Board Meeting Minutes

September 23, 2009
PlumpJack Squaw Valley Inn, Valley Room
1920 Squaw Valley Road
Olympic Valley, CA 96146

SIERRA NEVADA CONSERVANCY

I. Call to Order

Board Chairman Mike Chrisman, called the meeting to order at 12:45PM. Chrisman asked each of the Boardmembers to introduce themselves. He thanked Bill Haigh, Bureau of Land Management representative to the Board, for his service to the Board.

II. Oath of Office for New Boardmembers

Chairman Chrisman administered the oath of office to new Boardmembers Bob Johnston, Senate Rules Committee Appointee, Kathy Hardy Bureau of Land Management representative, and Tom Contreras U.S. Forest Servicen representating Beth Pendleton.

III. Roll Call

Present: John Brissenden, Mike Chrisman, Tom Contreras, Brian Dahle, David Graber, Kathy Hardy, Don Jardine, Bob Johnston, Bob Kirkwood, B.J. Kirwan, John McQuiston, Steve Wilensky, and Kim Yamaguchi.

Absent: Hal Stocker and Tom Sheehy.

IV. Approval of March 5, 2009 Meeting Minutes

There were no changes to the meeting minutes.

Action: Boardmember Kirkwood moved and Boardmember Brissenden seconded a motion to approve the March 5 meeting minutes. The motion passed unanimously.

V. Public Comments

There were no public comments at this time.

VI. Chairman's Report (INFORMATIONAL)

a. **State Budget Update**

Chairman Chrisman, said the Department of Finance will do a significant "revenue check" in the coming months, and recommend any adjustments to the budget. Raising taxes does not appear to be an option, but new fees may be. State parks have been under a significant decline in revenue over the past 15 years and this year some may be closed due to lack of funding. Chrisman said that a reliance on capital gains taxes has had a negative impact when the economy is in a downturn.

Chrisman gave an overview of the possibility of a state water bond. Discussion started in September of 2006 with Governor Schwarzenegger's Executive Order, which created Delta Vision Blue Ribbon task force focused on the Delta and the water delivery system. Chrisman explained he appointed a stakeholder

coordinating group with residents around the Delta, which culminated in a plan for ecosystem restoration and water system reliability. Noting there have been a series of bills which have come forward since this strategic planning effort began. He stated the water bond currently being negotiated will include new storage, conveyance, ecosystem development, and funding for the SNC. He added the package did not pass before the Legislature closed its last session but there is hope the Governor and the Legislature will work out a compromise this fall. The last number being talked about was a $12 billion bond, some of which will be paid for by the users and direct beneficiaries.

VII. Executive Officer's Report (INFORMATIONAL)

SNC Executive Officer Jim Branham began his report by introducing and congratulating former SNC staffer John Knott on his recent cross-country bicycle trip.

a. **SNC Budget/Staffing Update**

Branham stated one of the biggest challenges is determining how to maintain service in these difficult fiscal times. Noting furloughs and the bond freeze both occurred since the Board meeting in December of 2008. He stated grantees have been remarkable in both their patience and understanding regarding the delays in paying invoices and restarting programs.

Branham said, for the recently concluded fiscal year, the SNC was on target to spend nearly all its budget, but between the furloughs and the freeze on contracting, some funds reverted back to their funding source. He added, for current fiscal year, the SNC is in sufficiently good shape to carry out its mission.

b. **Grants Program Status Update**

Branham reported the Governor announced on Earth Day that the bond freeze was over, but it took months for the grant program to be restarted. Branham introduced Program Manager Kerri Timmer and Grants Administrator Angela Avery, and thanked them both for their hard work.

Timmer also thanked Barbara Harriman, Marji Feliz, and Lynn Campbell of the SNC staff for their work to get the funding flowing. She thanked the grantees for their support and understanding during these difficult times, and noted the appreciation the SNC has received from grantees for the communication that has been provided throughout the freeze.

