

**Board Meeting Minutes
March 7-8, 2012
Red Bluff Community/Senior Center
1500 South Jackson Street
Red Bluff, CA 96080**



I. Call to Order

Board Chair Kirwan called the meeting to order at 9:05 AM.

II. Swearing in of New Boardmembers (ACTION)

Deputy Attorney General Christine Sproul administered the oath of office to incoming Boardmembers Lee Stetson and Nancy Haug. Stetson and Haug both said they were very happy to be a part of the Board.

III. Roll Call

Present: Nancy Haug, John Brissenden, Todd Ferrara, Bob Kirkwood, Brain Dahle, Bill Nunes, BJ Kirwan, Linda Arcularius, Tom Wheeler, Ted Owens, Lee Stetson, David Graber, Mike Chapel

Absent: Bob Johnston

IV. Approval of December 8, 2011 Meeting Minutes (ACTION)

There were no changes to the meeting minutes.

Action: Boardmember Kirkwood moved and Boardmember Wheeler seconded a motion to approve the December 8, 2011 Meeting Minutes. Boardmember Owens abstained from voting. The motion passed unanimously.

V. Public Comments

Ron Warner, Tehama County Supervisor, welcomed and thanked the Board for coming to Red Bluff.

VI. Board Chair's Report

Board Chair Kirwan announced Boardmember Jiron, has moved on to the Rocky Mountain Forest, thanking him for his service and wishing him success in his future endeavors.

VII. Executive Officer's Report (INFORMATIONAL)

a. Administrative Update

SNC Executive Officer Jim Branham pointed out to the Board the SNC is nearing the end of its bond-funded phase for projects, and will be looking for new sources of funding to carry out its programs. The SNC will also continue to evaluate the ways in which it carries out its mission without the availability of bond funds and will be bringing forward staff proposals to the Board in the future.

Staff Report: SNC Administrative Services Chief Theresa Parsley reported the SNC's new Web site, which uses the latest State approved template, is up and

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running. She credited SNC Senior IT Analyst David Madrigal and the web migration team for a job well done.

Parsley updated the Board on the status of the grant projects awarded by the SNC in the 2007-08 grant round. She said 146 projects were awarded and 66 have been completed and closed out. These represent \$7 million (a little more than 40 percent) of the \$17 million awarded from that grant round. There were 12 short extensions granted, worth about \$1.8 million, and four projects were terminated. The final 63 projects from the 2007-08 grant round were just recently closed (as of March 1), and the SNC expects to be receiving final reports for final payouts on those projects very soon. Final totals will be available at the SNC's June Board meeting.

b. Mt. Whitney Fish Hatchery Report

Branham said the SNC is continuing to work with the California Department of Fish and Game (DFG) and Inyo County regarding the future of the facility. There are still some unanswered questions about what role, if any, there will be for SNC. Branham said the June Board meeting in nearby Lone Pine may provide an opportunity for the Board to visit the facility, which Inyo County wants to see maintained as a community resource.

Boardmember Arcularius said the former fish hatchery is a special place with great interest and historical value, and that it hosts a number of important community events each year. She thanked Branham for facilitating discussion with DFG and Inyo County.

c. Board Receptions Policy

As mentioned at the last meeting, SNC is proposing a policy to the Board to document guidelines for the Board's public receptions, held the evening before each Board meeting. The intent of the policy is to be clear and transparent about who sponsors these events and to make sure everyone understands there is no connection between sponsorship and any action by the Board. The proposed policy would eliminate sponsors who have a grant application being reviewed or considered at the time of sponsorship. Branham thanked Mill Creek Conservancy for its role in sponsoring the previous night's reception.

Action: Boardmember Kirkwood moved and Boardmember Stetson seconded a motion to approve the Receptions Policy. The motion passed unanimously.

d. North Central Subregion Report

Mt. Lassen Area Representative Chris Dallas presented an overview of the North Central Subregion. This Subregion includes all of Plumas and Sierra Counties as well as the eastern portions of Butte and Tehama Counties. Fifty percent of

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the land is publicly owned, mostly managed by the U.S. Forest Service. The Subregion has about 89,000 residents.

In the last grant round the Subregion was awarded five grants for \$1.76 million dollars. To date, the SNC has awarded 41 grants in this Subregion for \$11.25 million. Reducing overstocked fire fuels continues to be one of the biggest issues facing the Subregion, and this is reflected in the grants awarded.

