



I. Call to Order

Board Chair BJ Kirwan called the meeting to order at 9:10 a.m. and asked Deputy Attorney General Christine Sproul to administer the oath of office to incoming Boardmembers Bernie Gyant from the U.S. Forest Service, and Este Stifel from the U.S. Bureau of Land Management.

II. Roll Call

Present: Todd Ferrara, Bob Kirkwood, BJ Kirwan, Bob Johnston, John Brissenden, Bill Nunes, Linda Arcularius, Lee Stetson, Bernie Gyant, Este Stifel, and Karen Taylor-Goodrich

Absent: Pedro Reyes, Brian Dahle, Ted Owens, and Tom Wheeler.

III. Approval of June 7, 2012 Meeting Minutes (ACTION)

There were no changes to the meeting minutes.

Action: Boardmember Kirkwood moved and Boardmember Arcularius seconded a motion to approve the June 7, 2012 meeting minutes. Boardmember Brissenden abstained from voting. The motion passed unanimously.

IV. Public Comments

Mariposa County Supervisor Kevin Cann welcomed the Board to Mariposa County and thanked the Sierra Nevada Conservancy (SNC) for the outstanding staff located in the Mariposa office. He added that the county was successful in applying for an \$826,000 planning grant for the Mariposa County IRWIMP process, and said they would not have been successful without the work of SNC grant writer Elissa Brown.

Glenn Franklin, President of the Mariposa Resource Conservation District, thanked the Board for the successful projects made possible by the SNC, and thanked SNC staff Kim Carr and Elissa Brown.

Ann Lombardo, representative of the Sierra Nevada Adaptive Management Project urged the Board to learn more about the damaging effects of marijuana growing operations on the Pacific fisher and the Sierra ecosystem. She said the growers' efforts to poison rodents near these plantations have caused the death of several Sierra species.

V. Board Chair's Report

Board Chair Kirwan pointed out that that Agenda Item VIII is very important to the future of the SNC in the "post grant award" phase of the SNC, and encouraged Boardmember comments and engagement on that issue.

VI. Executive Officer's Report (INFORMATIONAL)

The SNC Executive Officer Jim Branham prefaced his report by welcoming the new Boardmembers and said he is looking forward to working with both of them.

Branham said that despite the challenging fiscal times, the SNC team remains positive and diligent in its work. Branham also mentioned that staff would be bringing a proposed meeting schedule for the Board in December and that staff will likely propose the March meeting be held in Sacramento. He said that this not only provides an opportunity for the SNC to raise the profile of the Sierra in Sacramento, but it can also be difficult to find suitable places to meet within the Region in March due to weather and snow conditions.

a. Administrative Update

Administrative Chief Theresa Parsley said the SNC is dealing with the loss of its students, and the impending loss of its Retired Annuitants, whose experience she said would be very difficult to do without. The SNC continues to deal with the loss of 5 percent of its permanent staff time to furloughs. She added the SNC is hoping to get some relief through the creation of limited term and permanent intermittent positions, and is waiting to hear more from the Department of Human Resources.

Parsley said the SNC has been requested by the California Department of Finance to participate in the statewide "special funds" audit and has submitted information to respond to that request. In addition, a contracts and procurement operations manual has been compiled to document process and procedures in this area. A grant operations manual is now being created to capture and document the knowledge the SNC has gained, and to ensure the fiscal controls are in place for the next round of grant dollars.

b. 2012-13 Preservation of Ranches and Agricultural Lands Grant Program Update

Branham reported that the full applications for this \$5 million grant round are due in October, and that \$17 million worth of projects have been invited to apply after determining they are eligible based on their pre-applications. The SNC Staff is working hard to help applicants comply with California Environmental Quality Act (CEQA) requirements. He added there is good representation of applicants across the SNC's Subregions. Final recommendations will be brought before the Board for approval in March.

Branham noted that there have been some spirited discussions about acquisitions and easements in prior Board meetings, and wanted to alert the Board there are a number of those types of projects among the applications.

Boardmember Kirkwood noted that grant applicants, whose proposed projects are intended to improve the environment, are getting caught up in CEQA requirements. He asked if the SNC or the Natural Resources Agency would be involved in discussions regarding legislative changes to CEQA.