Timmer said the SNC has received $9.1 million in two bond sales, and has been able to reimburse grantees for $1 million in work done prior to the December 2008 freeze. She reported, another $400,000 had been processed to grantees for work performed since the freeze was lifted. Staff continues to research and publicize additional funding sources, especially for people affected by the freeze. Timmer said to date more than 160 different funding opportunities have been publicized in the SNC's twice-monthly alerts that go out to a list of more than 1,000 individuals and organizations.

Timmer defined for the Board the nuances of the two recent bond sales. In March a General Obligation Bond sale generated unrestricted funds. The second bond sale was Build America Bonds (BAB), subsidized by federal dollars, so there were external limitations placed on the disbursement of these funds. The Department of Finance (DFO) and State Treasurer's Office (STO) ultimately determined which of our projects were eligible for which funds; once we knew that, it was our goal to decide how best to categorize and maximize the dollars in each category before they could be released.

Timmer noted, taking these restrictions into account, projects were prioritized to fully fund all remaining grant amounts for the BAB eligible projects and fund up to 50 percent of the remaining grant amounts for non-BAB eligible projects with the understanding that the remaining 50 percent would be generated by future bond sales. Staff has had to go through the project budgets and individual invoices line by line to determine the best and proper fit for payment based on the categorizations provided to us by DOF and STO.

Timmer reported there is a system for prioritizing the distribution of current and future funds was developed as follows:

- The first priority was to focus on the first round of projects that had already started work, which were authorized by the Board in FY 2007-08. Within that group there were enough dollars to fully fund BAB eligible projects and partially fund up to 50 percent of remaining balances for non-BAB eligible projects.
- The second priority is to fund the remainder of the non-BAB eligible FY 2007-08 projects. The hope is that the next bond sale, scheduled for the week of October 5, will cover those remaining projects.
- The third priority is to fund "project starts" for those grantees whose projects were approved at the December 2008 Board meeting.
- Fourth priority will be for the remaining 2008-09 applications, including Competitive applications and the 2nd round of Strategic Opportunity Grant (SOG) applications.
- The fifth priority would be a new grant program for the current 2009-2010 fiscal year.

Boardmember Kirwan asked if there is funding available from federal stimulus dollars. Timmer said the SNC is always looking for additional funding sources that could be of interest to our stakeholders and is contacting grantees and others directly to let them know if they might be eligible as opportunities arise.

The SNC conducted a survey to which roughly half of the 142 frozen projects responded, to determine the impacts of the freeze on grantees. Respondents reported significant impacts with a majority forced to reduce staffing during this period.

On the second round of SOG's, Timmer said that due to the freeze the SNC has not been able to evaluate these 150 applications, because of the expenditures needed for the outside work that is required prior to funding becoming available. She indicated that because we have no word on new bond sale for new authorizations, there is not much we can do at this time. The understanding of the anticipated October 5 bond sale is that it will not be enough to cover new projects. She reminded the Board that these applications are due to sunset on Decmeber 31.

Boardmember Brissenden suggested the Board put the disposition of such applications on the December Board meeting, should the situation with the bond sale change.

c. **The Climate Change Action**

Branham reminded the Board that based on previous direction the SNC had hired Theresa Parsley who has done a great job to produce a draft plan, a work in progress, and that manyof the tasks in the plan will have to be carried out by outside partners.

Timmer outlined the history of this item for benefit of new Boardmembers. She reported that the idea started as an outgrowth of the symposium in December of 2007, when Steve Eubanks, former Tahoe National Forest Supervisor, produced a report on the potential role for the SNC, courtesy of the Resources Legacy Foundation.

The SNC was also directed by the Governor, through Chairman Chrisman, to create a Sierra-based action plan in conjunction with the US Forest Services (USFS) and California Tahoe Conservancy (CTC) and other entities throughout the Region, to identify potential actions for addressing, mitigating and adapting to climate change in the Sierra region. Timmer indicated that Theresa Parsley had bee hired to oversee the preparation of such a plan and had done an outstanding job.

