”** Because current forests are overgrown, bigger trees are more susceptible to bark beetle attacks and diseases, severely limiting their abundance. To get back to historic conditions, ecological treatments would be necessary, which would initially remove carbon from the stand. As a result, the authors conclude that our century of “...fire suppression may have incurred a double carbon penalty by reducing stocks and contributing to potential emissions with fuels treatment activities or inevitable wildfire combustion. ...We have found rapid growth of large trees after past fire events that presumably reduced stand density. Thinning and prescribed-fire treatments that reduce small-tree densities may influence stand development by redirecting growth resources and carbon storage into more stable stocks such as large, long-lived fire-resistant pines.”

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 Public Resources Code (PRC), 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 (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, stormwater resources management, and greenhouse gas reduction.
- Implement watershed adaptation projects in order to reduce the impacts of climate changes on California's communities and ecosystems.

Lessons learned through the implementation of the Proposition 84 grant program are being carried forward for this new program. One area that will become a greater priority is the coordination with other state agencies that are receiving Proposition 1 funding.

Current Status

The draft guidelines ([Attachment A](#)) focus the \$10 million grant program on projects that will improve forest health. This is consistent with the Board's direction to make this subject the organization's top priority, and with the Sierra Nevada Watershed Improvement Program. It is anticipated that these funds will be awarded over the next two fiscal years.

Generally, the guidelines are similar to those used in the latter rounds of the Proposition 84 program, with a number of modifications to meet the requirements of Proposition 1. The grant program will be competitive with each complete application's score based on criteria identified in the guidelines. The proposed approach will also take into account the objectives described in the California Water Action Plan, the 2014 State Water Plan, and other relevant state plans.

Next Steps

Staff will continue to collect and review public comments through March 27. The SNC will conduct three workshops during this period in Redding, Auburn and Visalia. Following the close of the comment period, any modifications directed by the Board and other appropriate changes will be made to a final draft of the guidelines. The final draft will be provided to the Natural Resources Agency for review and approval (required

under Proposition 1) and brought to the Board at the June meeting. Staff intends to publish the Grant Guidelines and a Grant Application Packet on July 1, 2015. The first proposed deadline for application submittal is September 1, 2015, with potential awards at the December 2015 Board meeting. The current plan is to bring grants for authorization to the Board twice a 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.



**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 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
- Protection and restoration of degraded stream and meadow ecosystems to assist in natural water management and improved habitat
- Support and expansion of funding for protecting strategically important lands within watersheds to ensure that conversion of these lands does not have a negative impact on our water resources

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.

Utilizing biomass, the small-diameter woody material and diseased or insect-infested wood generated from forest restoration projects, to create energy will also help meet the state's primary goals identified in [California's 2012 Bioenergy Action Plan](#).

Increasing the use of biomass resources helps the state meet environmental mandates such as greenhouse gas reductions, and promoting forest bioenergy, helps to create jobs in rural regions, reduce fire danger, improve air and water quality, and reduce waste. The 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.

The California Natural Resources Agency's [Safeguarding California](#) augments and identifies strategies regarding adaptation 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 Public Resources Code (PRC), 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 PRC allocates \$25 million of these funds for SNC. The SNC anticipates awarding up to \$10 million in this grant round.

This grant program intends to focus on projects 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, stormwater resources management and greenhouse gas reduction.
- Implement watershed adaptation projects in order to reduce the impacts of climate changes on California's communities and ecosystems.

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 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, or public university). Please note that federal agencies are not eligible to receive Proposition 1 grants.
- 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% 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 forested area of the Sierra Nevada Region or have a direct impact on forest lands or 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), and meet the requirements of Proposition 1 regarding competitive grants.

NOTE: The Proposition 1 Bond Measure allocates funds to be administered by several resource agencies. Please visit the SNC Website and [Funding Table](#) to determine which department or agency may be best suited to fund your project type. The SNC will be focusing its resources on Forest Health projects during this grant round.

