

Board Meeting MINUTES

March 5, 2015
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814



I. Call to Order

Board Chair BJ Kirwan called the meeting to order at 9:02 a.m.

II. Oath of Office for New Boardmembers

Deputy Attorney General Christine Sproul administered the Oath to Supervisor Jennifer Montgomery to represent the Central Subregion, and Eraina Ortega to represent the California Department of Finance.

III. Roll Call

Present: Louis Boitano, John Brissenden, Burt Bundy, Todd Ferrara, Pam Giacomini, Bernie Gyant, Ron Hames, Allen Ishida, Bob Johnston, Bob Kirkwood, BJ Kirwan, Jennifer Montgomery, Eraina Ortega, Woody Smeck, and Este Stifel

Absent: None

IV. Approval of December 4, 2014, Meeting Minutes (ACTION)

ACTION: Boardmember Giacomini moved, and Boardmember Kirkwood seconded, a motion to approve the December 4, 2014, Meeting Minutes. The motion was passed unanimously.

V. Public Comments

None

VI. Board Chair's Report

Board Chair BJ Kirwan extended thanks to all Boardmembers who attended the previous day's summit. Kirwan also thanked Executive Officer Jim Branham for organizing the program. Kirwan counted at least fourteen government agencies, including the California Department of Fish and Wildlife, California Air Resources Board, CAL FIRE, United States Forest Service, California Department of Conservation; as well as nonprofits, including The Nature Conservancy, among others. Kirwan stated these are the people we need to convene to determine how we implement the Sierra Nevada Watershed Improvement Program.

VII. Executive Officer's Report (INFORMATIONAL)

Executive Officer Jim Branham acknowledged the team effort involved in implementing the summit, including all Sierra Nevada Conservancy (SNC) staff, and particularly Regional Policy and Program Manager Angela Avery, Communications and Outreach Coordinator Brittany Covich, Regional Science Coordinator Nic Enstice, Administrative Assistant Tristyn Armstrong, Mt. Whitney Area Representative Mandy Vance, and a number of others. Branham noted it

was a well-attended event with an overflow crowd. Branham committed to circling back with all participants in the near term to address next steps.

Branham indicated the SNC organizational chart now has some blank spots, and will get a couple more soon. Assistant Executive Officer Joan Keegan has left for the Chief Deputy Director position at the California Department of Fair Employment and Housing, and Sustainability Coordinator Kim Carr has left for a job at CAL FIRE working on climate issues. Branham also shared that two other employees, Mt. Whitney Area Manager Julie Bear and Senior Mt. Lassen Area Representative Linda Hansen, are retiring. The process to fill those positions has been initiated. Branham acknowledged the work that each of them have done to make us who we are, and wished them well.

a. Administrative Update

Administrative Services Chief, Amy Lussier, reported the unit is working with Branham to fill vacancies resulting from recent staff departures. She shared that ten years is a good time to evaluate what works and where positions make the most sense. A decision on the Assistant Executive Officer candidate is expected in the next week.

Lussier reported the Governor's proposed budget was released, and SNC received the requested \$10,000,000 in local assistance funds from Proposition 1. Also, the budget change proposal submitted for two new positions to support the Proposition 1 program was approved.

Lussier indicated that SNC's base budget, which comes from the Environmental License Plate Fund (ELPF), is as expected but the current budget could change during the May Revise process. She stated her unit is working on cost savings drills to address an anticipated seven percent decrease in ELPF for next fiscal year. It was also reported that the managers are meeting to discuss options the organization will take to achieve those cost savings.

Lussier shared that Linda Hansen's office in Susanville has been closed and SNC will not renew its lease with BLM while determining where to locate the northern field office. Boardmember Woody Smeck was thanked for providing office space in Three Rivers for Mt. Whitney Area Representative, Sarah Campe. The National Park Service is providing that office space rent free based on a Memorandum of Understanding that the two organizations will work collaboratively on mutually beneficial issues.

Lussier shared that, since SNC was created, human resources services have been contracted through other agencies. This approach started with California Department of Parks and Recreation, shifted to Franchise Tax Board and then ultimately to CAL FIRE. It was reported that next week, all

human resources work will be done in-house which will result in increased efficiency, improved customer service and cost-savings for SNC.

b. Status of Forest Biomass Energy – SB 1122

Branham reminded the Board that forest biomass energy and related issues have been reported on periodically, and SB 1122 has been a focus. This measure created a carve-out for forest biomass at a specified scale. Kim Carr was working on this extensively prior to her departure. Branham reported the California Public Utilities Commission (CPUC) is working to formalize the arrangement, including the details of how to implement a carve-out of 50 MW for forest biomass, at 3 MW or less per plant. Branham imparted the proposal is a mixed bag, as it sets a price for an auction process which is close to where it needs to be, but it also creates an auction format where facilities bid and the utility would have to accept the price. However, there needs to be three facilities to trigger the auction. While some projects are further along than others, there are currently none in operation.

