



Upper Mokelumne River Watershed Authority

UMRWA Regular Governing Board Meeting

Agenda

Friday, July 26, 2019 – 9:30 a.m.

Calaveras Ranger District Office, 5519 Highway 4, Hathaway Pines CA 95223

AUTHORITY BUSINESS:

1. UMRWA Governing Board - Forest Health Tour

Recommended Action

Informational/No Action
Required

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.

2. Board Regular Meeting Minutes of April 26, 2019

Approve by Motion

3. Treasurer's Report – Third Quarter 2019

Accept for Filing

4. Black Springs Restoration Project

Approve by Motion

5. Fore Restoration Project

Approve by Motion

6. UMRWA Forest Projects Report

Approve by Motion

7. Fiscal Year 2020 Budget

Approve by Motion

8. UMRWA Budget Reserves Policy and Procedure

Approve by Motion

9. NFWF Application for Power Fire Culvert and Erosion Project

Possible Action

10. MAC Region Prop 1 IRWM Grant Applications

Approve by Motion

11. Legislative Issues Update

Discussion/Possible Action

BOARD MEMBER COMMENTS:

12. Board Member Comments

EXECUTIVE OFFICER REPORT:

13. Executive Officer's Oral Report

ADJOURNMENT:

- Next Regular Board Meeting: October 4, 2019 at 10:00 a.m. (Pardee Lodge, Pardee Center)

Requests for disability-related modification or accommodation, including auxiliary aids or services, may be made to Lisa Stuart at 209.772.8261 or lisa.stuart@ebmud.com no later than 24 hours before the meeting.



Upper Mokelumne River Watershed Authority

Agenda No: **1**

Meeting Date: July 26, 2019

Tour Itinerary

FOREST TOUR STOPS and SCHEDULE:

Time	Stop No.	Site Description
9:30	--	Depart Calaveras Ranger District Office
9:50	1	Black Springs Mastication Project Unit 117 - Black Springs Road adjacent to OHV Staging Area (approximately 20 miles from Calaveras Ranger District on Highway 4 and 0.5 miles on Black Springs Road)
10:10	2	Black Springs Mastication and Hand Thinning Units 34 and 113 - Black Springs Road (approximately 1.5 miles from Stop 1)
10:30	3	Black Springs Mastication at Meadow near Middle Fork Headwaters - Black Springs Road (approximately 1.2 miles from Stop 2)
11:00	4	Pumpkin Hollow Contract 18-02 Mastication and Meadow Enhancement Project - Black Springs Road (approximately 5.3 miles from Stop 3)
11:30	5	Pumpkin Hollow 2018 Mastication (up FS Road 7N53Y) - Black Springs Road (approximately .6 miles from Stop 4, at intersection of 7N53Y and 7N09)
		<i>Approximate Timing for Lunch Stop</i>
Noon	6	Pumpkin Hollow 2017 Mastication Project Unit - Black Springs Road approximately (0.7 miles from Stop 5)
12:35	7	Pumpkin Hollow Hand Thinning and Piling – Pullout on north side of Highway 4 approximately 1.5 miles west of Cabbage Patch Rd.
1:00	--	Return to Calaveras Ranger District Office



Upper Mokelumne River Watershed Authority

Agenda No: **2**

Meeting Date: July 26, 2019

Title:

Regular Meeting Minutes of April 26, 2019

Recommended Action:

Approve the regular meeting minutes of April 26, 2019.

Summary:

The summary minutes of the April 26, 2019 regular meeting are included for Board review and approval.

Friday, April 26, 2019 – 1:30 p.m.
Governing Board Regular Meeting
Upper Mokelumne River Watershed Authority
McLean Hall – Pardee Center – Valley Springs, CA

Summary Minutes

ROLL CALL

Directors John Coleman, Terry Woodrow, Richard Farrington, Jack Garamendi, Jeff Davidson, Richard Blood, and Ed Gonzalez were present. Also present were Executive Officer Richard Sykes, Authority Counsel Greg Gillott, Authority Secretary Lisa Stuart, and 24 visitors and presenters.

PUBLIC COMMENT – EO Richard Sykes updated the Board on the status of the Ronwright Logging contract as it relates to item #1, approval of the January 25, 2019 meeting minutes and Motion 05-19 from the January meeting.

Director Farrington spoke about recent news article related to water contamination in the Camp Fire area residents have a warning not to drink the water; Sutter Creek plant would not filter those chemicals out if the local water supply were ever contaminated similarly. As well as a Sac Bee article related to same issue.

AUTHORITY BUSINESS

1. Regular Meeting Minutes of January 25, 2019

Motion 07-19 to approve the regular meeting minutes of January 25, 2019 was made by Director Davidson, seconded by Director Woodrow and carried by voice vote: Yea 7 – Nay 0 – Abstain 0.

2. Treasurers Reports

Motion 08-19 to accept the Treasurer's Reports for filing was made by Director Farrington, seconded by Director Woodrow and carried by voice vote: Yea 7 – Nay 0 – Abstain 0.

Director Oneto arrived at 1:43 changing the vote count to 8 for the remainder of the meeting.

3. GreenGen Mokelumne Water Battery Project

Representatives from GreenGen made a presentation to the Board about their proposed Mokelumne Water Battery Project, immediately followed by several questions from the Board for clarification on the details of the project and a request for follow-up presentations/updates to the UMRWA Board on an as needed basis.

4. Black Springs Restoration Project

On July 27, 2018 the Board authorized the preparation of a SNC Prop 1 Healthy Watersheds grant application, in collaboration with the USFS, for the Black Springs Restoration Project. That application was prepared by staff and submitted by the October 1 deadline. On March 7, the SNC Board of Directors awarded \$1 million in grant funding to UMRWA to complete the Black Springs Project. Vice-Chair Terry Woodrow, Richard

Sykes, Karen Quidachay and John Quidachay represented the Authority at the SNC Board meeting and expressed UMRWA's appreciation for SNC's continuing support.

With today's approval of the SNC Black Springs grant agreement and the Board's prior approval in 2018 of the Hemlock Project CEQA documents (which includes Black Springs), implementation of Black Springs may fully proceed upon entering into a SPA (Specific Project Agreement) agreement with the USFS. UMRWA and Forest Service staffs are presently drafting the Black Springs SPA agreement and that agreement will be presented to the Board for approval on July 26.

Black Springs is an element of the larger Hemlock Project (along with Pumpkin Hollow and Cabbage Patch). The 1,825-acre Black Springs project is a high priority area for fuels treatments due to dense, overstocked, homogeneous forested conditions that are susceptible to mortality from drought, pests, pathogens, and catastrophic wildfire. Elevations within the project area range between 5,400 feet and 7,200 feet.

As shown in the attached Hemlock Project Areas map, the Black Springs Restoration Project is located on the Stanislaus National Forest in Calaveras County, California and is a subset of the 14,075-acre Hemlock Landscape Restoration project, which is in turn a component of the even larger Cornerstone Collaborative Forest Landscape Restoration Program (CFLRP) (390,904 acres).

The work UMRWA will perform under the Black Springs grant will include 775 acres of hand thinning and 125 acres of mechanical thinning. In addition to UMRWA's 900 acres of treatments the USFS will perform commercial thinning & fuels reduction on an additional 925 acres.

A draft copy of Exhibit A of the Black Springs Project Grant Agreement that describes the project scope, schedule and budget, is attached. The final complete grant agreement has not been sent by SNC to UMRWA at time of the Agenda completion. Staff have, however, reviewed and provided comments to SNC on the draft Exhibit A, and other agreement terms are expected to be identical or very similar to the previously executed Cabbage Patch and Pumpkin Hollow grant agreements. Staff is requesting approval to execute the final agreement consistent with the attached Exhibit A upon Counsel's review and approval of the final Black Springs Grant Agreement.

Motion 09-19 to (1) approve the grant agreement with SNC and authorize the Executive Officer to execute the agreement upon review and concurrence by Authority Counsel and (2) authorize the release of Requests for Proposals for the general services work funded by the Sierra Nevada Conservancy grant agreement and tentatively described and authorized in the Black Springs Restoration Project SPA (Specific Project Agreement) was made by Director Farrington, seconded by Director Woodrow and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

5. Ongoing UMRWA Forestry Projects Status Report

The Board was updated on the following projects.

Pumpkin Hollow: UMRWA's treatment of 927.5 acres (initially 971 acres) of forested lands within the Pumpkin Hollow Restoration project is being completed by five contractors hired by the Authority in 2017 and 2018 and a sixth contractor (Ronwright Logging, Lumber and Construction, Inc.) for whom a contract was approved by the Board on

January 25, 2019. The 43.5-acre reduction was a consequence of the USFS reconfiguring work to be performed under RFP 18-02 and awarded to Ronwright Logging.

Cabbage Patch: The Sierra Nevada Conservancy grant agreement with UMRWA specifies 314 acres of forest within the Cabbage Patch Restoration Project area will be treated by UMRWA (and an additional 905 acres by the USFS). Three contractors hired by UMRWA in July 2018 are completing UMRWA's Cabbage Patch work.