Parsley said the intent of the plan is not to meet the goal of AB 32 but is rather to harmonize and support that effort with Sierra appropriate acitons.

Boardmember Johnston said he will comment in writing but feels that SB 375 applies to several SNC counties and is one of the strategies that should be moved up. He also stated that rural areas not served by transit will be endangered by negative growth in the years ahead. He further recommended emphasizing habitat protection as its own category.

Boardmember Kirkwood asked whether the Sierra Nevada Alliance's (SNA) comments would be taken into consideration. Both Timmer and Parsley assured the Board that the SNA's comments as a stakeholder in the process would be

considered. Timmer noted that the public comment period would continue for 37 days.

Chairman Chrisman suggested the Board invite Tony Brunello, Deputy Secretary for Climate Change and Energy, to the next Board meeting, to make a presentation regarding the State's Adaptation strategy. He wants to have it ready for the United Nations conference in Copenhagen in November. The final report is being put together and that it represents a unique effort.

Boardmember Hardy commented that she felt that the education component should include teachers and children. Parsley said that would be a major part of the plan.

d. **Update on Pacific Forest and Watershed Lands Stewardship Council**
Branham provided some background and offered comment on the SNC's work with the Stewardship Council to date. He indicated that the question has been what role the SNC might have in the future; noting that SNC's position has been that being a fee-title owner is not consistent with SNC's operating style and that others in the Region are better positioned for that role. A well-defined role for the SNC is what is needed now, and for some time in the future. Branham introduced Allene Zanger, the Executive Director of Pacific Forest & Watersheds Lands Stewardship Council.

Zanger provided background on the Council's work so far. Initially, four planning units were identified, but 11 more have been selected as potential fee-title holders, and the Council is looking for conservation easement holders in another 20 planning units, with 46 public or non-profit organizations identified as possible easement holders or conservation partners.

Zanger stated, as part of the PUC/PG&E settlement, $30 million was approved for a youth education program. The Council has been making grants for infrastructure projects within the PGE service area from Bakersfield to the Shasta/Burney area, connecting kids to the outdoors. Urban youth are getting a chance to come up to these lands through this project too.

Boardmember Yamaguchi asked that the Conservancy be considered for this funding, when the Council sunsets.

Boardmember Kirkwood asked that the SNC should not take on a mediator role without resources (funding) being provided, and Branham responded that the SNC would not proceed without that issue being addressed. He also urged the SNC to move deliberately on the matter and expressed concern that the SNC not put itself in a position of potential liability. Chairman Chrisman said that this concept is brand newand there would be more good questions raised as it progresses. Chrisman appointed Boardmembers Brissenden and McQuiston to represent the Board on a committee and work with the SNC staff and the Stewardship Council.

e. **SNC License Plate Update**
Mt. Lassen Area Manager Bob Kingman announced the launch of the Sierra Nevada License plate campaign on this day and also announced the license plate Web site: www.sierralicenseplate.org; and a dedicated phone line, (530) 823-4680.

Kingman thanked a dedicated group of organizations working on the campaign, including The Sierra Fund, the Sierra Nevada Alliance (SNA), the Sierra Cascade Land Trust Council (SCLTC), the Sierra Business Council, Mammoth Lakes Trails and Public Access, and Mammoth Lakes Tourism and Recreation.

Kingman reported that about $25,000 has been raised thus far to continue the outreach efforts and credited the Trust for Public Land (TPL), The Nature Conservancy, the SNA, the Mono Lake Committee, the SCLTC, the Sierra Foothills Conservancy, and PG&E, as well as all those who have supported the legislation to establish the plate. Kingman said the coordination team will continue to work on the marketing efforts and will track the registrations as they come in. He said that there is now a one-year time period to collect 7,500 pledges to purchase the plates. Random-numbered plates are $50, personalized plates are $98.

