

Friday, October 6, 2023 – 10:00 a.m.
Governing Board Meeting
Upper Mokelumne River Watershed Authority
Pardee Lodge, Valley Springs, CA 95252

Summary Minutes

ROLL CALL

Directors John Coleman, Chair, Terry Woodrow, Vice-Chair, Ed Gonzalez, Richard Farrington, Scott Ratterman, Brian Oneto, Richard Blood, Jack Garamendi were present. Also present were Executive Officer (EO) Richard Sykes, Authority Counsel Glenn Spitzer, Authority Secretary Lorna Barfield and 18 visitors.

PUBLIC COMMENT

None

AUTHORITY BUSINESS

1. Board Meeting Minutes of August 25, 2023.

The summary minutes of the August 25, 2023, special meeting were provided to the Board for review.

Motion 22-23 to approve the special meeting minutes of August 25, 2023, was made by Director Woodrow, seconded by Director Farrington and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

2. Treasurer's Report - Third Quarter FY 2023

A copy of the Treasurer's Report for the Third Quarter of Fiscal Year 2023, which ended June 30, 2023, was presented to the Board.

Motion 23-23 to accept the Treasurer's Report for filing was made by Director Farrington, seconded by Director Woodrow and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

3. Forest Projects Plan - Phase 1 Implementation Project

The Forest Projects Plan - Phase 1 Implementation Report presented an update on the Forest Resilience Bond (FRB), FPP - Phase 1 implementation efforts and concluded with a table titled 'UMRWA Forest Project Grants' which summarized grants awarded and grant applications planned or pending.

UMRWA's implementation of Phase 1 will require an annual cash flow potentially approaching \$10M. With grant payments in some cases taking up to 90 days or longer, it will be necessary for UMRWA to arrange bridge financing or a line of credit (LOC) to timely pay treatment contractors. In September, UMRWA staff met with EBMUD's Finance Director (UMRWA's Controller) to ensure a LOC is in place when needed. As a potential alternative, UMRWA staff have been working on a Forest Resilience Bond (FRB) with Blue Forest Conservation, which would provide a zero interest LOC and may also be used to obtain and dedicate new funding from non-UMRWA beneficiaries of UMRWA's forest health work, for example PG&E and other corporates (both currently in contracting discussions).

The EO provided the key provisions of a services and loan agreement with Blue Forest Conservation, including the loan repayment process, description of services offered, lines of credit to match approved grant funding and stated that a procedure will be put in place to discuss disbursement requests with the Board. The EO also explained how the beneficiaries will participate in the program and how Blue Forest is financially paid.

The Board asked for clarification regarding grant payment timelines, additional administrative costs of the FRB, lending capabilities of Blue Forest and EBMUD loan percentage rate possibilities. The Board expressed appreciation for having two possible lending options to timely pay contractors.

4. FPP - Phase 2 Planning Report

The landscape-level Phase 2 FPP initiative began in September 2022 and plans to address forest health issues on up to 225,000 acres of Stanislaus and Eldorado NF lands within and flanking the Upper Mokelumne watershed. This second phase of the FPP process will consider forestry activities not included in Phase 1 due to potentially more significant environmental impacts. Phase 2 planning is underway and the USFS/UMRWA team is meeting regularly. The Technical Advisory Group and stakeholder meetings have started and data collection and consolidation is in progress. A draft Purpose and Need statement has been completed and a modeling approach and consultant selection process is nearly concluded. The team is poised to perform landscape assessments and begin to develop project alternatives in early 2024.

In August 2022, UMRWA executed its original contract with Stantec (at that time Cardno, Inc.) with the intention of using this firm for Phase 2 project management and environmental documentation as funding became available. The initial agreement was funded for \$50,000. Amendment 1 was executed in January 2023 for an additional \$125,000 funded by UMRWA (\$50,000) and SNC's RFFCP (\$75,000). Amendment 2 would add \$400,000 to the agreement using funding from the recently executed CalFire grant. This will allow the project to proceed into 2024 and accomplish key milestones including completing the Notice of Intent, selecting and contracting with a modeling consultant and initiating landscape assessments, continuing Technical Advisory Group and stakeholder meetings, and other tasks identified in the Stantec scope of work. Staff is pursuing several paths to obtain the additional funds needed to complete Phase 2 planning, estimated to be in the range of \$1.5 million.

The Executive Officer explained that the modeling data will show areas needing prioritized action, will reassess fire risk after treatment work is complete and will regularly be updated to evaluate protection of forests and communities.

Motion 24-23 to authorize the Executive Officer to execute Amendment 2 to the agreement with Stantec for Phase 2 planning to increase the authorized agreement cost ceiling by \$400,000 from \$175,000 to \$575,000 was made by Director Woodrow seconded by Director Farrington and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

5. Biomass Management JPA Presentation

Christiana Darlington, CLERE Inc. presented the Board with an update regarding the California Forest Residual Aggregation for Market Enhancement (Cal FRAME) Pilot Study to consider the development of joint powers authorities (JPAs) to increase the utilization of biomass and improve the economics of forest health work in the Sierra Nevada.

The Board discussed the biomass energy industry, long term feedstock contracts, the biomass brokering market and questioned the need for a JPA. Christiana gave further explanation that a JPA is in financial position to meet the volume of larger projects and would be very narrowly focused to bring biomass out of the forest.

Michael Minkler from Calaveras County Water District gave credit to UMRWA for being recognized by CLERE Inc. as a potential JPA member and agreed on the key issues that are

holding up biomass reduction. Other sources of revenue are needed, and if a JPA is the best way to provide this service he feels it is worth exploring.

The Board was supportive of the concept and gave direction to continue discussions and gather more details. Michael Minkler who expressed interest and has experience with these issues along with Director Oneto have agreed to be part of the process to investigate further with the Executive Office.

Legislative Issues Update:

The EO provided information regarding several state bills of interest to UMRWA including AB 338 which would make specified forest health work subject to California prevailing wage law, potentially resulting in a substantial increase in cost for this type of work. At its April 28 meeting, the UMRWA board voted to oppose this bill and an opposition letter was sent to the author on May 8, 2023. On September 20, 2023, the bill was enrolled and sent to the governor for signature. If enacted the bill would become law on January 1, 2025, with a one-year delay for non-profits.

Also discussed were several bond bills that would provide forest health and infrastructure funding which would benefit UMRWA and its member agencies. None of these bills appear to have made progress since the July UMRWA board meeting. All remain in committee with hearings postponed and no action in the past two months.

Motion 25-23 directing the EO to submit a letter on behalf of UMRWA requesting the Governor veto AB 338, was made by Director Farrington, seconded by Director Garamendi and carried by roll call vote: Yea 8 – Nay 0 – Abstain 0.

Board Member Comments:

The Board thanked the Executive Officer and Christiana Darlington for the information presented.

Executive Officer Comments:

None

ADJOURNMENT: Director Coleman adjourned the meeting at 11:26 a.m. The next regular meeting will be held on January 26, 2024, at Pardee Lodge.

SUBMITTED BY:



Lorna Barfield, Authority Secretary



John Coleman, Chair of the Board

APPROVED: January 26, 2024