



Board Meeting Agenda

March 3-4, 2010

Gaia Hotel & Spa Shasta

4125 Riverside Place

Anderson, CA 96007

March 3, 2010

1:00 – 5:00 PM *(End time of the meeting is approximate)*

I. Call to Order

II. Oath of Office for New Boardmembers

III. Roll Call

IV. Approval of December 1, 2009 Meeting Minutes

V. Public Comments

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

VI. Chairman's Report

a. Welcome new Boardmembers

b. Discuss Board Chair status

The Board will discuss the current vacancy in the Chair position (given Chairman Chrisman's departure) and make elect a new Chair. **(ACTION)**

c. Board meeting and field trip format discussion

VII. Executive Officer's Report (INFORMATIONAL)

a. Budget and Staffing

b. Grants Update

c. North Subregion Report

d. Friends of the Sierra

e. Stewardship Council Update

f. License Plate Update

g. Sierra Day at the Capitol

h. Sierra Nevada Geotourism

VIII. Deputy Attorney General's Report (INFORMATIONAL)

IX. Sustainable Sierra Initiative (ACTION)

The Board will consider and may adopt a resolution in support of the Sustainable Sierra Nevada Initiative.

X. Subregional Assessments (INFORMATIONAL)

The Board will be provided an overview by staff of Subregional assessments of each of the six Subregions and key findings and recommendations based on the assessments. The Board may provide direction or guidance to staff regarding proposed actions recommended in the assessments.

XI. Acknowledgement of Former Chair Mike Chrisman

The Board will consider adopting a resolution commending Mike Chrisman for his service as SNC Board Chair.

XII. Boardmembers' Comments

XIII. Public Comments

XIV. Adjournment

March 3, 2010

Reception

5:00 - 6:30 PM

Following the Board meeting the Boardmembers and staff will participate in a reception being honoring Chairman Mike Chrisman, held at the Gaia Hotel & Spa Shasta, in the Mt. Shasta Room. The public is invited.

March 4, 2010

Board Tour

8:30 – 12:30 PM

Members of the Board and Staff will participate in a field trip focusing on issues and activities relevant to the Conservancy's mission in the North Central Subregion. The field trip will begin at 8:30 AM at the Gaia Hotel & Spa Shasta; 4125 Riverside Place, Anderson, CA and will conclude at approximate 12:30PM. Members of the public are invited to participate in the field tour but are responsible for their own transportation. Limited space on the bus may be available, please call (530) 823-4672 to determine availability.

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 Mrs. Burgess at (530) 823-4672 or tburgess@sierranevada.ca.gov. or 11521 Blocker Drive, Suite 205, Auburn CA 95603. If you need reasonable accommodations please contact Mrs. Burgess at least *five* working days in advance, including documents in alternative formats.

Closed Session: Following, or at any time during the meeting, the Conservancy may recess or adjourn to closed session to consider pending or potential litigation; property negotiations; or personnel-related matters. Authority: Government Code Section 11126(a), (c) (7), or (e).

Board Meeting Minutes

December 2-3, 2009
6409 Lake Isabella Blvd.
Lake Isabella, CA 93240

I. Call to Order

Vice Chairman Wilensky called the meeting to order at 1:05PM.

II. Roll Call

Present: Brian Dahle, Jon McQuiston, Bob Kirkwood, BJ Kirwan, Kim Yamaguchi, Bob Johnston, Mike Chapel, Kathy Hardy, John Brissenden and Steve Wilensky

Absent: Mike Chrisman, Tom Sheehy, and David Graber

III. Approval of September 23, 2009 Meeting Minutes

There were no changes to the meeting minutes.

Action: Boardmember Kirkwood moved and Boardmember Kirwan seconded a motion to approve the September 23, 2009 Meeting Minutes. The motion passed unanimously.

IV. Public Comments

Chris Horton, Executive Director of Stewards of the Sequoia, asked about the SNC's role as a dispute resolution facilitator regarding some environmental regulatory matters in Kern County.

Vice Chair Wilensky said the SNC has been considering the pros and cons of this role relative to other issues, but have not determined that it is the best role for the Conservancy. Executive Officer Jim Branham pointed out that the SNC is not a regulatory agency, but offered to follow up with Mr. Horton to see if there might be a role the SNC could play in convening and facilitating.

Boardmember Jon McQuiston thanked Judy Hyatt of his staff and Andy Hess with the Kern County Board of Trade for making preparations for the meeting and Board tour. McQuiston gave an overview of Kern County:

- If Kern County were a state, it would be the 4th largest oil producing state in the nation, would rank 3rd or 4th in agribusiness, and would lead the nation in wind energy.
- 1,000 mega watts of solar power will be coming on line in the eastern part of the county in the next 5-10 years, which is triple what is currently being produced in the entire southwestern United States.

V. Chairman's Report (INFORMATIONAL)

a. Water bond update

Vice Chair Wilensky asked Branham for an update on the State water bond measure.

Branham reported that the Legislature passed, and the Governor signed, a water package that included several policy issues and \$11.1 billion for a variety of issues and hard infrastructure, as well as \$75 million in funding for the SNC. Branham pointed out that the allotment for the SNC is less than one percent of the entire bond, for an area that supplies up to 65 percent of California's water. Branham said the small amount of funding for the SNC is a wake-up call that more work is needed to educate people on the link between the Sierra Nevada and the state's water. He added that the bond does include language which is more consistent with the SNC's broader mission, and would allow for more educational and interpretive work. The SNC received a support from a number of parties for being included in the bond measure including key partners, numerous county supervisors, and Senator Dave Cogdill, and Assemblymen Jim Nielsen and Mike Villines.

Branham said the package is a very complicated one, with primary focus on the Sacramento-San Joaquin Delta, water storage, the creation of a new governing body for the Delta and new policy relative to water conservation and water rights enforcement. The price tag is larger than some expected, the bond indebtedness is a concern, and public employee unions will weigh in on it.

In response to a question regarding possible support of the measure by the SNC, Deputy Attorney General Christine Sproul noted that state agencies are not allowed to spend time and resources on ballot measures, but can provide fact sheets on other information. She will provide a memo which will discuss what is within the realm of things on which the Board may comment.

Boardmember Yamaguchi said some language in the bond measure is a hard pill to swallow because large urban areas are exempt from conservation requirements that are applied to the rural communities from which the water originates.

Boardmember Kirkwood added that Los Angeles has a very good record in the past 15 years of reducing their water consumption, but does not think the same is true in the San Francisco Bay Area.

b. Subregion Representatives for 2010-2011

Vice Chair Wilensky noted that his term and that of Boardmember Yamaguchi are expiring. South Central will be represented by Tuolumne County and the North Central Region member will be chosen soon. Boardmember

McQuiston's term, representing the South Subregion, has been extended for one year.

VI. **Election of Vice Chair**

Vice Chair Wilensky stated the Board needed to elect a new vice chair for the 2010 year. Vice Chair Wilensky said it has been an honor and a pleasure to serve with the SNC and in particular serving as Vice Chair.

ACTION: Boardmember Dahle moved and Boardmember Yamaguchi seconded a motion to approve the nomination of Boardmember McQuiston as Vice Chair for 2010. The motion passed unanimously.

VII. **Executive Officer's Report (INFORMATIONAL)**

a. Budget and Staffing

Branham reported that since the staff report was written, the state budget situation appears to have worsened. The Legislative Analyst Office has determined that California's budget will experience a \$21 billion deficit over the next 18 months. While the SNC is a "special fund" agency and receives no direct state General Fund monies, Branham said worker furloughs continue with the result of a 15 percent reduction of staff time, and noted the possibility of a contracting freeze in the future. The Environmental License Plate Fund—the SNC's base fund—is declining, although exact figures were not available at the current time.

Branham stated that the SNC continues to be fully staffed at this time. He noted that Shana Avalos-Knott, will be retiring, and will be greatly missed for her hard work and positive attitude. He indicated with that position open, the SNC will do some restructuring. Pete Dufour will be moving from Administrative Services Manager to Public Information Officer and his current position will be backfilled after the first of the year. Branham said lessons from the recent water bond effort include the fact that we need to turn our focus on communicating our messages more clearly and aggressively.

b. Grants Update

SNC Program Manager Kerri Timmer thanked SNC staffer Angela Avery for her exceptional work on grants related issues. Timmer reported that as a result of the last bond sale in October—in addition to the two bond sales held in the spring of 2009—the SNC now has the dollars needed to fully meet authorized grant project commitments, including those authorized in December of 2008. Since September 2, 130 invoices, totaling \$1.7 million, have been quickly processed for grantees.

Timmer said it is not likely that there will be another bond sale to generate new dollars in the near future. The October bond sale did not do as well as

planned, even with a higher rate of return offered. This would appear to indicate that the bond market is not as excited about buying California bonds as they were earlier in the year. With this news the SNC does not have funding to launch a new grant program, or fund the remaining grant applications received from 2008-09. The new Grant Guidelines have been prepared and are ready to go, should any new funding opportunities arise.

Boardmember Kirkwood cautioned that if new funding is not forthcoming, a process will have to be put in place to address SNC resources.

Timmer said there is no shortage of ideas and creativity among the SNC staff, and added that even without a new grant program, the SNC still has 177 active Proposition 84 funded projects to be managed with associated support funding for staff.

Branham pointed out that the SNC's statutory direction includes grants, but that is just one of the things the SNC can do. However, some positions are funded by bond dollars, and if the water bond fails, the SNC will need to evaluate what that means for the future.

Vice Chair Wilensky noted that the Sierra is an area with a history of "boom and bust," and, given how long it has taken to put together a most excellent SNC staff, hoped for a more sustainable source of funding to keep the SNC team together.

c. System Indicator Project

SNC Assistant Executive Officer, Joan Keegan, announced that Collaborative Economics, based in Mountain View, has been awarded the contract for developing the System Indicators. An advisory committee has been assembled from around the Region, and the first meeting has taken place. The group was very engaged and the vendor was given great input as to how to take the data and tell the story about what is going on in the Sierra Nevada. Keegan explained that this is not just a data collection exercise, as it will look at trends and include work already done by others over the past decade. She stated the first draft should be submitted to the SNC by May 2010, and expects to report back to the Board in June. The hope is to update the report every two or three years, depending on what makes sense.

Boardmember Johnston asked if the Sierra Business Council (SBC) is involved and if the data is being cut at the county line.