6. Youth Watershed Stewardship Agreement with Mother Lode Land Trust

The Board approved at its July 2018 meeting, an agreement with the Central Sierra Resource Conservation and Development, Inc. (CSRC&D), for the current FY2019, which in partnership with Stewards Through Education (STE) has been sponsoring the Youth Watershed Stewardship Program (YWSP) since 2006. However, due to changing organizational priorities at the CSRC&D, this agreement was not executed and representatives from STE sought a new sponsor. Through this process, the Mother Lode Land Trust (MLLT) was identified as a suitable replacement program sponsor. It is recommended that the Board approve a new agreement with MLLT for the remainder of the calendar year in order to continue the STE and YWSP programs. Authority Counsel has reviewed the agreement.

Motion 10-19 to approve the agreement with the Mother Lode Land Trust for the period April 26 through December 31, 2019 and authorize the Executive Officer to execute the agreement was made by Director Davidson, seconded by Director Oneto and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

7. NFWF Grant Application for Culvert Upgrades and Drainage Improvement Project

The Board on January 25, authorized the preparation and submittal of a NFWF Grant Application for the Power Fire Culvert Upgrades and Drainage Improvement Project with UMRWA providing a 5% cost share not to exceed \$50,000. The UMRWA application for \$1.8 million in grant funding was submitted on February 25th.

The National Fish and Wildlife Foundation (NFWF) and partner U.S. Forest Service (USFS) administer the Northern California Forests and Watersheds Program. This program targets lands and watersheds degraded from the influences of past wildfire events as well as other Sierra Nevada meadow and forest restoration objectives.

A set amount of NFWF funding (\$2.54 million) was set-aside exclusively for Eldorado National Forests (ENF) lands affected by, or having a nexus to, the 2004 Power Fire that burned 16,933 acres. The burn area is located in the southwest corner of the Amador District of the Eldorado National Forest. The priority ENF watersheds targeted for this funding are Panther Creek, Bear Creek and Cole Creek - all tributary to the North Fork Mokelumne River.

The Power Fire Culvert Upgrades and Drainage Improvement Project proposes to replace or reconstruct approximately 63 culverts (actual number to be determined and field verified mid-2019 in consultation with ENF and could exceed 100) and up to 200 water control structures (e.g. water bars, graded dips, berms), and to perform maintenance work on other existing culverts on 58 miles of roads affected by the Power Fire. The project will address culverts on Forest Service system roads located within the Panther Creek, Bear River, and Cole Creek sub-watersheds, which are considered priority

watersheds. The project will also address culverts in the Devils Nose and Salt Springs Reservoir sub-watersheds that are part of the Power Fire Nexus Area.

NFWF is expected to announce grant award decisions in August 2019. Funded work must be completed by 2021.

8. Proposed Fiscal Year 2020 UMRWA Budget

The proposed FY 2020 budget was presented to the Board showing the total member-supported portion of the proposed budget, including in-kind, at \$320,000. This is \$46,500 less than the current year amount of \$366,500.

Also provided to the Board were the details of the member funding off-sets. These included member in-kind credits and other income (from indirect charges paid by USFS and administration fees per SNC grants). Resulting Member Agency funding allocations and estimated assessment amounts are shown in Table 3.

The draft budget is organized to distinguish between the Authority's two primary revenue sources, Member funding and non-Member funding (grant and USFS funding). The Authority's work activities planned for FY 2020 are similarly organized as shown below.

Motion 11-19 to (1) endorse the proposed FY 2020 UMRWA budget and authorize staff to transmit the proposed budget to Member Agencies for review and comment and (2) to Direct staff to develop a Board policy for administering the Authority's budget reserve (i.e. unspent and retained member funds and related incomes) was made by Director Davidson, seconded by Director Garamendi and carried by voice vote: Yea 8 – Nay 0 – Abstain 0.

9. Prop 1 IRWM Implementation Program Update

Director Farrington is the Board's designated representative to the ongoing Mountain Counties Funding Area committee attempting to develop an acceptable Prop 1 IRWM funding allocation process. The Department of Water Resources, the agency that administers the IRWM program, issued draft Guidelines this past November for how these Prop1 implementation grant funds will be awarded. These Guidelines have not yet been approved. Of immediate interest is Prop 1's \$510 million in IRWM funding, although just \$13 million of that amount is earmarked for Mountain Counties and not all of that \$13M is available. The Board requested staff have a project on the agenda to review and vote on at the July meeting.

10. Legislative Issues Update

Michael Minkler, General Manager of CCWD updated the Board on a recent visit with Jessica Robertson, Integrated Restoration Coordinator with the U.S. Forest Service in Washington D.C. The update included discussion of the reauthorization of the Collaborative Forest Landscape Restoration Program as well as the new amount committed to that program, and UMRWA's options to apply for an extension or propose a new and/or larger project.

Board Member Comments:

Director Farrington spoke on Power Fire funds awarded from PG&E that have disappeared leaving USFS's Amador-El Dorado Unit to look for grant money for about 10,000 acres that need pre-commercial thinning. Though there is a possibility that Hazard Mitigation funding or

the regular California budget can be used to restore those funds (\$45 million) it is doubtful that will occur. Director Farrington suggested that staff author a letter to Senators Feinstein, Harris and McClintock asking the status of the restoral of the funds.

Discussion of a tour of the UMRWA project area: it was suggested that a tour take place in July or August during the summer recess of congress in order to include any interested representatives. Question from Gene: Role for ACWA in this tour?

SNC is getting ready to issue another RFP for grants.

R. Farrington attending ACCG meetings and suggested UMRWA request a 5-year list of possible future projects.

Executive Officer Comments:

Staff met prior to today's UMRWA meeting to discuss PG&E's bankruptcy status and monitoring of their activities. Board members requested notification, if necessary, so that a special meeting could be called in the event there is any movement from PG&E that would interest the UMRWA Board members.

AWA is having a ribbon-cutting event for their backwash plant May 23 or 24; contact Gene if interested in attending.

ADJOURNMENT: Director Coleman adjourned the meeting at 3:33 p.m. and directed interested Board members in the appropriate direction to attend the tour of the Camanche South Shore Water Treatment Plant as noted on the agenda. The next regular meeting will be held on July 26, 2019 at 1:30 p.m. at Pardee Center's McLean Hall.

SUBMITTED BY:

Lisa Stuart, Authority Secretary

John Coleman, Chair of the Board
APPROVED: July 26, 2019



Upper Mokelumne River Watershed Authority

Agenda No: **3**

Meeting Date: July 26, 2019

Title:

Treasurer's Report – Third Quarter 2019

Recommended Action:

Accept for filing

Summary:

A copy of the Treasurer's Report for the Third Quarter of fiscal year 2019, which ended June 30, 2019, is attached for the Board's review and information.

**TREASURER'S REPORT
STATEMENT FOR THE PERIOD ENDING JUNE 30, 2019**

<i>Fiscal Year 2019 (beginning Oct. 1, 2018)</i>	General Assessment & Grants	Budget FY 2019	Actual		
			Current Quarter	YTD	YTD %
<u>General Assessments & Operating Revenue</u>					
Amador Agencies Funding	70,100	70,100	-	70,100	100%
Calaveras Agencies Funding	76,600	76,600	22,980	76,600	100%
EBMUD Funding	200,300	200,300	-	200,300	100%
Prior Year Unspent/Carry forward	6,938	6,938	-	-	0%
USFS indirect/overhead fees (Pumpkin & Cabbage)	8,000	8,000	24,762	24,762	310%
SNC indirect/overhead fees (Pumpkin & Cabbage)	11,500	11,500	11,143	11,259	98%
Interest/Misc income	500	500	-	397	79%
Transfer from Operating Reserve (Bal. \$206,011)	-	-	-	-	0%
Total Assessments & Operations Funding	373,938	373,938	58,885	383,418	103%
<u>Prop 84 Drought Grant</u>					
Drought Grant (carry fwd)	3,457,375	3,457,375	1,098,678	2,392,726	69%
<u>Forestry/Watershed Funding</u>					
US Forest Service (Pumpkin Hollow)	350,997	350,997	(21,007)	256,390	73%
US Forest Service (Cabbage Patch)	34,000	34,000	1,801	17,836	52%
Sierra Nevada Conservancy Grant 1 (Pumpkin Hollow)	381,859	381,859	(6,878)	108,682	28%
Sierra Nevada Conservancy Grant 2 (Cabbage Patch)	500,000	500,000	3,778	42,829	9%
Total Grants and Other Funding	4,724,231	4,724,231	1,076,372	2,818,463	60%
TOTAL REVENUES & FUNDING	5,098,169	5,098,169	1,135,257	3,201,881	63%
<u>ASSESSMENT EXPENDITURES</u>					
General Assessment (Administration)					
Executive Officer		50,000	10,553	22,639	45%
Administrative Officer		50,000	15,890	27,110	54%
MAC Data & Website Support (Woodard & Curran)		20,000	-	4,500	
General Assessment (Operations)					
CSRC&D - School Watershed STE Program (incl. carry forward)		23,438	-	6,938	30%
Forest liaison & Board reporting (LEI, Inc)		10,000	1,191	2,271	23%
Forest Projects Plan (LEI, Inc)		25,000	1,870	5,036	20%
Forest-related Grant Applications/Project Development		75,000	-	24,962	33%
Prop 1 IRWM Grant Application/Project Development		40,000	-	-	0%
MAC Plan Update 2018 (Woodard & Curran)		80,000	3,237	54,257	68%
TOTAL ASSESSMENT EXPENDITURES		373,438	32,741	147,712	40%
<u>GRANT and FORESTRY/WATERSHED FUNDING EXPENDITURES</u>					
Implementation Grant - Drought Grant 2014 - Pass Thru to Sponsors:					
AWA - Tanner Backwash (for Amador Canal)		3,428,144	716,110	2,622,836	77%
Implementation Grant - Drought Grant 2014 - Administration:					
RMC		17,100	2,026	2,026	12%
WRA		12,131	1,197	1,197	10%
Pumpkin Hollow Restoration Project					
Landmark Environmental Inc.		134,990	6,746	65,880	49%
Amador Water Agency (grant admin support)		10,000	-	4,720	
TSU - Tree Services Unlimited (RFP 17-01)		210,330	-	54,834	26%
Greater Valley Conservation Corp		34,668	-	27,415	79%
GTS Forestry Inc. (RFP 18-01)		139,597	-	55,300	40%
TBD - Mechanical Thinning Project (RFP 18-02)		76,693	-	-	0%
UMRWA indirect/overhead		46,704	-	-	
Cabbage Patch Restoration Project					
Landmark Environmental Inc.		73,690	19,002	43,880	60%
Greater Valley Conservation Corp		10,800	-	-	0%
GTS Forestry Inc. (RFP 18-03)		74,375	-	-	0%
D. Watt Industries (RFP 18-04)		105,840	-	28,480	27%
UMRWA indirect/overhead & TBD contracts		265,295	-	-	0%
TOTAL GRANT EXPENDITURES		4,640,357	745,081	2,906,568	63%
Total Project Expenses		5,013,795	777,822	3,054,280	61%



