

Friday, April 26, 2024 – 10:00 a.m.  
Governing Board Meeting  
Upper Mokelumne River Watershed Authority  
Mokelumne Watershed Headquarters, Valley Springs, CA 95252

**Summary Minutes**

**ROLL CALL**

Directors Terry Woodrow, Vice-Chair, Ed Gonzalez, Richard Farrington, Jeff Davidson, Gary Tofanelli, Richard Blood, William Patterson, and Brian Oneto were present. Also present were Executive Officer (EO) Richard Sykes, Administrative Officer (AO) Rob Alcott, Authority Counsel Greg Gillott, Authority Secretary Lorna Barfield and 12 visitors (in person and via Zoom).

**PUBLIC COMMENT**

None

**AUTHORITY BUSINESS**

\*It was noted that the agenda had been modified to change the meeting location to the Mokelumne Headquarters Office.

**1. Selection of Board Chair and Vice Chair**

The joint powers agreement establishing UMRWA specifies that the Board Chairperson and Vice-Chairperson are to be selected by the Board [Section 5.4(a)]. The resignation of former Director and Board Chairperson John Coleman necessitated the selection of a new Chairperson. If the new Chairperson is the existing Vice-Chairperson, then the board must also select a new Vice-Chairperson.

**Motion 07-24** to appoint Terry Woodrow as Board Chairperson, was made by Director Davidson, seconded by Director Gonzales, and carried by voice vote: Yea 7 – Nay 0 – Abstain 0.

**Motion 08-24** to appoint Jeff Davidson as Board Vice-Chairperson, was made by Director Tofanelli, seconded by Director Gonzales, and carried by voice vote: Yea 7 – Nay 0 – Abstain 0.

**2. Proclamation of Appreciation for John Coleman's 24 Years of Service to UMRWA**

John Coleman was a founding member of UMRWA in 2000 and served as the UMRWA Board Chair for his entire tenure. He made significant contributions to the success of UMRWA and constructive and collaborative relationships between the member agencies. He is appreciated by UMRWA staff for his enthusiasm for watershed protection, appreciation for staff efforts and for running effective and efficient board meetings for 24 years.

**Motion 09-24** to present the Proclamation of Appreciation for Service to UMRWA by John Coleman, was made by Director Davidson, seconded by Director Blood, and carried by voice vote: Yea 7 – Nay 0 – Abstain 0.

John Coleman shared a brief history of his time working with UMRWA and expressed appreciation towards this great organization and its accomplishments. Director Patterson articulated EBMUD's continued support and dedication to UMRWA.

\*(Director Oneto arrived at the meeting at 10:08 a.m. changing the voice vote to 8)

**3. Regular Meeting Minutes of January 26, 2024.**

The Minutes summary of the January 26, 2024, meeting was reviewed by the Board.

**Motion 10-24** to approve the meeting minutes of January 26, 2024, was made by Director Davidson, seconded by Director Oneto, and carried by voice vote: Yea 7 – Nay 0 – Abstain 1 (Tofanelli).

#### **4. Treasurer’s Report – First Quarter FY 2024**

A copy of the Treasurer’s Report for the First Quarter of Fiscal Year 2024, which ended December 31, 2023, was presented to the Board.

**Motion 11-24** to accept the Treasurer’s Report for filing was made by Director Davidson, seconded by Director Patterson, and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

#### **5. Biomass Management JPA Initiative**

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

Christiana presented the status of outreach, continuing studies, and ongoing efforts. She shared a summary of the completed, in progress, and upcoming reports including feedstock assessment, sort yard feasibility, financial analysis, as well as an Entity Action Plan, Organizational study and continued development of a JPA. She presented several different funding pathways, the next steps for upcoming meetings, presentations and JPA development. She also spoke about progress on this effort and possible delays due to state budget shortfalls.

Board discussion ensued, including questions around the need for a Sort Yard, the USFS biomass Haul subsidy program (Biomass Transportation Incentive Program) and the 2015 BioRam program. Also discussed were commitments and support from the Governor’s office towards wood waste utilization and possible updates to the language in the Farm Bill regarding forest floor products used for biomass. Christiana recommended the Board review SB 1062 (Dahle) regarding conversion of biomass energy generation facilities as well as facilitating further informational meetings with parties involved in biomass pricing mechanisms including Clarke Stevenson with the Watershed Resource and Training Center in which Director Farrington showed interest. No action was taken.

#### **6. Forest Projects Plan - Phase 1 Implementation Project**

Executive Officer Richard Sykes provided the Board with the Forest Projects Plan - Phase 1 (FPP-1) Implementation Report. This report presented the status of activities underway to initiate two new FPP - Phase 1 implementation projects, both located within the Eldorado National Forest. Also presented was a proposed Stewardship Agreement with Eldorado National Forest (ENF) which will supersede the 2016 Master Stewardship Agreement for work in the ENF. This FPP-1 report concluded with a table titled ‘UMRWA Forest Project Grants’ which summarized awarded forest project grants and pending applications.

