



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

PLANNING

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson
CD/RA Director
By Brett Storey, Senior Management Analyst

DATE: January 10, 2012

SUBJECT: Watershed Improvement Zone-American River Project Grant Submittal Authorization

ACTION REQUESTED

The Planning Services Division is seeking authorization from the Board to submit a grant application under the Sierra Nevada Conservancy Proposition 84 Grants Program in the amount of \$350,000 for a Watershed Improvement Zone on the American River.

BACKGROUND

As part of the general election held on November 7, 2006, the voters of the State of California passed Proposition 84 (Prop 84), the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006. The Sierra Nevada Conservancy (SNC) has received a total of \$5 million in Prop 84 funds for the current fiscal year. The intent of the SNC Prop 84 funding is to fund projects related to the protection and restoration of rivers, lakes and streams, their watersheds and associated land water, and other natural resources.

Staff has identified a project from the previously Board-approved Strategic Plan for the Wildfire Protection and Biomass Utilization program that is eligible for funding that supports fire mitigation, biomass utilization and the watershed restoration of the American River and are requesting the following from the SNC:

\$350,000 to assist in implementing biomass removal/watershed improvement projects;
"Watershed Improvement Zone – American River Project".

Placer County staff submitted a pre-application (attached) to the SNC and was awarded the opportunity to submit a final proposal. Essentially, the program would allow for forest thinning on public and private land to include removing the accessible biomass within the projects. The United States Forest Service (USFS), Placer County Air Pollution Control District (PCAPCD), and Placer County Water Agency (PCWA) are partners with Placer County and these partners have projects and funding lined up over the next three years. Staff anticipates receiving matching project dollars and in-kind services from each of these organizations.

Staff estimates that the County will have in excess of \$500,000 matching dollars by program conclusion and another \$150,000 of in-kind dollars. The PCAPCD and the USFS Tahoe National Forest (TNF) will each be providing \$250,000 of funds. The in-kind funds will consist of \$100,000 from

the USFS TNF, \$25,000 from PCWA, and \$25,000 from the PCAPCD. An estimated \$1,000,000 of market value biomass bone dry tons (BDT) material will be realized during the duration of the grant project. An average of 7,145 BDT annually at \$35.00 per ton will produce close to \$1,000,000 for the four years of the project timeline. Each of these projects would be located within the American River (North and Middle Forks) area which encompasses many high risk fire areas of Placer County.

Adoption of the attached resolution is a requirement of the application process for the SNC competitive grant program.

FISCAL IMPACT

Placer County intends to apply for \$350,000 of grant funding from the Sierra Nevada Conservancy Proposition 84 Grants Program. There is no impact to the General Fund as a result of this action. Staff time to plan, manage, document and perform administrative actions is being requested within the SNC grant funds. All matching dollars are in-kind from USFS, PCWA and PCAPCD and outside funding sources (USFS and PCAPCD). All funding would be added to the budget annually for each of the three years following the award.

ACTION REQUESTED

The Planning Division recommends that the Board of Supervisors take the following action:

1. Approve the attached resolution authorizing the County Executive Officer to sign the grant application for a Sierra Nevada Conservancy Proposition 84 Grants Program in the amount of \$350,000 for a Watershed Improvement Zone on the American River.

Attached to this report for the Board's information/consideration are:

ATTACHMENTS:

Attachment 1: Resolution
Attachment 2: SNC Grant Abstract

cc: Holly Heinzen, Assistant CEO

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Reso. No.: _____

A RESOLUTION AUTHORIZING THE PLANNING SERVICES DIVISION TO APPLY FOR A GRANT FROM THE SIERRA NEVADA CONSERVANCY FOR A WATERSHED IMPROVEMENT ZONE ON THE AMERICAN RIVER UNDER THE PROPOSITION 84, THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COAST PROTECTION BOND ACT OF 2006.

