



## **Board Meeting Minutes**

December 2, 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 4<sup>th</sup> largest oil producing state in the nation, would rank 3<sup>rd</sup> or 4<sup>th</sup> 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 was 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 attract 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 Wagendonk 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.