



**I. Call to Order**

Board Chair BJ Kirwan called the meeting to order at 9:10 AM. Deputy Attorney General Christine Sproul administered the oath of office to incoming Boardmember Karen Taylor-Goodrich.

**II. Roll Call**

Present: Todd Ferrara, BJ Kirwan, Bob Kirkwood, Bob Johnston, Brian Dahle, Bill Nunes, Ted Owens, Linda Arcularius, Tom Wheeler, Nancy Upton, Karen Taylor-Goodrich, and Lee Stetson arrived during item XI.

Absent: Pedro Reyes, John Brissenden, and Burnadette Lovato

**III. Approval of March 2012 Meeting Minutes (ACTION)**

There were no changes to the meeting minutes.

**Action: Boardmember Kirkwood moved and Boardmember Owens seconded a motion to approve the March 8, 2012, meeting minutes. The motion passed unanimously.**

**IV. Public Comments**

There were no comments from the Public.

**V. Board Chair's Report**

Board Chair Kirwan congratulated Boardmember Dahle on the recent District 1 Assembly seat election.

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

**a. Administrative Update**

Administrative Chief Theresa Parsley said staff has been working on an updated and comprehensive grant program operation manual for the next grant cycle. As a companion to this manual, the Sierra Nevada Conservancy (SNC) is creating a training module to assist both staff and grantees with successful completion of their projects, as well as with grantee audits.

Based on the closeout for SNC's 2007-08 grants, it was determined that a minimum of another \$500,000 will be available for future grant awards. Possible use of these funds will be identified and recommendations will be brought to the Board in the future relative to the distribution of those funds.

Parsley said the SNC is assessing the impacts of possible 2012-13 State budget cuts, including the closure of State offices on Friday, a reduction of employee compensation by five percent, longer workdays, and impacts to contracted employees.

As the fiscal year closes, it appears the SNC will expend approximately 95% of its budget. The five percent unspent reflects mandatory salary savings and several expenditure categories like travel and training that came in less than originally budgeted.

Parsley added that the Auburn office is now powered by the sun. At no cost to the Conservancy, a rooftop solar system has been installed, providing 35 hundred kilowatts per month of free electricity.

b. Update on Various SNC Activities

Executive Officer Jim Branham said this year's fourth annual Great Sierra River Cleanup event is set for September 15, just after the next Board meeting. He said the program has enjoyed impressive support from thousands of volunteers who have picked up tons of trash, and it has been a great program for the SNC.

Branham noted the Geotourism project with National Geographic and the Sierra Business Council continues to make great progress. About 100,000 print maps have been distributed and the web site has received 50,000 hits in the month of May, about twice the amount of hits had received in the previous months.

Branham indicated that the Sierra Nevada Forest and Community Initiative (SNFCI) Regional Coordinating Council met in late April and discussed the possible demonstration projects, but additional work is needed to further address this matter. One of the key roles for the Council is working with Region 5 of the U.S. Forest Service in development of an implementation plan for the Leadership Intent for Ecological Restoration. In addition, the SNC's local collaborative efforts continue to be active on the El Dorado, Stanislaus, and Sierra National Forests.

c. East Subregion Report

Mt. Whitney Area Manager Julie Bear introduced Kevin Carunchio, Inyo County Administrator, who gave an overview of Inyo County and local water issues.

He noted that the county is the second largest county in California in terms of area, but has one of the smallest populations. He pointed out that 98.3 percent of the land in Inyo County is publically owned, mostly by federal agencies. Only 1.7 percent of the land is privately owned, meaning a very small amount of land is available for development, which has had a negative impact on the local economy. Economics in Inyo have always been tied to natural resource issues. He noted that historically, 75 percent of Los Angeles's water has come out of Inyo County, but that has been declining a bit.

Carunchio then presented a 10-minute film by Tony Rowell on Inyo County.

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

Deputy Attorney General Christine Sproul said there has not been a lot of activity in this legislative session pertaining to SNC issues, but she is advised that there will be lots of proposals for California Environmental Quality Act (CEQA) changes in August.

**VIII. 2011-12 Proposition 84 Grant Awards (ACTION)**

Branham reminded the Board that this round was very different from previous grant rounds at the Conservancy. This round selected "Healthy Forests" as a focus area, rather than a broader set of eligible project types.

He stated that the initial plan was to expend about \$5 million for ecological restoration, fuels reduction, conservation easements, and pre-project activities. At the March meeting, the Board approved adding an additional \$2 million from unspent Proposition 84 funds to this grant round. This is the first phase of grant awards, with additional awards planned for the September meeting. The first phase of projects before the Board represents the highest scoring proposals for on-the-ground (Category 1) projects.