If you are considering a project that does not meet the focus of this Grant Program, please contact your [SNC Area Representative](#) as alternative funding opportunities may be available from other agencies or departments administering public funds.

Grant Categories

Category 1 grants include site improvement or restoration projects. Examples of potential Category 1 grant projects include, but are not limited to:

- Implementing fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health, including utilization of biomass 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 maintenance activities after wildfire
- Forest management to increase forest resilience, and/or improve habitat conditions and biodiversity
- Vegetation treatments to increase carbon sequestration benefits, and foster adaptation resiliency of vegetation in light of predicted climate change
- Sustainable utilization of biomass and/or a full range of forest products, including saw logs, resulting from activities associated with improving forest health

Specific Category 1 Site Improvement/Restoration requirements are:

- All project proposals are required to address how California Environmental Quality Act (CEQA), and where necessary National Environmental Policy Act (NEPA), compliance will be achieved.
- All project proposals are required to identify and state progress and projected dates of completion for all permits necessary to complete the project.
- In compliance with the Professional Foresters Law (Public Resources Code (PRC) Sections 750-753, et seq.) projects that 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 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
- Analysis to support the completion of CEQA and/or 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

Ineligible Projects

Examples of ineligible projects include:

- Fee title acquisitions or activities leading to fee title acquisitions
- Conservation easements or activities leading to conservation easements.
- 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 you have questions about the eligibility of your project, please consult with your Area Representative.

Project Development and Evaluation Process

These Guidelines govern the preparation, submittal and review of grant applications for Fiscal Years 2015-16 and 2016-17. The following steps will be involved in the award process:

- 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.
- 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 will be:

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

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

- 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.

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

Evaluation Criteria

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

Category 1 Projects:

- The tangible results from the project that will 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 (Up to 25 points)
- 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)

NOTE: Special consideration will be given to projects that:

- employ new or innovative technology or practices
- use the California Conservation Corps to implement the project where feasible
- The tangible results from the project that will further the SNC mission and program areas as defined in the SNC Strategic Plan and the SNC WIP (Up to 20 points)
- The likelihood of successful implementation based on the applicant's capacity and experience in implementing similar projects (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)

Category 2 Projects:

- The tangible results from the specific future on-the-ground project that will 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 (Up to 25 points)
- The design and readiness of the project and 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)

NOTE: Special consideration will be given to projects that:

- employ new or innovative technology or practices

- Identify opportunities to use the California Conservation Corps to implement the proposed project where feasible
- The tangible results from the specific future on-the-ground project that will further the SNC mission and program areas as defined in the SNC Strategic Plan and the SNC WIP (Up to 20 points)
- The likelihood of successful implementation based on the applicant's capacity and experience in implementing similar projects (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)

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 Boardmembers 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.

Project-specific resolutions of support from affected cities, counties and/or water agencies should be included with the application.

Grant Provisions

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 you are 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 Proposition 1.

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.

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 10 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 appointed designee must provide written permission to complete the project.

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.

Long-term Management and Monitoring

- The property restored or enhanced with funds provided by the SNC shall be operated, used and maintained throughout the Project Life 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 the project site at least once every twelve months from the date of the grant agreement execution through the end of the project life for purposes of inspections and monitoring. The SNC shall provide a written request prior to scheduling a project site review.
- 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 is required 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. Status of CEQA compliance must be addressed in the project proposal.

Eligible 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 and reporting are required to be addressed in the project budget.

Eligible administrative costs must be directly related to the project and may not exceed 15 percent of the project implementation cost. Any applicant administering multiple grants will be required to submit a cost allocation plan with their application.

Ineligible 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.

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

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 www.sierranevada.ca.gov/other-assistance/managing-your-grant for additional information on the required content of these reports.

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.

Easement – An interest in land entitling the holder thereof to a limited use or enjoyment of the land in which the interest exists, or to restrict the use or enjoyment of the land by the owner of the fee title.

Eligible Costs – Expenses incurred by the grantee during the agreement 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.