The EO explained the actions staff took to engage with local contractors and modify the bid approach to help garner more local bidders for UMRWA forest work.

##### Arbor and Birch Project Funding:

Project funding for the Arbor project was secured with a September 1, 2023, Cal Fire grant agreement. The funding required for implementation of the Birch project was awarded by the SNC Board of Directors on March 7. The SNC grant agreement #1636 for that funding was presented for Board approval.



### Professional Services Procurements:

UMRWA has conducted two Request for Qualification (RFQ) processes. For botanical services required for the next round of UMRWA forest projects a Request for Qualifications process (RFQ 24-01) was conducted. A second Request for Qualifications process (RFQ 24-02) was conducted for archeological services required. The committee's ranked lists of best-qualified botanical and archeological consulting firms were presented to the Board.

Professional Services Agreements for the two top-ranked firms were presented for Board approval. The Pyramid Botanical Consultants agreement in the amount of \$29,043 is for plant surveys on the 1,595-acre Birch project. The first (of two) agreements with InContext in the amount of \$112,437 is to perform archeological surveys and flagging on the Arbor project. The second InContext agreement in the amount of \$83,075 is for archeological surveys and flagging on the Birch project.

### Other Financing Elements:

In January, the Board approved the \$4M Loan and Services Agreement between UMRWA and the Upper Mokelumne Forest Resilience Bond (FRB), a wholly owned LLC subsidiary of Blue Forest Finance Inc., a 501(c)(3) nonprofit. A companion financial benefit made available to UMRWA through the FRB is a Grant and Services Agreement which provides an initial \$100,000 grant to UMRWA for costs associated with implementing FPP Phase 1 treatments. This agreement is presented today for Board approval.

### Expanding UMRWA Capacity with Stewardship West:

Authority staffing capacity must be expanded to match the increased responsibilities that accrue with additional treatment contracts and acreages. For the two 2024 treatment projects UMRWA will contract for this summer, Landmark Environmental, Inc. (LEI) will take the lead on the Arbor project, and Stewardship West (SW) the Birch project.

Recommended for approval was a consulting services agreement with Stewardship West to participate in the Birch project contractor selection process, manage the Birch project field operations, and administer the invoicing and reporting tasks. The not-to-exceed fee is \$316,500, with all SW costs to be reimbursed with funding from SNC grant agreement #1636.

### Stewardship Agreement with Eldorado National Forest:

An ENF – UMRWA Stewardship Agreement has been prepared and was recommended for Board approval. This Stewardship Agreement will supersede UMRWA's 2016 Master Stewardship Agreement (MSA) with the Forest Service with respect to the Authority's work in the Eldorado NF. The MSA will remain the controlling document for UMRWA's activities in the Stanislaus NF.

The new Eldorado agreement specifically addresses UMRWA's Forest Projects Plan Phases 1 and 2, and is for a 10-year term from the date of execution. The Financial Plan that accompanies the agreement includes \$200,000 of funding to be used by the Authority for Phase 1 and 2 costs.

### Grants Awarded and Applications Pending:

The status of UMRWA's forest-related grant procurement efforts (for both implementation and planning/environmental compliance projects) were presented to the Board. Over the past 3 years the Authority has been awarded six grants totaling \$18,466,909 in forest project funding. Presently, UMRWA has three grant applications in process seeking a total



of \$7,821,608 in additional grant funding. To complete the Wildlife Conservation Board (WCB) Proposition 68 grant application process for Cedar project funding the WCB is requesting a Board resolution be submitted. (Resolution No. 2024-04)

One key element of the RFP process is contractor access to view the treatment units and associated access options. Because portions of the project areas include units at higher elevations (near 8,000 feet) there are concerns that snow conditions this spring may delay contractor access until it is too late to meet a late June proposal submittal date. Consequently, it was recommended the Board move the July 26 meeting by adjourning this meeting to Friday, August 16.