Vice Chair Wilensky said he would purchase five, one for each County Supervisor in his county, and challenged other Boardmembers to do the same. Chairman Chrisman said the license plate effort is very important and expressed his thanks to staff. Branham also thanked Kingman, Izzy Martin and The Sierra Fund for their dedication to this project.

f. **National Geographic Geotourism Project Update**
Mt. Whitney Area Manager Kim Carr introduced the Board to the concept of "Geotourism" as branded by National Geographic, which has conducted 12 of these projects around the world. Geotourism is defined as tourism that sustains or enhances the geographic character of a place, its environment, culture, aesthetics, heritage, and the well-being of its residents.

Carr reported the goal of the project is to create an interactive website and maps highlighting places, events, groups, etc. that make our Sierra communities unique. This project represents the largest of its kind ever undertaken by National Geographic. Carr thanked SNC staff, including Shana Avalos Knott and Bob Kingman, along with area office staff and Sierra Business Council, for their work getting this project off the ground.

Carr said National Geographic's approach is "bottom-up," asking community members to come forward and offer up places to be nominated for the map. This project, conducted in partnership with the Sierra Business Council, the SNC and National Geographic, is creating a bridge out to the business community,

Chambers of Commerce and Visitors Bureaus through several community forums. Because the area being covered is so large, the project is rolling out in phases, with the first phase launched in the Greater Yosemite area. Citizens can go to this Web site and nominate their favorite site: www.Sierranevadageotourism.org.

Public Comment

Steve Frisch, Sierra Business Council thanked all the partners and stated that the Council is a big supporter of the project, adding that it has a big vision and needs everyone's support. He added that the team is planning on conducting up to 50 outreach forums over the next couple of years to let people know how they can nominate their favorite places for inclusion.

Boardmember Graber asked for clarification about how to upload photos or other graphics, and Boardmember Brissenden asked for more information on how the project started. Carr explained that we were approached by a local writer who had been in contact with National Geographic about launching an effort in the Sierra.

g. **Great Sierra River Cleanup Report**

Kingman reported on the success of the first annual Great Sierra River Cleanup. He said the idea came to the Conservancy from the South Yuba River Citizens League and that the SNC is looking forward to making this an annual event. Kingman reported that final totals from the cleanup included 96 tons of trash and recyclables. He further reported that volunteers from all ages and demographics participated on 17 major rivers, coordinated by 43 groups or organizations. He said this was by far the biggest splash of press the SNC has enjoyed to date with TV, radio, and print all covering the event. Kingman thanked SNC staffer Brittany Juergenson and contractor Janet Cohen for their hard work on the event.

Boardmember Brissenden noted that the Great Sierra River Cleanup coincided with other cleanup events. Kingman agreed that this day is becoming "Cleanup" day in California, as several organizations have already had cleanup programs in place for many years and that the SNC had worked closely with the Coastal Commission, which has sponsored California Coastal Cleanup Day on this day for 25 years. Boardmember Wilensky noted that the Conservancy's efforts doubled the turnout at the annual event held in Calaveras County.

h. **Central Sierra Resource Conservation and Development Council Overview**

Dick McCleery, Central Serra Resource Conservation & Development, gave a presentation on their strategy for accelerating riparian restoration and management. He stressed that on site work and training sessions with stakeholders are important to helping them gain an understanding of the issues. He said that key principles of the strategy are: more roots equals more stabilization of the stream bank, which leads to higher volume of water, more grazing land, more fish and habitat for ecosystems.

VIII. Deputy Attorney General's Report (INFORMATIONAL)

Deputy Attorney General Christine Sproul reported on AB 1364, which was passed by the Legislature and is on the Governor's desk. She explained that the bill allows state agencies that issue grants with bond dollars that have been frozen may renegotiate some elements of the grant agreements. She said that SNC staff was already taking steps to amend grant agreements as appropriate

IX. 2010 Board Meeting Schedule (ACTION)

The Board reviewed and approved the Board's schedule of meetings for 2010 as follows:

March 3 - 4
June 2 - 3
September 1- 2
December 1 - 2

ACTION: Boardmember Dahle moved and Vice Chair Wilensky seconded the motion to approve the 2010 Board meeting schedule. The motion passed unanimously.