Branham said a number of good projects could not be recommended due to a lack of CEQA compliance, which continues to be a source of frustration for the SNC.

Parsley said the SNC received 197 project proposals during the pre-application period. Of these, only 16 were declined due to ineligibility. That left a potential submittal of 181 requests for \$21 million. The CEQA compliance requirements continue to be a challenge for both SNC and applicants. Nearly one third of the proposals were rejected under the CEQA review process, leaving 121 eligible projects totaling \$17 million in requests.

Parsley said projects were not disqualified lightly and that the SNC has already incorporated changes to its 2012-13 Grant Guidelines and Grant Application Package in order to have fewer issues with CEQA in the upcoming grant round.

Parsley stated that 26 projects, totaling \$4.9 million in requested funding, are being recommended to the Board as part of first phase of recommendations. These projects all scored at 77 or higher. Parsley provided a breakdown of projects by type and location.

Branham put forth the staff recommendation to approve the projects listed in Exhibit A, including the conditional approval of project #489, "Campstool Ranch & Working Forest", pending resolution of concerns raised by the Department of General Services with regard to the appraisal of the property.

Several concerns were raised by Boardmembers related to this project and of conservation easements generally. Boardmembers Wheeler, Owens, Nunes, and Arcularius raised concerns relating to ensuring that there is sufficient public benefit

to justify the expenditure of public funds, including the possibility for public access to the property. Boardmember Dahle raised concerns regarding ensuring that there is a high enough risk of conversion to another use to justify the expenditure of public funds. It was agreed to delay consideration of this project until September.

Boardmember Kirkwood said the guidelines for the current grant round, which were adopted by the Board last year, set the parameters for awarding grants for conservation easements in this round and, therefore, any debate about conservation easements should be brought up in the context of developing guidelines for the 2012-13 grant round.

Kirkwood also raised the question of the relationship between stream restoration and forest restoration as it related to a number of projects being recommended.

Branham said that in evaluating a "healthy forest" project, meadows within the forest are considered part of the forest's overall ecosystem, not just the trees. Therefore, the projects met the criteria set forth in the guidelines, which explicitly identified meadow restoration in a forested landscape as eligible.

Kirkwood furthered asked a question about the benefit of a campground restoration project. Mt. Whitney Area Manager Julie Bear explained that the purpose of the project would be to move campers and their stock animals from campsites near a creek to designated campsites away from the creek in order to protect water quality and overall watershed health.

**Action: Boardmember Johnston moved and Boardmember Nunes seconded a motion to adopt necessary California Environmental Quality Act (CEQA) findings and authorize the Executive Officer to file a Notice of Determination for project 510, the Diamond Mountain Forest and Meadow Restoration Project; adopt necessary CEQA findings and file a Notice of Determination for project 578, the LDSF Fuelbreak/Flat Top Biomass Project; adopt necessary CEQA findings and file a Notice of Determination for project 471, the Completion of the Forbestown Fuel Break Project-Phases 3 and 5, adopt the proposed Notice of Exemptions for approved projects; authorize the grants listed in Agenda Item VIII, Exhibit A with the exception to Project 489, Campstool Ranch and Working Forest; direct staff to consider only projects scored at 70 and above for September 2012 funding considerations; and, the Board authorizes staff to enter into the necessary agreements for the recommended projects and direct staff to file the appropriate CEQA documentation with the State Clearinghouse. The motion passed unanimously.**

**Action: Boardmember Wheeler moved and Boardmember Owens seconded a motion to further review the full application for project 489, Campstool Ranch and Working Forest, addressing issues raised by Boardmembers, as well as finalizing appraisal review by the Department of General Services prior to the September Board meeting. Boardmember Johnston opposed. The motion passed.**

**IX. 2012-13 Proposition 84 Grant Guidelines (ACTION)**

The SNC Mt. Whitney Area Manager Julie Bear presented information on the progress of the grant guidelines to date. As a result of input received from public comment period, Board comments, and other outreach efforts, Bear said there were some revisions that were reflected in the staff report submitted for Board approval.

Bear said the changes included clarifications and additional information on topics such as the “public benefit” mandate, eligible costs, administrative cost allocation, conservation easement language and CEQA. In addition, applications will be limited to three from a single entity, due to the limited amount of funds. To assist with CEQA compliance, the SNC is making staff available to help address applicant questions about the process. She also reviewed the overall program timeline, noting that the pre-application phase is scheduled to start June 18 with the release of the Request for Proposals. The deadline for submitting pre-applications is July 16.

Boardmember Nunes and others asked if it would be possible to request that projects be consistent with each county’s General Plan.