**Motion 12-24** to (1) approve the SNC grant agreement #1636 and ratify the Executive Officer's signature on the agreement document, (2) approve the Ranked Listings of Archeological and Botanical Consultants, (3) approve two Consulting Services Agreements with InContext for Archeological Services on the Arbor and Birch projects, (4) approve a Consulting Services Agreement with Pyramid Botanical Consultants for the Birch Project, (5) approve a Grant and Services Agreement with Blue Forest, (6) approve a Consulting Services Agreement with Stewardship West for Birch Project Implementation Support, (7) approve a Stewardship Agreement with Eldorado National Forest, (8) approve Resolution No. 2024-04 for a WCB grant application for Cedar Project implementation and Phase 2 planning, (9) adjourn today's Board meeting to Friday, August 16, 2024, at 10:00 a.m. was made by Director Farrington, seconded by Director Davidson carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

## **7. Forest Projects Plan - Phase 2 Planning Report**

UMRWA's FPP - Phase 2 planning initiative is fully underway. This 250,000 +/- acre landscape-level planning and environmental compliance program was initiated in September 2022. Over the past half year, key FPP-2 elements have been refined and funding secured to facilitate significant advancements in 2024 on all phases of the planning process. A summary of key program elements and the status of each was presented to the Board.

### Funding:

In August 2022, UMRWA executed its original consulting services agreement with Stantec (at that time Cardno, Inc.). As additional FPP-2 grant funding became available two amendments to the Stantec agreement were approved that expanded the Stantec Scope of Work and increased the total fee. A further \$723,542 in FPP-2 funding was awarded to UMRWA by SNC on March 7. SNC grant agreement #1646 for that funding was presented today for Board approval.

### Staffing Support and Consulting Services:

With additional funding now available from the SNC grant agreement #1646 an amendment to extend the cost ceiling and term of Megan Layhee's consulting services agreement was recommended.

With the additional SNC funding an amendment to the Stantec consulting services agreement was also recommended. This \$565,920 Fourth Amendment will fund additional FPP-2 Scope of Work tasks including continuing project management, outreach, NEPA/CEQA development, modeling, field surveys and studies, and agency coordination for threatened and endangered species.



## SNC Grant for Capacity Building:

SNC has awarded UMRWA a Regional Forest and Fire Capacity Program (RFF) – Round 3 grant of \$271,608 to support and fund FPP-related capacity-building activities including ACCG administration/coordination, tribal outreach liaison, and monitoring coordinator to facilitate the development of a forest monitoring program.

The Administrative Officer commended EO Richard Sykes for his leadership on the Phase 2 plan and his work managing this complex process. Director Farrington reflected again on the great work the UMRWA staff are doing.

**Motion 13-24** to (1) approve the SNC grant agreement #1646 and ratify the Executive Officer's signature on the agreement document (2) approve Fourth Amendment to Consulting Services Agreement with Stantec (3) approve First Amendment to Consulting Services Agreement with Megan Layhee (4) approve grant agreement with SNC for RFF – Round 3 Capacity Building funding in support of UMRWA's Forest Projects Plan implementation and planning efforts and ratify the Executive Officer's signature on the agreement document was made by Director Davidson, seconded by Director Farrington and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

## **8. Little Indian Valley Meadow Restoration Project**

Like the Mattley Meadows Project, Plumas Corp. has asked UMRWA to serve as the lead CEQA agency for another Upper Mokelumne River watershed meadow restoration project. Little Indian Valley (and the adjacent Indian Valley) is in Alpine County in the El Dorado National Forest. Plumas Corporation has completed a 65% restoration design with funding from the National Fish and Wildlife Foundation. The funding will also pay for the completion of required NEPA clearances and permitting. Staff requested Board authorization to complete the necessary CEQA compliance documents and, when ready, present the project to the Board for approval.

**Motion 14-24** to authorize staff to work with Plumas Corporation to complete the CEQA environmental review for the Little Indian Valley Meadow Restoration Project for presentation (when ready) to the Board for project approval, was made by Director Farrington, seconded by Director Blood, and carried by roll call vote: Yea 8 – Nay 0 – Abstain 0.

## **9. Proposed FY 2025 Budget and FY 2024 Amendment**

This agenda item recommended three budget-related actions. The first was to amend the current year budget to add \$50,000 from the UMRWA Reserve fund to fund unplanned costs for additional staff labor required by various activities related to the Forest Projects Plan (FPP). The second was approval of a modified budget practice that responds to increased indirect fees to be collected by UMRWA in conjunction with larger FPP grant awards. Finally, the Board was asked to approve the draft FY 2025 Budget for sharing with Member Agencies for review and comment prior to adoption.

### FY 2024 Budget Amendment:

Due to a noted increase in Executive Officer and Administrative Officer work time engaged in FPP-1 implementation tasks, and the unanticipated expenses related to acquiring liability insurance, it was recommended the FY 2024 Budget be amended to include an additional \$50,000 with funding to be allocated from Reserves.



### Indirect Revenue Budgeting Practice:

Under the terms of its various grant agreements (including Cal Fire, SNC, and WCB), the Authority receives funding for its indirect costs. The practice has been to account for those indirect fees at the close of the fiscal year and include them in the Reserves fund balance. With recent awards of multiple large grants for FPP projects tallying more than \$17M the Authority in FY 2025 will begin receiving indirect fee revenues of \$400,000 or more annually. For comparison, UMRWA collected \$59,065 in indirect fees in FY 2023.