Keegan responded that the SBC is involved and very excited about this project, adding that Steve Frisch is on the advisory committee. As for cutting data geographically, Keegan said there have been many discussions with the

vendor about this and it is hoped that it can be done. More will be known about how big a challenge this is when the vendor gets into it. Vice Chair Wilensky asked if the Sierra Nevada Region boundaries have been defined.

Keegan reported that they had been identified by zip code and census block.

Keegan referred to the list of Core System Indicators that will be addressed as part of project.

d. Other Funding Update

Timmer updated the Board on the SNC's continuing efforts to connect stakeholders with funding sources other than those provided by the SNC. She thanked SNC staffer Marji Feliz for her efforts to find and distribute funding sources and other forms of stakeholder assistance to constituents via the SNC's Funding Opportunities web page. Primary sources of information are state, federal, corporate and private foundations. There is a list of 150 constituents who are looking for this information from our web site. Timmer said the SNC does some individual consulting. The dollar amounts are not huge, but every little bit helps. At least one constituent has been able to receive \$7,500 through two grant applications. Timmer said there have been about 20 emails from people thanking SNC for its efforts. The plan for the near future is to survey constituents to see if there have been any other success stories.

Boardmember Yamaguchi asked if there are other organizations doing the same kind of work, and about the possibility of working with them.

Timmer said that Feliz is seeking out and finding these organizations and opportunities.

The goal is to help those organizations who come to us for assistance in areas where we do not provide funding, while continuing to seek funding opportunities for SNC program areas. Vice Chair Wilensky thanked Feliz for her efforts on the Website.

Boardmember Kirkwood made the suggestion of hiring out this assistance. Timmer said this has been discussed, especially relative to the possibility of connecting constituents in the Sierra Nevada Region to other state agencies that are getting funds which the SNC does not. Also private foundations may be willing to support the SNC in this work.

e. Pacific Forest and Watershed Lands Stewardship Council Update

Branham said the Stewardship Council is in the process of giving some of the lands owned by PG&E to eligible "donees." He noted that the Stewardship

Council had responded to the comments and recommendations from the last Board meeting, recognizing the concerns and questions that Boardmembers had. Branham said the Stewardship Council was focused on having the SNC resolve disputes between parties, noting that there are liability issues for the Conservancy. The Stewardship Council will go away in 2013 and whatever the SNC's role is, it needs to be clearly articulated.

Boardmember McQuiston urged more discussions with the Stewardship Council, adding that the amount of land to be awarded is considerable. If done successfully, it could raise the viability of the SNC, and therefore it is worth digging deeper into the issue. Boardmember Brissenden agreed with those comments but said he had some concerns about the financial support. Boardmember Hardy asked if there were any parcels outside the Sierra Nevada Region, and was told by Branham that there were only two.

Boardmember Kirkwood questioned if there was a need for a third party to resolve issues. Branham responded that it was due to unforeseen circumstances, for example where one of the parties might not be able to carry out their duties.

Boardmember Wilensky said there was a need for a collaborative effort among those agencies who are interested in becoming awardees of parcels in the Mokelumne watershed. He indicated that if disputes arise, there could be a role for the Conservancy as a facilitator before a dispute goes to arbitration or litigation. He said the Conservancy should not be both a facilitator and arbitrator.

Branham said staff will continue discussions with the Stewardship Council, and convene the Board Committee before the next SNC Board meeting in March and report back to the Board. Wilensky closed the discussion by saying that the stakes are high, because these are valuable resources, and we should try to assure that they are well-handled.

f. Sustainable Sierra Initiative Overview

Branham gave an overview of both the origin and efforts thus far of this initiative. He reminded Boardmembers that there had previous discussions with key partners regarding a wide ranging regional initiative to attack investment for the Region. He stated that after further consideration, and as a result of the size and complexity of the Region and its issues, staff was now promoting a more strategic focus.

Branham noted that partly because of the SNC's involvement with the Amador/Calaveras consensus, the new focus—consistent with the “Connecting the Dots” webposium the SNC held in October—is on building the

partnerships needed to make the connections between healthy forests, healthy communities, and wildfire prevention.

Branham said there is a tremendous amount of interest in determining what needs to be done on the land, developing the economic opportunities, figuring out how to move sustainable management out onto the forest, and how to maintain and re-use existing infrastructure (old mills) to help diversify local economies. The federal entities, especially the US Forest Service and the Bureau of Land Management, will be key partners.

Branham said the SNC may bring back to the Board in March a resolution with a set of goals and objectives that private sector, local government, and the environmental community can sign and agree to as a starting point. Branham indicated there is growing consensus among the various groups involved and added that the webposium notes will be up on the SNC Website soon.

Vice Chair Wilensky agreed there is reason for optimism, noting that three of the four groups that sued the Quincy Library Group have come together to partner in the Amador/Calaveras Consensus Initiative. He also applauded the SNC for the webposium and in particular Joan Keegan's hosting skills.

g. Southern Sierra Partnership

SNC Mt. Whitney Area Manager Kim Carr gave a brief overview of the Southern Sierra Partnership project. Carr stated the project is modeled after Northern Sierra Partnership, and covers an area which includes southern Fresno, Tulare and Kern counties, extending from the Sierra to State Highway 99. She said the group includes both local and large organizations, including California Audubon, the Kern River Preserve, Sequoia Riverlands Trust, Sierra Business Council, and The Nature Conservancy.

Carr reported that the group is looking at "connectivity" from the coast to the desert, for the opportunities to develop wildlife corridors and habitat protection. According to Carr, a major focus of the group is climate change and the development of a conservation plan for the area that recognizes its impending impacts. She said there are a lot of "oligists" that are compiling data. She noted that the group will be addressing policy and social/economic issues as well. Carr said that the group is looking at a number of issues including conservation easements, fire protection, education, policy analysis, and funding strategies. The SNC is attending meetings and helping to connect state and federal agencies she said.

According to Carr the efforts of this partnership could also support the forest plan updates and the SNC's Sustainable Sierra Initiative. The Partnership is operating from a planning grant from the Resource Legacy Foundation. Carr

reported that the main conservation action plans, strategies and policies will be wrapping up by December 31, 2009, and submitted to the grantor in the spring. The next piece is looking at prioritizing strategies and securing funding to implement the strategies. Carr gave credit to Elizabeth van Wagtendonk of the SNC's Mariposa office for her work with the Partnership.

VIII. **Deputy Attorney General's Report (INFORMATIONAL)**

Deputy Attorney General Christine Sproul reminded the Board that it would soon be time to submit their annual form 700..

IX. **Strategic Opportunity Grants (ACTION)**

Branham reported that due to the State's bond freeze, the SNC was not able to evaluate the applications for the second round of these grants. The Board had extended the expiration deadline for an additional six months, and asked the SNC to report back at the December meeting, in the hopes there might be bond money available by this time. Branham said there appeared to be no hope of new grant dollars, and added that the applications would expire at the end of the calendar year unless the Board extended the deadline again.

Boardmember Dahle, asked about a grant applicant from his Subregion, inquiring as to whether there was a process for keeping open a competitive grant application that had not approved. Branham noted that the applicant in question did not rank high enough to be considered for funding and that there was no current process for making an exception to allow the applicant more time.

Branham indicated that no action by the Board would result in the sunset of the SOG applications. No action was taken and the applications will sunset as of December 31, 2009.

X. **Conditional Approval of Competitive Grants (ACTION)**

Timmer proposed that the Board conditionally approve the 14 high-ranking applications the SNC received for its competitive program for 2008-09 fiscal year to maximize the potential on-the-ground impact in the Region in light of the bond freeze. She emphasized that the SNC does not have funding available for these projects at this time and therefore the Board approval is conditioned upon available funding in the future. She noted that the concept of conditional approvals was discussed at the last Board meeting and since that meeting; the SNC has been assured that the tool of "private placement" bond sale is a viable alternative.

By the Board conditionally approving the 14 high ranking projects, Timmer said the grantees would be eligible to seek private placement bond funding or pursue other "bridge" funding sources on their own, knowing that they would be eligible

for reimbursement when bond money is flowing through the SNC once again. Timmer presented Exhibits A and B (attachments to the agenda), listing the 14 projects and asked the Board for conditional approval. She recommended the following:

- Conditional approval of the 14 Competitive grants listed in Exhibits A and B, subject to the availability of future bond funds, for a total of \$10,344,700.
- Authorization for staff to enter into conditional grant agreements and complete necessary CEQA filing.

ACTION: Boardmember Yamaguchi moved and Boardmember Dahle seconded a motion to approve the both exhibit A & B subject to the availability of future bond funds.

Boardmember Yamaguchi amended the motion and Boardmember Dahle seconded the amendment to include the Board direct staff to enter into all necessary conditional agreements and file the appropriate CEQA documentation with the State Clearinghouse for all conditionally authorized projects. The motion passed unanimously.

XI. **Discussion of Subregional Assessments (INFORMATIONAL)**

Branham provided an overview of Subregional assessments of each of the six SNC Subregions. Some key points emerged in the assessments that seem to make a difference in the kinds of Proposition 84 grant applications received:

1. Land ownership patterns, public vs. private, has an impact on the quantity of applications, as well as who applies.
2. In some instances, the organizational capacity, population, governmental centers and media are all located outside of the Region, in the valley. This is particularly noticeable in the Southern Subregion, but also exists in the north as well. Many conservation organizations based outside of the SNC Region that are doing work in the Sierra with the bulk of their work occurring in the Central and North Central Subregions.
3. Proposition 84 funding has some limitations which impact the eastern Sierra more so than the western slope of the Sierra.

Branham said the next step is to further analyze the data and bring back a report to the Board for a more detailed discussion at the March meeting.

XII. **Climate Change Action Plan (ACTION)**

Timmer outlined the SNC's activities and actions taken since the draft plan was

presented at the last Board meeting. The actions are a result of comments and recommendations received on the draft plan from Boardmembers, non-profits, and Placer County during the 45-day public comment period. She stated that, in summary, the public comments addressed the breadth and focus of the plan including more emphasis on habitat, youth education, adaptation, and transit-related impacts of climate change on the economic viability of rural communities.

Timmer reported that most recommendations were acted upon, including the addition of ten action items to reflect specific recommendations, and a new section to help define or clarify terms. She added that a request from the Sierra Nevada Alliance to create a new "focus area" for wildlife and vegetation migration was not incorporated into the plan by staff because this issue was already adequately reflected throughout the plan.