The Subregion has a great deal of working landscapes. Approximately 109,000 acres in Plumas and Sierra Counties alone are under Williamson Act contracts. Loss of State funding for these contracts is a hardship in the Subregion.

Boardmember Dahle commented that there have been two biomass plants in this area, which have shut down, and two more are awaiting contract verification from Public Utilities Commission (PUC). The Lassen County Board of Supervisors has sent a letter to the PUC urging approval, because if those two plants do not come on line, there will be no place to take woody biomass from fuel reduction activities in the forest. Dahle noted that once a biomass plant closes the process to get it back up and running can be quite difficult.

Boardmember Arcularius said she recently attended a meeting of the National Association of Counties in Washington D.C., and the message is clear from federal partners that a need for more biomass facilities exists. She said that to see biomass plants get this far along in the permitting process and then be held up by PUC would be a real disservice.

Boardmember Wheeler stated Madera County has been working for over 10 years to get a biomass plant established on the former North Fork mill site. Since the mill was shut down in 1993, Wheeler said the undergrowth in the forest has grown to dangerous levels. He emphasized the importance of biomass facilities in reducing the threat of wildfire. He asked whether the Board should take any action on the Lassen County projects; general consensus was the issue is moving forward but if there were still a need, SNC could submit a letter of support.

Branham introduced Laurie Wayburn with Pacific Forest Trust (PFT), which has launched an initiative in the Klamath-Cascade area that is complementary to the SNC's SNFCI initiative. Wayburn thanked SNC for its work in the Region and pointed out that it often takes synergy between groups to accomplish big things. She noted that the Klamath/Cascade region of the state is a primary watershed for California. She said PFT is helping to provide an identity for the area so decision-makers can better understand the benefits of the region and take action to protect them.

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Wayburn said PFT works to ensure the future of the area to sustain economy, ecology, and people. She said this is the most bio-diverse conifer forest in the world. While the timber industry was once the backbone of the economy, it is no longer in a vibrant or resilient condition, nor is the forest. Since the public owns 50 percent of the land, the public/private collaboration is critical in working on a large “landscape” level with forest management projects. Wayburn provided a comprehensive overview of PFT’s initiative.

Boardmember Kirkwood asked about the focus of AB 32 and whether emission reductions were still limited to activities on private lands. Wayburn responded that the rules are not clear yet. Emission reductions do not include actions on federal lands for purposes of the offset market; but rules governing the expenditure of funds created through the cap and trade program have not been finalized yet.

Boardmember Dahle said that help is needed with the Legislature because the permitting process for a five-megawatt plant is just as difficult as for a 40 megawatt plant, and the private sector won’t take the investment risk unless fuel sources can be guaranteed for 20 years. Dahle added the need exists to make the connection—in the eye of the public—between the upper watershed areas that fill the dams, and the downstream users—and to educate people that fire is the number one threat to our watersheds, water yield, and our air quality. He said the Sierra needs a continuous source of funding, that many pieces of this puzzle are coming together, and the SNC can act as a conduit.

Boardmember Owens asked what it would take to benchmark the jobs created, and the impact to the local economy.

Wayburn said it is hard to be precise, but looking at changes in job categories and modeling outcomes over time is the key. She said no one wants to repeat the pattern of boom and bust job cycles. But by creating power locally, the jobs stay closer to home and more in the local community’s control.

Boardmember Arcularius said it is important to analyze the health care and social assistance issues because during the collapse of the timber industry, those factors have been affected the most, and have not recovered.

VIII. Deputy Attorney General’s Report (INFORMATIONAL)

Deputy Attorney General Christine Sproul reminded the new Boardmembers to file a form 700, Statement of Economic Interest within 30 days. She also reminded staff that their Form 700 updates are due, and that bi-annual ethics training should be completed at this time.

IX. 2012-13 Action Plan (ACTION)

Assistant Executive Officer Joan Keegan presented the FY 2012-13 Action Plan. Keegan noted, a lot of input was sought through meetings with stakeholders and internal resource planning has been done to evaluate workload and priorities.