Branham indicated that the SNC would be pursuing process improvements related to CEQA. Boardmember Ferrara said there will be a refined effort in the next legislative session to look at CEQA issues, and the Natural Resources Agency would be involved and would work with the departments under its jurisdiction to get input.

c. South Central Subregion Report

The SNC Mt. Whitney Area Manager Julie Bear introduced Rebecca Miller-Cripps with UC Cooperative Natural, Resources Program, Sonora Office, who gave a presentation on the organization's study of non-native invasive plant species. She said her group is actively trying to engage the public on this issue, and is working to provide tools for monitoring and control. She said temperatures are rising faster at higher elevations and therefore weeds are going to find more opportunities to pollinate. She noted that large sites of invasives often get addressed but expressed concern over smaller sites and the clear trail of invasives that backpackers and tourists create when the weeds are carried in hiking boots, tennis shoes and tire treads. Miller-Cripps said the group is thinking about organizing an annual Sierra-wide "weed out" day in the model of the successful Great Sierra River Cleanup – a great example of "citizen science."

Garrett Dickman, Biologist for National Park Service, El Portal Office, said he is working on a volunteer program to include "citizen scientists" within Yosemite National Park to help combat the invasive weed problem. He said that with the help of Cal Flora, a smart phone application is being developed so that invasive, non-native plants can be identified and recorded via GPS technology.

d. Fund Development

Branham mentioned the work the SNC has done in helping collaborative organizations receive federal and other funding for projects. Branham thanked SNC staff member Brandon Sanders for the important role he played in helping the Amador-Calaveras Consensus Group receive funding from the federal Collaborative Forest Landscape Restoration Act earlier this year. He noted the SNC continues to pursue additional funding opportunities for the Sierra Nevada Region, focusing on its successes.

VII. Deputy Attorney General's Report (INFORMATIONAL)

Deputy Attorney General Sproul said that a number of bills were introduced in the last legislative session that would have made substantial changes to CEQA had they passed. Sproul said CEQA reform efforts are expected to continue in the next session. She said the California Supreme Court remains very interested in CEQA with respect to issues of public access to information and public input. She added that she continues to work with SNC Staff to carefully review all grant applications to ensure that CEQA requirements are appropriately applied. Sproul confirmed the value of the public process, especially in exemptions, noting the process is ultimately beneficial for projects because exemptions that are challenged are more likely to be sustained.

VIII. Discussion on Organization of SNC Activities (INFORMATIONAL)

Branham said things have unfolded positively for the SNC since its inception. He said the Proposition 84 Grant Program has been very successful and has helped the SNC achieve its mission in the Sierra Nevada. With the end of the funding for this program in sight, the SNC is identifying the types of activities it will continue, using its base budget, including involvement with forest collaborative organizations and other opportunities where it may have a chance to engage in solutions in the Region.

Assistant Executive Officer Joan Keegan said that because of its broad mission and variety of statutory program areas and mandates, the SNC would have many ways in which it can add value to the Region. In thinking about life after the grant program, and how the SNC aligns itself with its statute, she said the SNC has grouped potential activities under seven primary program areas, with only one of them related to grants. Keegan said these are not related to the seven subject matter focused program goals in the enabling legislation; rather, these are seven types of activities the SNC is authorized to perform on behalf of the Region:

1. Policy Development Program (State and Federal)
2. Education and Advocacy Program
3. Region-wide Projects Program
4. Grant Program
5. Collaborative Planning Program
6. Technical and Other Assistance Program
7. Research and Monitoring Program

Keegan said that the seven activity types align well with the SNC Strategic Plan focus areas and the SNC Action Plan, as well. She said these activity types are another way for the SNC to look at how it budgets and spends its resources, and the Board will be hearing more on these in the future.

At Boardmember Kirkwood's suggestion, Keegan agreed to add the System Indicators Project to the education and advocacy section as well as research. Boardmember Arcularius asked if a cross reference could be created with the seven legislatively mandated program areas to track how well the SNC is doing in meeting its goal of equitable distribution of services and assistance across program areas.

Keegan said that could be done, and asked to follow up with Arcularius on her suggestion.

Boardmember Ferrara asked how funding challenges would impact the program areas.

Keegan pointed out that with the exception of the grant program, virtually all the SNC's work is funded through its base budget. However, there are ongoing efforts to partner with other organizations and to creatively look for opportunities to bring in funding. She added that describing the SNC activities in this way will help in future discussions with control agencies like the Department of Finance to ensure continued funding.

