

1. Cover sheet for watershed coordinator program

Project Information	
Project Title	Pit and Fall River RCD Forest Health Collaboration
Location (County and/or City)	Burney, Fall River Mills, McArthur, Nubieber, Bieber, Lookout, and Adin; areas located within Shasta, Lassen, and Modoc Counties
District Number(s):	Senate: 1
	Assembly: 1
Watershed Coordinator Zone	Sierra Nevada and Cascade
Target Watershed(s) (HUC 10 and/or HUC 8)	HUC 8 watersheds include: Upper Pit (18020002) and Lower Pit (18020003). Small portions of Lost (18010204), Cow Creek (18020151), and Battle Creek (18020153) are also included
Grant Request Amount	\$235,000.00
Watershed Coordinator Costs	\$ 215,469.16
Administrative Costs	\$ 19,530.84
Applicant Information	
Applicant Name	Pit Resource Conservation District
Organization Type	Resource Conservation District
Department/Office	NA
Federal Employer ID Number	68-0425211
Mailing Address	PO Box 301
	Bieber, CA 96009
Contact Person	Sharmie Stevenson
Title	Executive Director
Phone Number	(530) 299-3405
Email Address	pitrcd@frontiernet.net

Narrative questions

2. *Executive summary*

Concisely summarize the purpose of the proposal, including how it relates to the Forest Carbon Plan. In addition, this section should list any participating local governments or other partners and include a brief description of the watershed characteristics and demographics.

The Pit and Fall River Resource Conservation Districts (RCDs) propose to improve forest management and enhance forest health resilience within the southern portion of the Upper Pit River watershed. The project area encompasses approximately 1.5 million acres, is bracketed in the south by Lassen Volcanic National Park (LVNP) and to the north by Burney-McArthur Falls State Park (BMSP). These are the two greatest visited recreation sites in the region and surround the largest community population (town of Burney and Johnson Park – ca. 3,200 people). The Burney community, LVNP, BMSP, existing mills (Sierra Pacific Industries, Shasta Green) and associated biomass plants are some of the highest valued “assets” in the region that enable forest management. The area is also highly susceptible to catastrophic fire. The Fountain Fire of 1992 burned 307 homes, and barely skirted Burney, nearly making it the modern day Camp Fire catastrophe. Eight of the ten communities in the project area are considered disadvantaged, and half of the eight severely disadvantaged. The enclosed Work Plan was developed to address identified needs from existing Collaboratives (i.e. Burney-Hat Creek Community Forest and Watershed Group [the supporting Collaborative for the Burney Basin Collaborative Forest and Landscape Restoration Project], Burney Basin Fire Safe Council) and partnerships (i.e. Upper Pit River Forest Health Project, Burney-Hat Creek Forest Health Project) that are consistent with the Forest Carbon Plan and local management plans and strategies (i.e. Upper Pit River Integrated Regional Water Management (IRWM) Plan, Burney-Hat Creek Strategic Plan, Burney and Hat Creek Watershed Assessment (WA) and Management Plan (MP), Pit RCD Watershed Management Strategy, Burney Basin Community Wildfire Protection Plan [CWPP]). Primary Tasks include: 1) improve fire safety in the Burney Community; and 2) expand the Burney-Hat Creek and Upper Pit River Forest Health Projects. Subtasks under the tasks will develop specific programs and work on known barriers and expand opportunities to improve forest health in the project area. This will leverage existing partnerships (e.g. U.S. Forest Service) who have contributed funds into a Master Stewardship Agreement (MSA) with each RCD, and build new partnerships with entities who have shared goals (CAL FIRE, Fall River Joint Unified School District [FRJUSD]). Finally, project tasks and administration will be conducted with experienced RCD staff (Executive Director) and two consultants, herein referred to as the Watershed Principal (WP) and Watershed Coordinator (WC), who have been assisting partners with watershed improvement work in the project area for nearly twenty years. This project “team” has developed the trust with project partners and will continue to contribute multiple community and watershed benefits from their work.

3. *Application questions*

The questions below are designed to solicit specific facts regarding how the proposal addresses the Forest Health Watershed Coordinator Program goals and objectives. Please respond to all questions in the order listed and clearly label each question and answer. Points will be attributed to each section and not to individual questions. If a question does not apply to your proposed work, indicate that it is not applicable (“N/A”).

Demonstrated need (20 Points)

- I. Current Watershed Conditions/Potential Benefit to the Watershed
 - a. **Describe how the watershed encompasses forest lands with characteristics and indicators prioritized by the Forest Carbon Plan:**
 - Forests projected to be at risk due to climatically driven stressors.
 - Forests at greatest risk to high-severity events (e.g., fire, insect outbreak).

- Stands with existing large trees.
- Forests at high risk of type-conversion (e.g., forest to shrub or grass vegetation).
- Areas with high habitat values at risk, such as spotted owl Activity Centers.
- Areas that need to be reforested after high mortality events.
- Forests at risk of conversion to other uses, including development and agriculture.
- Previously treated areas that are in need of follow-up “maintenance” treatments, which are generally less costly and may be able to be accomplished via prescribed fire.

A blend of subwatersheds has been selected for this project, which are roughly equal to the jurisdictional areas of the Pit and Fall River Resource Conservation Districts (RCDs) (Figure 1). The project area is characterized as forested areas surrounding two large fault-block valleys, Fall River Valley and Big Valley. Base elevation of these valleys is about 3,000 and 3,500 feet respectively. The valleys are primarily privately owned and managed for agricultural production and comprise roughly 30% of the total area (1,482,030 acres). The rest of the area is primarily forested, most of which is either Ponderosa pine or mixed conifer forest types. Some juniper woodland is present at lower elevations between the valley floors and conifer zones.

The forested lands in the project area have all the characteristics (USDA 2008, 2009, 2018b) and indicators of those identified in the Forest Carbon Plan. This includes stands with greater densities, larger proportions of white fir, fewer fire resilient pines, and disease stricken trees from a variety of pathogens/pests (e.g. bark beetle). The overriding factor cited for these conditions is fire suppression and poor forest management (Taylor 2000, Safford and Stephens 2017). As a result, multiple large fires have occurred in the last fifteen years, and a high proportion of these burned at high severity (USDA 2016, USDA 2108a), thus requiring extensive reforestation efforts (see Figure 1). These larger fires are the partial result of climatic stressors of higher temperatures and drought. The high intensity fires also leave few seed trees for natural regeneration and are high risk of converting to shrublands (USDA 2016). Some fire risk analysis has been done in the southwestern portion of the project area within the Burney and Hat Creek subwatersheds (see attached Maps). Key findings conclude a 49% probability that a large fire will burn in these subwatersheds, the expected annual burn area is nearly 2,000 acres, and higher probability of fire is located in the southwestern portion of these watersheds. Unfortunately, these high risk areas are nearby high concentrations of large trees and sensitive wildlife resources, and have therefore been identified as high priority treatment areas, most of which is on US Forest Service managed lands (see attached Maps).

While the large fires pose a challenge for reforestation and type conversion, the Modoc Plateau region is among the highest producing forests (i.e. sawlog and biomass volume) in California. On federal lands, both the Lassen and Modoc National Forest regularly conduct more forest management than other CA Forests. This provides an opportunity to alter management so that less fire suppression is necessary by using low intensity prescribed fire. However, the rapid changing climate appears to be influencing fire behavior very quickly and larger fires have become normal. Therefore, it’s imperative that previously burned areas become reforested, and those high priority areas become treated as quickly as possible.

Multiple benefits are known to accrue from improved forest health (see Co-benefits section below for more detail), including reduced risk to catastrophic wildfire, greater tree survivorship and forest resilience, less water quality impacts from erosion following large fires, greater likelihood of sensitive areas (e.g. cultural sites, sensitive species) being negatively affected, and greater socioeconomic conditions from job creation/addition.

