

Background

California voters passed Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Bond Act of 2014, on November 4, 2014. Proposition 1 added Section 79731 to the California Water Code, authorizing the state to issue bonds, and the legislature to appropriate the proceeds, for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state. The bond measure included an allocation of \$25 million for the Sierra Nevada Conservancy (SNC).

The 2015-16 state budget included an appropriation of \$10 million, which is intended to be awarded over two fiscal years. At the June 2015 Board meeting, the Board approved the Sierra Nevada Conservancy Proposition 1 Fiscal Year (FY) 2015-16/16-17 Grant Guidelines. The SNC released a request for proposals on July 1, 2015, with the first application deadline of September 1, 2015. The SNC continues to consult with other Proposition 1 funding agencies to maximize the investment of bond funds in the Region.

For the September 1, 2015 deadline, the SNC received 20 applications requesting a total of \$5,516,649.87. To date, the Board has authorized seven grants from the initial submittal worth a total of \$1,462,998. Two additional Category 1 applications representing \$965,500 scored above the 85-point threshold and have finished CEQA review and are now being recommended for funding.

For the second round March 1, 2016, deadline, the SNC received 29 applications requesting a total of \$9,027,618.26. The applications received included 20 Category 1 (site improvement) projects and nine Category 2 (planning projects). Prior to evaluation, one application was withdrawn by the applicant.

Current Status

Staff is recommending a total of ten grants worth \$3,235,282 for applications received in September 2015 and March 2016.

For the September 1, 2015 applications, staff is recommending adoption of necessary CEQA findings and authorization of two grants worth \$965,500.

For the March 1, 2016, applications, evaluation has been completed for 13 applications. Five projects scored below the 85-point threshold and will have the opportunity to consult with SNC staff regarding possible reapplication. Staff is recommending that the Board make the necessary CEQA findings and authorize eight grants worth \$2,269,782.

Three of the projects recommended for funding (South Fork Mokelumne River Watershed Restoration Project – SNC #885, Clarks Valley Wildfire Reduction Project – SNC #887, and Long Gulch Watershed Enhancement Plan – SNC #888) totaling \$568,444, directly address needs identified in the Governor's Emergency Proclamation about Tree Mortality and will be considered part of the \$1 million Tree Mortality apportionment that was approved by the SNC Board at the March 2016 Board Meeting.

Please see [Table 1](#) for details on remaining September 2015 and all March 2016 applications, including links to the complete application packages and CEQA documentation.

Staff will continue to evaluate and conduct CEQA analysis for all remaining March 2016 applications with the intent to bring additional recommendations in September.

September 2015 Applications Recommended for Funding

- [Project #837](#) proposed by Plumas County Fire Safe Council – Wolf and Grizzly Creek Municipal Watershed Protection, with Negative Declaration prepared for the Sierra Nevada Conservancy. A joint project of the Plumas County Fire Safe Council and the Plumas National Forest that proposes mechanical and hand thinning treatments on two parcels totaling 498 acres adjacent to two important water reservoirs (Lake Davis and Round Valley Reservoir) in Plumas County. The project was designed to reduce fire hazard and restore forest and watershed health within two watersheds identified as “Priority Watersheds” that serve the disadvantaged communities of Greenville and Portola.
To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$465,500
(Recommended amount reflects a \$34,500 reduction from requested amount due to an ineligible budget item and related administrative expenses.)
- [Project #841](#) proposed by the American River Conservancy – American River Headwaters Improvement Project, with Notice of Determination as a Responsible Agency, based on review of the Mitigated Negative Declaration approved by the County of Placer as Lead Agency. Located upstream of the French Meadows and Hell Hole Reservoirs and west of Lake Tahoe and the Granite Chief Wilderness, the project will treat 330 acres on lands the American River Conservancy owns at the headwaters of the Middle Fork of the American River. The entire parcel is 10,115 acres and is the largest inholding of private land on the Sierra Crest south of Donner Summit. The proposed thinning treatment will protect established groves of larger trees, with an overarching goal of increasing the diversity of conifer species and age classes.
To access the complete application package, [click here](#)
To access the Mitigated Negative Declaration, [click here](#)
Category 1 Site Improvement Project - \$500,000

