

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

Summary Minutes

ROLL CALL

Directors John Coleman, Chair, Terry Woodrow, Vice-Chair, Ed Gonzalez, Richard Farrington, Jeff Davidson, Jack Garamendi, Richard Blood, and Brian Oneto were present. Also present were Executive Officer (EO) Richard Sykes, Administrative Officer (AO) Rob Alcott (via Zoom), Authority Counsel Greg Gillott, Authority Secretary Lorna Barfield and 22 visitors (in person and via Zoom).

PUBLIC COMMENT

None

AUTHORITY BUSINESS

1. Regular Meeting Minutes of October 6, 2023.

The summary minutes of the October 6, 2023, meeting were provided to the Board for review.

Motion 01-24 to approve the meeting minutes of October 6, 2023, was made by Director Woodrow, seconded by Director Farrington, and carried by voice vote: Yea 6 – Nay 0 – Abstain 0.

2. Treasurer's Report - Fourth Quarter FY 2023

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

Motion 02-24 to accept the Treasurer's Report for filing was made by Director Davidson, seconded by Director Gonzales, and carried by voice vote: Yea 6 – Nay 0 – Abstain 0.

Note: At 10:08 am the voice vote changed to 8 with the attendance of Director Oneto and Director Blood.

3. Forest Projects Plan - Phase 1 Implementation Project

The Executive Officer Richard Sykes provided the Board with the Forest Projects Plan - Phase 1 (FPP-1) Implementation Report. This report presented updates and recommendations on the Blue Forest - Forest Resilience Bond (FRB) loan agreement, and on FPP - Phase 1 implementation activities scheduled for 2024. The report concluded with a table titled 'UMRWA Forest Project Grants' which summarized awarded forest project grants and pending applications.

FPP-1 Financing Elements:

Over recent months staff has worked with Blue Forest and EBMUD to formulate two tentative sources of bridge financing for UMRWA's forest project work to ensure UMRWA has sufficient cash on hand to timely pay treatment contractors while awaiting grant funding.

Blue Forest Loan and Services Agreement:

The Forest Resilience Bond (FRB) includes a feature that allows the FRB to extend a line of credit (LOC) to UMRWA. The maximum loan amount under the proposed interest-free

agreement is \$4M. UMRWA pledges to repay loans from Cal Fire grant proceeds (with other future grants potentially subsequently pledged). A copy of the recommended Loan and Services Agreement with Blue Forest was included in the Supplemental Materials packet.

EBMUD Line of Credit:

UMRWA Staff continue to work with EBMUD on an additional line of credit that would be used to supplement the Blue Forest LOC if needed. Agreement language has not yet been drafted but is expected by the April UMRWA Board Meeting.

2024 Implementation Activities:

With a second Cal Fire grant recently secured (\$6.4M for Phase 1 - Arbor treatments) and an SNC grant scheduled for award in March (with an additional \$4.8M for Phase 1 - Birch treatments) staff is proceeding with various tasks to initiate these next two implementation projects. The primary activities necessary to advance the Arbor and Birch FPP-1 implementation projects were summarized.

Botanical Services - For botanical services associated solely with Arbor, a consulting services agreement with Pyramid Botanical Consultants was recommended for Board approval. With Pyramid having completed the contracted Highway 88 project work on time, within budget, and to the satisfaction of UMRWA and Eldorado NF staff, Pyramid is recommended to provide botanical services for Arbor. A copy of the recommended Pyramid consulting services agreement was included in the Supplemental Materials packet.

For botanical services required for subsequent forest projects Birch, Cedar, and Dogwood, a Request for Qualifications (RFQ) process was proposed. The preliminary schedule calls for RFQ issuance on Feb 7, with Board approval on April 26, of a ranked list of best-qualified botanical consulting firms to be used on these future projects.

Archaeological Services - For archeological services associated with Arbor, Birch, and Cedar, a Request for Qualifications process is also recommended. The schedule for completing an RFQ process for archeological services is expected to follow the same botanical services schedule described above.

Forest Treatment Contractors - To secure contracts with qualified contractors to perform Arbor and Birch fuel reduction services beginning in 2024 a Request for Proposal process is planned to begin in April and conclude with the Board award of contracts at the July 26 meeting.