Upper Mokelumne River Watershed Authority

Agenda No: **4**

Meeting Date: July 26, 2019

Title:

Black Springs Restoration Project

Recommended Actions:

- (1) Authorize the Executive Officer to sign the Black Springs Supplemental Project Agreement (SPA).
- (2) Approve and authorize the Executive Officer to sign General Service Agreements with the three firms listed below.

Project	Firm	Amount
(a) Black Springs Mastication (RFP 19-01)	Ronwright Logging Lumber Construction Inc.	\$144,020
(b) Black Springs Hand Thinning (RFP 19-02)	Sierra Nevada Forestry Service	\$297,616
(c) Hand Thinning and Lop & Scatter	Greater Valley Conservation Corp (San Joaquin Office of Ed.)	\$32,962

Summary:

The Board on April 26, 2019 approved a \$1 million grant agreement with the Sierra Nevada Conservancy and authorized the release of Requests for Proposals for the general services work funded by that grant agreement and tentatively described and authorized in a draft Black Springs Restoration Project SPA (Specific Project Agreement). Previously (in 2018) the Board also approved the Hemlock Project CEQA documents that also address the Black Springs project.

With the Board's approval today of the two above recommended actions the forest treatment work funded by the Black Springs SNC grant agreement may proceed.

Background:

Black Springs is an element of the larger Hemlock Project (along with Pumpkin Hollow and Cabbage Patch). The 1,825-acre Black Springs project is a high priority area for fuels treatments due to dense, overstocked, homogeneous forested conditions that are susceptible to mortality from drought, pests, pathogens, and catastrophic wildfire. Elevations within the project area range between 5,400 feet and 7,200 feet.

As shown in the attached Hemlock Project Areas map, the Black Springs Restoration Project is located on the Stanislaus National Forest in Calaveras County, California and is a subset of the 14,075-acre Hemlock Landscape Restoration project, which is in turn a component of the even larger Cornerstone Collaborative Forest Landscape Restoration Program (CFLRP) (390,904 acres).

The work UMRWA will perform under the Black Springs grant will include 775 acres of hand thinning and 125 acres of mechanical thinning. In addition to UMRWA's 900 acres of treatments the USFS will perform commercial thinning & fuels reduction on an additional 925 acres.

Discussion:

Authority staff administered a request-for-proposals process for the work funded by the Black Springs SNC grant agreement and authorized in the Black Springs SPA agreement. Prospective bidders were sent notices of UMRWA's two RFPs available on UMRWA's website along with an invitation to attend a contractor's workshop held in Jackson on June 26, 2019. Representatives from about 9 firms attended the workshop that included presentations on UMRWA's partnership with the US Forest Service and the Authority's process in contracting for forest-related services.

Six proposals were received for the Black Springs Mastication work (RFP 19-01). Four proposals were received for the Black Springs Hand Thinning work (RFP 19-02). The proposals were reviewed and rated by the Authority Selection Committee (which included USFS representation). Ronwright Logging Lumber Construction Inc. (a local service provider) was determined by the committee to be the best-qualified Mastication proposer, and Sierra Nevada Forestry Service (SNFS) was determined by the committee to be the best-qualified Hand Thinning proposer. Staff is recommending the Board approve general service agreements with these two firms.

Additionally, in satisfaction of an SNC grant requirement, the Greater Valley Conservation Corps (a business unit of the San Joaquin Board of Education) will perform hand treatment work on 12.8 acres within the Black Springs project boundary. The contract amount is not to exceed \$32,962. The GVCC was contracted in 2017 and 2018 to perform similar work within Pumpkin Hollow and Cabbage Patch projects, respectively.

Also recommended today is authorization for the Executive Office to execute the Black Springs Restoration Project SPA.

The tables below show the two work projects and the associated proposers, their business locations, and their submitted costs. The recommended contractor is noted with an asterisk.

Black Springs Mastication (RFP 19-01):

Contractor	Location	Cost
Ronwright Logging Lumber Construction, Inc.	Camp Connell (Calaveras County)	\$144,020 *
D.Watt Industries	Redding	\$121,280
Left Coast Land Clearing	Sonora	\$131,892

Sullivan Logging Company, Inc.	Merced	\$276,670
Summitt Forests, Inc.	Ashland, OR	\$138,862
GTS Forestry, Inc.	Sacramento	\$174,340

Black Springs Hand Thinning (RFP 19-02):

Contractor	Location	Cost
Green Tree Service (GTS)	Sacramento, CA	\$351,375
Ronwright Logging Lumber Construction, Inc.	Camp Connell, CA	\$771,590
Sierra Nevada Forestry Service (SNFS)	Yuba City, CA	\$297,616 *
Summitt Forests, Inc.	Ashland, OR	\$363,134

NOTE: Draft copies of the three recommended General Services Agreements, and the draft Black Springs SPA agreement, are included in the Supplemental July 26, 2019 Agenda Materials Packet (provided separately). Final draft copies of these Agreements and the SPA will be provided at the Board meeting.



Upper Mokelumne River Watershed Authority

Agenda No: **5**

Meeting Date: July 26, 2019

Title:

Fore Restoration Project

Recommended Actions:

(1) Approve and authorize the Executive Officer to sign the General Service Agreement with Ronwright Logging Lumber Construction, Inc.

(2) Authorize the Executive Officer to sign an Amendment to the Cabbage Patch Supplemental Project Agreement (SPA) to increase the total number of acres to be treated.

Summary:

Contractor bids for Cabbage Patch mechanical and hand treatment RFPs came in lower than originally estimated and budgeted in the 2018 SNC grant agreement #1033 to treat the 316-acre Cabbage Patch Restoration Project. Staff estimates about \$186,000 of uncommitted Cabbage Patch Project budget potentially available for treatments on additional acreage. Staff has been working closely with the Stanislaus National Forest to identify the next Hemlock Project priority treatment areas that are NEPA and CEQA to which the remaining funds may be redirected.

As shown in the attached Hemlock Project area map, the Fore Project Restoration Area within the larger project area has been identified as the next location where vegetation treatments are most needed. Based on a detailed and coordinated review with USFS staff review of the Hemlock Project area UMRWA staff initiated RFP 19-03 process for mastication contractors to mechanically treat units 70, 71 and 604 (totaling approximately 130 acres of scenic corridor). In the event additional unspent SNC funds remain after awarding a contract for 19-03 staff, in coordination with SNC, may propose additional treatments on the 360 remaining untreated acres in the Fore Project area.

Discussion:

Authority staff administered a request-for-proposals process for mastication contractors to complete mechanical thinning on about 130 acres within the Fore Project area. Prospective bidders were sent notices of UMRWA's RFP available on UMRWA's website along with an invitation to attend a contractor's workshop held in Jackson on June 26, 2019. Representatives from about 9 firms attended that workshop.

Five proposals were received for the Fore Thinning and Mastication work (RFP 19-03). The proposals were reviewed and rated by the Authority Selection Committee (which included USFS representation). Ronwright Logging Lumber Construction, Inc. was

determined by the committee to be the best-qualified proposer. Staff is recommending the Board approve general service agreements with this firm.

The authority for UMRWA to treat these additional Fore acres is reflected in the attached amendment to the Cabbage Patch SPA agreement. Because there are no funding increases associated with this amendment the District Ranger is authorized to sign the amendment on behalf of the USFS.

The table below displays the contractor firms submitting proposals, their business locations, and their submitted costs. The recommended contractor is noted with an asterisk.