March 2016 Applications Recommended for Funding

- [Project #864](#) proposed by the Sierra County Land Trust – Sierra Buttes / Gold Lakes Basin Properties Nonindustrial Timber Management Plan, with Notice of Exemption from CEQA. The project area consists of 1,525 acres of forested property owned by the Sierra County Land Trust in the Sierra Buttes / Gold Lake Basin above Sierra City in Sierra County. The project proposes to complete a Nonindustrial Timber Management Plan (NTMP), which will guide management practices on the

properties and serve as a functional equivalent to CEQA. Located at the headwaters of the North Fork of the Yuba River, the project area includes two lakes (Volcano Lake and Young America Lake), frontage on Lower and Upper Sardine Lakes, frontage on the North Fork of the Yuba River, and multiple smaller streams.

To access the complete application package, [click here](#)

Category 2 Planning Project - \$74,750

- [Project #865](#) proposed by the Pit Resource Conservation District – Lookout/Upper Pit Watershed Restoration Project, with Notice of Exemption from CEQA. Located in the Harvel Canyon Planning Watershed of the Upper Pit Watershed, this project proposes to treat 900 acres of overstocked privately-owned forest to a crown closure of 40-50% and removal of understory brush through mastication. The project is directly west and adjacent to the Lookout Ranchettes Subdivision in Modoc County and the project area feeds Taylor Creek, which flows into the Pit River and ultimately the Sacramento River. To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$500,000
- [Project #866](#) proposed by the Lassen County Fire Safe Council – Diamond Mountain Watershed Restoration Project, with Notice of Determination as a Responsible Agency, based on review of the Timber Harvesting Plan that was approved by the California Department of Forestry and Fire Protection and treated as the functional equivalent to a Negative Declaration. This project is one portion of the larger landscape scale project, the Diamond Mountain Initiative, which seeks to restore watershed function and forest health approximately 6 miles south of Susanville in Lassen County. The project includes thinning from the current conditions of 60-90% coverage to 40-50% crown closure on 900 privately-owned acres adjacent to the Lassen National Forest. The forest land within the Diamond Mountain Initiative project area makes up the headwaters for multiple watercourses, including: Gold Run Creek, Hills Creek, Lassen Creek, Baxter Creek, and Elysian Creek. To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$500,000
- [Project #867](#) proposed by the Modoc Resource Conservation District – Barry Point Fire Restoration Project, with Notice of Determination as a Responsible Agency, based on review of the Negative Declaration approved by the Central Modoc Resource Conservation District as Lead Agency. The project proposes to rehabilitate 2,364 acres in northern Modoc County burned by the Barry Point Fire by reestablishing native ponderosa pine (531,900 seedlings) on privately-owned land protected by a perpetual conservation easement held by Pacific Forest Trust. The project area includes 10 streams that flow primarily northeast into Goose Lake, the headwaters of the Pit River. The Pit River is the largest contributor to Shasta Lake and supplies the Central Valley Water Project. To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$375,888