Keegan referred to the staff report outlining the projects and initiatives in the Action Plan. Some of the new initiatives include:

- The SNC's role with the State Water Plan, including support for IRWMPs;
- Regional Agriculture and Ranching Initiative, which will initially focus on the upcoming grant program;
- Identifying gaps in research; and ,
- Grazing on federal land.

Boardmember Arcularius said the grazing issues on federal lands are key in maintaining the economic viability of working ranches.

Keegan said many of these activities involve working with a consultant to help identify the funding sources that are available.

Action: Boardmember Wheeler moved and Boardmember Kirkwood seconded a motion to approve the 2012-13 Action Plan. The motion passed unanimously.

X. 2011-12 Health Forests Grant Program Update (ACTION)

Branham said the struggle continues with some of the CEQA issues, in particular for the federal agency partners, and some good projects had to be eliminated as a result. He said Boardmember Chapel has agreed to pull together a team of federal partners to work with Deputy Attorney General Sproul on developing some solutions.

Branham said this grant round focused on projects to create healthy forests. He reminded the Board this grant round did not have a guaranteed pot of money for each Subregion.

Mt. Lassen Area Manager, Bob Kingman reported 122 applications were received. Noting more Category One applications, than Category Two, with a total of \$17.2 million requested throughout the Region.

Kingman requested Board action on the following recommendations related to processing this grant round:

- Request approval to increase the allocation for the FY 2011-12 Healthy Forests grant program from \$5 to \$7 million, money made available from unused funds out of the FY 2007-08 grants close-outs.
- Based on the high volume of applications received, the SNC recommends sequencing the awards to allow more time for staff review. Under this

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recommendation, SNC would bring forward \$5 million in Category 1 projects for the Board's approval at the June board meeting, and if necessary, bring the remaining \$2 million in projects to the Board for approval at the September Board meeting.

- Formal establishment of the SNC Board grant review subcommittees.

Action: Boardmember Kirkwood moved and Boardmember Nunes seconded a motion to approve staff recommended changes to the 2011-12 Healthy Forests Grant Program. The motion passed unanimously.

XI. 2012-13 Proposition 84 Grant Guidelines (INFORMATIONAL)

Branham thanked Mt. Whitney Area manager Julie Bear for her work as the lead on developing the 2012-13 Grant Guidelines, which cover the second year of a two-year program for distributing the SNC's remaining Proposition 84 funds. The guidelines are now out for public review until April 6. They will come before the Board at the June meeting for approval. He said there would likely be at least \$5 million available for the next round of Proposition 84 Grants, which will focus on agricultural and ranch land. All SNC program staff will be working on outreach efforts with partners in the Region, as there has not been as strong participation in SNC grant programs from the ranching and agricultural community as some others.

Branham noted a few clarifications that will be incorporated into the 2012-13 guidelines, including the fact that, according to Prop. 84 rules, grant dollars can be spent on private land so long as there is a demonstrated public benefit.

Boardmember Arcularius asked if work could be done on leased property, stating that this is huge issue in the Eastern Sierra. Branham said he believed that was allowable, but would research that question further and let the Board know if this was not the case.

Boardmember Kirkwood asked about the nexus between restoration of meadows and grazing, suggesting that it might not be clear in the guidelines. Branham said staff will review definitions to be sure it is clear.

On the issue of CEQA vs. NEPA compliance, Branham said the guidelines attempt to further clarify that if a project is "categorically exempt" under CEQA or is not a project under CEQA, then the SNC can serve as the lead agency. The SNC cannot serve as the lead agency under the current program for those projects that require further documentation.

Boardmember Graber asked what level of technical review is used so that the SNC knows if what is proposed by a project is actually possible. Branham explained SNC brings together subject matter technical experts based on the focus area. For example, we have a number of registered professional foresters who are now looking at proposed projects for this year's healthy forests program, and we are

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always looking for recommendations on more evaluators. He welcomed any additional thoughts and suggestions by the Board, either directly or through the public comment period.

XII. Updates on Various SNC Activities (INFORMATIONAL)

a. Sierra Nevada Forest and Community Initiative

Branham said the SNFCI Coordinating Council work is continuing and everyone is getting a better feel on how that Coordinating Council can add value. A working group from the Coordinating Council met with the U.S. Forest Service (USFS) recently to collaborate on the Regional Forester's "Leadership Intent for Ecological Restoration" plan.