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held January 10, 2012, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Chairman

Attest:
Clerk of said Board

Ann Holman

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:

WHEREAS, the Legislature and Governor of the State of California have provided funds for the program shown above; and

271

ATTACHMENT 1

WHEREAS, the Sierra Nevada Conservancy (SNC) has been delegated the responsibility for the administration of a portion of these funds through a local assistance grants program, establishing necessary procedures; and

WHEREAS, said procedures established by the SNC require a resolution certifying the approval of application(s) by the Applicant's governing board before submission of said application(s) to the SNC; and

WHEREAS, the Applicant, if selected, will enter into an agreement with the SNC to carry out the project; and

WHEREAS, the County has identified the Forest Thinning/Watershed Improvement and Related Biomass Removal Activities at a watershed improvement zone on the American River as valuable toward meeting its mission and goals.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that this Board:

- (1) approves the submittal of an application for the Watershed Improvement Zone on the American River project;
- (2) certifies that the County of Placer understands the assurances and certification requirements in the application;
- (3) certifies that the County of Placer will have sufficient funds to operate and maintain the resource(s) consistent with the long-term benefits described in support of the application; or will secure the resources to do so;
- (4) certifies that the County of Placer will comply with all legal requirements as determined during the application process; and
- (5) appoints the County Executive Officer, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project.

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>.

GRANT APPLICATION TYPE <i>(Choose One)</i>		
<input checked="" type="checkbox"/> Category One Site Improvement		
<input type="checkbox"/> Category One Conservation Easement Acquisition <input type="checkbox"/> Category Two Pre-Project Activities		
PROJECT NAME		
Watershed Improvement Zone – American River		
APPLICANT <i>(Legal name, address, and zip code)</i>		
Placer County 175 Fulweiler Avenue Auburn, CA 95603		
APPLICANT TYPE <i>(Choose One)</i>		
<input type="checkbox"/> Nonprofit Organization		
<input checked="" type="checkbox"/> Government		
<input type="checkbox"/> Tribal Organization		
APPLICANT'S AUTHORIZED REPRESENTATIVE		
Name and title – type or print	Phone	Email Address
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. Thomas M. Miller, County Executive Officer		TMiller@placer.ca.gov
PERSON WITH DAY-TO-DAY RESPONSIBILITY FOR MANAGEMENT OF THE GRANT <i>(Include only if different from Authorized Representative)</i>		
Name and title – type or print	Phone	Email Address
<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Ms. Brett Storey, Biomass Program Manager (530) 745-3011		BStorey@placer.ca.gov
PROJECT DESCRIPTION <i>(Describe the Project Purpose, Scope, Proposed Activities and Outcomes)</i> NOTE: 5,000 character response limit		
Watershed Improvement Zone – American River		
<p>The forests in Placer County represent some of the most plentiful watersheds within the Sierra Nevada mountains. They hold arguably the most important flows of water to the entire state, fulfilling both urban and rural water demands as well as providing environmental flows for fish and animal habitat for the local streams and the Sacramento delta. Nearly all of the land is owned by the US Department of Agriculture and, due to funding restrictions, has not been either thinned properly or had excess biomass disposed of in environmentally healthy terms. With recent funding, the USFS has planned and begun to implement proper management but does not have the funds to remove the waste without burning it in the open. Placer County, along with Placer County Air Pollution Control District (PCAPCD) and the Placer County Water Agency (PCWA) are partnering with the American River Ranger District of the Tahoe National Forest (TNF) to capture, process, and haul the forest waste biomass from a multitude of thinning projects within the American River watershed for renewable electricity generation over the next four years.</p>		

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>.

Project Purpose

Our purpose for the implementation of these multiple projects is to develop a sustainable strategy to increase the effectiveness of treatment and restoration to key watersheds and forested ecosystems. Each organization brings a desire, a budget, and a responsibility to provide stewardship to the American River watersheds. Together we can reclaim this area to provide a healthy fire resilient ecosystem, provide increased water to critical watersheds of the Sierra Nevada, and help protect the forest.