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

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 performance period by the grantee.

Grant Agreement Performance Period – The period of time during which the eligible costs may be incurred under the grant, and in which the work described in the grant scope must be completed.

Grant Agreement Term – The period of time that includes the agreement performance period, plus time for all work to be billed and paid by the state. This period is the same as the beginning and ending dates of the agreement.

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, buildings, etc.).

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.

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, state agency, or public university.

Region – The Sierra Nevada Region as defined in Public Resources Code 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.

Background

Over the past 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.

As a part of SNFCI, the SNFCI Regional 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. Boardmember Bob Kirkwood serves as the Board Liaison to the Coordinating Council. 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 to many of these collaboratives and was instrumental in the creation of several of them.

Shortly after this initiative began, the U.S. 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. During this period, the USFS has been 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.

Also at the December 2014 Board meeting, the Board 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. This Program will include the actions identified in the SNFCI Action Plan and expand upon them to include a variety of other watershed health issues.

Current Status

Attached to this Staff Report is a draft plan ([Attachment A](#)) to guide development of the WIP. Staff is recommending Board approval of this plan in order for development of the

WIP to move forward. This comprehensive effort is organized and coordinated by the SNC and the USFS, in close partnership with additional federal, state, and local agencies, and diverse stakeholders. The USFS Region 5 leadership has been 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 co-hosted the March 4 Summit with the SNC.

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.

Next Steps

Upon approval by the Governing Board, SNC staff will continue further development and implementation of the WIP. Initially the WIP will use the SNFCI Action Plan as its centerpiece. While the SNFCI efforts will continue to focus on the forest/fire/community issues, there is a need to develop a more comprehensive approach to watershed health to ensure that aquatic, meadow, habitat and recreational resources are protected and restored. The success of the Tahoe Environmental Improvement Program, upon which the Sierra Nevada WIP is loosely modeled, has shown that a well-articulated program with clear objectives and specific projects can be very successful in drawing investment and support.

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 SNC is coordinating with USFS Region 5 and the Tahoe National Forest in refining and “ground truthing” the assessment approach. The Tahoe National Forest is in the process of completing initial data analysis for the lands they manage, which will help inform the best path forward for USFS lands throughout the Region. The WIP builds upon the significant consensus that more must be done to restore Sierra Nevada forests and watersheds. The SNC and the USFS are organizing a multi-state/federal/local

agency effort to work with Regional stakeholders, as well as those outside the Region who are impacted by watershed degradation, to develop and implement the WIP.

SNC staff will use the State of the Sierra Nevada's Forests Report as a companion piece to our SNFCI Action Plan and in development of the WIP. This report will be updated from time to time to add new information or address emerging issues.

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

Recommendation

Staff recommends that the Board approve the plan to guide the development of the Sierra Nevada Watershed Improvement Program and authorize staff to take the necessary actions to develop and implement it.

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Save Our State: The Urgency to Restore California's Watershed

Failure is not an option

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 economy and water supply. The potential for more megafires like the Rim Fire is high, and research demonstrates that, in many Sierra Nevada forests, there is a clear upward trend of larger, more intense fires. A changing climate will only exacerbate the situation and have additional impacts on these watersheds. A well-coordinated, comprehensive program that increases the pace and scale of restoration is essential to address the conditions that currently exist and are not going away.

Why do we need a Sierra Nevada Watershed Improvement Program?

The Sierra Nevada Region is the source of more than 60 percent of the state's developed water supply (water that is stored in reservoirs and delivered for consumptive use). It provides all or part of the drinking water for 23 million people. Up to half of the water flowing into the Sacramento-San Joaquin Delta starts its journey in the Sierra's forested watersheds. Snowpack in the Sierra Region provides a natural form of water storage, and Sierra forests and meadows play a role in ensuring water quality, yield, and reliability.