IX. 2011-12 Proposition 84 Grant Awards – Phase II (ACTION)

The Board was presented with the second phase of grant awards for the 2011-12 Proposition 84 Healthy Forests Grant Program. Branham reminded the Board that approximately \$4.5 million was awarded in June; and, if approved, the remaining high value projects recommended today would bring the total to the \$7 million previously authorized by the Board for award in this year's program.

Branham further explained that because of some outstanding appraisal issues on one of the recommended projects – through no fault of the applicant – staff would be requesting a conditional award on that project (#489 – Campstool) to allow more time for resolution. Staff is also asking for conditional awards on a separate list of additional projects that would be in line to backfill if the Campstool Project falls through.

Parsley presented a summary of the staff recommendations to authorize approximately \$2.5 million for 25 projects, including project #489 (Campstool) to be conditionally approved pending resolution of the appraisal questions with the Department of General Services by November 1. If that deadline was not met, the SNC would award the other four projects recommended.

Action: Boardmember Nunes moved and Boardmember Stetson seconded a motion to adopt necessary California Environmental Quality Act (CEQA) findings and authorize the Executive Officer to file Notice(s) of Determination for projects approved or conditionally approved; authorize the grants listed in Agenda Item IX, Exhibit A, including

conditional authorization of project 489-Campstool Ranch and Working Forests, pending final appraisal approval; conditionally authorize projects 502- Blacksmith Ecological Restoration Project, 519-Leek Springs Meadow Restoration - Baseline Monitoring, Assessment and Restoration Plan, 523- Maidu Meadow Restoration and Riparian Enhancements South Fork Wolf Creek, and 616- Mt. Ralston Community Defense Zone, with direction that these projects be funded only if project 489-Campstool Ranch and Working Forests, does not obtain appraisal approval prior to November 1; and, the Board authorizes staff to enter into the necessary agreements for the recommended projects and direct staff to file the appropriate CEQA documentation with the State Clearinghouse. The motion passed unanimously.

Boardmember Arcularius asked about the equitable distribution of project awards across Subregions, noting that there were no projects proposed for East Subregion.

Branham clarified that the Board did not direct a specific allocation of funds for each Subregion for this grant round, but staff did consider the matter when making recommendations.

Public comment:

Connie Best, Pacific Forest Trust, thanked the Board for its consideration of awarding a grant to project #489, Campstool Ranch in Calaveras County, one of the last working ranches of its kind in eastern Calaveras. She added that the project not only protects vegetation, timber, mining and habitat resources on the ranch itself, but it also provides a permanent anchor for the local economy that builds on 30 years of active management, stewardship and investment by the landowners and partners.

X. Mokelumne Avoided Cost Analysis (INFORMATIONAL)

Sustainable Initiatives Coordinator, Kim Carr gave an update on work that is occurring as part of the Mokelumne Environmental Benefits Project.

She noted that partners include the U.S. Forest Service (USFS), Bureau of Land Management (BLM), East Bay Municipal Utility District (EBMUD), Pacific Gas and Electric (PG&E), The Nature Conservancy, Sustainable Conservation, Environmental Defense Fund and local stakeholders.

Carr said the purpose of the project is to quantify and track environmental improvements when landowners choose to restore their lands so a value can be ascribed to the work. With this information, priorities can be set to determine the best places to invest and to attract investment for treatments as a part of a

broader ecosystem marketplace. She added that the ecosystem marketplace effort will initially focus on the lower watershed.

As an extension of this effort, Carr said that it was decided that an “avoided cost analysis” was needed for the upper watershed because it is so different from the valley. She added that trying to figure out how to manage a project with so many potentially impacted entities opened up a lot of opportunities. SNC is leading the avoided cost analysis, which is expected to be completed in early 2013. She added that the primary focus in this phase of the avoided cost analysis is water and hydropower, and EBMUD and PG&E are key partners.

In citing the example of the investment the City of Denver made in its upper watershed after two major fires, Carr said that the Mokelumne Watershed Project is being carried out to demonstrate how fire and any resulting sediment damage may be avoided by getting ahead of the fire risk through investment from those benefitting from the ecosystem services. She said the Denver water district educated its ratepayers, received support, and raised rates \$6.50 per household per year.