Over the next four years we propose to provide an integrated project that will focus and realize efforts to protect and enhance the American River (North and Middle Forks) watersheds. The project will link the plans of four governmental organizations to begin a streamlined, cost effective program to both protect and enhance key watersheds by:

- 1) Enhancing thousands of acres of watershed by returning forest ecosystems to a more natural state; reducing potential soil erosion (through reduction of catastrophic wildfire events), and increasing tree growth (carbon uptake).
- 2) Thinning overgrown and fire-susceptible forest areas.
- 3) Removing excess, project-generated woody biomass that would otherwise have damaged local soils and increased erosion potential by burning on-site.
- 4) Utilizing woody biomass generated from forest treatment activities to generate renewable energy (bio-power) to displace energy from the combustion of fossil fuels.
- 5) Contributing to the reduction in carbon release by exchanging the fossil fuel used in the region with the renewable electricity generated from this biomass waste to electricity of this project via the carbon market in California devised under AB32.
- 6) Protecting or enhancing wildlife habitat (including fisheries).
- 7) Reducing the potential for catastrophic wildfires that threaten human and biotic communities in the area.

Scope Of Work

The USFS American River Ranger District has already begun to move forward with several thinning projects within this watershed that will be active over the next decade. Placer County is working with them to begin biomass removal operations at the Last Chance project in spring 2012. The Last Chance project is part of an ongoing collaborative effort with the Sierra Nevada Adaptive Management Project (SNAMP) to develop, implement, and test the adaptive management strategy outlined in the *Sierra Nevada Forest Plan Amendment Record of Decision (2004)*.

Placer County with its team is proposing to provide strategic planning and implementation services to each of the NEPA approved projects over the next four years via this grant and our diverse funding. At this time the USFS has prioritized the following projects during the project proposal period:

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>

Summer/Fall 2012 Elliot - 250 acres, Black Fork 250 acres & Deadwood - 600 acres

Summer/Fall 2013 Deadwood - 600 acres, East Fork - 300 acres & Western - 300 acres

Summer/Fall 2014 Little Secret - 1,100 acres

Summer/Fall 2015 Pine Nut - 1,250 acres

The intention of our team is to develop plans, capture the forest biomass materials for renewable energy creation, and ensure the forestland is back to conditions that allow for an optimum watershed. Our team has been active in the region and this watershed for many years accomplishing similar projects that have been shown to provide multiple benefits. In fact the U.S. Environmental Protection Agency recently awarded this team one of 10 nationwide prestigious 2010 Clean Air Awards. In addition, our report on Forest Biomass Removal on National Forest Lands – progress report #1 – delivered to the Sierra Nevada Conservancy on 11/17/08 has been used by many organizations to plan projects in their watersheds. Coordination and strategic implementation of projects will assure that prioritization of treatments occur that maximize synergies to cost effectively treat forested acres across the landscape. The Watershed Improvement Zone model will be a cornerstone for other regions to collaborate utilizing public-private partnerships to reclaim watersheds throughout the Sierra Nevada Conservancy region of influence.

Proposed Activities

For this project, the team will work directly with the USFS as each forest thinning project gets implemented during 2012, 2013, 2014 and 2015. We will plan each project to ensure that all biomass removal and hauling to energy facilities is optimized, permitted, and approved. Contractors have already had their equipment approved and Placer County has contracts with them to perform these services. Management of the projects will include technical and performance monitoring during each individual project. All factors such as watershed reclamation acres treated, biomass removed, air pollution avoided, labor and equipment operating hours, as well as other indices of success will be documented in each project report.