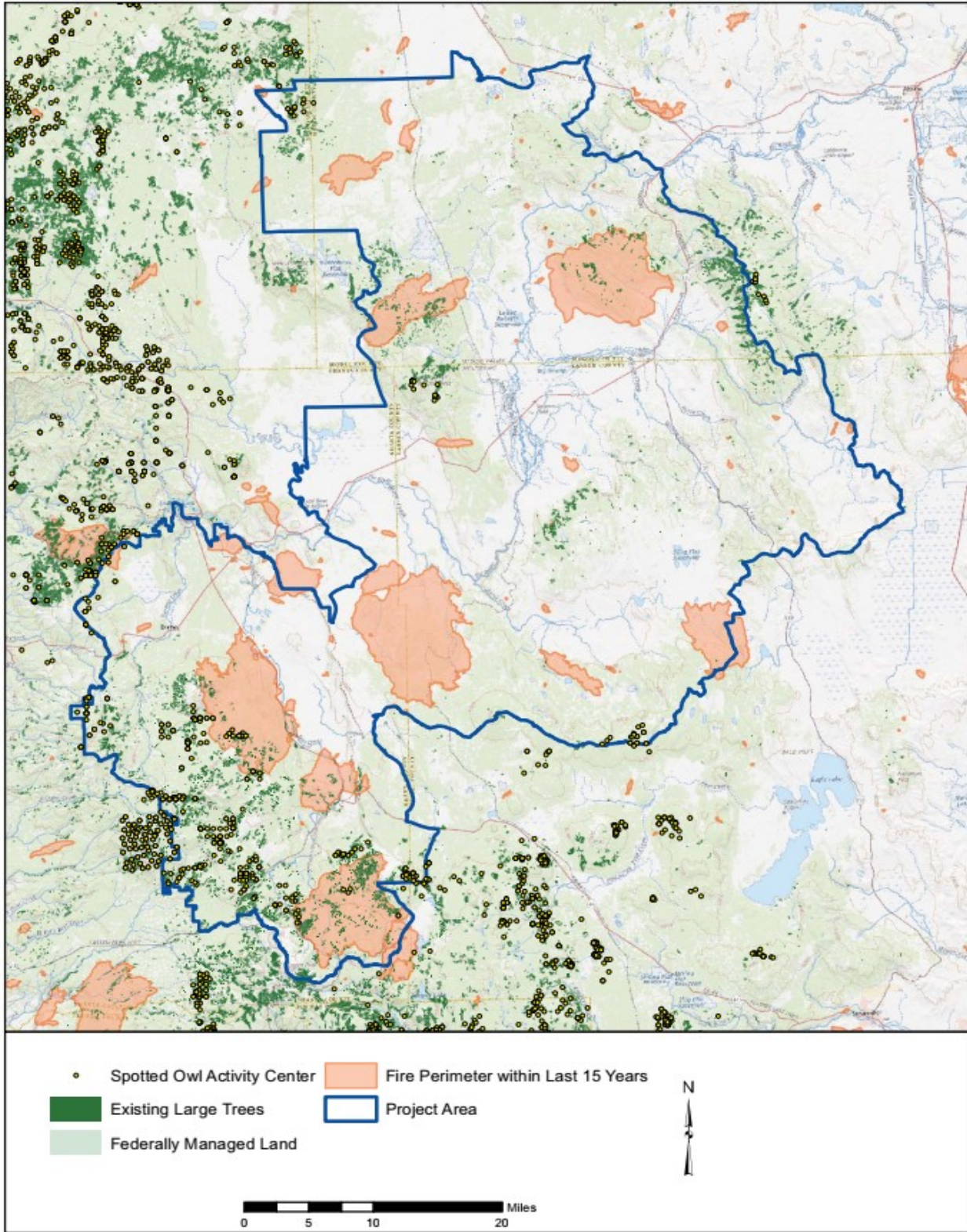


Figure 1. Project Area. This area includes the northeastern portion of the lower Pit River watershed and the southern portion of the Upper Pit River Watershed within the Pit and Fall River RCD jurisdictions.

b. Describe the watershed's current condition and cite any formal studies, reports, or research papers that support the description. Do not attach the actual studies or reports; citations are sufficient.

The current condition of the watershed is summarized best within the Upper Pit River Watershed Assessment (VESTRA 2003). Descriptions include many topics including geomorphology, land use and demographics, hydrology, water quality, botany and wildlife, fisheries and aquatic resources, cultural resources, and fire and fuels management. While all of these summaries are interconnected and relevant to the overall watershed condition, this section of the proposal will provide more detail on socioeconomics, streams/rivers, groundwater, agriculture, and focus mostly on private and federally managed forestlands.

Most all of the highly productive agriculture land, including low gradient streams/rivers and meadow systems are privately owned (VESTRA 2004, VESTRA 2010a, VESTRA 2010b, VESTRA 2010c). Agriculture production includes numerous crops that require irrigation, and very little cropland is dryland farmed. Groundwater is pumped for most all crops not adjacent to the Pit River or Fall River, and those areas adjacent to the rivers use riparian water rights to irrigate. Primary crops include alfalfa, timothy hay, irrigated pasture for hay and grazing, garlic, wild rice, and strawberries. Some mint is also grown. In addition to crop production, livestock production fuels the economy. Roughly half of the cattle raised in the valley are trucked to the central valley to feed during the winter months, then brought back during the spring. The rest are fed hay in the winter that is grown within the region, and during the growing season, livestock feed in irrigated pastures, rangeland, and forested areas with grazing allotments of federal land.

Regarding watershed condition, most low gradient streams and rivers in the project area occur in a degraded state due to channel entrenchment. Numerous factors have led to this entrenchment, mostly past management practices (i.e. channelization, construction of roads/culverts, levees, and diversions, riparian vegetation clearing, overgrazing of streambanks). Groundwater is considered to be variable but stable in the Fall River groundwater basin and declining in the Big Valley basin (DWR 2004). Agriculture and livestock production has remained productive, although landowners are constantly challenged with ensuring existing crops are profitable and meeting new regulatory requirements.

Socioeconomics in the region is primarily supported by the agriculture and forest products industry, while recreation also plays an important role during the non-winter period. Unemployment reached a local high during the recession of 18.5% in the town of Burney (Sierra Institute 2010). In general, agriculture has helped maintain a slow decay in socioeconomics, helping buffer the decline in the forestry arena. This is most apparent when comparing the Burney and Fall River communities. Fall River has a balanced agriculture and forestry economy, while Burney was historically dominated by forestry as several mills were located nearby. During the recession, Fall River unemployment only peaked at 8.3%, compared to the 25% in Burney (Sierra Institute 2010). Similar to agriculture, forest management is known to greatly improved the number of available jobs as removing wood product from the forest requires multiple skills and job categories.

Finally, the limited urbanization and large open space of the project area hosts a diversity of wildlife and fish, and the pursuit of game species supports an important recreation element to the economy. Fall River and Hat Creek are two of the world's most famous fly fishing destinations, and some of the largest mule deer taken (via the Boone and Crockett scoring criteria for typical and atypical antlers) in CA is from the project area. Waterfowl and upland game hunting is also important, and the region supports thousands of migratory waterfowl in the spring, and some of the greatest diversity and concentrations of raptors in the winter. The Fall River, one of the largest spring fed systems in the US, flows approximately 2,000 cfs each day, drought or no drought, and the native rainbow trout of this system is sought by anglers throughout the world (VESTRA 2010).

The most relevant information regarding the current forestland conditions are the result of NEPA and CEQA/THP planning documents. Most of the privately owned forestland is managed by industrial land managers (VESTRA 2004). As such, there are fewer opportunities to improve large acreage treatment targets on small private lands. Private industrial timberland owners/managers submit Timber Harvesting Plans (THP) or Exemptions when they plan to implement projects that remove and sell commercial product (i.e. either sawlogs or biomass). The thinning of small diameter trees to improve forest health, inter-tree competition, and to reduce fire hazard is generally done under Exemptions, with the harvested material usually

being shipped to a local biomass facility to generate electricity. THPs are generally used for harvesting of larger diameter sawlog sized trees; these types of harvests are highly variable, and can range from thinning for forest health and fire reduction, to evenaged harvests such as clearcuts. The following link provides a range of THP's submitted in the last three years in the region by Fruit Growers Supply Company, Sierra Pacific Industries, W.M. Beaty and Associates, and Land Vest (formerly Roseburg Inc.)(http://egis.fire.ca.gov/watershed_mapper/). In general, these THP's focus on removing pine and fir species, at least for those projects that are not clearcuts. SPI and Land Vest predominantly uses clearcuts, FGSC occasionally, and WM Beaty rarely.

