



Upper Mokelumne River Watershed Authority

UMRWA Regular Governing Board Meeting

Agenda

Friday, October 6, 2023 – 10:00 a.m.
Pardee Lodge, Valley Springs, CA 95252

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT: When responding to a matter not on the agenda, state law limits a Board member to providing a brief response, asking clarifying questions, and/or referring it to staff.

AUTHORITY BUSINESS:

1. Board Meeting Minutes of August 25, 2023
2. Treasurer's Report – 3rd Quarter FY 2023
3. FPP – Phase 1 Implementation Report
4. FPP – Phase 2 Planning Report
5. Biomass Management JPA Presentation
6. Legislative Issues Update

Recommended Action

- Approve by Motion
Accept for Filing
Discussion/Possible Action
Approve by Motion
Discussion/Possible Action
Discussion/Possible Action

BOARD MEMBER COMMENTS:

7. Board Member Comments

EXECUTIVE OFFICER REPORT:

8. Executive Officer's Oral Report

ADJOURNMENT:

- Next Regular Board Meeting: 10:00 a.m. January 26, 2024, at Pardee Center, Valley Springs

Requests for disability-related modification or accommodation, including auxiliary aids or services, may be made to Lorna Barfield at 209.772.8286 or Lorna.Barfield@ebmud.com no later than 48 hours before the meeting.



Upper Mokelumne River Watershed Authority

Agenda No: **1**

Meeting Date: October 6, 2023

Title:

Board Meeting Minutes of August 25, 2023

Recommended Action:

Approve the meeting minutes of August 25, 2023.

Summary:

The summary minutes of the August 25, 2023 meeting are included for Board review and approval.

Summary Minutes

ROLL CALL

Directors Terry Woodrow, Vice-Chair, Ed Gonzalez, Richard Farrington, Bill Patterson, and Jeff Davidson were present. Absent: John Coleman, Chair, Brian Oneto, Richard Blood, Jack Garamendi. Also present were Executive Officer (EO) Richard Sykes, Authority Counsel Greg Gillott, Authority Secretary Lorna Barfield and 7 visitors.

PUBLIC COMMENT

None

AUTHORITY BUSINESS

1. Regular Meeting Minutes of July 28, 2023.

The summary minutes of the July 28, 2023, meeting were provided to the Board for review.

Motion 19-23 to approve the regular meeting minutes of July 28, 2023, was made by Director Farrington by Director Gonzales carried by voice vote: Yea 5 – Nay 0 – Abstain 0.

2. Forest Projects Plan - Phase 1 Implementation Project

This FPP - Phase 1 fuels reduction implementation project, funded by a \$4,999,967 Cal Fire grant will treat 2,295 acres in the Eldorado National Forest and is the first in a series of projects included in the FPP - Phase 1 Plan. The project area lies entirely within the Eldorado National Forest, Amador Ranger District, and parallels Highway 88. The treatment work area to be performed by the contractor includes 2,262 acres of mastication and 33 acres of hand thinning. The recommended contract allows for additional treatment acres based on yet-to-be determined budget availability.

Authority staff administered a request for proposal for the FPP - Phase 1 work and prospective bidders were each sent RFPs and the RFP was posted on UMRWA's website. Eight proposals were received for the project and were reviewed and rated by the Authority Selection Committee (comprised of UMRWA and USFS staff). The Board was presented a table that summarized the proposals received. BurnBot, Inc. (BurnBot) was determined by the committee to be the best-qualified proposer and staff is recommending the Board approve a general services agreement with BurnBot.

The Selection Committee rated BurnBot highly in Approach and Technical Criteria, Experience, and References. Their proposal demonstrated an understanding of the requirements, scope, and project specifications, with provisions that exceed safety and fire precaution requirements. BurnBot plans to deploy eight masticators and support equipment with a work schedule indicating project completion by mid-August 2024. According to its references, BurnBot performs quality work, often completes work ahead of schedule, and is considered an outstanding contractor and very cooperative to work with. BurnBot's proposal is within the UMRWA budget and equal to UMRWA's cost estimate. BurnBot is not a local service provider and is headquartered in South San Francisco. In summary, the Committee recommends awarding the FPP - Phase 1 general services agreement to BurnBot, Inc. based on affordability and work service delivery.