The Board was presented with a table displaying the series of planned FPP-1 implementation projects and their initiation seasons, the associated sources of funding and grant expiration dates, and number of acres to be treated. The status of UMRWA's forest-related grant procurement efforts (for both implementation and planning/environmental compliance projects) were summarized and presented. Over the past 3 years, the Authority has been awarded five grants totaling \$13,204,311 in forest project funding. Presently, UMRWA has 5 active grant applications in varying stages of progress seeking a total of \$20,306,480 in additional grant funding.

Resolution 2024-01 is required for UMRWA to apply to the Cal Fire Forest Health Grant Program. Approval of this resolution was recommended by staff to ensure access to this important source of funding.

The Board discussed the fate of leftover grant implementation funds after contract work is completed and funds remain. The EO noted that to date, the leftover funds have been used to add additional acres for treatment to a contract until all grant funds are expended. This

has been the preference of both UMRWA and the grantors. The Board also discussed the economics of the Forest Service funding, the timelines of Phase 1 and Phase 2 and the funding resources needed to cover the full 26,000 acres.

Motion 03-24 to (1) approve the Loan and Services Agreement with Blue Forest (2) approve the Consulting Services Agreement with Pyramid Botanical Consulting to provide botanical services for the FPP-1 Arbor project with a not-to-exceed fee of \$60,000, (3) authorize staff to initiate RFQ processes for Botanical and Archeological Services as needed to advance UMRWA's next-in-line FPP-1 treatment projects, (4) authorize staff to initiate the RFP process for Forest Contractors to perform Arbor Project and Birch Project fuel reduction treatments (5) approve Resolution 2024-01 for the Cal Fire Forest Health Grant application was made by Director Davidson, seconded by Director Farrington and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

4. 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 four months key program 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 phases and the status of each was presented to the Board.

Plan Development:

Phase 2 planning is underway and the UMRWA/USFS team is meeting regularly. The Technical Advisory Group and Stakeholder Group meetings have started, data collection and consolidation are in progress, the modeling consultant has been retained and the modeling team is now working on preliminary analyses. The team is poised to perform landscape assessments and begin to develop project alternatives in early 2024.

UMRWA has been very engaged with the Amador Calaveras Consensus Group (ACCG) on Phase 2. This includes routine briefings at nearly every ACCG general membership meeting and focused discussion and recommendations on selected topics with the ACCG Planning and Monitoring Work Groups and new Ad Hoc groups specifically providing input on Phase 2 issues.

Staff is pursuing several paths to obtain the additional funds needed by 2025 to complete Phase 2. Staff has received word that Sierra Nevada Conservancy (SNC) staff is recommending the award of a \$646,000 grant at the March 7 SNC Board meeting. With that SNC award in hand, the remaining unfunded amount needed to complete the Phase 2 program is estimated to be in the range of \$1 million.

Staff is evaluating potential applications to Cal Fire's Forest Health Research Program (FHRP). This program was established as part of Cal Fire's plan for implementing the California Forest Carbon Plan. One research focus is Wildfire and Forest Research and the FPP – Phase 2 initiative was viewed as a good candidate for research funding. UMRWA and the ACCG Monitoring Work Group are working on a concept proposal (due January 31) focusing on the development and implementation of a monitoring program for the FPP.

Staffing:

The Authority's FPP - Phase 2 planning program is managed by the Executive Officer with the support of several Landmark Environmental forestry team members. With the FPP-2 effort now fully underway additional dedicated support is required. It was recommended the Board approve a Consulting Services Agreement with Megan Layhee with a total initial

fee of \$26,000. The specific tasks Ms. Layhee will perform include providing day-to-day consultant oversight, liaison to ACCG, participating in various Group and Team meetings, and providing technical/GIS support. The Cal Fire #2 grant will be the funding source for this agreement.

A copy of the recommended Megan Layhee consulting services agreement was included in the Supplemental Materials packet.

Several board members expressed their appreciation of Ms. Layhee's work for UMRWA and noted her excellent previous service as the ACCG administrator.

Motion 04-24 to (1) approve Resolution 2024-02 for Cal Fire Forest Health Research Grant application, (2) approve Consulting Services Agreement with Megan Layhee was made by Director Davidson seconded by Director Woodrow and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

5. Special District Risk Management Authority Insurance

The expanded pace and scale of the Authority's Forest treatments program has made it prudent for UMRWA to acquire general liability insurance. With the assistance of Authority Counsel and Amador County's Risk Manager, staff has searched potential general liability insurance options available to provide that coverage. It was recommended UMRWA secure general liability insurance through the California Special District's Risk Management Authority (SDRMA).