Forestland conditions of federal land are much more variable. While BLM manages less than 5% of lands within the project area (VESTRA 2004, VESTRA 2010abc), these areas generally have more juniper trees compared to historic conditions. This is primarily attributed to fire suppression (USDA 2008). Forest conditions on USFS lands is different within the two major timber types (e.g. Pine forest, and mixed conifer forest). Pine forest stands are generally considered overstocked (i.e. > 100 square feet/acre), have a higher proportion of smaller trees relative to larger trees, and have higher proportions of non-pine species (e.g. white fir, western juniper) (Safford and Jenkins 2017; USDA 2018b). Mixed conifer forest, mostly within the Burney-Hat Creek subwatershed, generally are overstocked (120-280 square feet/acre), have smaller trees, have fewer pines, and have much higher proportions of white fir than historically existed (USDA 2009, USDA 2018b). Across the USFS lands, there are also a number of dense stands consisting of smaller trees that are over-crowded and at high risk from bark-beetle attack or catastrophic wildfire; many of these areas are plantations resulting from a previous large fire, which the USFS would like to thin.

Recent large fires are converting forested areas on USFS lands into brush (https://www.fs.usda.gov/detailfull/r5/landmanagement/resourcemanagement/?cid=fsbdev3_047145&width=full). The attached figure of the project area depicts several large-scale fires in which most of the fire area (> 50%) burned at high severity (USDA 2018a, USDA 2016). Unlike privately managed forestlands which are almost always successfully reforested using artificial regeneration, and then managed for health and vigor post-establishment, USFS areas are infrequently planted post-fire; in areas which burned at high-severity, this means that large tracts of land are being converted from forestland to shrub fields. For example, the FS has replanted only 2,352 acres of the Eiler fire which burned roughly 32,400 acres 2014, and of the acres planted, they estimate only a 42% survival. Lack of vegetation management post-fire means that resprouting shrubs dominate most of these areas. In addition to the high shrub component, only a small portion of federal lands are salvaged logged post fire (USDA 2017), frequently resulting in enormous fuel loads as snags begin to fall to the ground. Poor seedling survival, coupled with high fuel loads, and the dominance of shrubs across nearly all of these fires also means that the areas are likely to reburn, at high intensity, thereby killing many of the regenerating conifers—this may lead to a “brush burn” cycle, which has the potential to keep the area in a shrub condition for centuries.

- c. Describe how the watershed coordinator would benefit the watershed. The response should address:
- **The watershed-related goals in your organization’s strategic or long-range plan, the connection between the Forest Carbon Plan and those goals, and how a watershed coordinator would help your organization achieve these goals. Specific problems and issues on public and/or private land within the watershed, and how a watershed coordinator would help to address these problems.**
 - **Direct benefits a watershed coordinator would provide to the watershed and what methods will be used to measure and evaluate the watershed coordinator's direct benefits to the watershed. Any existing watershed coordination efforts currently in place, gaps in coordination, and how the watershed coordinator will fill those gaps.**

Goals and objectives in the Draft Burney-Hat Creek Collaborative Strategic Plan were developed to specifically address problems and issues in the project area. They include: 1) advance forest and watershed health, protect and restore

habitat for critical species, and increase the resiliency of the landscape to reduce the risk and impact of high intensity wildfires, bark beetle infestation and disease, and other climate change-driven impacts. Promote fire-adapted communities and implement restoration which increases resiliency; 2) support the socioeconomic viability and growth of local communities through supporting forest product industries and recreation; 3) Increase the pace and scale of landscape-scale planning, management, and implementation, advancing triple bottom line objectives through adaptive approaches and diverse funding mechanisms; 4) prepare a plan and program of work that is fire adaptable and remains uninterrupted during large fire events. These objectives are very similar to those identified in the Forest Carbon Plan. In fact, all objectives identified in the Forest Carbon Plan, with the exception of those related to urban forests, are covered within the Draft Burney-Hat Creek Strategic Plan. The below table shows the connection between the Watershed Coordinator (WC) and Watershed Principal (WP) tasks and subtasks with the Forest Carbon Plan, Draft Burney-Hat Creek Strategic Plan, and Burney Basin Community Wildfire Protection Plan (CWPP). These tasks are intended to address the problems and issues identified within the Strategic Plan and provide benefits to the watershed.

Forest Carbon Plan	Burney-Hat Creek Strategic Plan	Burney Basin Fire Safe Council CWPP	Watershed Coordinator Tasks
3.1 Expand and improve forest management to enhance forest health and resilience, resulting in enhanced long-term carbon sequestration and storage potential.	1. Advance forest and watershed health (multiple other items listed in plan here). Promote fire-adapted communities and implement restoration which increases resiliency.	Reduce volatile fuels on ridge lines, roads and large blocks of property Create a fire safe corridor along Highways 89 and 299, and the secondary roads feeding into them	Improve Forest Health and Socioeconomic Conditions in the Burney-Hat Creek and Upper Pit River Region (Project Goal, most all tasks)
3.2 Pursue innovations in wood products and biomass utilization in a manner that reduces or offsets GHG emissions; promotes land stewardship; and strengthens rural economies and communities	2. Support the socioeconomic viability and growth of local communities through supporting forest product industries and recreation.	Develop neighborhood fuel reduction projects within the communities at risk	Develop and Implement Fuels Reduction and Weed Whacking/Racking Program (Task 1.2); Assist with establishing new bioenergy facility and securing mill site property (Task 2.4)
3.3 Increase protection of California's forested lands and reduce conversion to non-forest uses, resulting in a more stable forested land base	3. Increase the pace and scale of landscape-scale planning, management, and implementation.	Protect ecological and landscape values to soils and to the environment Reduce fuels so that large trees or other valued landscape vegetation will be spared	Expand the Burney-Hat Creek and Upper Pit River Forest Health Projects (Task 2)
3.4 Create Capacity for Collaborative Planning and Implementation at the Landscape or Watershed Level	4. Prepare a plan and program of work that is fire adaptable and remains uninterrupted during large fire events.	Partner with USFS and private landowners on a strategic fuels reduction plan. Identify agency and landowner fire prevention responsibilities. Encourage and maintain multi-agency and landowner responsibilities in the implementation and maintenance of this plan.	All Subtasks except reporting. These existing and new agreement developments.
3.5 Protect and expand urban forests	Not applicable or addressed (NAA)	NAA	NAA
3.6 Work to Address Research Needs	Not specifically addressed	Not specifically addressed (NSA)	NSA

Some of the tasks and subtasks identified are currently being addressed by the Watershed Principal and Watershed Coordinator as volunteer services. Specifically, this includes the facilitation of the Burney Basin Fire Safe Council (FSC) meetings (subtask 1.1), preparing grants for forest health treatments (subtask 2.1), and attending occasional meetings to remove barriers or advance opportunities (subtask 2.4). In addition, they currently assist with the development of forest health projects (subtask 2.5) and are partially compensated with funds provided by the US Forest Service and other grants (e.g. SNC). These funds provided are for development of specific projects currently in progress (i.e. Stone Fire Salvage Project, Crossroads Fuels Reduction Project). Requested funds from DOC would result in the completion of new work (e.g. several subtasks in Task 1 for the Burney Basin FSC) by the Watershed Coordinator. These funds would also leverage federal dollars the Watershed Principal uses to assist with forest health projects on federal land, and would cover costs for other subtasks not currently funded (i.e. subtask 2.2, 2.3, 2.4, and 2.6). Overall, the funding would advance more work, fill gaps of work not currently funded, and create more consistency of work conducted on those tasks where the WC and WP volunteer their time. Securing DOC funding also ensures these individuals remain working in the region and don't move elsewhere or travel further outside of the watershed to conduct other work.

Methods used to measure and evaluate the watershed coordinators direct benefits include identifying measurable performance measures for each subtask. The performance measures are intended to identify specific outcomes for each task, and these outcomes collectively will result in tangible watershed benefits. However, the WC and WP are well aware of the challenges of documenting some benefits (e.g. increases in socioeconomic conditions, positive results in groundwater resulting from forest health work), and will not attempt to document these from their activities. While all subtasks are important for achieving watershed benefits, the most tangible of them is implementation of fuels reduction and forest health projects that result in acres treated. The number of acres treated is straightforward to document. Scientific studies have also documented the biophysical benefits of forest health treatments. Decreasing the connectivity of surface and ladder fuels has been demonstrated to reduce intensity of wildfire (Safford et al. 2012, and Skinner and Richie 2008). In addition, remaining tree health and resilience/stability is improved, with those trees growing more rapidly following treatment and therefore storing carbon (Dore et al. 2016). Soil moisture is also improved within treated forest stands and additional water into the late summer (Gaffney et al. 2014). It is unknown if this additional moisture infiltrates deep enough to augment local groundwater sources, but some studies do suggest this is an important connection (Wyatt 2013). If local groundwater sources are influenced by forest health, then watershed benefits would extend to downstream users (i.e. private wells, local water districts, agriculture). The WC and WP may assist with any future monitoring associated with future forest health treatments, but the timing of these projects and treatment results will extend past the completion date for the requested funds. Therefore, general biophysical benefits from future forest health projects are inferred from other studies.