The Sierra Nevada Region also provides a variety of other critical benefits. The Region stores massive amounts of carbon, thereby helping to combat climate change. It provides crucial habitat to hundreds of species. The Sierra Nevada is home to world-class recreational opportunities enjoyed by millions of people. And, the Region is a major producer of wood products and hydroelectric power.

There is scientific consensus that the forests, streams, and meadows of many Sierra Nevada watersheds are in decline and that the benefits they provide are at serious risk – a condition that must change. Decades of fire suppression, a changing climate, and a shortage of forest restoration efforts have led to unhealthy conditions in many Sierra forests, where drinking water originates. The result has been an increase in larger, more damaging wildfires. While moderate intensity wildfires can have ecological benefits, conditions in the Sierra right now are resulting in wildfires that far too often do significantly more damage than good.

Mercury, sediment, and other substances from abandoned mine lands travel downstream, impairing many of California's reservoirs and accumulating in the Sacramento-San Joaquin Delta and the San Francisco Bay. Additionally, many Sierra meadows are significantly degraded, no longer performing their "sponge-like" function of storing water into the summer months. Crucial habitat and a number of listed or

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soon-to-be listed species face a variety of challenges from extreme fire, climate change, and conversion to development.

The California Water Action Plan, Safeguarding California Report, and the State Water Plan Update all identify the importance of restoring the health of these watersheds. The State of Sierra Nevada's Forests Report raised the alarm about the dire conditions of our forests, and the many repercussions that could result from not taking active steps to restore them to a state of resiliency. And, according to the U.S. Forest Service, "Only an environmental restoration program of unprecedented scale can alter the direction of current trends."

What is the Sierra Nevada Watershed Improvement Program?

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.

The WIP builds upon the broad consensus that more must be done to restore Sierra Nevada forests and watersheds. The pace and scale of science-based ecological restoration needs to dramatically increase in order to stem the tide of large, uncharacteristic wildfires and further degradation of these ecosystems. This comprehensive 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 additional federal, state, and local agencies, and diverse stakeholders.

Objectives of the WIP

The key objectives of the Sierra Nevada Watershed Improvement Program are:

- Identify and quantify the level of restoration activity needed to restore Sierra Nevada watersheds to a state of proper function and resilience, as well as the cost of implementing these activities.
- Increase state and federal investment in restoration activities, as well as securing investment from those who benefit from the Region, such as the urban, business, and agricultural communities who receive water from the Region.
- Identify and address state, federal, and local policy issues that serve as impediments to increasing the pace and scale of restoration and improving the socio-economic well-being of Sierra communities.

Desired Outcomes of the WIP

Successful implementation of the WIP will result in a number of important outcomes:

- Protection of people, communities and property from large, damaging fires
- Protection of California's water supply through improved water quality, yield, and reliability

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- Protection of existing water storage capacity through reduced erosion and increased snowpack retention
- Stabilize and increase storage of carbon in healthy forests
- Reduced greenhouse gas (GHG) and particulate matter emissions from intense wildfires
- Protection and restoration of important habitat and the Region's biodiversity
- Protection of hydroelectric infrastructure
- Protection of recreational opportunities
- Increased economic and social well-being in Sierra communities through increased forest management, biomass-to-energy, and wood products industries
- Increased awareness among policy-makers, other stakeholders, and those who benefit from the resources flowing from the Region regarding the urgent need for, and the benefits of, watershed restoration in the Sierra Nevada

Focus of the WIP

The WIP will be a large scale restoration program designed to address a variety of ecosystem health issues in the Sierra Nevada. 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 WIP. Developing and implementing this program in a strategic, integrated and collaborative manner will maximize the investment made and ensure that policy changes are made with a comprehensive understanding of needs.

Because forests link all of these issues, they are the first area of focus for the WIP. The Sierra Nevada Forest and Community Initiative (SNFCI) Action Plan has been developed through a collaborative process and will serve to guide initial actions to restore forest resiliency throughout the Sierra. The needed restoration of our forests includes the thinning and management of forests through both mechanical and prescribed fire treatments.