SDRMA is a public agency offering property and general liability programs for special districts and other California public agencies. (Jackson Valley Irrigation District is a participating member). It has been recognized by several accreditation organizations for employing industry best management practices and complying with AGRIP (Association of Governmental Risk Pools) Advisory Standards. SDRMA undergoes an annual financial audit and an annual actuarial review to assist with rate setting to maintain pool stability. It is governed by a seven-member elected (from its membership) Board of Directors.

The SDRMA Property/Liability Program that was recommended for UMRWA includes General Liability, Auto Liability, Auto Physical Damage, Public Officials and Employees Errors and Omissions, Elected Officials Personal Liability and Employee and Public Officials Dishonesty with an annual premium for coverage limits and deductibles of \$4,802. The Board was presented with a table of Coverage Limits and Deductibles.

SDRMA Requirements:

To secure Property/Liability insurance coverage from SDRMA, UMRWA membership in the California Special Districts Association (CSDA) for a minimum of three years is required. Additionally, UMRWA must submit certain applications and other membership documents to SDRMA. Board Resolution 2024-03 authorizing completion, execution, and submittal of these required documents is recommended for Board approval today.

Motion 05-24 to (1) adopt Resolution 2024-03 approving, and authorizing execution of, the Sixth Amended SDRMA Joint Powers Agreement, and authorizing UMRWA's participation in the SDRMA Property/Liability Program, (2) authorize submittal of the California Special Districts Association (CSDA) Membership Application with the \$1,281 annual membership dues payment was made by Director Oneto seconded by Director Farrington and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

6. Biomass Management JPA Initiative

At the October 6 UMRWA Board Meeting, Christiana Darlington 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. Work has progressed on this pilot project with two reports to be completed in the near future. One report is an organizational study to determine economics and the second report is a feedstock availability study. Ms. Darlington is scheduled to provide an update on this effort at UMRWA's April board meeting.

Board discussion included noting that other feedstock surveys have already been completed and identify the difficult economic outlook. They expressed concern regarding potential future costs to UMRWA. The EO confirmed that there is no contribution being requested from UMRWA and none is expected. Director Farrington shared reluctance towards creating another JPA to address biomass utilization.

Calaveras County Water District General Manager, Michael Minkler spoke on the need for addressing the issues of financing biomass power construction projects, and the importance of continuing open dialog for potential opportunities to finance these projects.

7. Legislative Issues Update:

As directed by the Board at its October 6 meeting, the EO submitted a letter on behalf of UMRWA requesting the Governor veto AB 338. Governor Newsome subsequently signed that legislation. The EO stated this will likely affect UMRWA in 2026.

EBMUD recently developed its state and federal legislative initiatives for 2024. These documents were included in the Supplemental Materials packet. EBMUD has included forest health advocacy via UMRWA in these initiatives.

The EO presented information regarding the recently introduced SB 945 by Senator Alvarado-Gil, The Wildfire Smoke and Health Outcomes Data Act. Director Farrington suggested an action of support of SB 945 be sent on behalf of UMRWA.

Motion 06-24 directing the EO to submit a letter on behalf of UMRWA showing support for SB 945, was made by Director Farrington, seconded by Director Gonzales, and carried by roll call vote: Yea 8 – Nay 0 – Abstain 0.

Board Member Comments:

Director John Coleman announced his retirement from the UMRWA Board and shared his new appointment as the Water Resources Manager for Calaveras County Water District. He shared a brief history of UMRWA's inception and expressed how proud he was of this great organization and its accomplishments. An East Bay Municipal Utility District UMRWA Board replacement has been discussed; John's last EBMUD Board meeting is on February 27, 2024.

The Board collectively thanked John for all of his years of service and shared appreciation for his leadership, vision, and guidance.

Director Farrington communicated that he would like to discuss member assessments before the next budget cycle. Director Coleman requested this be agenized for the next meeting and that staff provide some background information on the assessment.

Director Farrington also stated that he is impressed with the staff, the implementation, and progress of the Forest Projects Programs.

Executive Officer Comments:

EO Richard Sykes reported the FY24 agreement to fund the Stewardship Through Education Program was recently executed and wished Maryanne Garamendi good luck in the upcoming year. Maryanne thanked the Board for their support and shared that the program continues to grow.

ADJOURNMENT: Director Coleman adjourned the meeting at 11:30 a.m. The next regular meeting will be held on April 26, 2024, at Pardee Center.

SUBMITTED BY:



Lorna Barfield, Authority Secretary



Chair of the Board

APPROVED: April 26, 2024