Timmer said that with new direction from the Board, staff would be happy to work with the Sierra Nevada Alliance to address this component. Timmer thanked SNC staffer Theresa Parsley for her tireless work on the action plan.

Public Comment:

Joan Clayburgh, Executive Director of the Sierra Nevada Alliance: stated that her organization is very pleased with many of the aspects that SNC staff has incorporated into the plan. She said that while the plan does a good job of making a case for wildlife to be considered, she still feels strongly that wildlife and vegetation migration should be included as a specific focus area in the plan before it is adopted.

After some questioning from the Board, Boardmember John Brissenden agreed that wildlife and vegetation habitat migration should be provided additional emphasis and focus in the plan.

Chris Horton, Executive Director Stewards of the Sequoia: asked if the SNC would be looking into the impacts of environmental law suit and if the Board had read or approved the proposed international climate change treaty. He further asked the Board to publicly oppose any "human-caused climate treaty," in reference to the international climate conference in Copenhagen.

Vice Chair Wilensky responded that the Board has not taken a position on the climate change treaty, as it was out of the Board's jurisdiction. He entertained a motion that would accept the SNC's climate change action plan for the Sierra as presented, and would authorize staff to work together with the Sierra Nevada Alliance to incorporate language that reflects the issues Clayburgh raised on this item.

ACTION: Boardmember Brissenden moved and Boardmember Kirkwood seconded a motion to approve the Sierra Nevada Climate Action Plan and direction to staff to work with Sierra Nevada Alliance on the wildlife and habitat language. The motion passed unanimously.

XIII. Future Funding for the SNC (INFORMATIONAL)

Keegan noted that there is a concern about ongoing funding, given the fact that the Environmental License Plate Fund and Proposition 84 funding levels are being drawn down.

She identified some efforts and discussions to date:

- Getting the SNC into another bond sale
- Considering a “fee for service” model
- Increase communication efforts with groups outside the Region who have interests in investing in the Region

Keegan stated that the SNC is working on a contract to develop some materials to help us better tell the water story outside of the Region and reasons why it's important to invest in the Region. She asked the Board for any input they might have as well as if they were interested in re-constituting the SNC Funding Committee.

Boardmember Yamaguchi suggested outreach to schools in the form of education program aimed at elementary schools, to communicate with the parents, students, teachers and administrators.

Boardmembers Brissenden and Kirkwood said the SNC License Plate effort needs to be increased. SNC Mt. Lassen Area Manager Bob Kingman said that there have been nearly 300 requests for the license plates since the initiative was launched three months ago, noting that this matches the Coastal Conservancy's total for their 12 months. He said The Sierra Fund and its volunteers are making an extra push to get the word out and get applications in. Kingman suggested that it may soon be time to think about adding incentives, similar to what was used to get the Lake Tahoe plate started 20 years ago. Sierra Nevada Alliance Executive Director Clayburgh agreed that incentives may be a good idea.

Boardmember Johnston asked if, at some point in the future, a small surcharge on wholesale water sales would be appropriate. Branham said that CAL FIRE and others have tried this approach years ago with no success.

Boardmember Kirwan suggested “friend-making” opportunities in Los Angeles and offered to help in this area. Keegan welcomed Kirwan's offer and added that one outreach effort in this area has been to youth programs, having young urban people coming to the Sierra to learn about the area and provide real life-changing

activities. She added that the Great Sierra River Cleanup in 2010 will include outreach to get more urbanites in the Sierra to help with the cleanup.

Vice Chair Wilensky said his county has taken legislators on raft trips to show them what is happening in their watershed.

Boardmember Kirkwood pointed out that the SNC Climate Action Plan includes a project to assess the benefits to downstream users of the value of such things as meadow restoration in the Sierra. Once the case is made to those users, he believes the SNC could approach the idea of surcharges to the downstream water districts.

XIV. **Boardmember Comments**

Boardmember McQuiston outlined the tour the board would be going on the next day. He added that this part of Kern County is one of two places in the world where five "bio-regions" converge.

Boardmember Yamaguchi thanked the Board and SNC staff for the work done during the years, and said that he will still be the county liaison for Butte County.

Vice Chair Wilensky recalled when the initial discussions began on the formation of the SNC, and the focus being on local representation. He noted that there have been no problems between statewide and local issues, and that the SNC's mission has been favored over parochial interests. Wilensky said the water bond issue is a wake-up call, a reminder that the Sierra represents only a small percentage of the state's population, but its residents are stewards of most of the natural resources. Wilensky said he hopes the Board and the SNC will continue to find ways to restructure our critical relationships between the upstream stewards and the downstream users. He said funding for these efforts is at a critical stage, and the message needs to be clearly articulated in order to create funding opportunities. He asked the SNC to find ways to involve more Supervisors from throughout the Region in its work.

XV. **Public Comments**

Megan Wargo, Project Manager with Trust for Public Lands: thanked the SNC for its work, including the conditional approval of projects that help groups like hers.

Bruce Hafenfeld rancher in the Kern River Valley, and past President of the California Cattleman's Association and the California Rangelands Trust: thanked the Board for the conditional approval process. He added that his ranch in the Kern River Valley is the only one in the area with a conservation easement on it. It is a key element in stopping development on the local rangeland.

Hafenfeld pointed out that ranchers, through the Cattlemen's Association and the California Rangelands Trust, either own or influence approximately one-third of all property in California. He said there are currently 103 projects pending before the California Rangelands Trust, protecting opens lands and working landscapes of about 500,000 acres in 35 counties.

Chris Horgan, Executive Director Stewards of the Sequoia: thanked the Board for coming to the Kern River Valley. He registered his opposition to the a Wilderness Society grant application regarding studies of Off Highway Vehicles (OHV) use in Sequoia National Park, stating that the U.S. Forest Service's current rules should suffice.

Boardmember McQuiston made a presentation to the outgoing Boardmembers Wilensky and Yamaguchi, thanking them for their service, time, and dedication to the SNC Board.

XVI. Adjournment

Vice Chair Wilensky adjourned the meeting at 5:10PM.

Background

At the initial meeting of the Sierra Nevada Conservancy (SNC) Governing Board in 2005, Resources Secretary Mike Chrisman was elected to serve as Chair of the Board. Secretary Chrisman has served in that capacity since that time.

At the December 2005 Board meeting, the Board determined that a Vice-chair would be chosen for a one year term from one of the Subregional representatives. At that meeting North Subregion representative Brian Dahle was elected as Vice-chair. Currently South Subregion representative Jon McQuiston serves as Vice-chair.

Current Status

Secretary Chrisman has left his position and therefore is no longer on the Board, creating a vacancy in the Chair position. At the time this staff report was prepared, it did not seem likely that Secretary Lester Snow (Chrisman's replacement) would be attending SNC Board meetings, although the Agency has committed to sending a representative to the meetings.

Next Steps

The governing statute authorizes the Board to elect a Chair and Vice-chair from its voting members, including when a vacancy occurs in either position.

Recommendation

The Board may wish to elect a new Chair at this meeting.

Budget

The SNC's current year operating budget of roughly \$4.5 million remains intact despite the State's ongoing fiscal woes. The majority of this funding (\$3.9M) comes from the Environmental License Plate Fund (ELPF), which provides for the SNC's base budget. A smaller portion (\$477,000) comes from Proposition 84—the *Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006*—to support administration of the SNC's grant program. As shown in the table on the following page, the SNC is on track with its expenditure of these funds with 46 percent of the funds expended as we pass the half way mark in the fiscal year.

However, funds appropriated to the SNC out of Proposition 84 for local assistance (grants) remain untouched, due to a continued moratorium on our ability to award new grants. Because these funds are available for encumbrance for three years, however, these funds may be used to fund grants in future years.

The Governor's proposed budget for 2010-11 generally continues the SNC's funding for operations without significant changes. However, as the budget process continues in the legislature, additional actions may be taken given the state's dire fiscal situation.

Staffing

As reported at the last Board meeting, our Administrative Services Manager position became vacant at the end of December and it remains unfilled. We anticipate hiring a new manager within the next few months.

Staff remains on furlough the first three Fridays of each month when SNC offices are closed. The furloughs and the associated cut in pay of about 15 percent are expected to end with the fiscal year on June 30th. However, it is unclear how this issue will ultimately be resolved as part of the budget deliberations. In addition, beginning with the 2009-10 fiscal year on July 1st, the SNC will be required to cut the amount budgeted for salaries and wages by 5% in accordance with a Governor's Executive Order issued in mid-January.

2009-10 SNC EXPENDITURES AND ENCUMBRANCES

As of January 31, 2010

State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	1,641,967	885,702	756,265	54%
SALARY SAVINGS (3%)	(39,729)		(39,961)	
STAFF BENEFITS	436,749	267,934	168,815	61%
Personal Services, Totals <i>As of 09/21/09 this figure reflects a reduction for 3 furlough days</i>	2,038,988	1,153,636	885,352	57%

<i>Operating Expenses & Equipment</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
GENERAL EXPENSE	271,771	102,094	169,676	38%
TRAVEL - IS	100,000	21,632	78,368	22%
TRAVEL - OS	2,612	0	2,612	0%
TRAINING	30,000	3,734	26,266	12%
FACILITIES	257,181	254,043	3,138	99%
UTILITIES	10,411	5,717	4,694	55%
INFORMATION TECHNOLOGY	67,265	21,894	45,371	33%
CONTRACTS- EXTERNAL	428,046	301,292	126,755	70%
CONTRACTS- INTERAGENCY AGREEMENT	875,270	132,084	743,186	15%
CONSOLIDATED DATA CENTER	-	0	0	0%
EQUIPMENT	-	0	0	0%
OTHER ITEMS OF EXPENSE	25,904	8,709	17,195	34%
PRO RATA (control agency costs)	182,562	45,641	136,922	25%
PROP 84 ADMIN SUPPORT	169,145	0	169,145	0%
Operating Expenses & Equipment, Totals	2,420,167	896,840	1,523,327	37%
State Operations, Totals	4,459,155	2,050,477	2,408,678	46%
Local Assistance, Totals	15,448,000	0	15,448,000	0%
SNC EXPENDITURES, TOTALS	19,907,155	2,050,477	17,856,678	10%

Background

In response to the State's unprecedented fiscal crisis, funding for all projects supported by bond revenue – including all Proposition 84 projects previously authorized by the SNC Board – was frozen in December 2008 to preserve operating capital. Bond sales held in March and April 2009 generated a portion of the amount needed to restart the frozen projects. Based on direction from the Board, Grants Administration staff applied the initial infusion of restart funding to projects that had already begun work prior to the freeze. Consequently, projects authorized in December 2008, which had not yet begun work, remained frozen.