Consistency with the recommendations of the Forest Carbon Plan (25 Points)

- II. **List the overall goal(s) that the watershed coordinator will focus on during the grant period. Goals are a statement of the long-term, broad vision for the watershed; they should exhibit significant benefits for the watershed and may take a while to achieve. For example, a goal may be: To improve forest health in the XYZ River watershed.**

Project Goal. Improve Forest Health and Socioeconomic Conditions in the Burney-Hat Creek and Upper Pit River Region

- a. **Describe how each goal relates to at least one recommendation or action outlined in the Forest Carbon Plan.**

The overall goal of this project is nearly identical to the first goal within the Forest Carbon Plan (i.e. Expand and improve forest management to enhance forest health and resilience). It is also interrelated to other Forest Carbon Plan Goals (i.e.

Increase protection of forested lands and reduce conversion to non-forest uses; Innovate solutions for wood products and biomass utilization to support ongoing forest management activities; and Create capacity for collaborative planning and implementation at the landscape or watershed level) as it is broad and includes socioeconomics, thereby addressing solutions for wood products and biomass utilization. The word usage of “improve” in this goal is intended to be synonymous with “increase,” as it relates to doing more work in the forest, which requires more people doing all the various aspects of this work from project identification through implementation.

- b. Identify and discuss the tasks that will be implemented to support each goal. Each goal must have one or more tasks. A task is a significant step that must be completed to achieve a goal. Tasks must focus on outcomes rather than the methods used. For example, a task related to the goal above may be: Conduct thinning and removal of dead and dying trees in XYZ Watershed. Tasks must be directly related to the required and eligible activities outlined in the Guidelines.**

Two objectives have been identified for the project goal and provided below. In addition, Performance Measures (PMs) have been listed immediately below to aid the connection between the two.

Task 1. Improve Fire Safety for the Burney Community: This task (and supporting subtasks) is the result of meeting outcomes associated with the Burney Basins Fire Safe Council (FSC) Community Wildfire Protection Plan (CWPP) and is intended to focus on the Burney Community (this includes the adjacent town of Johnson Park). It has been structured to also function as the FSC Outreach Strategy. The FSC is operated through the Fall River Resource Conservation District and is an unfunded entity. RCD staff and volunteers provide the leadership for the FSC and multiple stakeholder attendance has occurred since its inception (2015). However, several topics known to need attention have gone unaddressed due to the lack of funding and amount of time necessary to advance them. Requested Department of Conservation (DOC) funds would allow the FSC to address important issues including the development of programs for: a) Fuels Reduction and Weed Whacking/Racking; b) Houseless Fire Safe Awareness, and c) Wood Heat for Those in Need. Each of these would be a new program developed and run by the WC through FSC direction. In addition, funds would be used to coordinate meetings, and provide outreach and education materials to landowners. Finally, the WC would work to build a self-reliant funding program into the future that would require a minimal amount of grant funding to operate.

Subtask 1.1. Coordinate Meetings, Stakeholders, Boost Education and Outreach: The Burney Basin Fire Safe Council (FSC) currently guides the projects within and adjacent to the town of Burney. The boundary of the FSC was set to nearly mirror that of the Burney-Hat Creek Community Forest and Watershed Group, the existing Collaborative that guides the Burney Basin Collaborative Forest Landscape Restoration (CFLR) Program. The two entities provide forums where a broad variety of stakeholders plan and develop projects. However, unlike the CFLR Collaborative, the FSC does not have funding that covers an individual’s time to coordinate meetings, record notes, and distribute information. Rather, two people currently volunteer for this work (i.e. those identified within this proposal), and because of this, meetings and information sharing only occurs when their schedules have openings. In addition to providing support for the FSC, the WC would provide updates to the Fall River RCD website, which is where FSC activities are hosted. Finally, the WC would conduct outreach to community members (i.e. door to door) and stakeholders for the Tasks listed below. This includes writing newspaper articles, producing and distributing flyers, and posting information on community social media platforms (e.g. Burney Facebook Group, What’s Happening in Burney, etc.).

PMs 4 FSC meetings; six newspaper articles, six flyers, monthly website posts; pre- and post survey of fire safety for Community

Subtask 1.2. Develop and Implement Fuels Reduction and Weed Whacking/Racking Program: The WC would be tasked with developing and implementing fuels reduction work and a weed whacking/racking program within the town of Burney. This will consist of meeting with individual landowners, land managers (e.g. Burney Water District), and absentee owners of property in need of fuels treatments. Willing landowners will be connected with

stakeholders who can implement the projects (e.g. Registered Professional Foresters, Licensed Timber Operators) in order to complete the fuels reduction projects. The WC will also develop a Weed Whacking/Raking Program that highlights the importance of reducing hazardous fuels (e.g. pine needles, dry grass) near structures. The WC will work with local stakeholders (e.g. Burney Fire Department, Burney Chamber of Commerce) and develop a volunteer base that can assist landowners with conducting this work. Other partners such as the Burney Waste Disposal Transfer Station will be encouraged to participate and offer reduced costs, and CAL FIRE staff will be consulted to assist with developing guidelines for burning some of the material. The WC will review other successful FSC models of doing this type of work and promote important information through newspaper articles and postings on local web-based platforms (i.e. community social media groups and websites).

PMs Program developed and implemented; 20 priority properties treated

Subtask 1.3. Annual Fire Safe Meeting: The WC will develop and facilitate an annual Fire Safe Meeting for the Burney Community. The nature and scope of the meeting has not yet been determined, but the first task will review other FSC's to see if good models exist with similar conditions to the Burney area. The vision discussed at the FSC meeting was to make the event informative, generate community interest and energy, and partially fund raise.

PMs Two Annual meetings coordinated and held

Subtask 1.4. Houseless Fire Safe Awareness: The number of houseless people has been increasing in the Burney area over the last five years and multiple community issues, particularly fire safety, have been identified. Many of the houseless are cooking using open fires in wooded abandoned lots within or at the edge of town. The WC will work with community members and leaders to identify a strategy to outreach to individuals. This may result in the creation of community safe cooking areas, or simply interacting with individuals to discuss fire safety and provide information on the topic.

PMs Program developed and implemented; 50% reduction in fire starts

Subtask 1.5. Wood Heat for those in Need: Many of the homes in Burney use wood as their primary heat during the colder months. The WC will develop and implement a program to provide free or reduced costs firewood to those in need, particularly the elderly without family members that can help. The WC will interact with community members at various venues (e.g. Churches, web based platforms) to identify those in need, and secure material to be delivered to them. Ideally, wood products secured through the Fuels Reduction Program (subtask 1.2) would support at least some of the needed wood.

PMs Program developed and implemented; 20 priority homes assisted

Subtask 1.6. Self-Reliance Funding Program: Securing funds for an individual to coordinate a FSCs and community fire safe needs (e.g. above tasks) is challenging. The WC will work with other project partners and Collaboratives to develop funding streams that can be used to perpetually implement the proposed program, and likely changes to it as new needs are identified and others change.

PMs Program developed and implemented; 50-75% of funds after year two from non-grant sources

Task 2. Expand the Burney-Hat Creek and Upper Pit River Forest Health Projects: Similar to Task 1, this task has been developed to support local watershed activities that are currently not funded, underfunded, or have been proposed but not addressed by existing Collaboratives and project partners. Subtasks will be led by the WC and receive support from the WC. Incredible synergy has been developed around forest health issues in the last two years whereby local FS leadership staff (i.e. District Rangers and seasoned staff) have embraced the importance of "allowing" and encouraging local partners (e.g. RCD staff, consultants, State employees, NGO staff) to assist with federal projects. This includes taking projects from "A-Z" through the NEPA process and only relying upon FS staff for review and required Decisions. Both the Pit RCD and Fall

River RCD led the development of multi-stakeholder efforts and submitted Forest Health Grant requests to CAL FIREs California Climate Investments Forest Health (CCI) program. These proposals (i.e. Fall River RCD Burney-Hat Creek Forest Health Project; Pit RCD Upper Pit River Forest Health Project) required substantial effort and in-kind contributions from partners. The outcome of these proposals is unknown, but project partners are committed to refining them and resubmitting them if they are not successful during this round of funding. Under this task, DOC funds would be used to pursue future grant opportunities, develop new partnerships with entities not currently contributing funds to forest health in the region, improving communication and coordination with state and federal entities, assisting with developing a Planning Tool and updating a Strategic Plan, coordinating and facilitating “barrier/opportunity” meetings, and assisting with the development and implementation of two new forest health projects for each CCI-FH grant program (i.e. Burney-Hat Creek, Upper Pit River). These projects would seek to treat an additional 12,000 acres combined within the project area. In addition to these subtasks, the WC and WP would attend regional meetings to exchange information whereby all entities are learning and adapting to meet Forest Carbon Plan goals and objectives.

