

Addendum to Invoice, Final Project Report and Performance Reporting
Sierra Nevada Conservancy
South Knob Sagebrush Steppe Watershed Restoration Project
Ash Valley Ranch
Agreement #G0711001

Addendum to Invoice:

1. Lassen County Fire Safe Council, Inc. (LCFSC) has substantially completed all deliverables of the Grant Agreement.
2. SNC funds were used to reduce fuel loads and restore the watershed on 285.72 acres by mechanical methods within the 1,400 acre South Knob/Ash Valley Ranch NEPA/CEQA cleared project area. The project area was identified and defined in the grant application Site Plan map. We were able to treat more acres within the project area than required by our grant agreement because treatment bids came in at \$350 per acre rather than the projected \$400 per acre. The attached project completion map with photo points, and the corresponding photo monitoring, document the completed work. All of these acres are within the defined project area displayed on the Site Plan submitted with the SNC grant application.
3. Another copy of an invoice from the treatment contractor for the treated acres that was previously submitted is attached.
4. Another copy of the Request for Payment that was previously submitted is attached.
5. Since this is in fact the final billing for the completed project we are also attaching a Request for Payment for the 10% withholding from the previously submitted Request for Payment.
6. Project treatment work began April 1, 2008 and all SNC funded work was completed November 15, 2008.

Final Project Report:

1. LCFSC identified and hired a Licensed Timber Operator, Tubit Enterprises, Inc. to perform the work. CalFire Conservation Crews were not needed for the project.
2. A grazing stewardship plan was developed and executed by the landowner as part of the Tenure Agreement that was submitted with the grant application. The grazing prescription calls for non-use in 2009 and during the 2010 growing season in order to enhance restoration. The prescription is being followed by the landowner.
3. Approximately 6 miles of new fencing were constructed through the landowner's NRCS/EQIP Contract. Only NRCS funds and the private landowner's resources were used for this part of the project.
4. A watering facility with a solar pump is being constructed through the landowner's NRCS/EQIP contract and is scheduled for completion this summer. Only NRCS funds and the private landowner's resources are being used for this part of the project.

5. 19 long term monitoring transects were established on a random selection basis.
6. Pre-treatment data was collected in 2008
7. Post-treatment data will be conducted after vegetative green up in 2009, 2010 and 2011.
8. Items 5, 6 and 7 above, combined, are the monitoring plan. The Tenure Agreement submitted to SNC with the application clearly states the goals for sustainability and restoration.

Performance Reporting

1. **Resources Leveraged:** The Sierra Nevada Conservancy (SNC) investment has been leveraged through the South Knob Projects' participation in a national NRCS Conservation Innovative Grant that was awarded to the Cooperative Sagebrush Initiative in June of 2008. This is bringing an additional \$68,000 for treatments on adjacent BLM managed land and thousands of dollars in additional monitoring to demonstrate the metrics necessary to establish a credit trading system that holds great potential to make more funds available for restoration projects. The SNC investment also attracted a \$25,000 investment in restoration within the project area by the US Fish and Wildlife Service. This resulted in more acres treated and a fence to exclude grazing for wildlife benefit.
2. **Impact on collaboration and Cooperation among Stakeholders:** Entities involved in the project included US Fish and Wildlife Service, NRCS, BLM, Pit Resource Conservation District, Lassen County, Lassen County Fire Safe Council, Inc., Susanville Indian Rancheria, UC Cooperative Extension, CalFire Intermountain Camp, Ash Valley Ranch, South Knob Ranch, McClelland Ranch, Cooperative Sagebrush Initiative and a visit by Oregon Department of Wildlife Resources personnel to review our treatment prescription for application to Oregon projects.

The involvement of all the entities listed above has resulted in cooperation among stakeholders and reduced conflict.

3. **Capacity Building within the Region:** The SNC involvement in our project helped us leverage funds and expand our partnership by getting us involved in the Cooperative Sagebrush Initiative's western region wide project. But the state's current fiscal crisis, the project stop order and fund freeze have added chaos to our project. This has halted work in SNC funded areas and some of our bills have been left unpaid. We're hopeful that our invoice will be paid promptly so that our capacity will not be diminished.
4. The project objectives were overachieved by restoring more acres than initially budgeted. This was due to our getting a lower bid than expected, the USFWS investing \$25,000 rather than just their initial \$10,000 commitment, CSI agreeing to