In November 2009, the SNC received notice that an October bond sale generated enough funding to cover the balance of the frozen projects. While the SNC was pleased to be able to fully cover projects authorized up to that point, the prospects for funding new projects were not as rosy. As a result, the Board confirmed at the December 2009 Board meeting that all remaining unfunded FY 08-09 Strategic Opportunity Grant (SOG) applications would sunset as of December 31, 2009.

The FY 08-09 Competitive grant applications offered a slightly different opportunity, since they: a) had gone through the full evaluation process and b) met criteria established by the Department of Finance for possible conditional authorization. Based on consultations with other agencies, staff recommended and the Board agreed at the December 2009 Board meeting to *conditionally* authorize the 14 highest-ranked Competitive Grants, subject to the availability of future bond funds. Conditional authorization made these projects eligible for other funding tools, such as private placement bond sales or bridge loan funding that would allow them to begin work while waiting for new bond funds to become available.

All remaining FY 2008-09 Competitive applications sunset on December 31, 2009, along with the SOGs, meaning that the SNC currently has no active applications for further consideration at this time. There are currently no plans to launch a new grant solicitation until there is some indication of availability of future funding.

Current Status

There have been no major changes to the SNC Grants Program since the December 2009 Board meeting. Program staff continues to work on the restarted projects and to guide grantees through the close-out process for completed projects. As of the writing of this report, 13 projects have reached completion.

The SNC Grants Administration staff continues to expedite payment of invoices so that grantees receive money as quickly as possible. As of January 25, 2010, the SNC has processed 315 requests for payment for approximately \$6 million. That represents approximately 44 additional requests and \$500,000 in payments since the last Board meeting.

In terms of future bond sales, it appears that the State Treasurer's Office (STO) is not interested in using private placement bond sales as a mechanism for funding new projects. As a result it does not seem likely that SNC grantees will be able to work with interested investors to use that tool to fund the projects conditionally approved by the Board in December.

Over the next two fiscal years the STO intends to sell enough general obligation bonds to meet much of the remaining need based on the initiatives that have already been passed by the voters, including Proposition 84. However, the ability to sell the bonds will be tied, to large extent, to the state of the budget.

In an address at the Tri-County Economic Forecast Conference at Chico State University in January, for example, State Controller John Chiang indicated that the FY 2011-12 budget may be even worse than this year's budget, due to current costs that are being shifted to the future and the expectation that revenues will be even lower in 2012 than they are now. The State could be facing a nearly \$30 billion deficit by FY 2011-12, according to Chiang. Deficits of that size can make it difficult for the State Treasurer to incur new debt through more bond sales.

That said, Grants Administration staff continues to work with the State Bond Unit and the State Treasurer's Office to ensure that when new Proposition 84 funding does become available, the SNC will receive its allocation. Additionally, the Funding and Resource Development team and area staff continues to identify opportunities to match other funding sources to project needs in the Region.

Next Steps

To date, the SNC Board has authorized 193 grants for a total of \$30,486,100 including the 14 conditional authorizations approved at the December 2009 meeting. Of that amount, five authorizations totaling \$1,671,511 have reverted, due to project proponents' inability to initiate the authorized projects. This leaves the SNC with approximately \$22,185,411 for future allocations, once bond funding becomes available for new projects. The SNC is poised and ready to launch a new solicitation for applications using the recently approved revised Grant Guidelines.

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 North Subregion of the SNC includes Modoc, Lassen, and a portion of Shasta counties. Two SNC Program staff members serve the North Subregion from a satellite office in Susanville with additional support from Mt. Lassen Area staff in Auburn. Significant relative information about the Subregion is contained in the SNC Subregional Assessment just completed by staff. There are several significant projects in the North Subregion that have benefited from Conservancy support and funding. To date the North Subregion has received 22 grants for total of almost \$3 million. A few of the projects are highlighted below.

Current Status

The Shasta Land Trust and The Western Shasta Resource Conservation District recently partnered to host a Great Sierra River Cleanup Day event along the Sacramento River. The event was hugely successful and contributed to the overall success of the Conservancy's inaugural year as sponsor of the Region-wide annual event.

Tourism in the North Subregion is a vital part of their economies and is marketed by the efforts of a collaborative partnership called the Shasta Cascade Wonderland Association. The Conservancy has partnered with the SCWA for two consecutive years to help educate Californians about the Conservancy and wonderful tourist assets of the region.

Much of the North Subregion has been included in a very large initiative lead by the BLM and USFS called the Sage Steppe Ecosystem Restoration Strategy to address invasive juniper and restore Sage Grouse habitat. The results of this initiative could be very beneficial to Sage Grouse populations, but could also increase water supply, reduce threats of catastrophic fire, and provide a large amounts of biomass for potential conversion to energy. The SNC has supported this effort through the award of several grants for juniper removal in the area.

An early achievement in the North Subregion was the acquisition of the Modoc Line in Lassen and Modoc counties. The SNC assisted the Lassen Land and Trails Trust to finalize negotiations and complete the acquisition of an 86 mile abandoned rail line for the purposes of expanding an already popular trails system in the area.

Next Steps

Staff will continue to interact with representatives and partners in the North Subregion to provide resources, services and expertise where possible.

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

Over the past few years, discussions have occurred as to the need for a non-profit partner to work cooperatively with the SNC, in a manner similar to the Department of Parks and Recreation and the Parks Foundation. Recently, an organization known as the Friends of the Sierra (FOS) was created to assist in activities consistent with the mission of the Sierra Nevada Conservancy (SNC). The organization is housed at the Resources Legacy Fund and may receive contributions under RLF's non-profit status.

Current Status

The organization is currently headed by Placer County Supervisor and former SNC Board member Robert Weygandt. The organization will assist in advocating on behalf of the Sierra Nevada Region and the SNC, with a goal of involving former SNC Boardmembers, other local leaders and key statewide stakeholders. To date a minimal amount of funds have been raised, but it is anticipated that additional funds will be raised this year. The FOS will carefully work with other Sierra non-profits to minimize competition for funding and maximize funds that are received.

Funds will be used to support activities that are not appropriate to be funded through state funds, such as certain events/receptions, development of advocacy materials, etc. The FOS will closely coordinate any expenditure of funds with the Executive Officer of the SNC and as appropriate, the SNC Board.

Next Steps

The FOS will work this year to increase membership and extend fundraising efforts. The organization will assist in supporting Sierra Day at the Capitol, the Great Sierra River Cleanup and other SNC sponsored events.

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

At the December Board meeting, the Board was provided an overview of the Pacific Forest and Watersheds Land Stewardship Council (Stewardship Council) Land Conservation Program. The staff report for the December meeting added additional details.

At that time, staff discussed efforts to date in exploring the potential with the Council of the SNC serving as a “third party” to the land conveyance agreements. The third party could generally serve to oversee the long term implementation of agreements and address issues and unforeseen circumstances that may arise. This role appears to be consistent with the SNC’s purpose and capability. Attachment A to this item provides an updated overview of that potential role. This is different than the overview that was first presented to the Board in September and again in December. On-going discussions with the Stewardship Council staff has provided additional context to the roles.

At the September meeting, the Chair appointed Boardmembers McQuiston and Brissenden to serve as a Board committee to guide staff on this matter. The committee members have been apprised of the current situation and have discussed this with staff prior to this meeting.

Current Status

Staff continues to discuss this proposal with the Stewardship Council to further clarify issues of concern. The Stewardship Council continues to contemplate their position on this matter. They have addressed three questions:

- 1) Is a third party needed for all of the agreements or just some?
- 2) If some (not all) which duties and responsibilities are necessary?
- 3) Is the Sierra Nevada Conservancy the right entity to fulfill the role?

If the SNC would play a limited role, the staff has made it clear that funding to adequately cover costs associated with this role must be made available in perpetuity.

The question as to whether there is a well defined role for the SNC to play has not been fully explored, and we continue to communicate with Stewardship Council staff on this matter.

In addition, SNC staff was asked to provide input into a Stewardship Council proposed Climate Change Action strategy for lands donated or retained in PG&E ownership within the 70,000 acres under the Land Conservation Program. Several possible activities were discussed with Stewardship Council staff in preparation for the Stewardship Council’s Board meeting in January.

Next Steps

Staff will continue to communicate with Stewardship Council staff to determine whether a mutually agreed upon role is appropriate. One alternative is to use a pending transaction as a trial to determine the specifics of a potential third party role. This approach will allow the SNC to gain a better understanding of precisely what is entailed in playing the role of third party. If the potential role appears appropriate to staff and the Board committee, a formal proposal will be brought forward to the full Board for consideration of entering into an agreement.

In addition, SNC staff will continue to provide input to the Stewardship Council staff regarding their interest in pursuing Climate Change Actions on PG&E donated and retained lands as requested.

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.

January 19, 2010

Memorandum:

To: SNC Boardmembers; Jim Branham, Executive Officer Sierra Nevada Conservancy; Allene Zanger, Executive Director Pacific Forest and Watershed Lands Stewardship Council

From: Linda Hansen, Mount Lassen Senior Area Representative

Subject: Potential Roles for the Sierra Nevada Conservancy in Pacific Forest and Watershed Lands Stewardship Council's Land Conservation Commitment

As a result of discussions with Allene Zanger, Executive Director for the Stewardship Council on January 5, 2010; the following information is the most current status of our understanding of potential roles the SNC might play in support of the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) land conservation and conveyance program.

Still an outstanding issue is the costs of implementing these roles. This is of critical importance to the Stewardship Council as they move forward to determine the legacy they want to develop for PG&E donated lands. Likewise, the issue of ongoing reimbursement of all SNC costs associated with carrying out any role in the process is critical to the SNC.

Previously, we had outlined eight potential roles or areas that the SNC might provide support or third party beneficiary activities to ensure the long-term protection of beneficial public values on donated lands and enforcement of conservation easement provisions. Recent discussions with the Stewardship Council staff suggest a more limited role, at least for some of the potential roles. In addition, funding available for carrying out these functions appears to be more limited than first appeared to be the case.