Subtask 2.1. Increase Funding into Programs: The biggest hurdle to meeting the Forest Carbon Plan goals and the goal for this project is funds to develop and implement projects. Both RCDs involved with this grant proposal are using innovative approaches to utilize non-federal and non-state funds for project work. The WP and project partners successfully developed and implemented a forest health project using local NGO funds and later reimbursed those partners after the project was implemented (i.e. a fire salvage project on federal lands). This model can be used more in the future and it has similarities to approaches being advocated and used by Blue Forest Conservation, an innovated NGO who links beneficiaries (e.g. U.S Forest Service) with Investors, by using a “Forest Bond” and third party NGO as the implementing entity. Initial conversations between the WP and BFC have occurred, and requested funds through this task will advance this approach, and the approach already used by the RCD’s using local NGO funds to develop and implement more forest health work.

The WP and/or WC will also meet with subgroups within the Forest Management Task Force and their key partners to identify new funding sources not currently being used in forest health (i.e. Rural Counties for Rural California, other Foundations with similar goals), The timing is perfect to develop entirely new funding streams with Foundations that have an interest in addressing climate change and forest health, and with entities not currently addressing forest health through their existing programs.

PMs Increase funding by three times the amount of “business as usual” for each RCD Forest Health Projects. Identify and secure funding from at least one new source that has not contributed in the region before.

Subtask 2.2. Develop Coordination/Leadership/Planning Framework: Collaboration for many entities, especially the US Forest Service, is new and requires new approaches and frameworks for identifying, planning, and implementing projects on federal lands. For example, the Lassen and Modoc NF each meet to develop their Program of Work for their respective Forest each fiscal year, but no outside entities (i.e. State or local partners) are even at the table engaged in the discussion. While FS timber targets may have been met in the past when they had more funds (for example, seven years ago the Lassen NF had approximately a \$7M budget, now its about \$1M), but continued declines in funding and staff has resulted in them relying more upon partners to assist with work. However, the FS staff does not know how much money partners have, or their staff capacity to effectively plan new projects. The WP will meet regularly and attend the respective Forest Leadership Team Meetings in order to provide “partner” input relative to funds and capacity. Other meetings may also be useful to attend, such as CAL FIRE regional meetings, and County Board of Supervisor meetings. The WP will document a desired framework over the course of the grant that can be used into the future to better coordinate and collaborate with multiple partners in order to increase the amount of forest health work. The WP will also have regular discussions with the Executive Director of the Sierra Institute for Community and Environment regarding this framework as their ED is highly skilled and experienced with multiple-level collaboration and developing new approaches to improve communication within and between Collaboratives and agencies.

Another opportunity to improve future management on federal lands is by identifying a local forester to “adopt” a federal forestland area. This need has been identified because of the high turnover of federal employees and a near future retirement of many seasoned and veteran local FS employees. The proposed model would allow for more consistency and site specific knowledge of areas that are often adjacent to private forestland areas. This approach would essentially add one more set of eyes and ideas to a specific area that currently exists, and increase the coordination and planning for areas identified as needed treatment.

PM Framework established, promoted, and implemented

Subtask 2.3. Coordinate and Facilitate Strategic Planning Tool Meetings, Update Strategic Plan. The Burney-Hat Creek Collaborative recently developed a draft Strategic Plan in 2018 to synthesize the group’s efforts and further advance multiple objectives. A key element that has been identified is the development of a Planning Tool (i.e. a watershed monitoring and assessment protocol). The Planning Tool will serve as a comprehensive data management system, providing the Collaborative with the supporting infrastructure necessary to plan, prioritize, implement, monitor and report fuels reduction and forest management activities. The effort will leverage hundreds of datasets currently aggregated by the Sacramento River Watershed (SRW) data program and add Collaborative data (300+) and information for a comprehensive regional view of planning conditions and projects. These data are currently scattered throughout the community. The platform will be made available to the Collaborative, FSC, and contractors for project review, prioritization and implementation.

As part of this Planning Tool, a rapid fuel treatment prioritization analysis will be conducted to best assess which treatments to conduct over a 5 year period. This analysis will be conducted per methods described by Scott et al (2013) and Thompson et al (2015), which will determine at a treatment unit level, those units that provide the greatest benefit to community protection and other Highly Valued Resources/Assets (HVRAs). The analysis would account for potential benefits and impacts of wildfire to communities, utility infrastructure, old growth forests, communications infrastructure, and other high value human built and natural resources. This subtask is contingent upon the success of a funding request by the Fall River RCD to the CAL FIREs CCI-FH program. The RCD partnered with leading consulting firms within the State (i.e. 34 North, Spatial Informatics Group) that have experience with data aggregation and project prioritization. If the CCI-FH proposal is not funded, the WP and WC will continue to seek funding (i.e. under Subtask 2.1) for these activities.

PM Strategic Plan updated; Planning Tool developed and launched

Subtask 2.4. Coordinate and Facilitate “Barrier/Opportunity” Meetings. Ten years of Collaborative meetings through the Burney Basins CFLR has identified several barriers and opportunities to improve forest management and restoration, provide regulatory relief, reduce barriers to prescribed fire and other fuels reduction projects, and support wood products innovation. These include:

- a) developing additional “teams” of non-federal professionals to conduct NEPA for federal forest health projects;
- b) advancing the completion of a Forestwide EIR that allows herbicide use on federal lands in order to increase tree survivorship after large catastrophic fires;
- c) increasing the capacity of new prescribed fire burn team in order to conduct more prescribed burning on Federal Responsibility Areas (FRA), State Responsibility Areas (SRA), and Local Responsibility Areas (LRA);
- d) streamlining the ability of partners to secure Archeological Resource Protection Act (ARPA) and/or Organic Permits from the Lassen and Modoc National Forests;
- e) facilitating the development of a forestry class for high school students in the Fall River Joint Unified School District;
- f) assisting with advancing existing efforts by the Fall River RCD to establish small scale bioenergy facilities within the region; and
- g) assisting with securing the former Big Valley mill property within the Pit RCD area.

The WP and WC will organize and facilitate small stakeholder group meetings on each of the above barriers/opportunities so progress is made. Information will be reported to the broader Collaborative and FSC meetings.

PMs One new NEPA team developed; consulting firm identified to develop Forest wide EIR and cost estimate for document; one new prescribed burn team established, trained, and certified; five year ARPA and/or Organic Permit secured from each Forest; new forestry high school class offered at Fall River and Burney High School; one new bioenergy facility established and operating; former Bieber Mill site secured.

Subtask 2.5. Assist with Developing Two New Forest Health Projects for Each Forest Health Programs (i.e. Burney-Hat Creek and Upper Pit River). A unique aspect of this proposal and of the two RCDs involved is they both have the current approval of the Forest Service to identify, plan, and develop projects through the respective Collaboratives and partnerships. Therefore, they have evolved into an extension of the Forest Service, and added another “team” that can move a project from the planning phase to the implementation phase by conducting all of the necessary NEPA steps for the Forest. Funds requested for this task would be used to continue this process and assist with developing two new forest health projects for each Ranger District involved (i.e. Big Valley Ranger District [MDF], and Hat Creek Ranger District [LNF]. Leadership by both Districts has supported using Collaborative teams to assist with getting more work done, and the Modoc National Forest and Pit RCD was recently recognized by Region 5 for the Collaborative Award for Innovative Teamwork.

Both Forests are finalizing new 10-year Master Stewardship Agreements with their respective RCDs and the Region has committed partial funding for the development of new forest health projects (see attached Letters of Support).