Key Next Steps

A key next step in the development of the Sierra Nevada WIP is an assessment of needed restoration, costs and impediments developed at a watershed level. The assessment will serve as the basis for an action plan for the watershed, building from and complementing the action identified in the SNFCI action plan. Together these efforts will further identify and refine the scope, scale and cost of ecological restoration of the entire Sierra Nevada Region.

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The SNC and the USFS are organizing a multi-state/federal/local agency effort to work with Regional stakeholders, as well as those outside the Region who are impacted by the watershed's degradation, to develop and implement the WIP. A plan to guide the overall program is being created at a Regional level and collaborative watershed level assessments and plans will be developed to implement the program. Specific metrics will be developed and tracked in order to measure the success of the WIP.

The Sierra Nevada WIP will require significant efforts by many agencies, stakeholders and the public. The challenges to achieving the WIP's objectives are numerous, but at the same time the opportunity to build off of the consensus around the need to act swiftly is substantial. Our failure to seize this opportunity will have implications throughout California for many decades to come.

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Sierra Nevada Watershed Facts

- The amount of area consumed by fire in the Sierra Nevada continues to increase. More land has burned in the first four-and-a-half-years of this decade than in each of seven entire decades in the past.
- Between 1984 and 2010, there was a significant increase in the number of acres within a forest fire burning at high-intensity, from an average of 20% in mid-1980s to over 30% by 2010.
- Not only are wildfires becoming more damaging, they are also becoming more expensive. Suppression costs alone for the 2013 Rim Fire exceeded \$127 million.
- High-intensity burn areas can experience runoff and erosion rates five to ten times greater than low- or moderate-intensity burn areas. The sediment that is carried in the runoff not only degrades water quality and damages infrastructure, it fills reservoirs, reducing storage capacity. These fires can also sterilize the soil making recovery more difficult.
- The 2013 Rim Fire, the largest fire in the recorded history of the Sierra Nevada, burned 257,000 acres, almost 40% of which was at high intensity. Estimates are that that fire produced the same amount of greenhouse gas (GHG) emissions that 2.3 million vehicles produce in a year.
- The majority of mercury-impaired reservoirs are found in central California, many of which store water that comes from Sierra Nevada watersheds. As sedimentation reduces storage capacity, the presence of these toxins significantly complicates restoring capacity.
- A recent study in the Sierra Nevada shows that, historically, many forests were sparse and dominated by large trees that sequestered over 25 percent more carbon than the overgrown, small tree-dominated forests of today.
- Overgrown forests can impede snow from reaching the ground to create snowpack. Managing forests to create openings for snow to accumulate and also maintain adequate shade to protect the snowpack, will become even more important as the amount of snow falling in some parts of the Sierra are predicted to decrease dramatically.
- 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 drinking water.
- Habitat for many species, including listed or proposed-for-listing species such as the California spotted owl, great gray owl, and Pacific fisher, can be drastically altered by large uncharacteristic wildfires. For example, the 2014 King Fire in Eldorado and Placer counties consumed 14 spotted owl Protected Activity Centers (PACs), or areas where the owls are known to roost and nest.

Background

The Sierra Nevada Region has historically suffered from a lack of funding to address its environmental, economic, and community development needs. These needs greatly exceed the resources and scope of the Sierra Nevada Conservancy (SNC) grant program. The Board has recognized this, and directed staff to explore and utilize all potential funding sources that could increase investment in the Region.