Branham said that question could be asked more directly in the application process. He noted that in addition to requesting information about zoning and adjacent land uses in the application and consulting with Board’s Subregional representatives on local planning issues, the SNC, as required by statute, sends information to every county liaison, planning director and/or county administrator in advance of finalizing the grant scores. He suggested it would strengthen the process if the SNC Subregional representatives and county liaisons could work with their staff to review the project information so that concerns can be identified and addressed prior to final scoring. Branham also agreed to request more explicit information in the application about a project’s consistency with existing county land use plans.

Nunes added that in his experience, the SNC staff responded in an exceptionally professional manner to questions about the proposed projects in Sierra County, and that the SNC sets a high standard for State and local government relationships.

Boardmember Arcularius asked that the SNC include the county agriculture commissioners when sending information to the counties for the FY 2012-13

Preservation of Ranches and Agricultural Lands Grant Program. She also requested additional information to better address the unique land tenure and governance issues involving site improvement projects proposed on lands leased from the Los Angeles Department of Water and Power (DWP).

There were several comments and questions about grants for conservation easements, with some Boardmembers stating strong concerns with such projects. The discussion centered on project costs, evidence of a benefit to the public, and public access.

Branham said the scoring process for the 2012-13 grant round would favor on-the-ground restoration work over conservation easements, per the Board's earlier direction. He noted that easement projects do receive an extra level of review; the Department of General Services reviews the appraisal of the land values, and the SNC does not intervene in that process.

Deputy Attorney General Sproul said that the laws governing use of bond dollars require that projects on private land demonstrate a benefit to the public, and she assured the Board that those requirements will be met.

Board Chair Kirwan invited anyone in the audience who wished to address the Board on this item to come forward.

George Milovich, Agriculture Commissioner for Inyo/Mono counties, pointed out that DWP leases are long-term, with many checks and balances. He also supported the idea of using the expertise of agriculture commissioners in each county to review proposed projects.

Bear thanked Milovich for his assistance with the Grant Guidelines outreach efforts to all the county agriculture commissioners in the Sierra.

Branham added that the SNC appreciates all the input it receives from the Board on the grant guideline issues.

**Action: Boardmember Nunes moved and Boardmember Kirkwood seconded a motion to approve Grant Guidelines for the Proposition 84 Preservation of Ranches and Agricultural Lands Grant Program FY 2012-13. The motion passed unanimously.**

**X. Pacific Watershed and Forest Stewardship Council (ACTION)**

Executive Officer Branham introduced the item saying the Board was being asked to approve modifications to the Memorandum of Understanding (MOU) between the SNC and the Pacific Forest and Watershed Lands Stewardship Council regarding future roles for the SNC, especially once the Council sunsets.

The SNC Senior Representative Linda Hansen outlined the modifications as follows:

- Willingness of the SNC to approve successor conservation easement holders on lands retained by PG&E,
- Willingness of the SNC to serve, at its discretion, as a backup conservation easement holder on a temporary basis for lands retained by PG&E, and
- Willingness of the SNC to perform tasks associated with a plan to monitor the economic and physical impacts of the PG&E land conservation commitment.

Hansen said the SNC will also become a public repository for the relevant documents.

Boardmember Owens asked if the SNC would be saddled with long-term costs beyond the MOU.

Deputy Attorney General Sproul said the MOU calls for the SNC to be reimbursed for any and all tasks it takes on as long as funding is available. She said the MOU makes it clear that the SNC would not be responsible for continuing work, should funding not be available in the future.

Branham said that funds would be deposited into a trust account, and that he is comfortable that the SNC is not committing itself to work that it will not be paid for.

Boardmember Todd Ferrara congratulated the SNC for working through the issues with the Stewardship Council, on which he serves.

**Action: Boardmember Wheeler moved and Boardmember Owens seconded the motion to approve the staff recommendation to approve modifications to the MOU between the SNC and the Pacific Forest and Watershed Lands Stewardship Council regarding future roles for the SNC. The motion passed unanimously.**

#### **XI. Mt. Whitney Fish Hatchery (ACTION)**

The Board considered a Memorandum of Agreement (MOA) between the SNC, the California Department of Fish and Game (DFG) and Inyo County regarding the future ownership and use of the former Mt. Whitney Fish Hatchery, located in Inyo County.

Prefacing the report, Executive Officer Branham said it was great opportunity to tour the facility and grounds with the Board the previous day, and noted that it is clearly an iconic place in the eastern Sierra worth preserving. Mt. Whitney Area Manager Julie Bear thanked Bruce Ivey and the Friends of the Mt. Whitney Fish Hatchery for hosting the tour and providing great information on the importance of the Hatchery.