Below are the most recent thoughts on those roles.

1. Third Party Beneficiary to Conservation Easements on Donated Lands :
The Stewardship Council provided a copy of proposed conservation easement language to address how a third party beneficiary might interact with easement holders and the landowner to fulfill this role ([see below](#)). Still to be answered is the question of how many actual easements would require monitoring and oversight by a third party.

Upon further discussion, it was suggested that this would likely occur on a limited or 'as needed' basis, depending upon the unique circumstances presented by each fee title

donation. Since it is not anticipated that this type of activity would be required for all donated lands or easements the cost of SNC's part in this activity could be less than originally anticipated. The Stewardship Council's Executive Director would like to explore the possibility of a retainer agreement that would pay for these and other services as they are performed in lieu of establishing long term staffing positions.

2. Monitoring the Economic and Physical Impacts of the Land Conservation Commitment:

The Stipulation, a governing document for the Land Conservation Commitment, provides that the land conservation plan adopted by the Stewardship Council must include "a plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures on the applicable management objectives" for the lands. It is anticipated that this role may be one of the most important for the SNC to play. It has not yet been determined how best to meet this requirement of the stipulation.

3. Approval of Successor Organizations When Property Interests are Assigned :

It is difficult to determine the amount of time and interaction that would be necessary to carry out the role of reviewing and recommending appropriate candidates for successor interests. If lands are donated to federal or state agencies (the likelihood of them transferring fee title to another entity is smaller). On the other hand, property interests in lands donated to other eligible organizations might be more likely to be transferred over time. In the case of conservation easements that are held by smaller non-profit organizations, the need for a successor organization might be higher. The role of approving successor organizations is of great interest to many Stewardship Council board members to ensure that the beneficial public values of the watershed lands are protected overtime. This role seems to fit well with the retainer services model.

4. Long Term Management Plans:

Although initial land management plans will be in place at the time fee title is transferred, It is unlikely that long term management plans will be complete and in place for all of the transferred lands and easements while the Stewardship Council is still in existence. In cases, where the SNC is the third party beneficiary, it would have a role with regard to review of amendments to the land management plans. The SNC might also serve as a repository for land management plans and the monitoring reports of conservation easement holders, to facilitate public access.

5. Responding to Unforeseen Circumstances:

This is another role that is difficult to determine how many times or how much interaction with donees would be required in the future. It is a role that relates to both the third party beneficiary role and the role of monitoring the physical and economic impacts of the Land Conservation Program over the long term. Because this role is one that would be determined by future events, it is another area where a Retainer Agreement may be most cost effective for the Stewardship Council and the SNC.

6. Administration of Enhancement Fund:

Although the SNC is probably a good organization to administer some type of grant or enhancement fund for future management activities on donated lands, the Stewardship Council is not sure at this time whether there will be a need for a third party to administer a competitive enhancement grant program. There may be a need, however, for an organization to oversee any grants made by the Stewardship Council prior to its dissolution. The cost of completing fee title transfers and sub-divisions on the donated PG&E lands is a concern to the Stewardship Council and could have a significant effect on the funds available in the future for enhancement activities. Since this is still an "un-known", this role is one that will take some further review to determine its applicability.

7. Monitoring of Lands Transferred to US Forest Service:

There are still outstanding questions relating to the possible transfer of fee title of PG&E watershed lands to federal agencies with regard to certain requirements of the Stipulation that governs the Land Conservation Commitment. Therefore, it is not clear whether or not the US Forest Service (USFS) or other federal agencies will be receiving fee title to any of the PG&E watershed lands. Currently, as a matter of policy the USFS does not accept lands with conservation easements attached, but may be in a position to accept lands subject to covenants. There is some interest in the SNC serving as a third party to monitor activities on USFS lands acquired via the Land Conservation Commitment. More discussion and review of this possible role is needed.

8. Opportunities for Research and Study Programs:

Stewardship Council staff has requested that SNC work with them on the potential of incorporating climate change strategies into their process of protection of beneficial public values in perpetuity on donated lands. The discussion of how this might play out in the Stewardship Council process is ongoing with Theresa Parsley and Stewardship Council staff.

Outstanding Issue: One possible role suggested by SNC staff concerns use of the watershed lands for carbon sequestration. The SNC could assist the Stewardship Council to assess all of the lands available for donation for potential carbon credit banking and complete all necessary inventory work to register both forest and rangeland credits for future sale or use by the fee owners with conditions on how proceeds are re-invested. This option has not yet been discussed with the Stewardship Council's Planning Committee.

Another idea of SNC staff would be for the SNC to hold separate easements on select properties specifically for research or study activities. The value of these would be minimal but it would ensure that the SNC had a recorded interest to gain access and perform or facilitate research activities compatible with adopted management plans. Negotiating a collection of these types of easements over a landscape like the Sierra in the future would be extremely expensive, difficult, and time consuming. Therefore, the Land Conservation Commitment provides a unique opportunity to do so. This option has not been yet discussed with the Stewardship Council's Planning Committee.

The Stewardship Council Planning Committee meets on a monthly basis. Discussions will continue between SNC staff, SNC Boardmembers, the Stewardship Council and its staff. We have included this topic in the March Board meeting agenda for the SNC Board and would have an update available to the Stewardship Council Planning Committee for their meeting in February.

DRAFT CONSERVATION EASEMENT LANGUAGE

9. Enforcement and Remedies.

(a) Notice of Violation. If a party hereto (the "Non-Breaching Party") determines there is a violation of the terms of this Agreement or that a violation is threatened (a "Violation"), written notice of such Violation (the "Violation Notice") and a demand for corrective action sufficient to cure the Violation shall be given by the Non-Breaching Party to the party allegedly violating this Agreement (the "Breaching Party"), with a copy provided to the Third-Party Beneficiary. Within fourteen (14) days after delivery of a Violation Notice, Grantor and Grantee shall meet at a location that Grantor and Grantee agree upon to discuss the circumstances of the alleged or threatened Violation and to attempt to agree on appropriate corrective action. If the parties determine that it is appropriate and desirable, a duly qualified expert in the subject matter of the alleged or threatened Violation (the "Consulting Expert") shall attend the meeting. Grantor and Grantee shall each pay one-half of the costs of retaining the services of the Consulting Expert for such discussion; provided, however, that if Grantor and Grantee are unable to agree upon a Consulting Expert, each party may retain the services of an expert at its own expense. If Grantor and Grantee are unable to agree on appropriate corrective action (or if any such corrective action is required) within thirty (30) days after such meeting, then the Non-Breaching Party shall deliver a further written notice to the Breaching Party to demand reasonable, particular corrective action to cure the Violation (the "Second Notice"). Upon the giving of a Second Notice, the Breaching Party shall promptly commence, and thereafter diligently pursue to completion, corrective action sufficient to cure the Violation and, where the Violation involves injury to the Property resulting from any use or activity inconsistent with the Beneficial Public Values or the Conservation Purposes, to restore the portion of the Property so injured. If a Violation is not cured within thirty (30) days after the delivery of the Second Notice (the "Final Cure Period"), or if the cure reasonably requires more than thirty (30) days to complete and there is failure to begin the cure or failure to continue diligently to complete the cure within the thirty (30) day period, the parties shall submit the claims or disputes to mediation as provided in Section 9(b).

(b) Mediation. Except as provided in Section 9(d), Grantor and Grantee agree to first meet, confer and negotiate pursuant to Section 9(a) and then mediate pursuant to this Section 9(b) with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. If the parties fail to settle such claim or dispute prior to the expiration of the Final Cure Period or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to mediation. Any party may commence mediation by providing to the other party (with a copy to the Third-Party Beneficiary) a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the parties, the mediation shall be conducted in _____ pursuant to JAMS rules and procedures or other reasonable and appropriate mediation rules and procedures mutually acceptable to the parties. Grantor

and Grantee will select a mutually acceptable qualified mediator, and will cooperate in good faith in scheduling the mediation proceedings. The parties agree to participate in such mediation proceedings in good faith for at least ninety (90) days (the "Mediation Period"), and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their employees, agents, experts and attorneys, and by the mediator (including mediator's employees), are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Except as provided in Section 9(d), no party may commence an action arising out of or relating to this Agreement until the parties have completed the consultation required in Section 9(a) and mediation required in accordance with this Section 9(b).

(c) Legal Remedies. If the parties are not able to settle the claim or dispute through consultation and mediation pursuant to Section 9(a) and/or Section 9(b) above, the Non-Breaching Party and/or Third Party Beneficiary may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Agreement, to recover any damages to which such Non-Breaching Party or Third Party Beneficiary may be entitled for violation of the terms of this Agreement or for any injury to the Beneficial Public Values of the Property, or for other equitable relief, including, but not limited to, the restoration of the Property to the condition in which it existed prior to the Violation.

(d) Injunctive Relief. If Grantee or Third Party Beneficiary, each in its discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Beneficial Public Values from a Violation, Grantee or Third-Party Beneficiary may pursue its remedies under this Section 9(d) without (i) giving the Violation Notice, or participating in consultation, or giving the Second Notice, all as required under Section 9(a), and/or (ii) without participating in mediation required in Section 9(b), *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, and to require the restoration of the Property to the condition that existed prior to any such injury. The remedies described in this Section 9(d) shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code Section 815 *et seq.* The failure of Grantee, Grantor, or Third-Party Beneficiary to discover a Violation or to take immediate legal action shall not bar taking such action at a later time.

(e) Costs of Enforcement. In any action, suit or other proceeding undertaken to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses, including without limitation, attorneys' and experts' fees and costs, and if such prevailing

party shall recover judgment in any action or proceeding, such costs and expenses shall be included as part of the judgment. Grantor and Grantee intend that the Third-Party Beneficiary shall also enjoy the rights under, and be subject to, this Section 9(e).

(f) Enforcement Discretion. Enforcement of the terms of this Agreement shall be at the respective discretion of Grantee, Grantor, and Third-Party Beneficiary, and any forbearance to exercise rights of enforcement under this Agreement in the event of any breach of any term of this Agreement shall not be deemed or construed to be a waiver of such term or of any subsequent breach of the same or any other term of this Agreement or of any rights under this Agreement. No delay or omission in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.