PMs Two forest health projects, totaling approximately 12,000 acres identified and initiated NEPA

Subtask 2.6. Meetings/Reporting. The WP and/or WC will attend bi-annual summit in Sacramento, Sierra to California All-Lands Enhancement regional and statewide meetings, and one annual Rural Communities Development Initiative (RCDI) meeting. In addition, the WP and WC will attend the orientation meeting, and either will participate in Regional Prioritization Group meetings held by the Forest Management Task Force. The exchange of information in these meetings is critical to adapting and learning how to resolve barriers and achieve project goals. The WP and WC will prepare required annual reports for the program, and if requested, make presentations at the above mentioned meetings.

PMs Six meetings attended

- c. For each task, discuss the sub-tasks that will be completed. Describe why this approach was chosen to address issue(s) within the watershed. Describe the connection between sub-tasks and tasks and how they will contribute to the completion of each goal.**

Subtasks for Task 1 and Task 2 are provided above rather than below so the reviewer can more easily see the linkages with Tasks and review the connection between them. The approach used for this grant application recognized two major “needs” in the project area. These needs were spatially unique, where one was specific to the Burney Community (Task 1), while the second was broader and applied to the entire area and required higher levels of coordination/collaboration. As such, the skills and experience necessary for each task were different, and therefore led to having two separate “coordinators” conducting the work. A Watershed Coordinator (WC) will conduct most of the work identified in Task 1, while a Watershed Principal (WP) will lead Task 2 activities and receive support from the WC. Both individuals identified for these roles currently live and work in the project area and work closely with multiple stakeholders, the respective RCDs, and have developed trusting relationships during twenty years of service.

Each subtask for each Task has some level of uniqueness, and when combined, collectively address the full nature of the Task. However, completion of the Task is not entirely reliant upon completion of every subtask, although this is certainly desired. For example, Subtask 1.4 (Wood Heat for Those in Need), does not directly improve fire safety for the Burney Community. It does, however, create a connection between fuels reduction and a societal need that the community supports (i.e. helping others stay warm during the winter). Together, these subtasks work to strengthen the overall connectedness of community needs and socioeconomic benefits.

The subtasks for Task 1 will contribute to the completion of Task 1 (i.e. Improve Fire Safety in the Burney Community) by developing and implementing new programs (subtask 1.2 and subtask 1.4) that reduce fire starts and reduce the spread of fire. These tasks are connected to a philanthropic need (subtask 2.5 – providing wood heat), and boost the overall education and outreach (subtask 1.1 and 1.3) through FSC, stakeholder, and an annual meeting. Currently, there is very little community synergy regarding fire safety, and this program is hopeful to create an energetic and active community that understands and supports the FSC.

The subtasks for Task 2 will contribute to the completion of it (i.e. Expand the Burney-Hat Creek and Upper Pit River Forest Health Projects) through increased communication/collaboration (subtask 2.2), developing a new Planning Tool and updating a Strategic Plan (subtask 2.3), overcoming barriers and increasing capacity (subtask 2.4), securing new funding (subtask 2.1), and assisting with the development and implementation of 12,000 acres of forest health work. These activities will expand upon the Burney-Hat Creek and Upper Pit River Forest Health Projects which were developed by broad collaboration among stakeholders within the project area, and the RCDs and partners will continue to pursue CCI funds through the CAL FIRE forest health/fire prevention programs and other new funding sources.

- d. **Performance Measures: Explain the methods that will be used to measure the effectiveness of the watershed coordinator's efforts. Each task must include a performance measure. Performance measures are quantifiable standards that measure the success of a task and the task's direct benefit to the watershed. Performance measures are verified through data or information collection. Performance measures are generally reported as numbers, ratios, or counts. Performance measures go a step beyond reporting the completion of activities, the number of meetings held, or the number of attendees at an event. Effective performance measures should quantify the direct benefit to the watershed. For example, the number of acres treated or the percent type conversion avoided could be used to measure direct benefits to the watershed. A performance measure should not be a list of tasks completed.**

Performance Measures are identified for each subtask described above and collectively seek to quantify the direct benefit to the project area. Performance measures for Task 1 include:

Subtask 1.1. Coordinate 4 FSC meetings, six newspaper articles, six flyers, monthly website posts, pre- and post-survey of fire safety for Community;

Subtask 1.2. PM's Program developed and implemented; 20 priority properties treated;

Subtask 1.3. Two Annual meetings coordinated and held;

Subtask 1.4. Program developed and implemented; 50% reduction in fire starts; subtasks

Subtask 1.5. Program developed and implemented; 20 priority homes assisted; subtask; and

Subtask 1.6. Program developed and implemented; 50-75% of funds after year two from non-grant sources

Performance Measures for Task 2 include:

Subtask 2.1. Increase funding by three times the amount of “business as usual” for each RCD Forest Health Projects. Identify and secure funding from at least one new source that has not contributed in the region before

Subtask 2.2. Framework established, promoted, and implemented

Subtask 2.3. Strategic Plan updated; Planning Tool developed and launched

Subtask 2.4. One new NEPA team developed; consulting firm identified to develop Forest wide EIR and cost estimate for document; one new prescribed burn team established, trained, and certified; five year ARPA and/or Organic Permit secured from each Forest; new forestry high school class offered at Fall River and Burney High School; one new bioenergy facility established and operating; former Bieber Mill site secured.

Subtask 2.5. Two forest health projects, totaling approximately 12,000 acres identified and initiated NEPA

Subtask 2.6. Eight meetings attended

Collaboration (25 Points)

III. Describe any existing partnerships that will be leveraged to meet the goals identified above. Identify all partners and describe their contribution to the proposal, including cash or in-kind match, and the history of the partnership. Provide letters of support from partners that clearly outline the partner's role in the proposal and any direct support they will provide the watershed coordinator. Letters of support should include:

- a. An explanation of the entity's relationship with the applicant.
- b. A description of the entity's jurisdiction as it relates to the watershed.
- c. A description of any intended contributions (e.g. financial contributions, donated staff time or resources) to support the watershed coordinator.

Letters of support should be provided as an attachment to this application and addressed to “Department of Conservation.”

Several existing partnerships will be leveraged to achieve the project Goal. These include a Master Stewardship Agreement (MSA) between the Fall River RCD and Lassen National Forest, a MSA between the Pit Resource Conservation District and Modoc National Forest, a new agreement between the Fall River RCD and Fall River Joint Unified School District, (FRJUSD) and a new agreement between CAL FIRE and the Fall River Resource Conservation District. The US Forest Service has contributed funds to both MSAs to advance existing and new forest health projects (subtask 2.5). Because project development is in the early stages, accurate budgets for the future projects is unknown and the amount of funds contributed by the FS is intended to be the “first money” in. As part of subtask 2.1, the WP and WC will seek additional funds to augment this contribution by using a successful past model of securing funds from local NGO's, and by seeking new funds. The Modoc National Forest has contributed \$100,000, and the Lassen National Forest \$100,000. These funds are earmarked for known existing projects the RCDs are currently assisting with, and new projects yet to be identified and developed. The FS is also contributing in-kind match in the form of staff time that will accrue from multiple future meetings listed in subtask 2.4. Contributions from FRJUSD will include staff time to develop and include the forestry class within their curriculum, and cash contributions are also expected to be made from the many industrial private landowners and logging companies (i.e. they will each contribute small amounts of money \$1-5K to fund a ½ time teaching position). Grant funds may also be requested by the HS in future applications to help fund this class if contributions from private funds fall short.

The history of partnership between each RCD and FS has evolved and become stronger over the last fifteen years. The partnerships became solidified with the development of the Pit River Watershed Alliance in early 2000, and the entities completed a Watershed Assessment and Watershed Management Strategy between 2004-2008. In addition, The Fall River RCD has been working closely with the Hat Creek Ranger District of the Lassen NF for 10 years through the Burney-Hat Creek Community Forest and Watershed Group (Collaborative). The RCD BOD led the effort to establish this Collaborative which evolved and assisted the US Forest Service in the preparation of their successful Collaborative Forest Landscape Restoration Project (i.e. Burney- Basins CFLR), one of fifty in the U.S. The Collaborative group provides a forum where stakeholders meet to vet and develop projects. Recently, the RCD has advocated using non-federal “teams,” comprised of RCD staff, local consultants, and local NGO staff to assist with NEPA planning, monitoring, and implementation of forest health projects on federal land. The FS responded favorably to these requests, and asked the RCD to lead the effort of two projects on federal land (i.e. Crossroads and Backbone), as demonstrated through the CCI-FH grant, and have discussed adding additional areas. A draft Master Stewardship Agreement between the two entities has been developed and expected to be signed in late February. This agreement will serve as the basis and Authority to conduct work and account for funds used to plan, develop, and implement future projects.