Monetary support for this project will consist of \$2,065,000 and an additional in-kind services amount of \$250,000 from the following sources: \$40,000 from Placer County, \$200,000 (\$50,000 per year over four years) from the PCAPCD as well as in-kind services valued at \$50,000. The USFS, American River Ranger District estimates \$175/acre is being committed from Brush Disposal funds and is available to support these projects. Assuming treatment is accomplished across approximately forty percent of the 2,800 acres (with NEPA approval) and the 1,800 acres (with NEPA approval pending during this grant timeline) that are scheduled for restoration, a total of \$325,000 would be available to support the Watershed Improvement Zone model with another \$175,000 of in-kind services from the USFS to support this effort. PCWA anticipates that an additional amount of grant funding (\$100,000) and in-kind services (\$25,000) will be available for this project. In addition, approximately 2 million dollars has been budgeted by the USFS for the actual forest thinning projects outside of this grant request. Finally, the delivered woody biomass to bio-power facilities will generate revenue that can create another \$1,400,000 total, or \$350,000 per year. This is based upon a \$35 dollar per bone dry ton (BDT) current market value for close to an average of 10,000 processed BDT of biomass material delivered annually to local bio-power facilities. Our team has also had possible carbon credit purchasing interest that could bring

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant> additional revenue to the project if the California Carbon Market is operating during the time of this project.

Specific Desired Outcomes

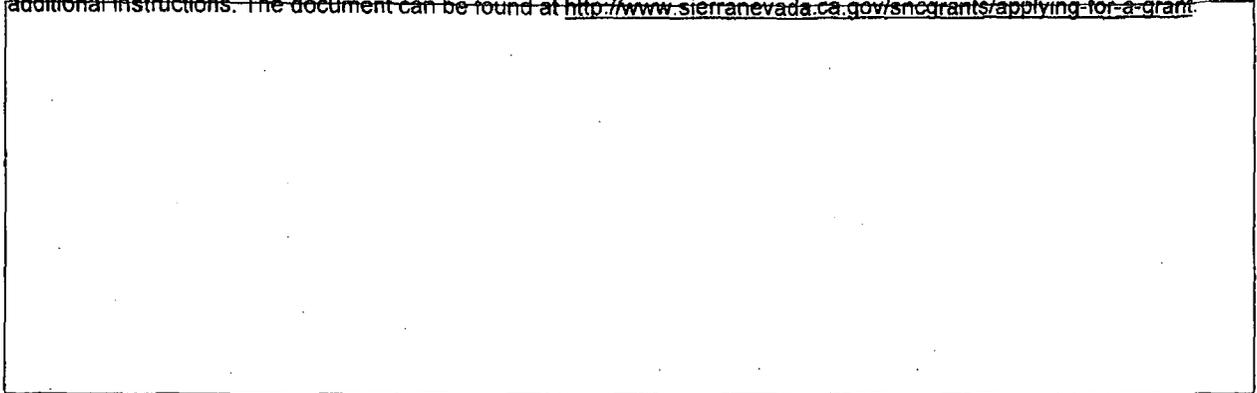
While the USFS will have contractors continually thinning the various approved projects, our team will be implementing operations to remove the forest biomass from the watershed rather than the open pile burning which would have taken place. Instead of burning the waste material, it will be utilized as renewable energy via various electricity operations in the local area.

This project will allow for multiple, environmental and economic outcomes for the forest, the watershed, and the region.