Motion 20-23 to approve and authorize the Executive Officer to sign the General Services Agreement with BurnBot in the amount of \$3,672,000 was made by Director Davidson seconded by Director Farrington and carried by voice vote: Yea 5 – Nay 0 – Abstain 0.

3. FPP - Phase 1 Implementation Funding Strategy Follow-up

At the July 28 meeting the Board was presented a Funding Strategy designed to allow UMRWA to implement fuel reduction projects to treat the 26,000+ acres addressed in the Forest Projects Plan - Phase 1. Two supporting presentations were also made to the Board that day, each addressing a specific funding element. David Lach, Director of Environmental Products at Anew, provided an overview of the Avoided Wildfire Emissions carbon credit market and Matt Sjöholm and Nick Wobbrock, of Blue Forest Conservation, presented an update on progress being made towards a Forest Resilience Bond in support of UMRWA's forest work. Following the Board's Funding Strategy discussion, staff was asked to schedule follow-up conversations with staff from other agencies that have experience with the key Funding Strategy elements – the Anew carbon credit market program, and Blue Forest's Forest Resilience Bond.

The Board hosted an on-line conversation with staff from Tahoe National Forest, Yuba Water Agency and the National Forest Foundation who shared their experiences working with Blue Forest Conservation and the success of their Forest Resilience Bond. The group discussed the utilization of the program, current lines of credit, project treatment areas, cash flow pace in scale with grant funding and the partnerships, beneficiaries and stakeholders invested. The Board asked questions regarding the bidding process, securing loans and interest rates.

The Board then asked the EO about other credit funding options. The EO shared the possibility of a line of credit from EBMUD and explained that some grants allow upfront funding to be spent within six months but include additional administrative costs. Staff plans to present the Board with line of credit agreements for their review at the January meeting.

Board Member Comments:

Director Farrington thanked the Executive Officer for the informative discussion on the Forest Resilience Bond.

Executive Officer Comments:

The EO informed the Board that the 3rd amended JPA has been finalized and uploaded to UMRWA webpage.

ADJOURNMENT: Director Woodrow adjourned the meeting at 11:19 a.m. The next regular meeting will be held on October 6, 2023, at Pardee Lodge.

SUBMITTED BY:

Lorna Barfield, Authority Secretary

John Coleman, Chair of the Board
APPROVED: October 6, 2023



Upper Mokelumne River Watershed Authority

Agenda No: **2**

Meeting Date: October 6, 2023

Title:

Treasurer's Report – 3rd Quarter FY 2023

Recommended Actions:

Accept for filing.

Summary:

A copy of the Treasurer's Report for the Third Quarter of fiscal year 2023, which ended June 30, 2023, is included here, and will be presented at the Board meeting.