X. 2009-10 Grant Guidelines (ACTION)

The Board reviewed the proposed Grant Guidelines for 2009-10. Branham reported it is not known when SNC will be authorized to issue grants again, but felt these guidelines are consistent with the Board's direction for funding "on-the-ground" projects.

Program Manager Timmer outlined three key decisions prior to this meeting.

1. More funds to Category 1 projects with an on-the-ground projects focus.
2. Single grant cycle for all our grant applicants, for a one-year trial, to see how this will work for us and our grantees.
3. Certain modifications to the fund allocations.

Timmer stated that distribution of funds was complicated, noting that due to bond freeze there might be rollover depending on how the balance of this year plays out. Kimmer outlined key elements in the Guidelines:

- Proposed increases in funds designated for the six Subregion from $1 to $1.25 million and a pot of funds that is not specified geographically to be distributed more similarlto the existing competitive grant funds. The general intent is to allocate approximately 75 percent to on-the-ground (Category 1) projects, based on direction from the Board and the Attorney General's Office.
- Block Grants: SNC has removed block grants as a possibility and did not see the need at this point, adding there was not much interest shown in trying to pursue that type of application.
- SNC strongly urges the pre-application process to ensure the highest number of successful applications, but does not require this.

- Scoring Process: SNC is changing the scoring and evaluation process. All applications will receive a numerical score categorized as high, medium, or low benefit.
- CEQA: Heard from some applicants that the CEQA requirements should be better explained.

Boardmember Kirkwood commented on the funding formula for Subregion and Region-wide projects, stating that this formula was arrived at when we thought we would have a higher total of funding to work with. Kirkwood added, we may have gone too far,allocating $1.25 million to each Subregion, at a time when some have not been drawing a full $1 million during a cycle. Kirkwood also asked if applicants have to specify if they are a Subregion or Regional application, or if staff could do some mixing and matching to make those determinations.

Timmer replied the intent is that we would be funding the best possible projects with the greatest benefit / high value projects. . She noted the rationale behind the single funding cycle and pre-application consultationif to allow staff more time to develop a stronger suite of applications.

Branham added that one of the factors leading to the staff recommendation of fund distribution is that previously SOG's were awarded by Subregion, with a separate pot for competitive, but thisis no longer the case. He indicated that the highest priority projects will be awarded in each subregion, regardless of project type.

Boardmember Kirwan said allocations should be based on the best projects and not as much on the area distribution. Boardmember Dahle said if there are Subregions that are not qualifying for the funds, then the money should be rolled into into the general pot.

Branham said when we look at the Subregional pots, we'll score projects as high, medium and low, and our intent is to award only the high benefit projects. He added the focus will be on the on-the-ground projects.

Boardmember Yamaguchi suggested a cap for Subregion, and any funds beyond that would rollover.

Vice Chair Wilensky noted that there is an inequity in his Subregion to gear up to meet requirements and get organized to be competitive for grant dollars. He cautioned that if funding goes mostly to those entities who are geared up for the work, and not those who are not, then the Sierra will be poorer for it.

Chairman Chrisman recommended the SNC save the rollover funds, given the uncertainty of the bond measures. Boardmember Johnston suggested dispersing funding to the Subregions on a percentage basis.

Timmer explained that one of the reasons the Subregional allocation was proposed to be raised from $1 million to $1.25 million was because the maximum amount of funds that can be requested for one project is $1 million and if the Subregional amounts remain at $1 million one large project, such as an acquisition project could use all the funds for that Subregion.

Boardmember Graber asked if there was a way to allocate funding based on a measured benefit, while adding that the federal government has not figured out how to measure benefit yet.

Boardmember Brissenden requested that we open up the funding to education projects, to the extent feasible

ACTION: Boardmember Kirkwood moved and Boardmember Kirwan seconded a motion to approve the 20009-10 Grant Guidelines with the change that guarantees 60% distribution of the overall amount available to the Subregions and the potential to have the unused portion rolled up to the general allocation.