- 1) Proactive fuels treatment activities will mitigate the impacts of catastrophic wildfire thus protecting and conserving resources in the targeted watershed, including potential archaeological and historical sites.
- 2) Landscapes will be restored through the removal of unnatural accumulations of hazardous forest fuels. This will assist in returning forest ecosystems to stocking levels and tree species mix that are consistent with a more natural state, one that existed in pre-settlement conditions. Areas treated will support more diverse and robust wildlife populations. Our activities will assist the SNAMP program in reaching their environmental watershed goals as well.
- 3) The removal of biomass material will result in utilization of multiple tons of woody biomass that might otherwise be burned via wildfire or controlled burn. This alone will have a dramatic effect on both air and water quality. We have seen a net reduction of multiple tons of air pollution in similar project areas
- 4) These treated areas will enhance the American River watershed and improve water quality for PCWA customers and in turn also support downstream water agencies and fisheries habitat.
- 5) Due to the improved forest health conditions accomplished as a result of the removal of hazardous fuels, the Tahoe National Forest lands treated will have a greater ability to facilitate recreation. Specifically, the targeted watersheds are used extensively for hiking, rafting, and is home to the Tevis Cup and the Western States Endurance Run.
- 6) Because of the conversion of the biomass forest waste into renewable electricity, several Mega Watts (MW) of electricity will be created and will displace a similar amount of fossil fuel based MW. This will assist in meeting the states goal of 33% renewable technologies by 2020. In addition, because of the displacement of fossil fuel, we will be able to take advantage of the emerging carbon market in California and sell carbon credits to assist in funding this project.

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>



FUNDING AND BUDGET INFORMATIONSNC Grant Request **\$500,000.00** Check if SNC is the sole funder of this projectOther Funds **\$ 2,065,000** Monetary, **\$250,000** in-kind servicesTotal Project Cost **\$ 2,815,000****COUNTY**

Placer

CITY *(Is project within city limits? If so, which city?)*

N/A

PROJECT ADDRESS/LOCATION *(Include zip code)*

Multiple Sites within Placer County and the American River Ranger District (federal lands) on the American River Watershed. The address for the Ranger District office is 22830 Foresthill Road Foresthill, CA 95631.

LATITUDE AND LONGITUDE *(Identify your project's latitude/longitude in the Find Your Coordinates tool on the [SNC Regional Map page.](#))*

39°00'00" - 120°50'00"

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>.

CEQA/NEPA COMPLIANCE

Document Type:

- | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Notice of Exemption (CEQA) | <input checked="" type="checkbox"/> Categorical Exclusion (NEPA) |
| <input type="checkbox"/> Negative Declaration (CEQA) | <input checked="" type="checkbox"/> Finding of No Significant Impact (NEPA) |
| <input type="checkbox"/> Environmental Impact Report (CEQA) | <input checked="" type="checkbox"/> Environmental Impact Statement (NEPA) |
| | <input type="checkbox"/> Joint CEQA/NEPA Document |

Or

- Not a project under CEQA

DESCRIBE STATUS OF CEQA COMPLIANCE *(And NEPA, if applicable)*

What CEQA documentation has been prepared for the project? If none, describe the plans and timeline to complete CEQA documentation before the application due date. If you believe the project is not a "project" under CEQA or is Categorical Exempt from CEQA, describe the exemption and how this project meets the requirements of that Categorical Exemption or why it is not a project¹. If a Federal Agency has approval authority over the project, describe the plans and timeline for it to complete the project's NEPA documentation.

NOTE: 2,000 character response limit

CEQA Compliance

All of the lands within this proposal are on National Forest property and therefore are only required to have certification under NEPA. Therefore, no CEQA would be required and would be categorically exempt.

NEPA Compliance

The USFS Tahoe National Forest has completed NEPA for the following projects within this proposal:

- Elliot - complete
- Deadwood - complete
- Little Secret - complete (part of Deadwood EA)
- Black Fork – FONSI - complete
- Last Chance – FONSI - complete

Furthermore the TNF has NEPA process planned for the following projects within this proposal with the following timeline:

- East Fork - Appeal period ends 12/7/11
- Western - Decision memo (not appealable) complete Feb 2012
- Pine Nut - Complete 2013

¹ Keep in mind that during the pre-application phase no significant assessment of CEQA/NEPA compliance will be conducted. However, if your project is approved to move forward it will undergo a thorough CEQA/NEPA review, and could be rejected in the full application review phase if the CEQA/NEPA assessment identified in this pre-application is found to be incorrect.

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>.