**UPPER MOKELUMNE RIVER WATERSHED AUTHORITY
TREASURER'S REPORT
STATEMENT FOR THE PERIOD ENDING JUNE 30, 2023**

<i>Fiscal Year 2023 (beginning Oct. 1, 2022)</i>	Assessment, Grants & USFS	Budget FY 2023	Actual		
			Current Quarter	YTD	YTD %
<u>General Assessments & Operating Revenue</u>					
Amador Agencies Funding	39,537	39,537	-	39,537	100%
Calaveras Agencies Funding	46,035	46,035	-	46,035	100%
EBMUD Funding	86,122	86,122	-	86,122	100%
Member Agencies Contribution	171,694	171,694	-	171,694	100%
Prior Year Unspent/Carry forward	182,150	182,150	-	-	0%
Applied Indirect Fee Revenues	15,000	15,000	-	-	0%
Interest/Misc income	-	-	441	786	
Applied Operating Reserve (Adjusted Bal. \$428,217)	66,806	66,806	-	-	0%
Misc Revenue	263,956	263,956	441	786	0%
Total Assessments & Operations Funding	435,650	435,650	441	172,480	40%
<u>IRWM Grant Funding</u>					
CCWD - West Point WTP (Prop 1)	390,129	390,129	33,500	27,839	7%
CPUD - Jeff Davis WTP	TBD	TBD	-	-	
<u>Forestry/Watershed Funding</u>					
Sierra Nevada Conservancy - Forest Projects Plan (#1280)	16,239	16,239	5,151	14,616	90%
Sierra Nevada Conservancy - RFFCP (#969)	178,017	178,017	27,087	101,833	57%
CalFire Grant	4,999,967	4,999,967	182,059	182,059	4%
Wildlife Conservation Board	627,317	627,317	9,468	35,989	6%
Total Grants and Other Funding	6,211,669	6,211,669	257,265	362,336	6%
TOTAL REVENUES & FUNDING	6,647,319	6,647,319	257,706	534,816	8%
<u>ASSESSMENT EXPENDITURES</u>					
General Assessment (Administration)					
Executive Officer		50,000	20,797	38,251	77%
Administrative Officer		50,000	27,520	49,680	99%
Document Storage & Sharing System (Woodard & Curran) (w/\$8,000 carry forward)		19,000	3,968	5,710	30%
Streamline Website		1,000	1,080	1,080	108%
General Assessment (Operations)					
MLLT - STE Watershed Program CY 2022/23 (w/\$7,769 carry forward)		24,269	8,513	16,283	67%
Inter-agency Liaison & Board Support (LEI, Inc)		5,000	348	1,839	37%
Forest-related Grant Applications/Project Development (LEI, Inc)		50,000	17,501	29,968	60%
Phase 1 FPP Completion (LEI, Inc) (w/\$10,000 carry forward)		20,000	-	-	0%
FPP-1 Implementation Plan (LEI, Inc)		20,000	-	-	0%
Forest Projects Plan - Phase 2 Support (Regine/LEI)		15,000	1,504	5,085	34%
Forest Projects Plan - Phase 2 (Stantec/Cardno) (w/\$44,959 carry forward)		169,959	42,420	46,454	27%
IRWM Grant Application/Project Development		3,582	-	-	0%
DWR Grant Support (Woodard & Curran)		7,840	-	-	0%
TOTAL ASSESSMENT EXPENDITURES		435,650	123,651	194,350	45%
<u>GRANT and FORESTRY/WATERSHED FUNDING EXPENDITURES</u>					
DWR Prop 1 Implementation Grant					
CCWD - West Point WTP		TBD	82,346	82,346	
Woodard & Curran - invoicing & reporting		14,869	4,830	4,830	32%
WRA - agreement administration		4,000	-	-	0%
DWR Prop 1 Grant - Round 2					
CPUD - Jeff Davis WTP		TBD	-	-	
Woodard & Curran - invoicing & reporting		17,160	-	-	0%
WRA - agreement administration		TBD	-	-	
SNC - RFFCP					
Landmark Environmental Inc.		107,674	16,266	82,944	77%
InContext (RFP 22-01)		52,541	-	(77,978)	-148%
WCB - Aspen Restoration Project					
Landmark Environmental Inc.		252,401	3,521	14,300	6%
Institute For Bird Populations		221,099	4,308	11,983	5%
Reserved for technical field work		139,500	-	-	0%
SNC - Forest Projects Plan					
Landmark Environmental Inc.		16,239	21,958	30,188	186%
CalFire Grant (Hwy 88 Project)					
Landmark Environmental Inc.		4,892,629	36,962	60,108	1%
InContext		107,338	-	107,338	100%
Reserved for Contractors		TBD	-	-	
TOTAL GRANT EXPENDITURES		5,825,450	170,191	316,059	5%
Total Project Expenses		6,261,100	293,842	510,409	8%