Fore Thinning & Mastication (RFP 19-03):

Contractor	Location	Cost
Bob Fine Brush and Grinding	Pioneer	\$310,761.00
Left Coast Land Clearing	Sonora	\$223,380.00
Ronwright Logging Lumber Construction, Inc.	Camp Connell, (Calaveras Co.)	\$149,664.60 *
Sullivan Logging Company	Mt. Ranch (Calaveras Co.)	\$229,950.00
Summitt Forests, Inc.	Ashland, OR	\$222,985.80

NOTE: A draft copy of the recommended General Services Agreement is included in the Supplemental July 26, 2019 Agenda Materials Packet (provided separately). A final draft copy of the recommended Agreement will be provided at the Board meeting.

Final Draft

Amendment for Cabbage Patch SPA number 18-SA-11051600-020

The Cabbage Patch SPA on 7/1/2019 has been amended to include the attached Fore project acreage. An amendment was utilized in lieu of a modification, due to no funding changes and no change to the scope of work. When Partner contracts were awarded for the SPA, there was a cost savings of SNC grant dollars (Partner in-kind) that allowed for more acres to be treated. The FORE area was utilized to satisfy those needed acres and border the Cabbage Patch area. All aspects of the project are also within the Hemlock EA and project boundary of the SPA. By signing this amendment both Partner and Forest Service agree to continue to participate in the signed SPA language to accomplish the FORE project acreage. Meaning both parties will continue their responsibilities agreed upon to accomplish the added acreage tasks.

Action: Sign this amendment and upload to NRM to document the amendment process has been reviewed and approved by both the Partner (UMRWA) and the U.S. Forest Service.

UMRWA Executive Officer (Richard Sykes)

Signature:

Date:

U.S> Forest Service – Calaveras District Ranger (Ray Cablayan)

Signature:

Date:



Upper Mokelumne River Watershed Authority

Agenda No: **6**

Meeting Date: July 26, 2019

Title:

UMRWA Forest Projects Report

Recommended Actions:

- (1) Authorize staff to complete and submit SNC Healthy Watersheds grant application, in collaboration with the USFS, for West Calaveras Thin/Bailey Plantation Health Project.
- (2) Approve Resolution No. 2019 – 1 authorizing the Executive Officer to submit the SNC grant application.
- (3) Authorize staff to explore partnership opportunities with CHIPS and the Mule Deer Foundation that could potentially enhance the efficiency and scope of UMRWA's forest health program.
- (4) Review and discuss status of ongoing forest projects as appropriate.

Summary:

SNC continues the Props 1 and 68 Healthy Watersheds grant program it initiated last year. This is the program that is providing funding to UMRWA for the Black Springs Restoration Project. UMRWA and USFS staffs have collaborated in recent weeks to identify other potential forest restoration projects and have determined the West Calaveras Thin/Bailey Plantation Health Project is the next best project to seek SNC funding to complete critical treatments. Additionally, staff has identified possible forest health partnership opportunities it would like to explore with CHIPS (Calaveras Healthy Impact Solutions) and the Mule Deer Foundation (MDF). Lastly, the status of ongoing Authority forest projects is summarized in the table below for Board information and discussion.

SNC Prop 68 Grant Application:

The proposed West Calaveras Thin/Bailey Plantation Health Project will return 20 – 45 year old plantations to improved resource conditions of reduced fuel loads, increased ecological diversity, and improved forest and riparian habitat conditions. Plantations in the project area are unnaturally dense and represent significant fire risk. The potential project area is between 400 and 500 acres in size. The USFS in coordination with the ACCG completed NEPA for this project in 2014.

For this round of grant funding SNC requires pre-applications to be submitted by August 5. For preliminary accepted projects final applications are due October 14. Given the fast approaching deadline, and in anticipation of the Board's authorization to file this grant application, staff has begun preparing the pre-application. The cost for completing each of the three prior SNC pre- and final applications was less than \$20,000. Funds are budgeted and available for this task in the current FY 2019 budget.

A resolution documenting the Board’s approval and authorization to file the grant application must be included in the SNC application (see attached Resolution 18-01).

Exploring Partnership Opportunities:

Over the past several months staff has had occasion to discuss forest health and restoration project work with representatives from CHIPS and the MDF. Staff believes the scope and efficiency of UMRWA’s forest health program could be enhanced through formal partnerships with one or both of these organizations. Staff would like to initiate discussions with CHIPS and MDF aimed at defining potential partnership roles and responsibilities that could lead to expanded forest health initiatives in the watershed and further develop local contractor opportunities for this work. If sufficient common interest and mutual benefits from such a partnership are identified the next step would be the drafting of a partnership Memorandum of Understanding.

UMRWA’s parameters for these discussions include: compatibility with UMRWA’s mission and purpose, consistency with the Authority JPA agreement, and proportionality with UMRWA’s organizational/staff capacity. Any potential MOU must be consistent with these parameters and also address any other liabilities created by such a partnership.

Ongoing UMRWA Forest Projects:

Pumpkin Hollow: UMRWA’s treatments to 927.5 forested acres (initially 971 acres) within the Pumpkin Hollow Restoration Project are being completed by five contractors and the Central Valley Conservation Corp. The 43.5-acre reduction was a consequence of the USFS reconfiguring work to be performed under RFP 18-02 and awarded to Ronwright Logging. This reduction in acreage is within the 10% allowed under the SNC grant.

Cabbage Patch: The Sierra Nevada Conservancy grant agreement with UMRWA specifies 314 acres of forest within the Cabbage Patch Restoration Project area will be treated by UMRWA (and an additional 905 acres by the USFS). Three contractors hired by UMRWA in July 2018 are completing UMRWA’s Cabbage Patch work.

UMRWA FOREST PROJECTS & CONTRACTS

RFP #	Contractor	Contract Date	Amount	Scheduled Completion	Actual Completion	Total Acres
PUMPKIN HOLLOW						
17-01	TSU Inc.	July 2017	\$272,460	Dec. 2019		239
17-02	J&R Logging	July 2017	\$178,405	Dec. 2018	Oct. 2018	21
17-03	Summitt Forests	July 2017	\$130,183	Dec. 2018	June 2018	393
18-01	GTS Forestry	July 2018	\$139,597	Dec. 2019		87
18-02	Ronwright	July 2019	\$119,000	Dec. 2019		147
N/A	GVCC	July 2017	\$66,000	Dec. 2018	Oct. 2018	40.5
						927.5
CABBAGE PATCH						
18-03	GTS Forestry	July 2018	\$74,375	Dec. 2019		174.5
18-04	D. Watt Industries	July 2018	\$105,840	Dec. 2019		132.3
N/A	GVCC	July 2018	\$10,800	Dec. 2019		7.2
						314

UPPER MOKELUMNE RIVER WATERSHED AUTHORITY

RESOLUTION 2019 - 1

APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE SIERRA NEVADA CONSERVANCY PROPOSITIONS 1 AND 68 HEALTHY WATERSHED PROGRAM, AND AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE AND ADMINISTER THE GRANT AGREEMENT

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

WHEREAS, the Upper Mokelumne River Watershed Authority (UMRWA) is a Joint Powers Agency formed in 2000 to address water quality, water supply and environmental resource issues in the Upper Mokelumne River watershed and the Mokelumne-Amador-Calaveras (MAC) Integrated Regional Water Management Region; and

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 an application by the UMRWA's governing board before submission of said application to the SNC; and

WHEREAS, UMRWA, has identified the West Calaveras Thin/Bailey Plantation Health Project as valuable toward meeting its mission and goals and if selected will enter into an agreement with the SNC to carry out the project.

BE IT HEREBY RESOLVED by the UMRWA Board of Directors, that this Board:

- Approves the submittal of an application for the West Calaveras Thin/Bailey Plantation Health Project; and
- Certifies that it understands the assurances and certification requirements in the application; and
- Certifies that it will have sufficient funds to operate and maintain project resources consistent with the long-term benefits described in support of the application, or will secure the resources to do so; and
- Certifies that it will comply with all legal requirements as determined during the application process; and
- Appoints the UMRWA Executive Officer, or designee, as agent to conduct all negotiations, execute and submit all documents, including, applications, agreements, payment requests, and so on, as necessary for project completion.

ADOPTED this 26th day of July 2019

BY:

ATTEST:

Board Chair

Authority Secretary



Upper Mokelumne River Watershed Authority

Agenda No: 7

Meeting Date: July 26, 2019

Title:

Proposed Fiscal Year 2020 UMRWA Budget

Recommended Action:

Approve the FY 2020 UMRWA budget.

Summary:

The Board on April 26 reviewed the proposed FY 2020 Budget and directed staff to transmit the proposed budget to Member Agencies for review and comment. A memorandum presenting the proposed FY 2020 budget and Member Agency assessment amounts was sent on May 8 to Member Agency General Managers and County Administrative Officers with copies to each Member Agency's UMRWA Board director. Comments supportive of the proposed budget were received from Amador Water Agency and EBMUD staff.

Discussion:

The proposed FY 2020 budget is presented in Table 1. The total member-supported portion of the proposed budget, including in-kind, is \$320,000. This is \$46,500 less than the current year amount of \$366,500.

Presented in Table 2 are member funding offsets. These include member in-kind credits and other income (from indirect charges paid by USFS and administration fees per SNC grants). Resulting Member Agency funding allocations and estimated assessment amounts are shown in Table 3.

The draft budget is organized to distinguish between the Authority's two primary revenue sources, Member funding and non-Member funding (grant and USFS funding). The Authority's work activities planned for FY 2020 are similarly organized as shown below.