Carr introduced Rick Leong, a watershed analyst for EBMUD. Leong said approximately 90 percent of the water EBMUD customers receive comes from the Mokelumne River. He said EBMUD’s main interest is the potential mass movement of sedimentation within the system following a major fire. He said EBMUD has done a lot of collaborative work in the lower Mokelumne Watershed for many years to protect the ecosystem.

Boardmember Brissenden asked Leong if he had conducted any analysis among their ratepayers to see if they would be willing to support the technical assistance work being done by the SNC in the watershed.

Leong said some education still needs to take place, but he feels that the data from the project will help in this area.

Brissenden asked if the SNC could participate in the survey and educational efforts.

Leong said he felt that kind of collaboration would be essential.

Boardmember Johnston said there have been studies that show the public is ready and willing to pay a small amount of money to pay for the services provided by the ecosystem, and cited the effort to save Mono Lake as an example. He said residents in Truckee have also shown a great willingness to expand the definition of an airport district by purchasing land around the airport to avoid the cost of accidents in the future.

Board Meeting Minutes

September 5 - 6, 2012

Page 8

Carr said that there are numerous ecosystem services in the Mokelumne Watershed, but due to a limited amount of time and money, the project will first hone in on water and power issues.

Boardmember Kirkwood said that increasing the capacity of the dams by increasing the storage in the watershed is a capital investment. Leong said he agreed.

Kirkwood said that PG&E should not only consider the cost of replacing power lines but also the millions of dollars they have invested in hydropower turbines and the potential damage to these from sediment.

Boardmember Gyant suggested that communications should be very clear; and that people will respond to and understand the importance of water quality and quantity.

SNC's Sustainable Initiatives Assistant, Nic Enstice, has been working on the project, and gave an overview of the threat of high fire risk areas across the watershed, saying it was nearly all in the medium-to-high risk category. He also reported on insects, such as bark beetles, and how they increase fire severity by reducing forest resilience, and how landslides and sediment could potentially impact ecosystem services and watershed infrastructure. He said the data that results from this analysis will help determine where treatment should take place to avoid a variety of potential costs.

Carr reported that the bulk of the work done to date has been "in-kind," valued at about \$670,000. An additional amount of approximately \$217,000 has been provided by the USFS, The Nature Conservancy and the SNC. She added that Region 5 of the USFS has provided hydrologists, water quality specialists, and information managers. Carr said there is a Request for Proposal out to hire a Project Manager to help integrate the modeling results and to make recommendations as part of this analysis.

Boardmember Arcularius asked for a definition of "treatment." Carr said that refers mostly to forest treatment and fuel reduction to remove mostly the small, dense, brushy material out of the forest to reduce the fire risk but these projects may involve removing some trees with market value.

Boardmember Gyant (Deputy Regional Forester with the USFS) said there are a number of issues that should be looked at. Utilities, Sierra Pacific Industries, and water districts, should be at the table. He added that putting people back to work in these rural communities is also important. He said the "no action" alternative does not work...not for the economy, the water or the protection of species.

XI. Air and Water Quality and Climate System Indicators Report (ACTION)

Keegan said it has been a long road developing this project. The Board approved a set of 19 System Indicators a few years ago and it has taken this amount of time to collect data that accurately reflects the SNC area. This work will set a baseline for conditions in the Sierra related to the SNC's statutory program areas, track whether the conditions are getting better or worse, and inform some decisions about the SNC's strategic planning and investment.

She introduced and thanked SNC staff member, Chris Dallas, for compiling the data and analysis for the report.

Dallas pointed out a few highlights from the three areas of the report:

- **Water Quality:** Using data and GIS information, the report ties together for the first time an overview of the extent and location of impaired water bodies in the Sierra. Pollutants such as legacy mercury, temperature screens and pathogens are included in the report. Mercury has been identified in 535 miles of rivers and streams. It may also be in many other rivers. Spring snow pack has declined in the past 25 years. Dallas added that precipitation levels continue to fluctuate.
- **Air Quality:** In general, ozone is blown into the Region from more populated areas in the valley, but the levels are down, just as they are around the rest of the state. The larger particulate pollution in the Sierra Nevada is dust from dirt roads, as well as soot from fires of all sorts.
- **Temperature:** The daytime highs are generally increasing at higher elevations. Of particular note, the nighttime lows are increasing even more at all elevations.