Upper Mokelumne River Watershed Authority

Agenda No: **3**

Meeting Date: October 6, 2023

Title:

FPP - Phase 1 Implementation Report

Summary:

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

Forest Resilience Bond:

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 ensure UMRWA has sufficient cash in hand to timely pay treatment contractors (typically 30 days from request for payment). In September UMRWA staff met with EBMUD's Finance Director (UMRWA's Controller) to ensure a LOC is in place when needed. The cost of borrowing from an EBMUD LOC have previously used the rates based on the Local Agency Investment Fund which are currently around 3 percent. The cost of the EBMUD LOC at this rate would be approximately \$75,000 per year assuming a 4,000 acre-per year implementation rate. 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 financial instrument for the FRB is an unsecured Loan and Services Agreement between the LLC created for this FRB and UMRWA. A preliminary draft of such an agreement is included in the supplemental documents for this agenda. Key terms of the FRB include:

- Unsecured revolving line of credit up to a maximum amount
- Zero percent interest rate
- Invoicing the FRB for work completed
- Payment from the FRB to UMRWA, allowing UMRWA to timely pay contractors
- Repayment from UMRWA to the FRB only once grant reimbursements are received
- Description of the services which must be completed (generally the work specified in UMRWA grant agreements)
- Reporting on work completed, aligned with existing grant reporting requirements

The execution of an agreement between the FRB LLC and UMRWA is subject to Blue Forest's evaluation of UMRWA's credit worthiness. That process started in August and is nearly concluded. Blue Forest has signaled they expect a favorable conclusion. A finalized draft agreement will be included for board consideration at the January 2024 meeting.

FPP - Phase 1 Implementation Update:

The Board awarded a contract to BurnBot, Inc. at the August 25 Special Meeting. A Notice to Proceed was issued to BurnBot on September 19 and they have started work.

In September, CalFire and UMRWA executed a second grant agreement for Phase 1 implementation. Contractor procurement for implementation work under that grant will be conducted in 2024. The second CalFire grant agreement includes \$506,000 to continue Phase 2 planning work.

UMRWA Forest Project Grants:

UMRWA has two active CalFire grants, two active SNC grants, and one active Wildlife Conservation Board grant. Applications for two SNC Wildfire Recovery and Resilience grants were submitted in late September, and staff are working with SNC’s Regional Forest and Fire Capacity Program on a potential grant to further fund Phase planning. These grants are summarized below.

UMRWA FOREST PROJECT GRANTS

Approved	Pending
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Grant	By	Amount	Tasks/Deliverables	Key Dates
Forest & Watershed Health (# 1280)	SNC	\$200,000 (13% indirect)	- FPP Phase 1 Plan - NEPA/CEQA documentation	Execute: 6/22/21 Complete: 2/15/27
WIP Capacity Program – Early Action (# 969-RFFCP)	SNC	\$354,944 (10% indirect)	- NEPA documents - ACGG consultation/Tribal - Decision Memo	Execute: 5/23/22 Complete: 12/1/24
WCB – Prop 68 (# WC-2262CR)	WCB	\$649,400 (5.6% indirect)	- Aspen inventory - Prioritization/design plan - Environmental compliance	Execute: 6/10/22 Complete: 3/31/25
Forest Health Program (GGRF)	CalFire	\$4,999,967 (10% indirect)	- NEPA/CEQA clearance - Fuel treatments >2,255 acres	Execute: 7/25/22 Complete: 3/31/26
Forest Health Program (GGRF)	CalFire	\$7,000,000	- Implement FPP-1 treatments on minimum 3,133 acres	Execute: 8/30/23 Complete: 3/30/29
Wildfire Recovery & Forest Resilience (<i>Planning</i>)	SNC (#1646)	Invited to submit full application (\$700,000)	- Develop FPP Phase 2 Plan - NEPA/CEQA documentation	Concept: 6/14/23 Full Ap: 9/29/23 Award: Spring 2024
Wildfire Recovery & Forest Resilience (<i>Implementation</i>)	SNC (#1636)	Invited to submit full application (\$4,876,480)	- Implement FPP-1 fuel treatments on 1,952 acres	Concept: 6/14/23 Full Ap: 9/29/23 Award: Spring 2024
WCB – Prop 68 (#2)	WCB	TBD	- TBD; grant \$ for climate adaptation/resiliency projects	TBD
RFFCP	WCB	TBD	-Phase 2 Planning/NEPA/CEQA	TBD Award: Jan 2024