For the Member-funded portion of the proposed FY2020 budget the following activities and associated funding requirements are assumed:

- 1) Maintain (unchanged) the funding level for Board and Authority administration at \$120,000. This budget funds the Executive Officer and Administrative Officer positions and the Woodard & Curran contract for data/website technical support.
- 2) Maintain (unchanged) the annual funding support for the local school watershed education program at \$16,500.
- 3) Increase to \$100,000 (from \$75,000) the funding level for costs associated with developing forest-related grant applications.
- 4) Reduce to \$25,000 (from \$35,000) for basic Authority support work to be performed by Landmark Environmental, Inc. This may include preparing Board

agenda items, conducting federal and state agency liaison, attending quarterly Board reports, and support tasks as assigned by the EO.

- 5) Reduce to \$25,000 (from \$120,000) for IRWM-related tasks requiring Member funding (e.g. possible Prop 1 Implementation Grant application).

For the non-Member funded portions of the budget, grant and other funding associated with the Sierra Nevada Conservancy and USFS sources for FY 2020 will be determined in September, the final month of UMRWA's fiscal year. Awarded but uncollected FY 2019 funds will be carried forward to FY 2020. Those amounts will be determined based on the September 30, 2019 end of fiscal year Treasurer's Report.

For additional information regarding Authority revenues and expenditures see the two-page attachment: *UMRWA Secured Investment for Region 2011 – 2019*.

Table 1 – PROPOSED FY 2020 BUDGET

Programs	Categories	Member Funds	Other Funds (DWR, USFS, SNC)	Total Member Funded Program Budgets
Board and Authority Admin.	Executive Officer	50,000		120,000
	Administrative Officer	50,000		
	Web & Opti technical support	20,000		
Watershed Ed.	Public schools program (STE)	16,500		16,500
Forest Health	Pumpkin Hollow Project	--	Carry forward	125,000
	Cabbage Patch Project	--	Carry forward	
	Black Springs Project	--	Carry forward	
	Forest-related Grant Applications	100,000		
	Federal/state agency liaison & Board reports & meetings	25,000		
IRWM Grant Applications	Grant Application	25,000		25,000
Implementation Grants	Grant Pass Thru to Agencies	0		0
	UMRWA Grant administration	0		
TOTAL BUDGET		\$286,500	Carry forward	\$286,500

Carry forward amounts to be determined based on amount of Other Funds received vs. pending as of Sept. 30, 2019

Table 2 – FY 2020 MEMBER AGENCY OFF-SET FUNDING

Member assessments	As required by the above Proposed FY2020 Budget	\$286,500
Off budget In-kind contributions*	Authority Legal Counsel \$7,500 (Amador County) Accounting/audit and Authority Secretary \$26,000 (EBMUD)	\$33,500
	TOTAL MEMBER SUPPORTED BUDGET =	\$320,000
Off-setting income	SNC grant funded UMRWA admin fees (est. \$ 15,000) USFS funded UMRWA indirect charges (est. \$10,000)	(\$25,000)
	TOTAL REQUIRED MEMBER ASSESSMENT FUNDING =	\$295,000

* = Dollar amounts are updated estimates based on prior year Member actual costs.

Table 3 – FY 2020 MEMBER FUNDING ALLOCATIONS & ASSESSMENTS

Formula % Share	Member Agency %	Proposed FY18 \$ Allocations	In-Kind \$ Credits	Proposed \$ Assessments
Amador Entities 20%	Amador County – 9.2%	27,140	(7,500)	19,640
	Amador Water Agency – 9.2%	27,140	0	27,140
	Jackson Valley ID – 1.6%	4,720	0	4,720
Calaveras Entities 20%	Calaveras County – 6.0%	17,700	0	17,700
	Calaveras County WD – 9.6%	28,320	0	28,320
	Calaveras PUD – 4.4%	12,980	0	12,980
EBMUD 60%	EBMUD – 60%	177,000	(26,000)	151,000
TOTAL		\$295,000	(\$33,500)	\$261,500

ATTACHMENT

UMRWA Secured Investment for Region 2011 - 2019

Over the past nine years UMRWA has been active in securing state and federal investments in the region. The two tables presented below summarize these. UMRWA entered into a Master Stewardship Agreement with the USFS in 2016 to establish a working partnership directed at addressing some of the region's major forest fuels and restoration needs. Using grant funding from the Sierra Nevada Conservancy to leverage USFS investments UMRWA is undertaking three forest fuels reduction and restoration projects (totaling 4,015 acres) within the upper watershed. The projects and funding sources are shown in Table A.

Table A – UMRWA Secured Investments for
Forest Fuels Reduction and Forest Restoration (FYs 2017 - 2019)

UMRWA Managed Forest Project	State & Federal Investment
Pumpkin Hollow – 971 acres (2017 - 2019)	
Sierra Nevada Conservancy Proposition 1 grant no. 1	\$ 500,000
USFS Master Stewardship Agreement and Pumpkin SPA	\$ 609,841
Pumpkin Hollow Project Total	\$ 1,109,841
Cabbage Patch – 1,219 acres (2018 – 2020)	
Sierra Nevada Conservancy Proposition 1 grant no. 2	\$ 500,000
USFS Master Stewardship Agreement and Cabbage SPA	\$ 736,000
Cabbage Patch Project Total	\$ 1,236,000
Black Springs – 1,825 acres (2019 – 2021)	
Sierra Nevada Conservancy Proposition 1 grant no. 3	\$ 1,000,000
USFS Master Stewardship Agreement and Black Springs SPA	\$ 648,000
Black Springs Project Total	\$ 1,648,000
	\$3,993,841

Table B presents Prop 84 Implementation Grant funding awarded to UMRWA on behalf of Member Agencies (2011 – 2016). Note that the amounts shown under the column **Total Member Assessments 'by County'** represent the estimated total sum of Amador Member Agencies, Calaveras Member Agencies and EBMUD assessments paid during the seven year period (FY 2011 – FY 2017) during which Prop 84 Implementation Grants were secured for the region.

Table B – UMRWA Implementation Grant 'Pass Thru' Awards and vs.
Member Agency Assessments (FYs 2011 - 2017)

Funded Projects in Amador County	Sponsor Agency	Project Grant Amount	Assessments by 'County'
Lake Camanche Tank Rehabilitation & Lateral Replacement Project – Phase 1	AWA	\$ 570,830	
Amador Water System Leak Detection and Repair	AWA	\$ 256,030	
Lake Camanche Lateral Replacement – Phase 2	AWA	\$ 562,175	

Amador Raw Water Pipeline	AWA	\$ 5,070,828	
Ione WTP Backwash	AWA	\$ 614,676	
Total AMADOR Grant Funding vs. Assessments		\$ 7,074,539	\$208,254
Funded Projects in Calaveras County			
West Point Water Main and Tank Replacement Project	CCWD	\$ 1,471,139	
Ponderosa Way Restoration Project	Cal. Co.	\$ 154,582	
Total CALAVERAS Grant Funding vs. Assessments		\$ 1,625,721	\$208,345
Funded Projects in EBMUD Camanche Service Area			
Camanche Area Regional Water Supply Project – Phase 1	EBMUD	\$ 1,387,830	\$329,271
Total EBMUD Grant Funding vs. Assessments		\$ 1,387,830	\$540,859
	TOTALS	\$10,088,090	\$1,000,557



Upper Mokelumne River Watershed Authority

Agenda No: **8**

Meeting Date: July 26, 2019

Title:

UMRWA Budget Reserves Policy and Procedure

Recommended Action:

Approve the UMRWA Budget Reserves Policy and Procedure

Summary:

The Board on April 26 directed staff to develop a Board policy for administering the Authority's budget reserve. Presented here is an amendment to the UMRWA Budget Policy and Procedure that prescribes how unspent and retained member funds and related incomes are to be accounted in calculating the annual Budget Reserve amount.

Discussion:

Over the past four fiscal years unspent budgeted member funds and accumulated other income have been separately carried over and accounted as Retained Member Funds. These funds have effectively served as the Authority's operating reserve. The current balance of Retained Member Funds is \$206,011.

The Retained Member Fund has suited the Authority's business needs over the past few years in several ways. It has:

- Provided a sufficient fund balance to pay contractors performing forestry work while UMRWA awaits USFS and SNC reimbursements.
- Been tapped to fund unanticipated mid-year expenses. For example, the Board's initiative in mid-2018 to undertake the MAC Plan Update 2018 was in part funded with \$50,000 from the Retained Member Fund re-budgeted for that purpose, thus precluding the need to send out supplemental invoices to Member Agencies.
- Provides an off-budget means for retaining previously budgeted funds that have gone unspent due to circumstances beyond the Authority's control. For example, UMRWA's remaining \$40,850 unpaid share of its 50% cost for the AB 142 Wild and Scenic study conducted by the California Natural Resources Agency is now retained in this reserve account.

Proposed Budget Reserve Policy and Procedure:

The text of the proposed budget reserve Policy, which is recommended be incorporated into the Board's Budget Policy and Procedure, is as follows:

Policy - Maintain an operating budget reserve sufficient to provide ongoing working capital and cover any unsettled financial obligations.