STATE CLEARINGHOUSE NUMBER, if applicable _____
WHO WAS OR IS THE LEAD AGENCY FOR CEQA? _____

DESCRIBE THE TYPE AND STATUS OF LAND TENURE FOR THIS PROJECT *(Site Improvement Projects only)*

NOTE: 2,000 character response limit

The Tahoe National Forest has agreed to be a partner with Placer County and have authorized the County to complete multiple projects on their land. A letter from the District Ranger is attached.

Type

- Fee Title Ownership
- Leaseholder
- Memorandum of Understanding(s)
- Land Owner Agreement(s)

Status

- Secured /Completed
- Pending
- In Negotiation
- Not Started

Attach land tenure documents or complete Alternate Land Tenure Process *(must be provided as a part of final application)*

DESCRIBE STATUS and DATE OF APPRAISAL *(Conservation Easement Acquisition Projects only)*

NOTE: 2,000 character response limit

ATTACHMENTS CHECKLIST

Before submitting Pre-Application for review, please be double check that the relevant required documents are included with your submission.

Attach land tenure documents if available *(must be provided as a part of final application)*

Attachments required **ONLY** of nonprofit applicants

- Articles of Incorporation
- IRS Letter
- Bylaws

Or

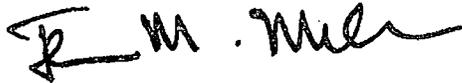
The required documents are already on file with SNC *(Please confirm with your assigned SNC grant program contact)*

**SIERRA NEVADA CONSERVANCY
PROPOSITION 84 GRANT PRE-APPLICATION FORM**

Attention Fire Safe Council Applicants: Please also see the Fire Safe Council (FSC) Supplemental Questionnaire for additional instructions. The document can be found at <http://www.sierranevada.ca.gov/sncgrants/applying-for-a-grant>.

All statements made in this pre-application form will require verification and documentation to determine applicant and project eligibility. Submission of a pre-application may or may not result in an invitation to submit a full application. An invitation to submit a full application does not guarantee that a project will compete successfully for a grant.

I understand the foregoing*:



Mr. Thomas M. Miller, County Executive Officer

Name/Title of person submitting pre-application form:

Brett Storey, Biomass Program Manager

Phone number of contact person:

(530) 745-3011

E-mail address of contact person:

BStorey@placer.ca.gov

**If submitting electronically, indicate understanding of this statement by typing in the name of the person submitting this pre-application form. Hardcopy submittal will have this statement signed.*



United States
Department of
Agriculture

Forest
Service

American River
Ranger
District

22830 Foresthill Road
Foresthill, CA 95631
530-367-2224
530-367-2226 TDD
530-367-2992 FAX

File Code: 1500

Date: October 20, 2011

Jim Branham
Executive Officer
Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603

Dear Mr. Branham:

I welcome the opportunity to support Placer County's Watershed Improvement Zone – American River Project for the Sierra Nevada Conservancy's Strategic Opportunity Grant. The idea of a public/private partnership that can have so many far reaching values to the land and water of this region is fantastic. With the combined leadership and dedicated management support of Placer County, the USFS, Placer County Water Agency and Placer County Air Pollution Control District we believe that great gains in the areas of forest health, watershed protection and reductions in pollution to the land and water will be a prominent project in the Sierra region.

As a partner in this project we are able to bring technical and financial resources to ensure the best interest of the American River watershed can be reached. The Forest Service estimates a \$175/acre contribution and \$500,000/year in-kind contributions to this proposal.

The Forest Service has ownership of the lands that will be accessed to perform this project. We will allow Placer County to work with the Forest Service to allow biomass operations to occur.

My organization proudly supports this project and commits our capabilities to ensure success in this project. I sincerely hope that the Conservancy awards one of their grants to Placer County and has great success with all of their projects.

Sincerely,

/s/ Chris Fischer

CHRIS FISCHER
District Ranger

