

### **Background**

In 2007, the Moonlight Fire burned approximately 65,000 acres of the Plumas National Forest (PNF), 37,000 of which burned at stand-replacing high severity, converting forests dominated by long-lived conifers to shrublands dominated by montane chaparral species. In 2014, the Regional Forester directed US Forest Service (USFS) staff to develop fire restoration plans that would identify the landscape restoration needs, cultivate partnerships, and obligate fire settlement funds within three years of their receipt. Obligation of the restoration funds was critical as they were vulnerable to “fire borrow” wherein federal funds are “swept” from USFS budgets to pay for suppression of large wildfires. The PNF representatives indicated that restoration funds have been “swept” and not reimbursed for other past fire restoration efforts. As such, the USFS had been developing contracts, partnerships, and agreements with county, state, and other federal agencies (for example: Plumas County, California Community Colleges, and Bureau of Indian Affairs, respectively) to obligate the funds and complete the Moonlight restoration work.

In March 2017, staff from the PNF approached the SNC with a proposal to obligate several million dollars of Fire Settlement Funds (FSF) in a long-term agreement with the Sierra Nevada Conservancy (SNC) to implement needed restoration activities in the Moonlight Fire area. The SNC staff met with representatives from the PNF at the regional office in Vallejo several times to discuss the proposal and the obligations that would be included in an agreement. After exploring different options to maximize benefits and flexibility, it was mutually determined that a stand-alone Good Neighbor Agreement (GNA) between the PNF and the SNC would be the best contractual tool. A GNA is an administrative tool made available permanently to the USFS through the Good Neighbor Authority in the 2014 Farm Bill, which allows agreements to be made with state agencies to implement specific types of projects on USFS land.

The SNC Governing Board approved staff’s recommendation to finalize the GNA scope of work and administrative responsibilities and execute the agreement at the June 2018 Board Meeting. The GNA is for a term of ten years and includes \$7.2 million dollars for environmental review, restoration work, and administrative costs. Implementation of the GNA and administration of the funds is estimated to require a dedicated SNC staff commitment of .5 personnel year (PY), which is covered by the agreement. The SNC will also be reimbursed to cover indirect costs of implementing the agreement.

The GNA covers the entire PNF to allow for the possible addition of more restoration funds in the future if the arrangement proves to be efficient and beneficial to all parties. Successful expenditure of these funds on restoration projects demonstrates an innovative approach to restoring capacity of the PNF, allowing them to complete more pro-active forest health work and truly increase the pace and scale of forest restoration. Establishing a new model to help administer FSF is beneficial to all forests in the Sierra Nevada Region and will build capacity of local organizations to restore impacted landscapes. Depending on the SNC’s experience with this GNA, it could be considered as a model going forward.

Federal legislation was enacted last year to help protect USFS budgets from fire borrowing but will not take effect until 2020. Until that time USFS budgets are still susceptible to borrowing. This agreement protects those funds and ensures they are used for the intended purpose of restoration.

Staff worked with control agencies to add the FSF into the SNC budget beginning in FY 2018-19. Communication with boards and directors with the Feather River Resource Conservation District (Feather River RCD) as well as with nonprofit organizations indicate that there is a strong desire to establish longer-term contracts to complete the work, helping to build capacity and sustain staff.

In October 2018, under authority delegated by the Board, the SNC Executive Officer authorized Grant Agreement 923 to Feather River RCD in the amount of \$48,961 for the Moonlight Fire Area Restoration Project – CEQA Compliance and was reported at the December 2018 Board Meeting.

### **Current Status**

Feather River RCD has utilized the existing federally approved NEPA-compliant environmental resource analyses to inform the CEQA analysis and documentation and completed the state environmental compliance process. The project area analyzed within the PNF in Plumas County consists of watershed and forest health restoration activities on approximately 12,703 acres and 255 miles of travel routes in the Moonlight Fire area. Feather River RCD, as CEQA Lead Agency, completed the Initial Study/Mitigated Negative Declaration and filed the Notice of Determination with the Office of Planning and Research State Clearinghouse to satisfy CEQA requirements.

Feather River RCD would like to build capacity and sustain staff by implementing the Moonlight Fire restoration work. Staff recommends the SNC Board to adopt the CEQA findings and authorize a grant of \$6,097,370 from the Fire Settlement Funds for the Moonlight Fire Area Restoration Project (SNC923). A brief description follows. Please see [Project Details Project Details and the Notice of Determination](#), including links to CEQA documentation.

### **Project # FPNFMFSF001: Moonlight Fire Area Restoration Project Feather River Resource Conservation District Restoration Implementation –\$6,097,370**

This project requires the SNC to file a Notice of Determination as a Responsible Agency based on review of the Mitigated Negative Declaration approved by Feather River RCD as Lead Agency. In 2007, the Moonlight Fire burned 65,000 acres of the Plumas National Forest, 37,000 of which burned at stand-replacing high severity converting forests dominated by long-lived conifers to shrublands dominated by montane chaparral species. The Moonlight Fire Area Restoration Project consists of watershed and forest health restoration activities on approximately 12,703 acres in the Moonlight Fire area.

The Moonlight Fire Area Restoration Project will complete reforestation activities in areas where the high-severity fire occurred. Activities will include site preparation (hazard tree removal, mechanical and hand thinning brush, piling, pile burning), planting suitable conifer species, and plant release (manual, mechanical, and/or herbicide brush suppression). Reforestation activities are designed to dramatically reduce the timeline of post-fire forest succession restoring mid- to late-seral forest vegetation, which is important in terms of landscape diversity. Restoring this forest type replaces lost habitat, recreates high carbon storage capacity on the landscape, and creates a seed source for natural forest succession.

- To access Project Details and the Notice of Determination, [click here](#).
- To access the Initial Study and Mitigated Negative Declaration, [click here](#).

### **Next Steps**

Upon approval by the Board, staff will file adopted CEQA documentation and prepare and execute an implementation grant agreement with Feather River RCD of \$6,097,370 obligated through the GNA.

SNC staff will finalize the grant agreement scope of work and administrative responsibilities and execute the agreement. Once executed, staff will continue to work with Feather River RCD and the PNF to implement the restoration work as detailed in the GNA and grant agreement. Remaining FSF will be available to the SNC to cover required staff time and indirect costs that are required for implementation of the GNA.

### **Recommendation**

**Staff recommends the Board:**

**(a) approve findings concurring with the Mitigated Negative Declaration and authorize the Executive Officer to file a Notice of Determination as a Responsible Agency for the Moonlight Fire Area Restoration Project (FPNFMFSF001); and**

**(b) authorize a grant award to Feather River Resource Conservation District for the Moonlight Fire Area Restoration Project (FPNFMFSF001) as described in Exhibit A for \$6,097,370 and further authorize staff to enter into the necessary agreements to move forward with this project.**