The Pit RCD has been working with the Modoc National Forest for approximately fifteen years also. Similar to the Fall River RCD, the Pit RCD led the development of a Watershed Assessment and Watershed Management Strategy. More recently, the Pit RCD has assisted the FS to develop and implement fuels treatment projects (i.e. Blacks Mountain Fuels Treatment Project) and Cove Fire Salvage Project, using a Stand Alone Stewardship Agreement. Based on the success of these projects and the partnership, the two decided to modify this agreement and begin a Master Stewardship Agreement. The agreement was approved by the Forest Supervisor before the recent government shutdown of 2019, and final signatures are expected in February. The Pit RCD and Big Valley Ranger District of the Modoc National Forest worked closely to develop a CCI-FH grant application, and the MDF has requested the RCD take the lead on a new salvage project (i.e. Stone Fire), and also other new, and yet to be determined forest health projects. Similar to the Lassen NF, the Modoc NF has contributed funds to the MSA for this work.

The Fall River RCD and Fall River Joint Unified School District have limited partnership experience. On occasion, the RCD will contribute a small amount of funds for a student pursuing a natural resource related excursion, but only recently has decided to connect to the school and assist with developing a forestry class through their Career Technical Education (CTE) Program. This desire was prompted by several stakeholders and NGO's (i.e. American Forestry Resource Council) due to the lack of registered professional foresters (RPFs) throughout the region and state. Initial conversations with local RPFs, teachers, and administration with the high school have identified a likely course that can be taught at two local high schools. This new course will not compromise existing workload by staff or student enrollment in other courses, as it will seek to hire a new teacher (one has already been identified and stated their interest) for this work. In addition, initial outreach to industry groups (local logging companies and land managers) has stated their desire for this course and willingness to contribute to fund it. This value is estimated to be about \$40,000/year.

A new partnership is proposed between Shasta County Fire Department/CAL FIRE and the Fall River RCD. The Fire Department, working closely with CAL FIRE, has access to a chipper and funds to hire hand crews to chip woody biomass. The WC will work closely with the Shasta County Fire Dept. Battalion Chief to coordinate the chipping of product coming from volunteer landowners interested in participating in the fuels reduction program associated with subtask 1.2. In addition, if the RCD is successful in their attempts to purchase a wood chipper, Shasta County Fire Department/CAL FIRE. has agreed to “garage” the item at their office in Johnston Park (adjacent community to Burney), thereby reducing time and money needed to transport it from McArthur (i.e. location of the Fall River RCD office) to the Burney community. No attempt has been made to quantify the value of this match.

The final partnership described is between Forest Creek Restoration, Inc. (FCR) and the RCD. Todd Sloat, President of FCR, has been serving as Watershed Coordinator/Manager for the past seventeen years. Both the Pit and Fall River RCDs hired staff previously for this service, but found it difficult for staff to remain funded and productive. They began the partnership with Mr. Sloat to try a new model, whereby the Coordinator would be responsible for self-funding and addressing resource topics identified by the RCDs. Through funding from the previous DOC Watershed Coordinator Program, Mr. Sloat was able to fund activities for the RCDs, and also help develop another new local NGO that has a part-time staff to address

their specific resource concerns (i.e. Fall River Conservancy). Since that grant ended (2012), Mr. Sloat has served as Watershed Coordinator/Manager, relying upon some grant funded projects and revenue created through his business to provide services for the RCD. This included hiring a full-time employee two years ago (Garrett Costello), who has now transitioned from an employee with FCR to having part-time work as an employee with the RCD, and other work as an independent consultant where he assists with stream restoration projects, soil health work, coordination, and web-site development. He also volunteers countless hours in the Burney community and in the recreation field for the Burney-Hat Creek Collaborative, where he serves as the Recreation Coordinator (i.e. an unpaid activity). He is identified as the Watershed Coordinator within this grant proposal.

The partnership between FCR and each RCD has demonstrated an effective model and produced positive outcomes for the watershed. Both RCD's are considered leaders in stream and meadow restoration in CA (this was a high priority resource topic in the previous DOC Work Plan), and are now using innovative tools (MSA) and expanding into the forest health arena by augmenting work with local non-federal and non-state funds. This expansion and trust with the US Forest Service is highlighted from their development of MSA with each RCD, their financial contributions to them, and the fact they have requested the RCD to lead the development of future forest health projects on federal land. The Pit RCD and Modoc National Forest were recently recognized for an Honors Award through Region 5 of the USFS. All of this work has been accomplished with using part-time employees and local consultants rather than hiring full-time RCD staff. Those not living and working in this conservative rural area must remember that any expansion of State and Federal employees is generally not supported by the community. A high proportion of people own and operate businesses, mostly through farming and ranching. This creates a mindset and view that supports the RCDs model, one that has evolved to effectively produce watershed benefits for several years. In short, the WP and WC operate independent businesses similar to NGO's, donating time and money back into the community for natural resource work. This proposal is believed to greatly enhance the pace and scale of forest health work and fire safety for a community that is forested. It is also believed to have a high probability to become self-funded. Todd Sloat will contribute all lodging and meal costs associated with meetings as in-kind value to this proposal.

In addition to the partnerships above, multiple new agreements are expected to be developed with successful CCI- FH grants that each RCD submitted. These new agreements would occur between the RCD's and WM Beaty and Associates, Fruitgrowers Supply Company, Sierra Pacific Industries, Shasta College, Lassen Volcanic National Park, Mule Deer Foundation, Transition Agency of Northern California, Hat Creek Bioenergy, 34 North, Spatial Informatics Group, and Spring Rivers Ecological Sciences. All of these entities are participating in the partnership for the RCD's CCI-FH grant application. While the projects within these grants will be fully funded through the grant program, tasks identified within this grant request will leverage them and improve the overall ability of all partners to improve forest health and socioeconomic conditions throughout the watersheds. As an example, developing new projects from this grant request will require new workforce capacity and implementation of them will contribute more biomass to local sawmill and bioenergy facilities.

IV. Describe any existing or planned collaborations with other organizations operating in the watershed. What efforts are currently under way to encourage cooperation between organizations?

Consistency with additional planning efforts (15 Points)

Existing Collaboratives (Burney Basin Fire Safe Council, Burney-Hat Creek Community Forest and Watershed Group, Upper Pit River Regional Water Management Group) and other partnerships (e.g. Upper Pit River Forest Health Project) are the focal groups whereby the Watershed Principal (WP) and Watershed Coordinator (WC) will conduct work. These Collaboratives and partnerships are responsible for identifying the Tasks and subtasks listed in the Work Plan. In the case of the Burney-Hat Creek Collaborative, this group has been working for ten years to develop the trust and partnerships that have evolved to work closely enough that the US Forest Service has requested assistance to take the lead on federal land projects, from project identification through implementation. This is unique for many Forests. Most Forests have not developed the trust with their partners to "turn over" project work to them. In fact, the success of the Burney-Hat Creek Collaborative with the Lassen NF is partially responsible for the trust that evolved with the Pit RCD and Modoc NF as many

of the partners work in both jurisdictions, and Forest staff, particularly leadership positions (e.g. District Rangers and Forest Supervisors).

The amount of collaboration that is needed with various partners has changed through time and will likely continue to evolve. For example, past project work funded through the Upper Pit IRWM has focused on water infrastructure improvement projects. However, the IRWM program is likely to evolve and start funding more watershed restoration work, including forest health projects, so the WP and/or WC will track this collaborative effort more in the future and assist partners with advancing forest health projects within the program. Similarly, the California Climate Investment Forest Health Grant Program through CAL FIRE is only one year old, and watershed partners did not engage with CAL FIRE as much until this program came "online." This proposed Work Plan includes a new partnership agreement between the Fall River RCD and CAL FIRE. And finally, multiple partners have asked the WP to begin a forestry class for the local High Schools and also advance the development of a certification program for heavy equipment operators and truck drivers through the local community college (i.e. Shasta College). This proposal and Work Plan includes a subtask for advancing these topics and developing a new partnership between the Fall River and Pit RCDs and the local high schools in their jurisdiction.