The SNC is also looking at developing criteria and then selecting some successful demonstration projects to show what progress looks like on the ground. The hope is to resolve issues like the NEPA-CEQA crosswalk, longer term stewardship contracts, and get a better understanding of the socioeconomic predicaments in which the Sierra Counties find themselves.

Boardmember Wheeler said Madera County has four projects that are SNFCI related; Willow Creek, Whiskey Creek, Dinkey Creek, and North Fork Biomass projects. They are also working with the USFS on the NEPA-CEQA issues.

Boardmember Arcularius stated she is on the Design Team for the State Water Plan representing the Lahontan District, and would like to be of service to Kerri Timmer and the SNC's work on the Water Plan.

Branham noted that the USFS recently awarded its Collaborative Forest Landscape Restoration Act (CFLRA) funding and two of the 10 project selected for funding were in the Sierra Nevada: The Amador-Calaveras Consensus Group and the Burney-Hat Creek Collaborative in Lassen County. Branham said these collaborative efforts and others like may be small in scale, but they demonstrate a positive model for something more sustainable funding over time. Branham thanked the SNC's Kim Carr, Brandon Sanders and Mark Stanley for their work with these collaborative groups.

The ACCG has approached the SNC about a possible role in developing a master stewardship agreement with their CFLRA grant. The SNC is also assisting the North Fork collaborative in a variety of ways.

b. Sierra Nevada Geotourism MapGuide Project Update

SNC Mt. Lassen Area Representative Lynn Campbell updated the Board on the completion of the project, which is a partnership between the Sierra Business Council, SNC and National Geographic.

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She handed out copies of the Sierra Nevada map, and demonstrated the online version of Sierra MapGuide. The mobile phone “app” is nearly developed for Android and I-Phone devices. If desired, the app will track the user’s location, providing notifications and access to the MapGuide as they travel. Campbell pointed out that the points of interest on the MapGuide are uploaded by the local residents themselves. The Sierra Nevada Geotourism project is also linked to others that National Geographic has completed, so that persons interested in this type of travel will have more opportunities available to them.

Campbell said the SNC has presented information on the project to all 22 counties, and has been enthusiastically supported. In addition, there are some 70 partners providing support. There are now more than 1,300 destination pages on the Web site.

Campbell said a celebration event for the completion of the MapGuide will be held at the California Railroad Museum in Old Town Sacramento on May 18.

Boardmember Graber asked if more points of interest can be added to the Web site, and Campbell said yes, more are being added all the time, including all 247 historical landmarks.

c. Pacific Forest and Watershed Lands Stewardship Council Update

SNC Mt. Lassen Senior Area Representative Linda Hansen said progress is being made with PG&E Stewardship Council staff on the Memorandum of Understanding (MOU) for working with the SNC. Hansen said she is working on three fronts:

- Christine Sproul and SNC attorney John Gussman are working on the legal aspects of the conservation covenant piece with the attorneys from the US Forest Service and the Stewardship Council.
- The Scope of Work for the “third-party” role that the SNC might play is just about completed and will come back to the Board for approval in June.
- The third area still being looked at is finding a way for the Council to fund the SNC in its role. Department of Finance is suggesting that a reimbursement process is the best way in the long term, so the Council is working on developing a “trustee” to handle those funds.

The last item is a potential amendment to the MOU. The amendment will address SNC’s third party roles on PG&E held lands and a new task of completing a Plan to Monitor the Effectiveness of PG&E’s LCCP. Hansen is working with the Stewardship Council to put together a Scope of Work to prepare a plan to monitor the impacts and benefits of PG&E’s land conservation plan.

Hansen said the next steps are to continue to finalize these items with the Council and update the MOU as needed, and then present these changes to the Board in June.

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Boardmember Ferrara said that PG&E has to keep some of the lands due to Federal Energy Regulatory Commission (FERC) responsibilities, and some other parcels have generated no interest from potential donees. Therefore, it is looking like it is more appropriate for PG&E to retain these parcels of land. Branham said it was a complex matter involving the Public Utilities Commission, the courts, PG&E and FERC, and several issues were still unclear relative to land values and outcomes from the court settlement.

XIII. Boardmembers' Comments

There were no comments from the Board.

XIV. Public Comments

There were no comments from the Public.

XV. Adjournment

Board Chair Kirwan adjourned the meeting at 11:34AM.