Since the Authority initiated its partnership in 2017 with the US Forest Service, the Sierra Nevada Conservancy and others to address watershed and water quality issues in the Upper Mokelumne River basin the pace and scale of the Authority's grant and contracting work has increased significantly. This increased effort can be characterized for budget and expense purposes in terms of the annual expenditure of Member Funds and Grant Funds. The table below displays the past three fiscal year annual amounts.

Past 3 Years UMRWA Annual Expenditures		
Fiscal Year	Member Funds	Grant Funds
2017 - 2018	\$191,699	\$1,474,052
2016 - 2017	\$164,046	\$ 207,529
2015 - 2016	\$155,372	\$3,245,120
Three year average	\$170,373	\$1,642,233

For purposes of ensuring the Authority's budgeted reserves are sufficient to provide ongoing working capital each fiscal year the proposed Procedure for annually determining the proper reserve amount for each budget year is presented below:

Procedure - *The annual target for the budgeted reserve will first be the sum of 50% of the prior 3-year average Member Funds expenditures, plus the sum of 10% of the prior 3-year average Grant Funds expenditures. Secondly, the sum of any unsettled financial obligation(s) will then to be added to determine the total budget reserve amount for that fiscal year.*

Thus the total budget reserve amount for fiscal year 2020 (beginning October 1, 2019) would be calculated in three steps as shown below.

Step 1: Calculate the targeted amount of sufficient working capital.

FY 2020 Reserve Target (Averaging Past 3 Fiscal Years)	
Member Funds	Grant Funds
\$170,373	\$1,642,233
X 50%	X 10%
\$85,187	\$164,223
FY 2020 Reserve Target = \$249,410	

Step 2: Itemize any unsettled financial obligations.

Unsettled Financial Obligations	
UMRWA's 50% cost for AB 142 Wild and Scenic study by California Natural Resources Agency	\$40,850

Step 3: Adding the sums from Steps 1 and 2 yields a total FY2020 Budgeted Reserve amount of \$290,260.

[Attached is a copy of the Authority Budget Policy and Procedure with the above Budget Reserve and Procedure text incorporated into it.]

Upper Mokelumne River Watershed Authority

BUDGET POLICY and PROCEDURE	Policy No. 3 Adopted: 22 July 2011 Amended: July 26, 2019
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IT IS THE POLICY OF THE UPPER MOKELUMNE RIVER WATERSHED AUTHORITY TO:

1. Develop the UMRWA annual budget and allocate to Member Agencies their proportionate share of the funding required to support the annual budget as guided by this policy.
2. No Member Agency shall be required by the Authority to contribute funds in support of the annual budget without the consent of the Member Agency. [JPA, Section 7.3 (c)]
3. The UMRWA fiscal year commences October 1 and ends September 30 (as established by Governing Board action April 24, 2009.)
4. Maintain an operating budget reserve sufficient to provide ongoing working capital and cover any unsettled financial obligations.

PROCEDURE:

Budget Process and Schedule – The annual Authority budget will be developed following the general outline and schedule below.

Month	Activity
March	EO presents draft budget to Board Advisory Committee for input
April	Governing Board reviews draft budget
May	Member Agencies review budget and Member funding contributions and respond with comments to EO
June	Board Advisory Committee agrees on recommended budget
July	Governing Board adopts budget (effective October 1)

Member Agency Funding - As a general rule Member Agency funding necessary to support the UMRWA annual budget will be determined using the 20-20-60 formula whereby Amador Entities contribute 20%, Calaveras Entities contribute 20% and East Bay MUD contributes 60%. The Amador and Calaveras Entities' shares will be proportioned as noted in the table below unless those Entities mutually determine an alternative funding allocation.

Funding	Allocations	% of Entity Share	% of UMRWA Total
Amador Entities 20%	Amador County	46	9.2
	Amador Water Agency	46	9.2
	JVID	8	1.6
Calaveras Entities 20%	Calaveras County	30	6.0
	Calaveras County WD	48	9.6
	Calaveras PUD	22	4.4
East Bay MUD 60%	EBMUD	100	60
Total			100

Member Agency In-kind Contributions - As a general rule, the costs for essential support services provided by Member Agencies will be included in the annual budget as in-kind contributions. These essential support services have historically included legal services provided by Authority Counsel, administrative support by the Authority Secretary, and treasury and accounting functions (including the annual independent audit). The budget amount for these services will be based on Member Agency estimates of the prior year's actual cost for those services. These in-kind contributions will be credited against the Member Agency's funding obligations in the proposed annual budget.

Budget Reserve - The annual target for the budgeted reserve will first be the sum of 50% of the prior 3-year average Member Funds expenditures, plus the sum of 10% of the prior 3-year average Grant Funds expenditures. Secondly, the sum of any unsettled financial obligation(s) will then to be added to determine the total budget reserve amount for that fiscal year.



Upper Mokelumne River Watershed Authority

Agenda No: 9

Meeting Date: July 26, 2019

Title:

NFWF Grant Application for Power Fire Culvert Improvement & Erosion Control Project

Recommended Action:

For information and discussion.

Summary:

The Board on January 25 authorized the preparation and submittal of a NFWF Grant Application for the Power Fire Culvert Improvement & Erosion Control Project with UMRWA providing a cost share not to exceed \$50,000. UMRWA on February 25th submitted an application to NFWF for \$1.8 million in project funding.

In response to initial review comments and recommendations by NFWF staff the UMRWA grant application was revised in June to focus on a smaller geographic area at a lower cost (about \$1.2 million). The amended application is presently undergoing a public review process. NFWF is expected to announce grant award decisions in August 2019. Funded work must be completed by 2021.

Discussion:

The National Fish and Wildlife Foundation (NFWF) and partner U.S. Forest Service (USFS) administer the Northern California Forests and Watersheds Program. This program targets lands and watersheds degraded from the influences of past wildfire events as well as other Sierra Nevada meadow and forest restoration objectives.

A set amount of NFWF funding (\$2.54 million) was set-aside exclusively for Eldorado National Forests (ENF) lands affected by, or having a nexus to, the 2004 Power Fire that burned 16,933 acres. The burn area is located in the southwest corner of the Amador District of the Eldorado National Forest. The priority ENF watersheds targeted for this funding are Panther Creek, Bear Creek and Cole Creek - all tributary to the North Fork Mokelumne River.

The revised project proposes to replace or reconstruct existing culverts and water control structures (e.g. water bars, graded dips, berms) and to perform maintenance work on other existing culverts on about 35 miles of roads affected by the Power Fire. The project will address culverts on Forest Service system roads located within the Panther Creek, Bear River, and Cole Creek sub-watersheds, which are considered priority watersheds.



Upper Mokelumne River Watershed Authority

Agenda No: **10**

Meeting Date: July 26, 2019

Title:

MAC Region Prop 1 IRWM Grant Applications

Recommended Actions:

(1) Authorize the submittal of a Prop 1 IRWM grant application for CCWD's West Point Water Treatment Plant Drinking Water Improvement Project (or AWA's Lake Camanche Water Service Replacement – Phase IV if the CCWD project is deemed ineligible).

(2) Ratify the Executive Officer's scope of work modifications to Woodard & Curran's 2018 agreement that will facilitate development and submittal of UMRWA's Prop 1 IRWM implementation grant application using unspent budgeted dollars (i.e. no new/additional funds necessary).

(3) Authorize the Executive Officer to enter into a Technical Assistance grant agreement with the Sierra Institute based on the formulation of a MAC Region DAC initiative to be conducted by AWA and CCWD using Technical Assistance pass-through grant funds.

Summary:

As reported at the April Board meeting the Department of Water Resources, the agency that administers the IRWM program and the associated Prop 1 funding, had finalized and released the Prop 1 grant Guidelines on April 22, 2019. The 2019 Guidelines and the companion Proposal Solicitation Package (PSP) govern how the Prop1 implementation grant funds will be awarded. Of Prop 1's \$510 million in IRWM funding, \$13 million is earmarked for Mountain Counties. Of that amount \$9.4 million is available for implementation grant awards to the nine regions that comprise the Mountain Counties funding area. At its last meeting the Board asked staff to recommend a project for the Board to approve for a Prop 1 grant application at this meeting.

Discussion:

The first step in the grant application process is submittal by participating regions of an implementation project pre-application. The date for submittal of Mountain Counties' pre-applications is not yet certain but could be as early as August. It is expected DWR will hold a Mountain Counties workshop, perhaps in October, with final applications due about 8 weeks later in December.

Based on DWR's PSP specifications, projects that serve disadvantaged communities will receive extra scoring and not be required to provide a local funding match (up to 50%). Projects potentially eligible for funding must also be included in the applicant's adopted IRWM plan. The recently updated MAC Plan, adopted by the Board in January and

determined by DWR on March 6 to be consistent with DWR's new IRWM Guidelines, qualifies UMRWA to receive Prop 1 IRWM funding.

In anticipation of this Board item staff conducted a conference call with the MAC Regional Participants Committee on June 4 to discuss and rank MAC Plan DAC projects for potential Prop 1 funding. After reviewing the potential grant competitiveness of several DAC-benefiting projects the RPC endorsed CCWD's West Point Water Treatment Plant Drinking Water Compliance Project as UMRWA's candidate project for this round of Prop 1 funding. The second preferred project was AWA's Lake Camanche Water Service Replacement Project – Phase IV.