(g) Third Party Beneficiary Right of Enforcement. The parties intend and acknowledge that _____ (“Third-Party Beneficiary”) shall be a third party beneficiary of this Agreement and the Conservation Easement with the following rights, in addition to those others expressly set forth elsewhere in this Agreement:

(i) Notice to Grantee of Violation. If Third-Party Beneficiary determines that Grantor is in violation of the terms of this Agreement or that such violation is threatened, Third-Party Beneficiary may provide written notice to Grantee (the “Third-Party Beneficiary Notice”) describing the details of such violation and seeking written confirmation from Grantee as to whether Grantee considers the circumstances described in such notice to be a Violation and whether Grantee intends to enforce such Violation under Section 9. Grantee shall have thirty (30) days (“Response Period”) to provide Third-Party Beneficiary with a written response to the Third-Party Beneficiary Notice which shall either (i) confirm that Grantee considers the alleged violation described in the Third-Party Beneficiary Notice to constitute a Violation, together with Grantee’s intention to resolve the Violation through enforcement thereof under Sections 9(a), (b) and (c) above, or (ii) describes in detail the reason Grantee considers the alleged violation not to be a Violation. Grantee’s failure to provide a Response Notice to Third-Party Beneficiary within the Response Period shall be construed as Grantee’s acknowledgment that the alleged violation described in the Third-Party Beneficiary Notice constitutes a Violation that Grantee intends to promptly pursue enforcement of in accordance with Section 9.

(ii) Consultation. If Grantee determines the alleged violation described in the Third Party Beneficiary Notice does not constitute a Violation, or determines the alleged violation is a Violation but fails to commence enforcement rights prior to expiration of the Response Period, then Third-Party Beneficiary may notify Grantee in writing that Grantee has fifteen business days to commence exercising its enforcement rights respecting such Violation under Section 9(a) above (the "Grantee Cure Period") and require Grantee to submit written proof of enforcement action taken. If Grantee fails to exercise its enforcement rights during the Grantee Cure Period, and/or fails to pursue enforcement rights through to resolution thereafter in accordance with this Section 9, then Third-Party Beneficiary shall be entitled to pursue enforcement actions for such Violation against Grantor directly in accordance with Sections 9(a) and (b) above.

(iii) Access. Third-Party Beneficiary shall have the entry and access rights afforded Grantee in Section 4(b) above to the extent and as necessary for Third-Party Beneficiary to exercise its rights in this Agreement.

Background

At the September 2009 Board meeting the SNC and a committee of partner organizations launched a campaign to establish a new California vehicle license plate to benefit the Sierra Nevada. The committee is tasked with collecting 7,500 paid pledges for the new license plate before September 2010. If the campaign is successful, the sales and annual renewals of license plate registrations will yield a significant amount of revenue for the SNC to invest directly into projects and programs throughout the Region.

Marketing of the license plates has been conducted through the distribution of printed materials, multi-media press coverage, internet marketing, and direct telephone contact with prospective buyers. Marketing aspects of the campaign that require expenditure of money have been financed with donated funds, although the majority of all marketing efforts have been through volunteer efforts of SNC supporters throughout the Region.

Current Status

At the current rate the campaign is on course to fail. As of mid-February 286 paid pledges have been collected. A number of factors are contributing to the difficulties of selling the plates, including the obvious pressures on the economy and consumers' unwillingness to spend discretionary funds on vanity and specialized license plates. Despite the well-intentioned efforts of several SNC supporters throughout the state, the marketing surge and finances donated have not been enough to spur the necessary sales.

Statistics provided by the Department of Motor Vehicles indicate that all specialized plate sales are declining and other efforts to establish new specialized plates are not going well either. The SNC license plate committee has determined that the only hope for success of this campaign hinges on securing some type(s) of incentives to offer prospective buyers. The committee is discussing options with California Ski Industry Association and actively pursuing other options at this time to secure those valuable incentives. Firm commitments to provide any incentives should be known by late March.

Next Steps

The license plate campaign committee will continue to pursue incentive options and free or very affordable media coverage and advertising. At this time, it appears that without substantial incentives, significant improvement in the rate of license plate sales is

unlikely. Without such incentives, there is little chance that the 7,500 requirement will be met.

If the campaign is suspended, refunds will be provided to those who have purchased a license plate. The effort could be restarted at a future date.

Recommendation

Staff is seeking direction from the Board on two possible courses of action: 1) continue to work with partners on efforts to secure significant incentives that can be used for a final marketing push for the campaign; or 2) minimize further activities of SNC staff and recognize that the effort will not be successful at this time.

Background

Prior to the creation of the SNC, organizations interested in the well-being of the Sierra Nevada began an annual Sierra Day at the Capitol to advocate for the Region with California legislators and their staff. These efforts were led by The Sierra Fund and the Sierra Nevada Alliance and included advocating for the creation of the SNC and full funding for our programs.

Current Status

This year's Sierra Day at the Capitol is scheduled for April 14th and will be sponsored by a broad array of stakeholder groups. These groups include:

- Sierra Nevada Conservancy
- The Sierra Fund
- Sierra Nevada Alliance
- Sierra Business Council
- Sierra Cascade Land Trust Council
- CA Cattlemen's Association
- CA Forestry Association
- Trust for Public Land

In addition to these groups, we continue to solicit participation from other organizations.

The focus of the day's activities will be on educating California's decision-makers regarding how important the Sierra Nevada Region is to the state's long-term environmental, economic and social well-being. Basic information regarding the Sierra's contributions to water, renewable energy, carbon storage, recreation and tourism, wood products and ranching will be provided. This message will be carried to members of the legislature and their staff by teams that represent a cross-section of stakeholders with an interest in the Region.

In addition to meetings with individual legislators and staff, there will be a display covering the long wall outside the Governor's office and an evening reception. Other ideas being explored include an art display and briefings on Sierra issues.

Next Steps

The sponsoring organizations have formed a steering committee to oversee development of the day's events and the materials that will be used to convey the

importance of the Sierra Nevada to all of California. Various members of the committee will also be taking on the tasks associated with putting together the materials and activities for the day.

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 on how to make this year's Sierra Day at the Capitol a great success. Boardmembers will of course be invited to participate as well.

Background

In early 2009 the Conservancy (SNC) partnered with the Sierra Business Council (SBC) and the National Geographic Society to develop the Sierra Nevada Geotourism Mapguide Project. The Mapguide Projects consists of an interactive Web site and several printed maps to highlight unique and authentic tourism destinations in the Sierra Nevada. The project supports the SNC's mandate to enhance tourism in the Sierra Nevada Region while also promoting the preservation of cultural and heritage resources.

The project has been divided into four phases covering the entire Sierra Nevada Region including three counties of western Nevada. Funding for the project has come from the SNC (\$50,000), SBC, the Morgan Family Foundation, El Dorado County, and the Federal Highways Administration (FHWA). Total committed funding for the project to date is approximately \$395,000. Additional investments totaling approximately \$150,000 - 200,000 are needed to complete the project.

Current Status

Phase one of the project (The Yosemite Gateways and Byways) has been completed after conducting an extensive public outreach process yielding over 800 site nominations. A local geo-council, representing the geographic area of phase one, reviewed and evaluated all of the nominations before submitting them to National Geographic for inclusion in the final Sierra Nevada Geotourism Web site. A viewing of the live site (www.sierranevadageotourism.org) will accompany this report. Additional local geo-councils and a Region-wide geo-council are being formed to guide future phases of the project.

Next Steps

Site nominations for Phase 2 (Central Sierra Corridors) are scheduled to begin in June 2010 with final additions to the website in November. Phases 3 and 4 will follow immediately after with plans to have all site nominations completed by June 2011 and the entire project live online by November 2011. The possibilities for developing printed versions of each phase are still being negotiated, and would likely include several hundred thousand copies for distribution.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time. This is an informational update of the progress of the project.

Background

Over the past months, staff at the SNC has had numerous discussions with a wide range of partners on how best to address issues related to forest health, wildfire, sustainable forest management and sustainable communities. It has been clear that the relationship between these issues presents a unique opportunity for the SNC to assist the Region in addressing these issues. SNC staff has been actively participating in a number of efforts at the community level, including the Amador-Calaveras Consensus. Staff is also engaging groups in a number of other communities to assist in identifying opportunities and actions to address these issues.

On October 29th, the SNC hosted its third annual symposium with a focus on these issues. The “Connect the Dots” webposium was broadcast to 9 locations around the Region, with more than 100 participants. Since the webposium, SNC staff has been following up in a number of areas on ideas and feedback received.

Current Status

In order to bring greater focus and a coordinated approach to these issues, staff is recommending that the SNC Governing Board approve a resolution identifying key objectives and a process to implement the “Sustainable Sierra Nevada Initiative” (Attachment A to this item).

The principle objectives of the initiative are:

- Creating ecologically healthy forests and watersheds, thereby protecting and enhancing habitat and water quality while reducing the risk of catastrophic fire, and;
- Creating sustainable local economic activity in the Region through increasing the sustainable production of renewable biomass energy and a variety of value-added wood products.

The Initiative identifies a number of key benefits that will result from successful implementation, including the following:

- Protecting water that flows from the Sierra – which constitutes 65 percent of the state’s developed water supply;
- Creating jobs on a sustainable basis for Sierra communities;
- Reducing air pollutants and greenhouse gas emissions from catastrophic fire
- Providing for protection of key habitats for a variety of threatened and endangered species; and
- Maximizing the sequestration of carbon in Sierra Forests.

By addressing the objectives described above in a coordinated and integrated approach, long-term environmental, economic and social well-being can be improved in the Sierra Nevada. Clearly this effort will require the support of federal, state and local agencies, as well as non-governmental stakeholders, private investors and industry. Additional detail is provided in Attachment B of this item.

Next Steps

Given that more than two-thirds of Sierra forests are owned by the public, the initiative will primarily focus on issues affecting public lands. Clearly, substantial federal involvement and investment is needed and appropriate. At the same time, coordination among the various State of California agencies with an interest in the Sierra is essential. Local governments can contribute through local leadership, economic development, supportive policies and land use planning efforts that are consistent with the Initiative objectives. Many non-governmental organizations and private landowners are currently contributing positively to these objectives and are well-positioned to provide greater assistance.

In order to successfully implement this initiative, the Sierra Nevada Conservancy will provide leadership, coordination, monitoring and reporting on its success. The SNC is prepared to provide convening, facilitation, information gathering and analysis and grant writing assistance. A Sierra Nevada Coordinating Council will be created consisting of federal, state and local agencies and key stakeholders. The first charge of the Council will be the creation of a Sustainable Sierra Implementation Plan (SSIP) for the purpose of guiding and monitoring progress over time. The SSIP will establish measurable outcomes for the Initiative and identify a process for monitoring success. By identifying needs and opportunities, the SSIP will assist in strategic investment in the Region.