Staff has developed a Strategic Funding Initiative to respond to these needs. The goal is to establish systematic strategies to increase funding and resources for the Region's organizations, projects, and initiatives. Specific objectives include:

- Leveraging Proposition 1 Healthy Forest grant funding
- Addressing Regional needs identified through the Sierra Nevada Watershed Improvement Program (WIP)
- Providing funding for SNC priority areas not targeted for Proposition 1 grants
- Increasing SNC's visibility and assistance to the Region

To date, funding assistance provided by staff has included funding consultations with organizations and local governments, dissemination of grant opportunities, and assistance with funding application development. Recent achievements include:

- Proposal development to California Energy Commission resulting in a \$4,965,420 conditional award to construct the North Fork Forest Bioenergy facility
- Proposal assistance to Sierra Institute resulting in \$152,000 in United States Department of Agriculture funding to provide capacity building programs for communities with bioenergy facilities under development
- Assisting several communities in submitting applications for CAL FIRE fuel reduction grants
- Researching grant opportunities for Lake Almanor water trail map project
- Grant application assistance to Bob Powers Gateway Preserve in Kern County

Current Status

The Strategic Funding Initiative includes the following components:

1. Region-wide funding strategies
 - a. Use WIP list of funding needs as focus for obtaining additional funding for the Region. Convene public and private funders and encourage them to invest in the WIP as a regional plan.
 - b. Develop Region-wide partnership for funding development, bringing "leadership organizations" together to develop strategies to respond to grant opportunities.
 - c. Increase leverage of SNC funds by working with applicants to use state funds (SNC and other state funds) as match for federal dollars.
 - d. Track and report out on state investment in the Sierra Nevada Region (from Proposition 84, Proposition 1, Cap & Trade and other sources).

2. Work proactively with state and federal funding agencies, encouraging them to make their grants more Sierra-friendly
 - a. Respond to agencies' grant guidelines that are published for review and encourage interested partners in the Region to provide feedback.
 - b. Identify new grant programs that will be developed from Proposition 1, Cap & Trade, and other funding sources. Meet with the agencies where these programs will be housed to discuss how the grants could meet critical Sierra Nevada regional needs.
 - c. Continue efforts to build relationships with other agencies and educate them about SNC regional needs.
3. Provide more direct assistance to organizations, agencies, and local governments in the Region to help them obtain funding
 - a. Provide funding consultations – nonprofits and agencies in the Region can request Area Representatives to set up conference calls with Funding Team staff to get advice about funding strategies and opportunities aligned with SNC objectives and priorities.
 - b. Help promote partnerships between organizations in the Region to obtain funding.
 - c. Identify 'leadership organizations' with capacity to obtain and manage grants and encourage them to act as Subregional fiscal agents and project managers, as needed and appropriate.
4. Funding opportunity outreach and dissemination
 - a. Improve Funding Opportunities webpage with additional resources (grant calendar, funding research memos, etc.)
 - b. Provide monthly e-newsletter to expanded list.
 - c. Continue to post funding opportunities on SNC social media.
 - d. Provide information to Program staff to pass on to partners in their Region.
5. Grant Writing Assistance
Provide assistance to strategic grants in alignment with SNC's goals and objectives, and WIP priorities. Assistance can range from advice to hands-on application development. Priorities will be set on an on-going basis.
6. Capacity Building: Strengthen organizations' ability to obtain and implement grants
 - a. Identify existing and additional resources for capacity-building (internally and externally). Work with other capacity-building efforts in the Region to coordinate and maximize resources. An example might be to find resources for informational audits, grant writing classes, project management, etc.
 - b. Utilize SNC staff as resources to provide training if appropriate.

7. Evaluation and Reporting
 - a. Send out quarterly surveys with funding newsletter.
 - b. Keep record of technical assistance (TA) sessions, grant writing assistance, etc., on SharePoint.
 - c. Evaluate program effectiveness quarterly.
 - d. Provide regular reports at Board meetings.

Some of these components are already under development and others will be implemented upon Board approval and as resources are available over the next year. A sample Funding Research Summary is attached as an example ([Attachment A](#)).

Next Steps

Upon Board approval, staff will complete the e-newsletter and Web site redesign, continue to produce related materials and programs of value to SNC regional partners, and inform regional organizations about the new services offered. Staff will implement this initiative in a strategic manner and remain responsive to critical needs and opportunities.

Recommendation

Staff recommends that the Board approve the Strategic Funding Initiative and direct staff to take the necessary actions for its successful implementation.