With an unused balance of \$30,142 in Woodard & Curran's 2018 contract to complete the MAC Plan update, the Executive Officer approved several task modifications to facilitate W&C's work to coordinate with CCWD, assemble information and timely develop application materials in response to DWR's Prop 1 PSP.

Technical Assistance Grant:

The Sierra Institute is coordinating the Disadvantaged Community and Tribal Involvement Program (DACTIP) for the Mountain Counties Funding Area. One of the preliminary activities of DACTIP is to identify disadvantaged communities by assessing income and by utilizing multiple socioeconomic and community capacity indicators to address water-related challenges. The primary Sierra Institute program is conducting needs assessments of communities throughout the region to determine specific challenges in each community, project priorities and the tools necessary to build capacity. The Sierra Institute also has limited technical assistance grant funding for regional capacity building and other activities identified by the communities. Sierra Institute has recently announced a program offering about \$40,000 in technical assistance funding to each of the nine Mountain County IRWM regions.

Based on discussions with AWA and CCWD representatives UMRWA staff is proposing to create a MAC Region DAC initiative whereby Sierra Institute Technical Assistance grant funding will be used to support the formulation of a MAC Region DAC initiative to be conducted by AWA and CCWD. The approximately \$40,000 in grant funding is available to each region upon submittal and approval of a Technical Assistance proposal application process administered by the Sierra Institute.



Upper Mokelumne River Watershed Authority

Agenda No: **11**

Meeting Date: July 26, 2019

Title:

Legislative Issues Update

Recommended Actions:

For discussion and possible action – legislative matters discussed by the Board

Discussion:

Several bills have recently been signed or are pending that are of potential impact to UMRWA. Two bills, AB 74 and SB 200, will assist disadvantaged communities in gaining access to safe drinking water. The bills will provide funding for disadvantaged communities using monies from the Greenhouse Gas Reduction Fund. The State Water Board will oversee a future program following from these bills. Two bills, AB 1054 and AB 111, address the issue of wildfire safety and liability related to electrical utility operations. While not directly affecting UMRWA these bills are likely to lead to more investment in preventing the types of wildfires caused by electrical distribution and transmission facilities. A description of these bills prepared by EBMUD is attached. Board directors and/or agency staff may have other particular legislation of interest and this agenda item is intended to also facilitate discussion of it.

SAFE DRINKING WATER ACCESS FOR DISADVANTAGED COMMUNITIES – AB 74 & SB 200

AB 74 – Chaptered

AB 74 is the main budget bill and included provisions for a total of \$133.4 million in 2019-20 funding for safe drinking water access for disadvantaged communities as follows:

- \$100 million from the Greenhouse Gas Reduction Fund (GGRF). This \$100 million is part of a total of \$1.4 billion in discretionary GGRF spending investments in the 2019-20 state budget.
- \$30 million from the state's General Fund.
- \$3.4 million from the General Fund for State Water Resources Control Board administrative costs.

SB 200 (Monning) – Awaiting action by the governor.

SB 200 is the companion to the main budget bill provisions and provides the framework language for fund administration and the post 2019-20 funding as follows:.

- Establishes a framework for the safe drinking water program and associated fund.
- Provides for a 5-percent GGRF continuous appropriation beginning 2020-21 and ending in 2030 (this is when the GGRF is set to expire).
- Sets an annual cap of \$130 million.
- Beginning in 2023-24 and ending in 2030, includes a General Fund backstop should 5 percent of GGRF be lower than \$130 million cap.

Note: this final agreement does not include a retail water user surcharge.

WILDFIRE - AB 1054 & AB 111

AB 1054 (Holden) – Chaptered

Creates additional safety oversight and processes for utility infrastructure, recast recovery of costs from wildfire damages to third-parties, and authorize an electrical corporation and ratepayer jointly funded Wildfire Fund to address future related wildfire liabilities.

- 1) Makes several findings and declarations concerning the increased risk of utility caused or ignited catastrophic wildfires, the exposure of financial liability resulting from wildfire caused by utility equipment, the need of electrical corporations to access capital to fund ongoing operations, and the ability of a wildfire fund to support the credit worthiness of electrical corporations, among others.
- 2) Makes additional findings and declarations concerning the need to have electrical corporations invest in hardening of the state's electrical infrastructure and vegetation management to reduce the risk of catastrophic wildfires, including a finding that \$5 billion in safety investments in the aggregate by the large electrical corporations must be made without return on equity that would have otherwise been borne by ratepayers.
- 3) Establishes the California Wildfire Safety Advisory Board (CWSAB) consisting of seven members appointed by the Governor, Speaker of the Assembly, and Senate Committee on Rules, as provided, who would serve four-year staggered terms. Requires the board, among other actions, to advise and make recommendations related to wildfire safety to the Wildfire Safety Division (or, on and after July 1, 2021, the Office of Energy Infrastructure Safety, as established pursuant to AB 111 or SB 111 of the 2019–20 Regular Session). Requires the CWSAB to review and provide comments and advisory opinions to each local publicly owned electric utility (POU) and electrical cooperative regarding the context and sufficiency of its

wildfire mitigation plans. Mandates that the board be selected from industry experts, academics, and persons with labor and workforce safety experience or other relevant expertise. At least three members must have experience in the safe operation, design, and engineering of electrical infrastructure.

4) Requires the California Public Utilities Commission (CPUC), when determining an application by an electrical corporation to recover costs and expenses arising from a covered wildfire, as defined, to allow cost recovery if the costs and expenses are determined just and reasonable based on reasonable conduct by the electrical corporation.

- o Requires the CPUC to find that an electrical corporation's conduct was reasonable if that conduct, related to the ignition, was consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available to the electrical corporation at that time, as provided.
- o Provides that costs and expenses in the application may be allocated for cost recovery in full or in part, taking into account factors both within and beyond the utility's control, including humidity, temperature, and winds.
- o Provides that an electrical corporation bears the burden to demonstrate, based on a preponderance of the evidence that its conduct was reasonable, unless it has a valid safety certification for the time period in which the covered wildfire that is the subject of the application ignited.
- o Provides, if the electrical corporation has that valid safety certification, the electrical corporation's conduct would be deemed reasonable unless a party to the proceeding creates a serious doubt as to the reasonableness of the electrical corporation's conduct.
- o Requires, once serious doubt has been raised, the electrical corporation to have the burden of dispelling the doubt and proving the conduct to have been reasonable.
- o This section becomes inoperative if timely payment of the initial contribution is not made by each large electrical corporation that is not the subject of an insolvency proceeding on the effective date of this section.

5) Authorizes the CPUC to assess a penalty in an amount up to three times the penalty authorized by law for certain utility-related violations.

6) Authorizes an electrical corporation to file an application requesting the CPUC to issue a financing order to authorize the recovery of costs and expenses related to catastrophic wildfires under specified conditions. The conditions include fire risk mitigation capital expenditures associated with the electrical corporation's proportionate share of the \$5B of safety improvements in aggregate by all three of the state's largest electrical corporations. The financing will be done through the issuance of bonds by the electrical corporation that are secured by a rate component. Prohibits costs and expenses incurred by the electrical corporation after December 31, 2035 from being included in a financing order per this bill.

7) Authorizes the CPUC to issue a financing order to allow recovery through fixed recovery charges if the CPUC makes specified determinations, including that the costs are just and reasonable, consistent with the public interest, and reduce the rates on a present value basis that consumers within the electrical corporation's service territory would pay as compared to the use of traditional utility financing mechanisms. Requires that any successor to a financing entity is bound by the requirements of the article and is required to perform and satisfy all obligations of the financing entity.

8) Expands the definition of "change of control" for purposes of the bill:

(1) the sale of all or a material portion of the assets of the electrical corporation or gas corporation, its parent company, or its holding company, or any merger, consolidation, or acquisition of the electrical corporation or

gas corporation, its parent company, or its holding company with, by, or into another corporation, entity, or person,

(2) the voluntary or involuntary change in ownership in assets of an electrical or gas corporation to ownership by a public entity, or

(3) in the case of a combined electrical and gas corporation, the change in ownership of all or a substantial portion of either the gas or electric line of business of the combined corporation. Further:

a) Requires the predecessor employer, no later than 15 days before the effective date of a change of control, to post a notice of the change in a conspicuous place in a manner that is readily viewed by covered employees.

b) Requires the successor employer, for three years after the 180-day covered employee retention period, to provide to employees who would have qualified as covered employees during the 90-day period immediately before a change of control no less than the wages, hours, and other terms and conditions of employment provided before the change of control, including any previously negotiated increase in wages, and to maintain no less than the total number of employees who would have qualified as covered employees during that 90-day period, except with commission approval based on proof of certain criteria.

c) Prohibits a person or corporation from merging, acquiring, or controlling, including a change in control as revised by this bill, either directly or indirectly, any public utility organized and doing business in this state without first securing authorization from the CPUC.