Upper Mokelumne River Watershed Authority

Agenda No: **4**

Meeting Date: October 6, 2023

Title:

FPP - Phase 2 Planning Report

Recommended Actions:

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.

Forest Projects Plan - Phase 2 Planning:

The landscape-level Phase 2 FPP initiative began in September 2022. The planning and associated environmental processes will 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. For comparison, FPP - Phase 2 is expected to be similar in scope and complexity to the Stanislaus NF's SERAL Project. 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.



Upper Mokelumne River Watershed Authority

Agenda No: **5**

Meeting Date: October 6, 2023

Title:

Biomass Management JPA Presentation

Summary:

Christiana Darlington, CLERE Inc. will present an update to the Board 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.

With excessive amounts of dead trees, brush and small diameter wood that need to be removed from California's forests, existing and proposed wood waste utilization (e.g., biomass) projects face a major challenge when it comes to demonstrating sufficient and long-term access to woody feedstock sources. Volatile markets, declining USFS budgets and staffing capacity, low value of biomass vs. high transportation costs, and contract administration are among the most significant of these challenges. In response to these challenges, the Cal FRAME model, has emerged. Ms. Darlington will discuss the Cal FRAME program and the possibility of creating a JPA in the south-central Sierra between UMRWA, Tuolumne County and the Mariposa County Resource Conservation District. This initial presentation will discuss the need and potential benefits, the types of activities such a JPA might engage in, and next steps and timeline for developing and evaluating such a proposal.



Upper Mokelumne River Watershed Authority

Agenda No: **6**

Meeting Date: October 6, 2023

Title:

Legislative Issues Update

Recommended Action:

For discussion and possible action.

Summary:

AB 338 would make specified forest health work subject to California prevailing wage law, potentially resulting in a substantial increase in the cost of this type of work. The bill only applies to work that has an apprentice program in the building and construction trades and would likely apply to equipment operators and laborers on forest health implementation projects. This bill is authored by Assembly member Aguilar-Curry. The UMRWA board voted to oppose this bill at its April 28 meeting 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.

AB 998 would require the State Energy Resources Conservation Commission, on or before January 1, 2025, to issue a report on utility-scale biomass combustion facilities to assess options to maximize the environmental benefits of these facilities. The report would include a recommended strategy to upgrade facilities where appropriate and consider impacts on disadvantaged, rural, forested and agricultural communities, impacts on capacity for managing forest biomass, cost, job creation, and energy creation. The bill if enacted might help to improve the economics of forest health work by providing a revenue stream for biomass generated. The bill is currently in committee.

There are 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.

AB 1567, as amended on May 26, 2023, would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15.995B to finance these projects. The bill would also allocation \$5.25B for projects to address drinking water supply and infrastructure needs.

SB 638, as amended on June 28, 2023, would enact the Climate Resiliency and Flood Protection Bond Act of 2024 would authorize \$6B in bonds mostly for flood control measures in the Central Valley with \$1B of this amount earmarked to help local agencies fund dam repairs and improvements.

SB 867 as amended on June 22, 2023, would enact the Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023, which, if approved by the voters, would authorize the issuance of \$15.5B in bonds to finance these projects. The bill would allocate \$5.2B for water resilience projects and \$3B for forest resilience projects and would go to the voters for approval at the March 5, 2024, state primary election. The bill would only be effective if SB 638 is enacted prior to January 1, 2024.