Bear reminded the Board that DFG had approached SNC to take ownership of the facility, since it is no longer used as a fish hatchery. Since the last report to the Board in March, the SNC has been in discussions with the Wildlife Conservation Board, Inyo County, and DFG. The proposed MOA outlines a process for the development of a plan for the long-term use and ownership of the property. While it is possible that the SNC would take temporary ownership of the fish hatchery, Bear

reiterated that SNC ownership would only be a short-term role until a permanent solution can be implemented. Bear noted that this role is consistent with SNC's governing statutes, specifically to assist in the preservation of historic resources in the Sierra.

Bear stated that the staff recommendation includes approval for the SNC to spend up to \$50,000 from available base funding to conduct due diligence activities to determine feasibility of SNC's temporary ownership and to authorize the Executive Officer to enter into necessary agreements to assist in implementation of the proposed MOA. Any proposed ownership or management role for the SNC would be brought to the Board for approval in the future.

Boardmembers Ferrara, Kirkwood, and Johnston asked several questions related to SNC's role in retaining and owning land, SNC's ability to gift property and next steps depending on the findings of the due diligence efforts.

In response, Branham said the SNC cannot purchase land, but may accept donated lands. He said that land ownership is not the SNC's core competency but that it is well positioned to act in an interim capacity. He said the primary reason for SNC acting as an interim owner would be to facilitate its transfer to a local organization, such as Inyo County. Unlike DFG, SNC does not need to obtain fair market value in such a transfer. Branham further responded that should the SNC's due diligence activities point out that the project will not be fiscally viable, or the comprehensive business plan is not developed to the SNC's satisfaction, the SNC will not accept the property.

Boardmember Wheeler said that Madera County conducted a similar transfer of property with the North Fork Sawmill, and that it worked quite well. He said he thinks the former fish hatchery is a great facility and approved of the idea to consider its temporary transfer to the SNC.

Boardmember Arcularius noted that the County of Inyo is actively engaged in this process and is willing to put efforts toward a strategic plan to outline the roles and responsibilities of the parties involved.

Under public comment, Bruce Ivey, President of the Friends of the Mt. Whitney Fish Hatchery, said he has not encountered anyone who does not feel the hatchery should not be preserved, maintained, and kept open to the public. He welcomes the SNC's leadership to make this happen. He urged expediency, as his volunteer organization has been providing hundreds of hours and between \$50,000 and \$100,000 a year in cash donations and cannot maintain that level of support much longer.

Inyo County Administrator Kevin Carunchio spoke in favor of the SNC's role in the process. He said DFG only budgets \$8,000 per year for the facility. He said his county will be a strong supporter and partner with the SNC, adding that Inyo County has a contract with an expert in public/private real estate partnerships to help pull this project together.



**Action: Boardmember Arcularius moved and Boardmember Nunes seconded a motion to authorize staff to expend up to \$50,000 in regards to exploration of the future use and operation of the Mt. Whitney Fish Hatchery and to authorize the Executive Officer to enter to necessary and appropriate agreements for surveys, planning and analysis. The motion passed unanimously.**

**XII. Resolution in support of the California Children's Outdoor Bill of Rights (BOR) (ACTION)**

The SNC Mt. Lassen Area Manager Bob Kingman said the staff recommendation is to support the BOR with a resolution. He noted that the SNC's approval of a resolution would send a message to county boards of supervisors in the Sierra.

Steve Musillami, Co-chair of California Roundtable on Recreation, Parks, and Tourism, said California was the first of 19 states to develop a BOR. He said that children are not getting outdoors as much as in the past. The goal is to have every child in California by age 14, to participate in outdoor activities, such as fishing, hiking, and discovering the connections to the past.

**Action: Boardmember Owens moved and Boardmember Wheeler seconded a motion to approve a resolution in support of the California Children's Outdoor Bill of Rights. The motion passed unanimously.**

**XIII. Boardmembers' Comments**

Boardmember Arcularius thanked those involved in pulling together the tour and the Board meeting, and asked everyone to come back and visit Inyo County again.

**XIV. Public Comments**

Tom Esgate with the Lassen Fire Safe Council thanked the SNC for being such fantastic partners and supporting their projects. He wanted to particularly thank the staff at SNC for their support.

Outgoing SNC Boardmember David Graber thanked the Board and the staff of the SNC for making his stay on the Board satisfying and enjoyable.

Board Chair Kirwan thanked Graber for his service.

**XV. Adjournment**

Board Chair Kirwan noted the next meeting will be in Mariposa, September 5-6. Boardmember Lee Stetson said discussion has already been under way for that meeting.

Board Chair Kirwan adjourned the meeting at approximately 12:35 PM.