Branham continued by saying the SNC has been in conversations with CAL FIRE and others on how to get three projects ready for the auction. He also noted that once there are three in place, the next auction will not be triggered until there are five facilities in operation. The project in North Fork, which the SNC has been very involved in, will be receiving a \$5M grant for technology development and testing from the CA Energy Commission. Branham explained that as the first plant gets ready it will not be able to access the SB 1122 opportunity until there are two more in place.

Boardmember Bob Kirkwood asked how the CPUC decided on the auction approach. Branham explained the auction approach is what CPUC has used in the past. CPUC has also used this for some other renewable markets that have required there to be five facilities. There were a lot comments that led to this approach. Branham shared that many sectors have commented on the challenges being faced given this approach.

Boardmember Jennifer Montgomery commented that there are two projects in Placer County; one at Cabin Creek, which is past the CEQA process and working toward a power purchase agreement, and the Foresthill project which is also moving along with agreement building and economic viability being affirmed. Branham clarified that the Cabin Creek project is not eligible under SB 1122, but is still a good project.

Branham continued that, when looking at biomass energy production in total, there is a downward trend that is pretty dramatic, and there are a few large plants that utilize agricultural waste in the Central Valley that will likely close in the near future. Assembly Member Brian Dahle has introduced legislation

on this issue generally, and he is working hard on a viable approach to address this, and particularly with the larger facilities.

Kirkwood shared that there are green power companies in the Bay Area that might be interested in engaging on this effort as well as marketing the power produced through it. Kirkwood stated that irrigation districts may be interested. Branham shared the ongoing work of the Biomass Workgroup and others in pursuing viable outlets for the energy to be produced.

Boardmember Bob Johnston shared insight on community choice aggregation counties which may have some relevance, and stated there is also a movement toward actions that affect the pricing of green power.

Branham shared a few other interesting opportunities for biomass use, including the production of a byproduct called biochar, which may be used as a soil amendment and could potentially have other uses. It has the potential to provide more revenue than selling the actual energy. National Forest Foundation, using United States Forest Service (USFS) funding, is conducting a market analysis for forest biomass and looking at other markets and uses. Branham stated that while the energy aspect has been a focus it's important to look at others uses.

Montgomery indicated that the Placer County Cabin Creek project has a Biochar component. She expressed a need to broaden the conversation about biomass by incorporating the aspects related to watershed benefits.

c. Policy and Outreach Update

Angela Avery thanked Boardmembers for taking the time to attend the summit. She indicated the presentations drove home the urgency of the range of issues and the panel discussion was particularly interesting. The SNC will be following up on those discussions and determining what the next steps will be. Avery stated there was a significant effort that took place before the summit in terms of media outreach. Resources Legacy Fund retained Perry Communications Group, which complemented SNC's partnership with public affairs professionals from the USFS. Avery reported that a large number of media outlets received information on the summit, and a few individuals were interviewed. Fox 40, KFBK, Matt Weiser from the Sacramento Bee, Yubanet, and the Grass Valley Union were in attendance. Avery stated there was also interest from other media outlets who were unable to make it, and SNC will be doing a lot of follow-up in the coming weeks.

Avery reported working with USFS and Perry to develop a social media campaign which started on February 18. The SNC's Facebook and Twitter accounts teased the Watershed Improvement Program (WIP) with support

messaging and a calendar. Avery reported an average of 433 people receiving each of those posts, which account for roughly 5,000 people who actually saw and carried those messages. Avery expressed pleasure with the media coverage and SNC plans to do more with it. The PowerPoints will be made available, and the Center for Collaborative Policy took notes which will also be shared, along with the list of participants.

Avery expressed deep gratitude to Izzy Martin and all the staff members at the Sierra Fund, Sierra Nevada Alliance, and others for the amazing contributions of goods and funding for the 10th anniversary reception. The SNC is pleased with the turnout, which exceeded expectations.

Kirkwood stated the key value of the summit was getting everyone in the room and having everyone agreeing in principle on so many things.

Chair BJ Kirwan requested that anything posted on SNC's Twitter or Facebook regarding these events be forwarded to Boardmembers. Avery committed to doing so.

Avery reported that Assembly Member Dahle has introduced Assembly Concurrent Resolution (ACR) 22, which would establish the third week of September as Sierra Nevada Watershed Protection Week. Avery expressed appreciation for Assembly Member Dahle's continued commitment and hard work in support of SNC and the Region at large.