At the same time, SNC staff will continue to work with local communities to assist in efforts to address these issues. These efforts will continue to inform us as to the needs and opportunities that exist throughout the Sierra Nevada.

Recommendation

Staff recommends that the Board approve the Sustainable Sierra Nevada Resolution and direct staff to take the necessary steps for the successful implementation of it.

-- DRAFT --

February 8, 2010

Sustainable Sierra Nevada Initiative
Healthy Forests....Healthy Communities

Overview:

The Sustainable Sierra Nevada Initiative (SSNI) is a coordinated effort among federal, state and local agencies, in partnership with a wide array of non-governmental entities, to improve the long-term environmental, economic and social well-being of the Sierra Nevada Region. The Initiative will serve to identify opportunities for investment of public and private resources and necessary policies to achieve outcomes consistent with the following linked objectives:

- Creating ecologically healthy forests and watersheds, thereby protecting and enhancing habitat and water quality while reducing the risk of catastrophic fire;
- Creating sustainable local economic activity in the region through increasing the sustainable production of renewable biomass energy and a variety of wood products.

Successfully achieving these objectives will result in a number of key outcomes for the Region and state:

- Protecting water that flows from the Sierra – which constitutes 65 percent of the state’s developed water supply;
- Creating jobs on a sustainable basis for Sierra communities;
- Reducing Air Pollutants and Greenhouse Gas Emissions from catastrophic fire;
- Providing for protection of key habitats for a variety of threatened and endangered species; and
- Maximizing the Sequestration of Carbon in Sierra Forests.

Background:

The Sierra Nevada Region is critical to the well-being of California and its residents. The Region is the origin of approximately 65 percent of the state’s developed water supply, serving municipal, agricultural and industrial needs throughout the state. Nearly three-quarters of all the hydropower produced in California comes from the Sierra high-elevation hydropower system, generating roughly 12 percent of all energy produced in the state. The Region also produces from one-third to one-half of the state’s annual timber supply. The Sierra Nevada serves as one of the state’s leading areas to recreate and visit, with more than 50 million recreation visit days each year.

Nonetheless, the potential for even greater contributions exists. Sierra forests store large amounts of carbon, with these forests providing more carbon sequestration acre for acre than the Amazon rain forests. Through sustainable management, catastrophic wildfire can be reduced and carbon sequestration can be increased and protected into the future. Without the appropriate management this carbon “plus” could literally go up in smoke, turning the benefit into a huge liability.

California policy currently calls for 33 percent of its energy to be produced from renewable sources by 2020, with 20 percent of all renewable energy to be generated from biomass resources by 2010. Energy produced from biomass currently provides only 3 percent of the overall in-state energy produced. Estimates indicate that the greatest abundance of potential biomass feedstock in California, up to 41 percent, could come from forestry biomass. Clearly the opportunity for a significant contribution of renewable biomass energy – and the creation of jobs for local citizens - exists in the Region, consistent with sustainable forest management.

In addition to biomass energy, the potential for production of biofuels (produced from woody biomass) and other “value added” wood products is substantial. Current State policy calls for 20 percent of California’s biofuels to be produced within California (increasing to 40 percent by 2020 and 75 percent by 2050). Opportunities also exist for production of wood pellets (used for heating), post/poles and other specialty wood products. At the same time, maintaining existing facilities that process traditional “dimensional” wood products is likewise critical to the long-term sustainability of the Region.

As the climate changes, it will become essential that we act to ensure that Sierra watersheds continue to serve as the state’s primary source of clean water. The opportunity exists for restoration and management efforts that will assist water managers in meeting ongoing needs. This includes increasing “natural storage” (through meadow restoration as an example), implementing land management that results in maintaining snowpack into the spring and protecting important natural areas from conversion to other uses.

In order to protect existing resources, address potential threats and take advantage of the additional contributions the Sierra makes to the State’s energy production and emission reduction goals, a coordinated initiative is needed to focus attention on this region, increase investment, guide policy and measure success. The Sustainable Sierra Initiative provides the opportunity for a successful effort.

The Initiative

By addressing the objectives described above in a coordinated and integrated approach, long-term environmental, economic and social well-being can be improved in the Sierra. Clearly this effort will require the support of federal, state and local agencies, as well as non-governmental stakeholders.

Given that the federal government is responsible for the management of approximately two-thirds of the Sierra Nevada landscape, the initiative will primarily focus on issues affecting public lands. Clearly, substantial federal involvement and investment is needed and appropriate. At the same time, coordination among the various State of California agencies with an interest in the Sierra is essential. Local governments can contribute through local leadership and land use planning efforts that are consistent with the Initiative objectives. Many non-governmental organizations and private landowners

are currently contributing positively to these objectives and are well-positioned to provide greater assistance.

In order to successfully implement this initiative, the Sierra Nevada Conservancy will provide leadership, coordination, monitoring and reporting on its success. A SSNI Resolution has been developed for the purpose of allowing agencies, businesses and organizations that share these strategic objectives to participate. A Sierra Nevada Coordinating Council could be created consisting of federal, state and local agencies and key stakeholders. Assuming there is support for this idea, the first charge of the Council will be the creation of a Sustainable Sierra Nevada Implementation Plan (SSIP) for the purpose of guiding and monitoring progress over time. The SSIP will establish measurable outcomes for the initiative and identify a process for monitoring success. By identifying needs and opportunities, the SSNIP will assist in strategic investment in the Region.

Summary

The successful implementation of the Initiative will attract additional investment to the Sierra Nevada Region; create thousands of sustainable new jobs and more diversified local economies; protect the state's primary watershed and its many benefits; and contribute significantly to the state's efforts in reducing the effects of a changing climate.

The Sustainable Sierra Nevada Initiative

Draft February 8, 2010

An effort to create healthy forests, watersheds and communities

Today, many Sierra Nevada communities face a number of important challenges, including ecologically unhealthy forests, the threat of catastrophic fire and the need for sustainable local economies. Understanding the relationship between these issues, and acting to address them, holds the potential for an important and perhaps unprecedented opportunity. The following resolution represents a commitment on the part of signatories to work together to identify, initiate and support actions necessary to achieve the long-term environmental, economic and social well-being of the Sierra Nevada region. The Initiative will primarily focus on issues relating to public lands in the region, while recognizing the importance of private lands in achieving the overall objectives.

The Sustainable Sierra Nevada Resolution

Whereas, the Sierra Nevada region is California's principal watershed and the origin of 65% of the state's developed water supply; serves as one of the state's premiere recreation and tourism destinations for more than 50 million visitor days each year; provides between one-third and one-half of the state's annual timber harvest; produces nearly three-quarters of the state's hydroelectric power; is home to 2/3 of the state's bird and mammal species, half of the state's plant species, and more than 600,000 humans;

Whereas, much of the Sierra Nevada forestlands are in an ecologically unhealthy condition, including lands managed by the federal government;

Whereas, large damaging fires in the Sierra Nevada results in a wide variety of negative impacts including loss of life and property, reduced recreational and tourism opportunities and other significant economic impacts;

Whereas, large damaging fires results in degraded water and air quality, adverse human health impacts, and the loss of wildlife habitat;

Whereas, declining biodiversity with fewer pockets of old growth remaining, fewer snags and downed logs and declining number of hardwoods is also a symptom of declining forest health;

Whereas, large damaging fires results in the loss of carbon stored in the forests and causes significant emissions of greenhouse gases, therefore adversely affecting efforts to reduce the impacts of climate change;

Whereas, projected increases in temperatures due to a changing climate combined with the unhealthy condition of a significant portion of the forest will result in larger, more frequent and more damaging fires in the future, further exacerbating these impacts;

Whereas, economic conditions in the Sierra continue to show negative trends, even beyond the current national economic conditions, with unemployment rates in many Sierra counties that are significantly higher than the national and state's average;

Whereas, traditional economic activity related to wood products and ranching are expected to continue to decline, underscoring the need to diversify local economies while protecting recreation and tourism and other existing activities;

Whereas, the State of California has established aggressive goals to increase the amount of energy supplied from renewable sources, including biomass energy;

Whereas sustainable forest management can result in improved ecological health of forests, including improved habitat conditions and improved water quality;

Whereas sustainable forest management can result in a reliable supply of biomass that could be converted to renewable energy, as well as a variety of wood products, including "value added" products, creating an opportunity for locally based sustainable economic activity:

Therefore, we declare that it is our intent to work collaboratively, constructively and in a transparent manner, with a wide range of governmental and non-governmental entities, to improve the environmental, economic and social well-being of the Sierra Nevada region by:

- Identifying, supporting and implementing actions that will reduce the risk of large damaging fires in our forests and wildlands and in our communities;
- Identifying, supporting and implementing actions that will result in ecologically healthy forests and watersheds, protecting habitat and species, water supply and water and air quality, and the long-term sequestration of carbon;
- Identifying, supporting and implementing actions that will create ecologically and economically sustainable local jobs and economic activity resulting directly and indirectly from sustainable forest management activities, including but not limited to, biomass energy, biofuels, "value added" wood products, dimensional wood products and the activities necessary to produce these products;
- Identifying, supporting and implementing actions that will result in restoration of plant and wildlife habitat stemming from increased resiliency, diversity and species composition post treatment;
- Identifying, supporting and implementing policies, investment and technical support that will assist in achieving these objectives.

The Sierra Nevada Conservancy will coordinate this initiative through the use of a collaborative, inclusive process. Progress will be measured and reported on an ongoing basis.

Signed,

Background

Last year's state bond freeze and resulting reduction in grants related work, provided SNC staff an opportunity to conduct "Subregional Assessments" to identify and understand lessons learned from implementation of the SNC program to date. The assessments are intended to be used as internal tools to evaluate organizational effectiveness and policy decisions relating to the grants program and other activities. The assessments will also be useful in efforts to maximize equitable distribution of resources across the Region, both programmatically and geographically.

The assessment is based on detailed research, data analysis, and interactions with local and regional stakeholders in each of the SNC's six Subregions. The results of the assessment will be used to identify specific actions that the SNC can implement or refine to advance the mission of the agency.