With this new influx of operating revenue staff has developed an accounting and budgeting practice that seeks to stabilize Member Agency annual assessment amounts and grow the Reserve fund balance. It was recommended this new procedure be implemented to account for and budget these indirect fees.

### Proposed FY 2025 UMRWA Member Budget:

The proposed FY 2025 budget was presented to the Board. The total member-supported portion of the proposed budget is \$362,310, up from \$322,486 in the current fiscal year budget (pre-budget amendment). Also presented were member funding offsets. These are in-kind Member contributions and a \$150,000 allocation of projected indirect revenues. Resulting Member Agency funding allocations and assessment amounts were presented and discussed.

The Board discussed the concerns of long-term financing of the watershed maintenance needs, the high threat of wildfire and threat to water quality, and need for a combination of control burns and mechanical treatments Director Farrington communicated that a watershed should be considered an infrastructure and suggested creating a separate budget category for ongoing forest/watershed management and would like further discussion and possible action at the next meeting. Staff responded that this will be added to the next Board meeting agenda.

**Motion 15-24** to (1) approve an amendment to the FY 2024 Budget to add \$50,000 to the Authority Administration budget and authorize transfer of \$50,000 from Reserves (current balance is \$361,027) to fund the budget amendment, (2) direct staff to implement a new indirect revenue budgeting practice as presented, and (3) endorse the proposed FY 2025 UMRWA budget and authorize staff to transmit the proposed budget for Member Agency review and comment was made by Director Davidson, seconded by Director Gonzales, Opposed by Director Farrington, and carried by roll call vote: Yea 7 – Nay 1 – Abstain 0.

## **10. Audited Financials FY 2023 and 2022**

The Authority's financial records for the year ending September 30, 2023, have been audited by the independent accounting firm Lance, Soll & Lunghard, LLP. The audit documents were presented to the Board.

**Motion 16-24** to accept the Financial Statements for the years ending September 30, 2023, and 2022 as submitted was made by Director Davidson, seconded by Director Tofanelli, and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

## **11. Legislative Issues Update**

The EO stated he will review SB 1062 as was suggested by Christiana Darlington during the Cal FRAME program update. He then shared that a letter of support for SB 945 was sent to Senator Alvarado-Gil. UMRWA was thanked for the support and currently no amendments have been made to the bill.

Director Farrington shared information regarding SB 1029 RFFCP (Regional Forest and Fire Capacity Program) and possible grant expansions that he would like the EO to review. Potential block grants could be available through the program. Mountain Counties Water Resources Association has recommended six bills regarding fuels that he would also like UMRWA to look at.

## **12. Re-setting Regular Board Meeting Schedule**

An essential step in soliciting competitive proposals from forest treatment contractors is the ability for contractors to access and view the treatment units included in the Authority's RFPs. Spring snow conditions may delay contractor procurement such that the process will not be complete in time for consideration at the normally scheduled July Board meeting. These concerns were present again this year and are likely to recur in the immediate years ahead as UMRWA endeavors to implement the FPP.

It was recommended the Board modify its regular Board meeting schedule by moving the fourth Friday in July meeting to occur instead on the third Friday in August. This modified meeting schedule would likely continue for the future as needed to efficiently implement the FPP.

**Motion 17-24** to approve Resolution 2024-05 fixing the hour, date, and place of Regular Board meetings was made by Director Farrington, seconded by Director Davidson, and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

### **Board Member Comments:**

Director Blood would like to agenzize a discussion for an update on the status of the Mokelumne River voluntary agreements between water rights holders and the State Water Resources Control Board.

### **Executive Officer Comments:**

Administrative Officer Rob Alcott presented the Board with a table titled UMRWA MEMBER ASSESSMENT SUMMARY FY 2000-2024 and reviewed the history of the allocated assessments and percentages assigned to members. He shared discussions between the agencies that led to these assessments and the formula agreements within Amador and Calaveras Counties that occurred around 12 years ago.


The EO shared the current job opening for the ACCG administrative position and asked that it be shared with anyone who might be interested. The position is around 30 hours per month and is closely tied to UMRWA business.

Refreshments were brought to the meeting to celebrate John Coleman's service to the UMRWA Board.

**ADJOURNMENT:** Director Woodrow adjourned the meeting at 12:02 p.m. The next regular meeting will be held on August 16, 2024, at the Mokelumne Watershed Headquarters Office.

### **SUBMITTED BY:**

  
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Lorna Barfield, Authority Secretary

  
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Terry Woodrow, Chair of the Board  
APPROVED: August 16, 2024