SAMPLE FUNDING RESEARCH MEMO: This sample includes only the Funding Summary Table. Actual Funding Research Memos include additional information about each funding opportunity including types of projects targeted, eligible applicants, and additional information about how to apply.

Funding Research Memo: Parks and Trails
Last Updated February, 2015

CAVEAT – Grant guidelines and deadlines are subject to periodic change. Please note the date this memo was last updated and check the program websites for new information. Most deadlines listed are projected from the last funding round and are particularly unreliable. Check the website!

Funding Summary Table

Grant	Funding Range	Funding Focus	Estimated Deadline	Eligible Costs
CA Dept. of Parks and Recreation Recreational Trails Program	No minimum or maximum. 12% match required	Development of non-motorized trails.	Not until 2016.	Acquisition of easements and fee simple title to property for Recreational Trails or Recreational Trail corridors; Development and rehabilitation of trails, Trailside and Trailhead Facilities; and Construction of new trails.
CA Dept. of Parks and Recreation off-highway vehicle (OHV) grants	Depends on program category. 25% match required	Planning, acquisition, development, maintenance, administration, operation, enforcement, programs, restoration, and conservation of trails, trailheads, areas, and other facilities associated with the use of OHVs.	March	Very broad – all direct costs plus 15% indirect
CA Dept. of Parks and Recreation Habitat Conservation Fund	No grant minimum or maximum. 1:1 local or private non-state match required.	Several categories of programs, including Trails and Wildlife Area activities.	October 1	Funding is for land acquisition, trail development, interpretive and educational activities.

Grant	Funding Range	Funding Focus	Estimated Deadline	Eligible Costs
CA Dept. of Parks and Recreation Land and Water Conservation Fund	Grants up to \$2 million. 1:1 non-federal match required.	Acquisition or development of outdoor recreation areas and facilities.	February	Can fund acquisition or development projects but not both.
Environmental Enhancement Mitigation Program	Up to \$500,000 (\$1 million for acquisition). Match not required but encouraged.	Urban forestry; Resource lands; Additional mitigation of transportation projects.	June	Direct project related costs (acquisition, restoration, or development) incurred during the project performance period. Indirect costs and costs incurred outside of the project performance period will not be reimbursed.
National Park Service Rivers and Trails Conservation Assistance	No funding provided, technical assistance only.	Development of parks, trails, access to rivers, and other special places	August 1	Will provide staff assistance in form of planning, facilitation, design, etc.
CA State Parks Foundation	\$500 - \$10,000 for Park Enrichment grants and \$2,500 to \$50,000 for Park Partnership grants.	Celebrate Heritage, Welcome Visitors, Teach Californians, Safeguard Resources, and Connect Individuals, Organizations, and Partners.	Three times per year	Services and amenities for visitors, transit initiatives, park interpretation and educational materials, preservation of historical/cultural artifacts, volunteer training, trail improvements, etc. Park Partnership grants support operating funds and other expenses of groups that have taken over State Park operations.
National Park Foundation	Capacity building grants: \$5,000. 1:1 match. Impact grants up to \$25,000.	"Friends of" organizations focused on national parks.	August 1	Capacity-building for "Friends of" national parks groups, including strategic planning, development planning and/or consultant work, brand development, website revision, marketing and communications planning, or mailings and acquisitions.
American Hiking Society National Trails Fund	Up to \$5,000.	Improve hiking access or hiker safety on trails	Mid-December	Volunteers, access, tools for trail development.
PG&E Foundation	Usually below \$5,000 but there are exceptions	Programs designed to promote energy sustainability, environmental conservation,	Open Feb through Sept.	No specific limitations.

Grant	Funding Range	Funding Focus	Estimated Deadline	Eligible Costs
		and stewardship of land and resources.		
Community Foundations	Various – follow the link to the League of California Community Foundation website. They maintain a list of community foundations. Contact your local community foundation for more information.			