Avery also reported on follow-up to the Board meeting in Bridgeport in September 2014, where California Natural Resources Agency Secretary John Laird encouraged SNC to engage proactively with members of the State Legislature from outside of the Region. Avery reported action has been taken in that direction, and SNC received approval from the California Natural Resources Agency to pursue legislation to that end. Avery indicated the result is AB 985, also carried by Dahle, would establish a relationship with four legislators as participants in SNC activities and serving in a liaison role. Avery stated the California Coastal Conservancy, Santa Monica Mountains Conservancy and others already enjoy this type of relationship, so it was only logical that SNC pursue this option

Avery shared information on other legislation of interest for 2015. Those include SB 317 by Senate President Pro Tempore Kevin de León, a prospective park bond contains a placeholder for funding related to "Rivers, Lakes and Streams," and while it doesn't include specific mention of SNC as was seen in last year's SB 1086, this is of definite interest and will be followed closely.

Avery reported on the introduction of AB 590 (Dahle), which would establish a Biomass State Cost Share Account through the Greenhouse Gas Reduction Fund to be available for the purposes of maintaining the current level of biomass power generation in the state and revitalizing currently idle facilities in strategically located regions.

Avery shared an invitation to SNC to participate in an upcoming meeting of the Legislative Environmental Caucus. Avery indicated SNC was asked by Assembly Member Mark Stone's office to participate in a March 18 meeting of the Legislative Environmental Caucus.

Avery also informed Boardmembers that SNC currently has a display at the Capitol on the Governor's wall which supports the launch of the Watershed Improvement Program (WIP) and reinforces the urgency to restore our forests. Avery recommended that, if Boardmembers have time, and have not already done so, they visit the State Capitol and view the display installed in the annex outside the Governor's Office.

- d. Miscellaneous Updates
None

VIII. Deputy Attorney General's Report (INFORMATIONAL)

Deputy Attorney General Christine Sproul reported that there are some California Environmental Quality Act (CEQA) amendment bills moving through the legislature. The California Supreme Court has just issued a decision on CEQA exemptions, which limits the use of exemptions under unusual circumstances. What the court has done is look at the unusual circumstances that result in adverse effects. Sproul will summarize and distribute the information.

Boardmember John Brissenden inquired about FPPC forms, which are due this month. Brissenden stated they haven't gone out, and Executive Officer Jim Branham committed to check and make sure they get out to Boardmembers.

IX. Proposition 1 Grant Guidelines (INFORMATIONAL)

Executive Officer Jim Branham pointed out differences in Proposition 1 compared to Proposition 84, particularly around the process of adopting Grant Guidelines. The California Natural Resources Agency (CNRA) has to provide its approval before staff submits the Grant Guidelines to the Board for finalization. CNRA was sent the draft Guidelines and provided positive feedback. Another key distinction with Proposition 1 is the Administration has instructed that coordination occur between agencies. Branham has met with California Department of Fish and Wildlife (CDFW) and Wildlife Conservation Board (WCB) and those have been positive with a genuine interest in coordination across agencies and programs. He stated that embedded in this approach is the interest in placing money on the

ground in a coordinated fashion, which will help align projects with other funding streams where possible and appropriate.

Branham assured the Board that SNC activities will be consistent with the California Water Action Plan (CWAP). The Board will receive final draft Grant Guidelines for approval at the June Board meeting.

Mt. Lassen Area Manager Bob Kingman reported that Guidelines have been out for public review since February 10, 2015, and SNC is accepting comments until March 27, 2015. Kingman indicated he will be on the road conducting public meetings and a webinar over the next few weeks and is also working closely with CDFW and WCB.

Kingman shared that \$10,000,000 will be available in FY15-16 and FY16-17 based on the current budget. The SNC will focus on forest health consistent with the Watershed Improvement Program (WIP). Kingman stated the needs far surpass the available funding but believes the highest quality projects will rise to the top. He also reported eligible applicants remain the same, except for federal entities who are no longer eligible for direct funding.

Kingman stated funding limits in the proposed guidelines have been increased to \$500,000 for on-the-ground projects to make a larger effect on the landscape. He also shared that pre-project due diligence grants are still capped at \$75,000.

Kingman indicated new bond requirements that will incorporate the use of California Conservation Corps (CCC), new innovative technology, the California Water Action Plan, the California Bioenergy Action Plan, and leverage other state agency programs.

The plan is to seek Board approval of the Grant Guidelines at the June meeting, issue the request for proposals on July 1, and seek Board consideration for awards in December 2015 and possibly again in March 2016. Kingman also shared dates for three public workshops on the Grant Guidelines to be held in March and explained that relevant information is available on the website. Individuals can participate remotely during the Auburn workshop which will be webcast and recorded.

Several Board members commended SNC staff on the development of the Grant Guidelines highlighting the categories, focus on multiple benefits, and clarity. Questions concerning the Grant Application Packet, educational and outreach projects and alignment with other agency's work were also discussed.

Boardmember Este Stifel indicated the Bureau of Land Management (BLM) has benefitted greatly from SNC's grant programs and appreciates the past support.