Current Status

Staff has completed an assessment for each Subregion, which are included as an attachment to this agenda item. Also attached is a summary of key findings and proposed recommendations for Board review and discussion. At the December, 2009 Board meeting staff reported progress on the assessments and were directed to meet with Subregion county representatives to review findings and recommendations. Staff has met with or discussed the assessments with all of the county representatives and incorporated relevant additional information into the assessments.

Staff acknowledges that the assessments are not comprehensive and may not reflect the broadest scope of issues present in each Subregion or county. With this in mind, the collective work is intended to be a living reference and can be updated as changes occur or new information is learned. Staff also recognizes that the experience with the Proposition 84 grant program has been somewhat limited, given the requirements of the proposition.

The assessment exercise has helped to clarify some of the differences and similarities existing between Subregions, and indicates that business practices and actions of the SNC may need to be tailored to best achieve its mission in different Subregions. The following key findings represent issues that may affect how the SNC carries out its programs across the Region. These topics are discussed more thoroughly in the attached document.

- Land Ownership and Surrounding Communities
- Capacity Challenges
- Partial Counties within SNC Boundaries
- National and Other Interests in the Sierra Nevada
- Available Funding and Program Alignment

A number of recommendations to address these issues are included in the attachment.

Next Steps

Next steps include integrating recommended actions into the work plans of the SNC and implementing as appropriate. The assessment will be used to calibrate SNC actions to better achieve equitable distribution of resources across program and geographic areas and as a tool to help guide staff in updating the SNC Strategic Plan.

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 as well as specific Board direction as it relates to the proposed actions.

Introduction

The six Subregional Assessments conducted by staff over the last several months provide information to the organization that is helpful in evaluating organizational effectiveness and policy decisions relating to the grants program and other activities. The assessments will assist in efforts to maximize equitable distribution of resources across the region, both programmatically and geographically and help staff ensure that those resources are being used to greatest effect throughout the Sierra Nevada.

Looking at the assessments as a whole, they reveal both distinct differences among the Subregions and some Sierra-wide trends. In many cases, the assessments confirm that the SNC's overall approach is on the right track, but the assessments also highlight the need to customize the agency's delivery of services in some areas.

Key Findings and Proposed Actions

In reviewing the various assessments, staff has identified a number of issues that are especially key to how the SNC carries out its mission in each Subregion. Following is a discussion of these issues as well as recommendations for actions the SNC can take to address them.

✓ *Land Ownership and Surrounding Communities*

One key difference found between Subregions is the amount of public land owned versus private land land ownership is a key factor affecting population growth, economic diversity and social issues for the Sierra residents. This can also be a factor in the type of projects that emerge from the communities.

About 60 percent of the land within the SNC boundaries is owned by the public and managed by federal land agencies; however, the public to private land ownership ratio varies greatly among Subregions and counties. Large public land ownership has contributed to a high economic dependency on tourism and recreation on public lands in some Subregions. Conversely, areas with a higher proportion of private lands face greater challenges relating to development and preservation of working landscapes. Most Sierra community unemployment rates are higher than the national and state averages and employment is less secure with dependence on the tourism industry.

It appears that this fact may affect the number and type of projects that emerge from various communities, depending on the requirements and focus of available funding. It is unlikely that "equitable distribution of resources" can be achieved until SNC has

a wide array of funding sources that adequately address the differences between Subregions.

Proposed Action: The SNC should strive to attract funding that allows it to meet the full range of program areas identified in statute. In addition, the SNC should continue to coordinate with public land managers to ensure that they are aware of funding opportunities and can successfully compete for funding.

✓ ***Capacity Challenges***

The assessments revealed that capacity (for the purposes of the assessments, capacity is defined as organizations available to assist in the carrying out of the SNC mission) differs among Subregions and communities. While there are many organizations and agencies with substantial capacity throughout the Region, challenges exist in a number of communities in the form of limited human and financial resources, and a scarcity of and access to technical experience and technologies. About 70 percent of grant applications submitted to SNC's grant program sought funds to plan projects, with the remaining requesting funds to implement projects. This statistic indicates that many of the Subregions need support with preliminary planning work necessary to advance an identified need from a concept to an actual project so that implementation funds can be requested. Furthermore, the report shows that in the majority of Subregions there is assistance needed to help organizations operate more effectively and identify long-term funding strategies to sustain themselves.

Proposed Action: SNC can provide assistance to local organizations and coalitions of organizations to provide assistance directly or help secure funds for assistance to build their capacities. The SNC should also work to ensure that future bond funds provide the flexibility to meet the Region's needs for strategic planning, project plan development, grant application and proposal writing, leadership development, and collaboration building.

✓ ***Partial Counties within SNC Boundaries***

The assessments seemed to indicate significant differences between Subregions/counties where all or most of the area and population is within the SNC Region versus those where this is not the case. The SNC's western boundary, as established by statute, bisects several counties in four of the six Subregions. In nine counties, the majority of the population, county governments and media are located outside of the Region in more populated valley communities.

This situation is most dramatic in the South Subregion where the majority of the land and population are outside of the SNC boundary.

The South Subregion has only 3.5 percent of the total population residing in its three counties. This is primarily because there is only a sliver of private land between the valley floor and the federally owned land that stretches across the crest and limited transportation infrastructure. That sliver widens in the Subregions to the north as the slope becomes more gradual and supports more communities and bigger populations.

The result of this situation seems to complicate the ability to effectively address issues in the Sierra foothills such as reducing the threat of wildfire, the integrity of wildlife corridors, the conservation of viable working landscapes, and the spread of residential development.

Recommended Action: The SNC should broaden outreach efforts to valley organizations that could have the capacity and missions to work in the eastern portions of these counties. In particular a focus on developing better partnerships with local governments seated outside the region that have jurisdiction in the region should be pursued. In addition, the SNC should develop and implement a plan to interact and work more closely with private landowner groups and working landscape interests both in the Valley and foothills.

✓ ***National and Other Interests in the Sierra Nevada***

The assessments revealed that several large non-profit organizations, many with a national presence located outside of the Sierra Nevada region, are focusing resources and attention on projects in specific Subregions. It appears that the Central and North Central Subregions have garnered much of the attention of these larger non-profit organizations based on a variety of factors. The presence of several small, well-established, local organizations willing to partner with these larger organizations has resulted in several successful projects and programs in these subregions. The resources and support invested by these larger organizations has proven to be extremely helpful in leveraging additional funding from a number of other private and public sources.

Proposed Action: The SNC can help build capacity in some Subregions of the Sierra by helping communities and organization's identify their greatest needs and help match them with large organizations willing to partner with smaller, local organizations and collaborate on projects. The SNC can help facilitate introductions and help to research opportunities for new and innovative partnerships.

✓ ***Available Funding and Program Alignment***

Since 2007, the SNC has administered seven separate solicitations for grant applications to award about \$30 million of funds, all from the *Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84)*. The solicitations resulted in a total of 178 grants being awarded. Detailed analyses of grant applications and awards are included in each Subregion assessment. Recognizing that the mission and programs of the Conservancy are much broader than the intended use of Proposition 84 funds, it is reasonable to expect that some program areas and geographic areas have not fared as well as others. More diverse funding sources are needed by the SNC in order to fully achieve its mandated charge of equitably distributing resources across program and geographic areas. As additional funding sources are identified to support SNC programs, distribution patterns of grants are likely to change.

Proposed Actions:

1. A suggested approach to help ensure equitable distribution of resources across the Region includes the opportunity for the SNC to play a stronger role in developing projects in areas where resource or program needs are high, but local capacity is limited. This may include direct expenditure of bond funds for SNC sponsored projects in areas where local organizations may not exist to address specific issues. This could broaden the expertise of the SNC and help to equitably establish meaningful projects throughout the Region.
2. The SNC should consider pursuing spending authority to allow “support” funding to be spent in ways to accomplish progress in all program areas for activities that may not lend themselves to bond funding.
3. SNC staff can monitor and communicate much more aggressively with policy makers to ensure appropriate language in legislation and bond measures that is reflective of the needs of the Region. This would include ensuring that future bond language is more flexible and aligned with all SNC programs.

The exercise of completing the Subregional Assessments has been extremely educational for SNC staff and management. Through research, interactions and discussions with numerous stakeholders and decision makers throughout the Region, the staff has gained an even richer understanding of the unique issues that each Subregion grapples with. A tremendous amount of credit and gratitude is due to the numerous sources and organizations who provided information and feedback included in these reports. The key findings and actions identified in this report represent an investment reflective of the SNC’s desire to continually examine its effectiveness and value to the Region.



*Resolution No. 2010-001
Commending Natural Resources Secretary
Mike Chrisman
Adopted by the Sierra Nevada Conservancy
Governing Board
March 3, 2010*



Whereas, Natural Resources Secretary Mike Chrisman has served as the first, and to date, only Chair of the Sierra Nevada Conservancy's Governing Board from January 2005 through January 2010;

Whereas, Secretary Chrisman has provided strong leadership, wise counsel and enthusiastic support for the organization during its formative years;

Whereas, Secretary Chrisman has ensured that the Conservancy conducts itself in a transparent, collaborative manner, engaging residents in communities throughout the Sierra Nevada in helping to shape the direction of the organization;

Whereas, a number of significant accomplishments have occurred during Secretary Chrisman's tenure as Chair, including:

- *Constitution of the Governing Board and development of an initial budget;*
- *The hiring of an Executive Officer and other staff to meet the day to day activities of the organization;*
- *Creation of a 5 year Strategic Plan to guide the organization in carrying out its mission;*
- *Establishment of a headquarters office and three satellite offices to serve the 25 million acre Region;*
- *Implementation of the Proposition 84 grants program, which has awarded nearly \$30 million in grant funds for a wide range of projects throughout the Sierra Nevada Region;*

Whereas, Secretary Chrisman's passion for the Sierra Nevada and his commitment to the Region's environmental and economic well-being is evident;

Whereas, Secretary Chrisman's understanding of California history, experience in conservation efforts and knowledge of state government has been invaluable to the Sierra Nevada Conservancy;

Therefore be it resolved, that the Governing Board of the Sierra Nevada Conservancy hereby commends and thanks Secretary Mike Chrisman for his outstanding service to the people of California and the Sierra Nevada in particular, and further wishes him continued success as he enters the newest phase of his career.

Vice Chair Jon McQuiston

*Attest: Theresa Burgess
Board Liaison*