9) Requires the CPUC to determine whether a proceeding is a catastrophic wildfire proceeding, defined as a proceeding to determine whether an electrical corporation's costs and expenses relating to a covered wildfire, as defined, are just and reasonable, as specified:

a) Establishes procedures and standards applicable to catastrophic wildfire proceedings, as specified, including specified ex parte rules, authorizes the CPUC to establish a quiet period during the three business days scheduled for a vote and to meet in closed session during that period.

b) Authorizes an electrical corporation to file an application to recover expenses that are just and reasonable at any time after it has paid, or entered into binding commitments to pay, all or substantially all third-party damage claims related to a covered wildfire.

c) Requires an electrical corporation, if it has received payments from the Wildfire Fund for a third-party damage claim for the covered wildfire, to file an application to recover the costs associated with the third-party claims of a covered wildfire by no earlier than the date when it has resolved all third-party damage claims and exhausted all right to indemnification against any third parties, or the date that is 45 days after the date the administrator requests the electrical corporation to make such an application.

10) Establishes the Wildfire Fund (outside of the State Treasury) to pay eligible claims arising from a covered wildfire, as provided, and continuously appropriates money in the fund to the Wildfire Fund Administrator for that purpose, thereby making an appropriation. With respect to the Fund, the bill would:

a. Define an eligible claim to mean claims for third-party damages against an electrical corporation resulting from covered wildfires exceeding \$1 billion (B) in the aggregate in any calendar year or the amount of insurance coverage required to be in place for the electrical corporation.

b. Establish a Wildfire Fund allocation metric as the calculation involving the land area of the electrical corporation in the high fire-threat district, and the electrical corporation's line miles of transmission and distribution lines in the high fire-threat districts as a proportion of all large electrical corporations' line miles, adjusted to account for risk mitigation efforts, as determined by the Department of Finance (DOF). The bill states the expectation that the allocation metric is 64.2

percent for Pacific Gas & Electric, 31.5 percent for Southern California Edison, and 4.3 percent for San Diego Gas & Electric.

c. Require of a participating large electrical corporation an initial contribution of an amount equal to \$7.5B multiplied by the Wildfire Fund allocation metric, and an annual contribution of \$300 million multiplied by the Wildfire Fund allocation metric.

d. Require of a regional electrical corporation an initial contribution of an amount equal to \$625 multiplied by the number of customer accounts serviced by the electrical corporation within the state, and an annual contribution amount equal \$25 multiplied by the number of customer accounts serviced by the electrical corporation within the state.

11) Requires the CPUC to initiate a rulemaking proceeding to consider using its existing authority to require large electrical corporations to collect a nonbypassable charge from their ratepayers to support the Wildfire Fund, and would require the CPUC to direct each electrical corporation to collect that charge if the CPUC determines that the imposition of the charge is just and reasonable and that it is an appropriate exercise of its authority, as specified.

12) Specifies the funding sources for the fund, which include, among other sources, contributions from electrical corporations (not from ratepayers) and revenues generated from the charge on ratepayers.

13) Requires the electrical corporation's wildfire mitigation plan, in the calendar year 2020 and thereafter, to cover at least a three-year period. Authorizes the division to allow the annual submissions to be updates to the plan but would require the submission of a comprehensive wildfire mitigation plan at least once every 3 years. Authorizes the electrical corporation to recover the cost of implementing the plan in its general rate case, or to elect to recover the cost of implementation as accounted in a memorandum account at the conclusion of the time period covered by the plan, subject to a specified limit for a large electrical corporation.

14) Requires the chief executive officer of an electrical corporation, in the electrical corporation's general rate case application, to certify that the electrical corporation has not received authorization from the CPUC to recover those costs in a previous proceeding.

15) Requires the executive director of the CPUC to issue a safety certification to an electrical corporation if it meets certain requirements.

16) Requires, after January 1, 2020, that each local publicly owned electric utility or electrical cooperative submit, by July 1st of each year, its wildfire mitigation plan to the CWSAB for review and comment, and to comprehensively revise its wildfire mitigation plan at least once every three years.

17) Requires the CWSAB to provide comments and an advisory opinion to each local publicly owned electric utility or electrical cooperative regarding the content and sufficiency of its plan and to make recommendations on how to mitigate wildfire risks. The local publicly owned electric utility or cooperative wildfire mitigation plan shall consider, as necessary, specific elements defined in the measure.

18) Requires local publicly owned electric utility or electrical cooperative shall, on or before January 1, 2020, and not less than annually thereafter, to present its wildfire mitigation plan in an appropriately noticed public meeting, accept public comments, and verify that the plan complies with all applicable rules, regulations, and standards, as appropriate.

19) Mandates the California Wildfire Safety Advisory Board by June 30, 2020, and annually thereafter, to make recommendations on specific items including performance metrics and processes for determining an electrical corporation's compliance with its approved wildfire mitigation plan.

20) Mandates the executive director of the CPUC to issue a safety certification to an electrical corporation if the electrical corporation provides documentation of the following:

- 1) an approved wildfire mitigation plan;
 - 2) is in good standing, which can be satisfied by the electrical corporation having agreed to implement the most recent safety culture assessment, if necessary;
 - 3) has established a safety committee of its board of directors composed of members with relevant safety experience;
 - 4) established an executive incentive compensation structure approved by the division and structured to promote safety as a priority and to ensure public safety and utility financial stability with performance metrics that are measurable and enforceable for all executive officers. This may include tying 100 percent of the incentive compensation to safety performance and denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities;
 - 5) has established board-of-director-level reporting to the commission on safety issues;
 - 6) has established a compensation structure for any new or amended contracts for executive officers.
- It is the intent of the Legislature that any approved bankruptcy reorganization plan should, in regards to compensation for executive officers of the electrical corporation, comply with the requirements.

21) Authorizes Department of Water Resources (DWR) to issue bonds, excluding any notes issued in anticipation of the issuance of bonds and retired from the proceeds of those bonds, in an aggregate amount up to \$10.5B DWR shall not issue any bonds pursuant to this section until on and after either the date on which DWR legally defeased all of its remaining bonds under the provisions stemming from the bonds issued during the 2000-2001 energy crisis, or the date on which it pays those obligations in full at maturity, whichever is earlier. Authorizes the DWR to recover, as a revenue requirement, amounts necessary to enable it to finance those bonds.

22) Requires the bond proceeds and revenues received by DWR to be deposited in the DWR Charge Fund, which this bill would establish. Continuously appropriates the money in the DWR Charge Fund to the DWR for specified purposes, including transfers to the Wildfire Fund and repayment of the bonds.

23) Transfers \$9 million from the General Fund to the DWR Charge Fund, thereby making an appropriation. The amount transferred pursuant to this subdivision shall be repaid from the DWR Charge Fund to the General Fund at the earliest possible time.

AB 111 – Chaptered

AB 111 is the companion to AB 1054 that establishes various oversight entities.

1) Creates the California Catastrophe Response Council (CCRC) to oversee the California Earthquake Authority (CEA) with regard to the Wildfire Fund and requires the CCRC to consist of nine members, as follows:

- a) The Governor;
- b) The Treasurer;
- c) The Insurance Commissioner;
- d) The Secretary of the Natural Resources Agency;

- e) Three members of the public appointed by the Governor;
- f) A member appointed by the Senate Committee on Rules; and,
- g) A member appointed by the Speaker of the Assembly.

2) Requires the CEA governing board to exercise the powers of the CCRC until a majority of CCRC members are appointed.

3) Requires the CCRC to appoint a Wildfire Fund Administrator (Administrator) and oversee the Administrator's operation, management and administration of the Wildfire Fund. Until the Administrator is appointed, the CEA will exercise the powers of the Administrator.

4) Establishes the Office of Energy Infrastructure Safety (OEIS) within the Natural Resources Agency.

5) Requires the Governor to appoint a director to OEIS, subject to Senate confirmation.

6) Requires the OEIS and the California Public Utilities Commission (CPUC) to enter into a memorandum of understanding to develop consistent approaches and share data related to electric infrastructure safety.

7) Requires, by January 1, 2020, the CPUC to establish the Wildfire Safety Division (WSD) within the CPUC and requires all functions of the WSD to be transferred to OEIS, effective July 1, 2021.

8) Requires the WSD to do the following:

- a) Oversee and enforce electrical corporations' compliance with wildfire safety;
- b) In consultation with the California Wildfire Safety Advisory Board (Advisory Board), develop and recommend to the CPUC performance metrics to achieve maximum feasible risk reduction, which will be used to develop a wildfire mitigation plan and evaluate an electrical corporation's compliance with that plan;
- c) Develop a field audit program for wildfire mitigation plan compliance by each electrical corporation;
- d) Consult with the Office of Emergency Services, as specified;
- e) Support efforts to assess and analyze fire weather data and other atmospheric conditions that could lead to catastrophic wildfires and to reduce the likelihood and severity of wildfire incident; and
- f) Review, in coordination with the Advisory Board and CPUC staff, safety requirements for electrical transmission and distribution infrastructure and provide recommendations to the CPUC to address and mitigate risks associated with climate change and wildfire.

9) Establishes the Advisory Board to advise the WSD and requires the Advisory Board:

- a) To consist of seven members, as follows:
 - i) Five members appointed by the Governor.
 - ii) One member appointed by the Senate Committee on Rules.
 - iii) One member appointed by the Assembly.
- b) To meet at least quarterly and alternate meeting locations between northern, central, and southern California, when feasible.

10) Appropriates \$47.6 million from the CPUC Utilities Reimbursement Account and \$2.5 million from the CPUC Public Advocate's Office Account to the CPUC to support its fulfillment of duties pursuant to the California Energy Infrastructure Safety Act.