Boardmember Arcularius asked how many miles of stream and rivers, in total, are in the Region? She further added that she suspected that there were many more healthy rivers and streams than unhealthy ones.

Dallas responded that the data used for this report did not contain information about total miles of streams present, but that he would look into the question.

Boardmember Arcularius said that if smaller healthy streams, particularly on agricultural lands, were not counted in the data, that there is a lot of good stewardship occurring around these smaller streams. She also thanked Dallas and said that his work will have an impact on how people plan their everyday activities.

Boardmember Stifel asked if this report was a snapshot in time, and how it would be incorporated into the work the SNC does. Dallas said the purpose is to continue to collect data over a period of time and update the report periodically.

Keegan said the SNC is already seeing opportunities to include this information in some of the educational materials when advocating for resources to policy makers.

Action: Boardmember Kirkwood moved and Boardmember Brissenden seconded a motion to approve the third System Indicators Report. The motion passed unanimously.

XII. Updates on Various SNC Activities

Branham reminded the Board of the upcoming 4th annual Great Sierra River Cleanup and invited them to attend one of the 100 event sites in the Sierra.

a. California State Water Plan

Kerri Timmer, SNC Regional Policy and Program Manager, updated the Board on two statewide water efforts. The first is the Department of Water Resources (DWR) California Water Plan (Update 2013), which has been around for many years, but has increasingly become an important document for both decision-makers and water managers. The other water effort is the Delta Plan. The SNC's focus for involvement in both of these efforts is to articulate the importance of the Sierra to the rest of the state and to ensure the Region is represented and recognized as well as to justify the need for more investment in the upper watersheds to maintain the many benefits they provide.

Within the California Water Plan, the SNC is leading the development of a regional report called the Mountain Counties Overlay. This will be in addition to the main body of the Water Plan. Regional reports are designed to address management issues that cross over the hydrologic region boundaries and that are of statewide significance. This is one of 12 regional reports within the Water Plan. It will report on current conditions in the mountain counties, as well as the challenges, strategies and actions to address those conditions.

Timmer thanked Angela Avery who has been working with consultant Walter Clevenger to develop the content, and to gain input from stakeholders.

The report will go to a review team, with representatives from a variety of interests in the Sierra, set up and staffed by DWR. Another regional forum will be held in the spring for public input. The final Water Plan Update, including the regional reports, should move forward to the Governor by the end of next year.

Timmer said the most exciting thing about this project is the opportunity to be working with other agencies on these issues, and that the SNC Strategic Plan

is one of the featured plans chosen to be highlighted, which means our goals and objectives will be taken into consideration by the other agencies as they plan for their own activities.

Boardmember Kirkwood noted the significance of the educational activity this project is having on state decision-makers. He also asked if there was any indication that this work will lead to DWR putting more of its Proposition 84 funding in the Sierra.

Timmer said it is hard to tell if the “trickle-up” theory is taking hold just yet; but being at the table and having a voice with the other agencies is an important first step.

The SNC’s involvement in the Delta Plan has been more limited to commenting on various drafts with the intent of making sure that requirements for fixing Delta issues do not harm the upper watersheds. A final version of the draft is being presented for approval by the Delta Stewardship Council at the end of September. Once that happens it will kick-off finalization of CEQA review for the entire plan, as well as, start the rule-making process regarding the policies that are called for in the Delta Plan, Timmer said.

b. Annual Report

Like last year, Timmer said the SNC Annual Report will be scaled back in recognition of ongoing staffing and budgetary constraints, while still meeting the requirements of the Legislature. After thanking Julie Griffith-Flatter for her continued work on the document, Timmer reported that the SNC intends to stay with this more “bare bones” format until there is a milestone (such as completion of our Proposition 84 Grant Program) or other specific reason for a more comprehensive report. She noted, however, staff will continue to produce individual outreach materials for specific target audiences.

XIII. Boardmembers’ Comment

Boardmember Kirkwood noted that it was ironic how so many projects undertaken by the SNC through its grantees are intended to protect the environment, and yet CEQA review continues to be a problem. He suggested the SNC continue to be an active participant in whatever emerges to reduce the unnecessary burden on the projects we deal with.

XIV. Public Comment

There were no comments.

XV. Adjournment

Board Chair Kirwan announced the next meeting would be December 5-6 in Yuba County, and adjourned the meeting at 12:32 p.m.