Chairman Chrisman and Boardmember McQuiston indicated that they would oppose such a motion. Further discussion occurred , with Chariman Chirsman asking for a clarification of the motion.

Boardmember Dahle reiterated his understanding of the motion as a use it or lose it in that grant cycle, with any unused amount becoming available in the general pot.Kirkwood confirmed that a percentage would roll up to general allocation adding the option of rolling over to the next year as a whole, if there are not enough high quality projects submitted, being an option available to the Board

Timmer noted that funding for the next cycle migh be $13 million rather than the $10 million originally planned. Branham clarified based on the actual awarded monies there may be flexibility in what is rolled from this current year, but recommended that the Board refer to the currently allocated $10 million.

The motion passed, with Boardmembers Wilensky and McQuiston voting no and all other members voting yes.

XI. Consideration of Future Conditional Approval of 2008-09 Competitive Grants (ACTION)

Timmer presented the Board with the issues behind the question of potential Conditional Approval of 2008-09 Competitive Grants. The concept is that projects would be approved, conditioned on availability of funding in the future. Such action would allow proponent to secure non-State funding through other sources including private placement bonds and would position the SNC to move quickly once funding is

available. She indicated that the SNC was consulting with other agencies and the Department of Finace in determining whether this was a viable option. She stated that staff recommends that these projects be brought forward for possible approval at the December Board meeting, assuming that such action is deemed appropriate.

There was general Board discussion regarding this matter with the Board indicating support for bringing Competitive projects forward at the December 2009 Board meeting.
Boardmember Kirkwood asked whether such action might raise legal questions relative to an Attorney Gerneral's advice letter holding that repayment of loans is not allowed with grant funds. DAG Sproul indicated that she believed the conditional approval of grants would not be a problem, but would follow up with her colleagues.

Public Comment:
Dave Sutton, Trust for Public Lands stated he supports having the tool of conditional approval of 2008-09 competitive grants to help mitigate some of the impacts of the bond fund freeze.

Izzy Martin, The Sierra Fund offered her support in the Board approving conditional approvals at the December Board meeting.

ACTION: Boardmember Kirkwood moved and Boardmember Wilensky seconded a motion to bring Competitive Grants to the December 2009 Board meeting for Conditional Approval, based on a finding by staff that such action is appropriate.

Boardmember Kirwan requested that the motion be amended to add "subject to confirmation with Bond counsel."
The motion, as amended passed unanimously.

XII. 2008-09 Annual Report (ACTION)

Assistant Executive Officer Joan Keegan previewed the Annual Report for the Board and asked that it be approved. She noted the theme of this year's report is Serving the Sierra Nevada Serves California and that Water, Fire, Habitat, and Recreation & Tourism were the highlights of this year's report. Keegan thanked SNC Outreach Coordinator Shana Avalos Knott and her student assistant Kaitlyn Miller for their work.

ACTION: Boardmember Dahle moved and Boardmember Brissenden seconded a motion to approve the 2008-09 Annual Report. The motion passed unanimously.

XIII. Discussion of Subregional Assessments (INFORMATIONAL)

This item was held over for discussion at the December Board meeting.

XIV. Boardmember Comments

Boardmember Wilensky complimented Keegan on the report, and also complimented the entire staff of the SNC for their ability to move with flexibility and efficiency, more so than any other agency he's been involved with. He cited the Amador Calaveras Consensus Group, where the SNC assisted with theconvening of 32 different agencies and stakeholders to come together during a very difficult year as an example that the mission of the SNC has inspired people, that its staff is inspired, and that the leadership is inspiring.

The federal agency members, Tom Contreras, Kathy Hardy, and David Graber presented the Sierra Nevada Conservancy with a resolution honoring the SNC on its fifth anniversary.

XV. Public Comment

There were none.

XVI. Adjournment

Chairman Chrisman adjourned the meeting at 4:48 PM.