Kingman closed by thanking Matthew Daley and Marji Feliz of SNC for their good work on the Grant Guidelines.

X. Sierra Nevada Watershed Improvement Program (ACTION)

(Board Chair BJ Kirwan moved to item XI, pending the return of Boardmember Bernie Gyant to the dais. This item was taken up following item XI.)

Mt. Whitney Area Representative, Mandy Vance, thanked Boardmembers for their engagement and attendance at the Sierra Nevada Watershed Improvement Program (WIP) Summit and gave a status update on WIP activities and the Tahoe National Forest pilot watershed assessment. Vance reported that SNC would be meeting with Region 5, Pacific Southwest Research Station, and the Tahoe National Forest to finalize a template for watershed analyses that can be used on other forests. She also noted the need to engage other public and private landowners to broaden the watershed assessment beyond USFS lands and relayed the importance of involving collaborative groups at the watershed level to identify needs and challenges. Vance recognized that all watersheds are different and the WIP must work closely with all of them in accordance with the unique nature of each.

Boardmembers engaged in dialog about the Summit, the pilot project on the Tahoe National Forest and opportunities for funding WIP activities. They discussed connections that could be made with California Department of Fish and Wildlife to restore 10,000 acres of meadows; potential private funding partners such as Coca Cola; and federal funding possibilities such as the California Department of Fish and Wildlife opportunities. The discussion recognized the need to approach upper watersheds as a system and think beyond fuels work.

Boardmembers identified a range of needs such as trails and roads, invasive species and abandoned mines which should be considered under the WIP and which might create jobs in rural communities. They discussed the importance of including downstream user education in the effort and identified the Sierra Climate Adaptation and Mitigation Partnership (CAMP) as an example of how this might be accomplished.

A number of potential means for generating investment for WIP were discussed. These included considering a public goods charge to tap into dam operation and irrigations district funding and establishing rankings to better position projects for funding related to the California Water Plan.

ACTION: Boardmember Johnston moved, and Boardmember Kirkwood seconded, a motion to approve the plan to guide the development of the Sierra Nevada Watershed Improvement

Program, with the suggested addition of an education and outreach component, and authorize staff to take the necessary actions to develop and implement it. The motion was passed unanimously.

XI. Sierra Nevada Strategic Funding Initiative (ACTION)

Executive Officer Jim Branham indicated this item complements the Grant Guidelines in terms of opportunities that exist that are consistent with our mission but beyond our fiscal abilities. Branham continued by saying this Board has often discussed the need to be more proactive and aggressive in bringing funds into the Region. The SNC has developed a strategic funding initiative that will utilize the skills of Fund Development Analyst Elissa Brown to maximize investment from a variety of sources.

Brown indicated she is developing strategies to bring more funding into the Region by building on the strengths of the Sierra Nevada to increase capacity and fill gaps related to our mission. The goal is to make more resources available.

Brown stated the initiative is focused on providing more user friendly informational resources, which will include a newsletter with a calendar and research memos, along with a user-friendly website. Brown stated there is a desire to work more closely with Regional organizations to identify funding resources. Brown explained that for areas with specific needs or priorities, SNC can potentially provide more grant preparation support and thus opportunities to increase funds leveraged.

Boardmember Jennifer Montgomery asked if there is to be a focus on specific funding areas. Brown responded yes, and all information will be linked from our website to centralize all the information.

Boardmember John Brissenden asked about a previous workshop with the OHV Commission and if that was to happen again. He suggested adding community foundations and The Sierra Fund to the list of resources. Brown explained that the OHV deadline has already passed and that we will coordinate again in the future.

Boardmember Bernie Gyant suggested that Brown add the United States Forest Service to these lists of funding opportunities, and in particular funding for collaborative groups. Brown committed to doing so.

Boardmember Ron Hames expressed his appreciation for this work, as it is exactly what his county needs.

ACTION: Boardmember Brissenden moved and Boardmember Montgomery seconded a motion to approve the Strategic Funding Initiative and direct staff to take the necessary actions for its successful implementation. The motion was passed unanimously.

XII. Boardmembers' Comments

Boardmember John Brissenden asked staff to revisit information generated from an August 2014 committee meetings in Alpine County focusing on long term plans for the SNC and that they be brought forward to the Board at a future meeting. He also shared the results of a meeting with the California Insurance Commissioner, noting that the Commissioner will convene a meeting of insurance industry professionals to try and get them involved in supporting healthier forests in the Region.

Boardmember Woody Smeck noted that there are several National Park Service (NPS) and Forest Service anniversaries coming up and that the NPS is engaged in efforts to draw more youth into the Parks.

XIII. Public Comments

None

XIV. Adjournment

Board Chair Kirwan adjourned the meeting at 11:20 a.m.