- [Project #873](#) proposed by the Nevada Irrigation District (NID) – Scotts Flat Reservoir Fuels Treatment Phase III, with Notice of Determination as a Responsible Agency based on review of the Timber Harvesting Plan that was approved by the California Department of Forestry and Fire Protection and treated as the functional equivalent to a Negative Declaration. The project will implement fuels treatments, including removal of excess vegetation, trees, brush, and sprouting hardwoods on 82 acres owned by the Nevada Irrigation District, with a focus on forest health, water quality, air quality, and to reduce fire risk. The project area is located on the shoreline of the Scotts Flat Reservoir between the community of Cascade Shores and NID's dam and powerhouse. Scotts Flat is an important component of the water supply infrastructure that NID manages for communities in Western Nevada County. To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$250,700
- [Project #885](#) proposed by Calaveras Healthy Forests Impact Product Solutions (CHIPS) – South Fork Mokelumne River Watershed Restoration, with Notice of Exemption from CEQA. Located on BLM-managed lands within the Mokelumne Community Forest (MCF), the project is located 1.3 miles up the canyon from the community of Glencoe and is within the Greater Mokelumne Watershed. Prompted by the Butte Fire that burned more than 11,000 acres in the MCF and overstocked conditions that include insect-killed trees, this project covers 912 acres of watershed on both sides of the South Fork Mokelumne River and proposes to provide the analysis and surveys required to complete NEPA and CEQA for a future on-the-ground fuels treatment project. To access the complete application package, [click here](#)
Category 2 Planning Project - \$74,085
- [Project #887](#) proposed by the Sierra Foothill Conservancy – Clarks Valley Wildfire Reduction Project, with Notice of Exemption from CEQA. Located on privately-owned land near the community of Jerseydale in Mariposa County, this project will treat 175 acres by removing mature dead standing conifers as a result of drought and Bark Beetle infestation. The 175-acre project area was selected as a strategic zone within the Wildland Urban Interface that will serve as a buffer between private and public land, help protect the community of Jerseydale, improve water quality in Snow Creek and the Chowchilla River and Merced River watersheds, and help restore habitat for the endangered Great Grey Owl. To access the complete application package, [click here](#)
Category 1 Site Improvement Project - \$419,359
- [Project #888](#) proposed by the Mother Lode Land Trust – Long Gulch Watershed Enhancement Plan, with Notice of Exemption from CEQA. This project will complete a Watershed Enhancement Plan on the 575-acre Long Gulch Ranch Preserve that is owned by the Mother Lode Land Trust and located near the community of Groveland

in Tuolumne County. The Long Gulch Ranch Preserve has experienced extensive tree mortality due to drought and Pine Bark Beetle infestations and includes more than a mile of Long Gulch, a natural waterway that seasonally feeds water into Pine Mountain Lake, which supplies drinking water and recreational opportunities to the Pine Mountain Lake community. The Watershed Enhancement Plan will include the development of a Nonindustrial Timber Management Plan that will address long term management of the property and serve as the functional equivalent to CEQA.

To access the complete application package, [click here](#)

Category 2 Planning Project - \$75,000

Attachments

[Table 1](#), [Project Maps](#), Project Descriptions, and CEQA Documentation

Next Steps

Staff will file all necessary adopted CEQA documentation and prepare agreements for each authorized grant. Staff will also update the Board on the number and total amount requested for all new applications submitted on September 1.

Recommendation

Staff recommends the Board (a) authorize the Executive Officer to file Notices of Exemption for the Sierra Buttes / Gold Lakes Basin Nonindustrial Timber Management Plan (SNC #864), the Lookout/Upper Pit Watershed Restoration Project (SNC #865), the South Fork Mokelumne River Watershed Restoration (SNC #885), the Clarks Valley Wildfire Reduction Project (SNC #887), and the Long Gulch Watershed Enhancement Plan (SNC #888); and (b) approve findings concurring in the Negative Declarations and Timber Harvesting Plans, and authorize the Executive Officer to file Notices of Determination as a Responsible Agency for the American River Headwaters Improvement Project (SNC #841), the Diamond Mountain Watershed Restoration Project (SNC #866), the Barry Point Fire Restoration Project (SNC #867), and the Scotts Flat Reservoir Fuels Treatment Phase III (SNC #873); and (c) make findings that there is no substantial evidence that the Wolf and Grizzly Creek Municipal Watershed Protection Project(SNC #837) may have a significant effect on the environment and adopt the Initial Study/Negative Declaration and file a Notice of Determination for this project; and (d) authorize a grant award to each of the above listed projects for the amounts recommended by staff, and further authorize the staff to enter into the necessary agreements for the recommended projects.