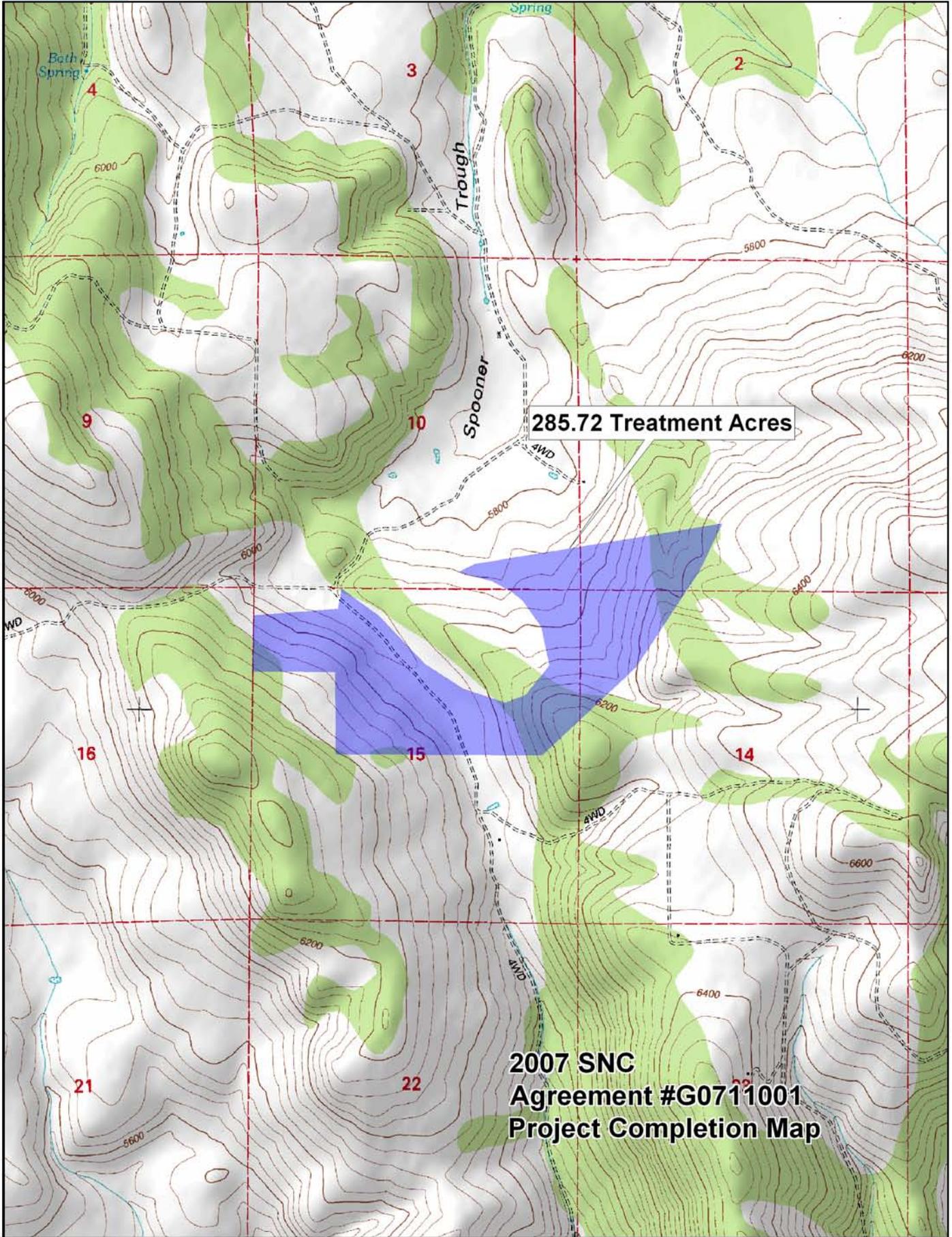
match \$68,000 for treatments on adjacent BLM managed land (subject to SNC paying its commitment to the project) and the private landowner getting 43 more acres restored on adjacent lands in trade for in-kind dozer work.

Indirect benefits include numerous resource agencies visiting the project to view our treatment prescriptions in an effort to adopt them for use in their treatments.

Positive experiences include the fact that almost everyone who visits our project is awe struck at the scope of the project and our treatment prescription's low impact on the environment.

Under lessons learned we found that it was necessary for our Project Manager to invest a great deal of time with the two skidding operators to perfect the treatment prescription. They've done a fantastic job, but sadly, one of the two committed suicide last week. It's had a devastating impact on everyone involved with our project.

5. 285.72 acres were treated and restored with SNC funds.
6. It is hard to know the exact the amount of ground water that was restored as a result of our project, but we have noticed that spring fed reservoirs within the watershed have much more water than expected going into the third year of a severe drought. The current phase of the South Knob Project will be completed this summer and 3,000 acres of watershed restoration will have been completed. We're hopeful that SNC will be able to follow through with its award to us of a grant to do more intensive science based monitoring to better understand the full beneficial impact of our treatments on the watershed.



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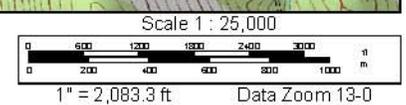
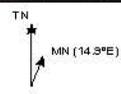




Photo Point 1 NE



Photo Point 1 E



Photo Point 1 SE



Photo Point 1 NW



Photo Point 1 WNW



Photo Point 1 W



Photo Point 1 SW



Photo Point 2 N



Photo Point 2 NE



Photo Point 2 E



Photo Point 2 SE



Photo Point 2 S