Cooperation among partners in the project area is at an all-time high. This is the result of extensive and persistent collaboration whereby project partners have developed trust and found shared goals to conduct work (e.g. stream and meadow restoration, water efficiency improvements, enhanced forest health, improved socioeconomics), and have agreed to promote and advance other partners projects. In addition, when the technical capacity to resolve barriers or capture opportunities is not present among local partners, the WP and partners have reached out to other technical experts outside the area (e.g. Sierra Institute for Community and Environment, Spatial Informatics Group, Blue Forest Conservation, 34 North, West Biofuels, CLERE, Mule Deer Foundation) for help. Each of the entities listed above have donated staff time, attended meetings, and worked with partners to increase local capacity for various projects (e.g. establish new bioenergy facilities, conduct carbon modeling for CCI grant applications, develop Master Stewardship Agreements).

Collaboration is also planned beyond the local project area. While this has been occurring from the WP past efforts to attend Sierra to California All-Lands Enhancement (SCALE), Rural Community Development Initiative (RCDI), and Pine Creek Coordinated Resource Management Planning (Pine Creek CRMP) group meetings, more are needed to effectively engage all stakeholders and make connections between forest and water issues. Adjacent watershed Collaboratives (e.g. Diamond Mountain, South Lassen) conduct similar work, have CCI-FH grants, utilize similar contractors to implement work, and have common barriers to resolve with developing partnerships with the USFS. The WP will regularly discuss opportunities and lessons learned with these entities to improve collaboration and more effectively develop projects that advance all-lands management across a broader region.

V. Describe how the proposal will complement other planning efforts in the watershed. How does the proposal support published watershed goals identified by the State or other entities?

The Collaboratives (i.e. Burney-Hat Creek, Burney Basin FSC, Upper Pit Regional Water Management Group) and partnerships (Upper Pit River Forest Health Project) previously described and discussed are the central planning efforts in the watershed that are focused on all-lands management and forest health and watershed issues. Therefore, they capture all existing planning efforts with the exception of those that are related to groundwater management and irrigated lands. The Northeastern California Watershed Association (NECWA) leads the compliance effort in the project area to satisfy State regulatory requirements of irrigated lands and groundwater management. Previous Watershed Coordinator Work Plans (2007-2012) through the Fall River and Pit RCD included collaboration with NECWA regarding watershed health and their regulatory requirements. This collaboration was successful with developing a cost effective monitoring and reporting plan for NECWA, but unsuccessful with developing an outreach and best management practice (BMP) program for landowners. NECWA Board of Directors and rate payers were so challenged with meeting the monitoring and reporting requirements that adding a BMP program was infeasible. However, NECWA members were supportive of watershed projects that reduced soil loss, improved water quality, and increased groundwater infiltration as these were important resource concerns, and therefore understood and were supportive of existing Collaborative efforts that complement their programs goals. The WP no longer attends the NECWA meetings, unless requested, because existing Board members and/or members of their

organization serve on RCD Boards or are part of Collaboratives, which creates cross-group information sharing and knowledge of the various entity efforts.

The goals, objectives, tasks, and management actions identified by these Collaboratives and partnerships were developed to address local watershed issues and align with multiple local, regional, and State goals. As provided earlier in this proposal, the Burney-Hat Creek Strategic Plan and Burney Basin FSC is well connected to the Forest Carbon Plan. They are consistent with the goals of the State Fire Plan, the local CAL FIRE Unit Fire Plan, and various CWPPs, as well as various state plans/strategies relating to natural resources and the environment (i.e. Sierra Nevada Conservancy Watershed Improvement Program, SNC Sierra Nevada Forest and Community Initiative, State Water Plan, Sierra Meadows Strategy).

The project also supports the goals of the California Strategic Fire Plan (CAL FIRE 2018). Specifically, this project is a cross jurisdictional endeavor, with the Pit and Fall River RCDs taking a lead role in treating hazardous fuels within both State Responsibility Area lands, as well as Federal Responsibility Area lands. The future proposed projects (Subtask 2.5) will also reduce the risk of wildfire to several local jurisdictions. The project will also improve resistance of man-made assets at high risk and will work closely with variously sized landowners to achieve project goals. The proposed project also includes actions to improve post-fire protection and recovery within the perimeter of large catastrophic fires.

The project is also consistent with Lassen-Modoc and Shasta-Trinity CAL FIRE Unit's goals of reducing hazardous fuels within SRA WUI areas, the creation of strategic fuelbreaks, and those shared goals from the State Fire Plan. The Tamarack Fuelbreak portion of the project is also specifically identified within the Shasta-Trinity plan, as well as various fuel reduction projects around the community of Burney which the WC will be assisting with.

Finally, most all subtasks identified above do not trigger CEQA and/or NEPA as they focus on coordination and collaboration. Only the implementation of fuels treatment projects, through subtask 1.2 or 2.5, would require satisfying CEQA, NEPA, or the Forest Practice Rules. The use of State funds to assist in the development of programs/projects does not trigger CEQA/NEPA providing further discretionary approval is needed, which is the case for fuels treatment projects. Projects whereby the WP assists with developing new forest health projects on federal land associated with the respective CCI-FH programs will have compliance documents completed by RCD staff and local consultants (referred to as "NEPA teams," FS staff, or a combination of the two. Compliance for these projects will be funded through other sources, likely including some State funding. Therefore, use of State funds to implement these forest health projects would require CEQA, and CA Senate Bill 901 provides a new streamlined approach for these situations as CAL FIRE will be the CEQA Lead Agency and follow an exemption. No DOC funds will be used to implement the CCI-FH projects. Projects identified and developed with subtask 1.2 may need CEQA compliance for implementation depending upon the size and complexity of the treatment. Both RCDs have served as Lead Agencies in the past for projects that used State funds to implement work on private ground if CAL FIRE determines the project does not fit their exemption rules. In these instances, the RCD will follow a Categorical Exemption process and serve as the Lead Agency. These unique instances also require that a Registered Professional Forester (RPF) review and approve the project. If this is necessary, Cascade Resource Consultants, a local forestry consulting firm, will be contracted to assist with this work, using non DOC funds. No value has been assigned as in-kind match because of the uncertainty of CAL FIREs determination (i.e. the majority of determinations have concluded that the project fits their exemption rules).

Co-benefits (10 Points)

- VI. **Provide a qualitative description of the co-benefits anticipated to result from successful completion of the proposed tasks, as well as any quantitative information to support your claims (e.g., support biodiversity, promote a clean water supply, support local economies, provide recreational and educational opportunities, protect spiritual and cultural resources.**

Recent wildfire disasters in 2018 such as the Camp Fire bring a new heightened awareness to just how tenuous living in forested rural communities can be, and how potentially damaging large events can be. Watershed level benefits accrue

because strategically located forest treatments minimize the spread of large-scale high intensity wildfires. Reducing fuel loadings and minimizing the spread of large fires protects not only important habitat but multiple municipal watersheds. Reducing the risk of landscape-scale fire events to overstocked and drought stressed forests, improves the long-term adaptation trajectory by increasing the acreage of more drought and fire resistant late seral forests.

- Improved socioeconomic conditions: forest product creation and utilization is among the highest labor creation commodities; increases in amount of work translates to higher “take home pay” for employee’s and has mental health benefits; capacity building for equipment operators and truck drivers addresses a known local employment need.
- Improved safety and access for public and firefighters: creation of fuel breaks and reduced fire risk in forests immediately around communities reduces risks to life and property.
- Improved air and water quality: reduced risk of associated air quality concerns from large-scale emission events; reduction of high intensity fire results in less transport of upland sediment to streams; higher soil moisture results in greater diversity of native herbaceous understory species which benefits numerous wildlife species dependent upon these vegetation communities; reduced fire risk results in fewer impacts for sensitive plant and wildlife species (e.g. northern goshawk territory and spotted owl protected activity centers located within the project area will be protected and managed into the future).
- Production of renewable energy: projects will provide biomass to be utilized by local biomass facilities to produce electricity.
- Augment previous forest health treatments: projects complement prior and planned treatments on both federal, state, and private lands.
- Support of community collaborations (i.e. Collaborative Forest Landscape Restoration [CFLR] Project): The project will implement treatments initiated by the Burney-Basins CFLR which resulted from the formation and continued activity of the Burney-Hat Creek Community Forest and Watershed Group (Collaborative) and Burney Basins FSC.

Long-term success (5 Points)

- VII. **Describe any methods or plans to sustain the watershed coordinator position and build upon the accomplishments of the work plan beyond the life of the grant. Include an explanation of how the organization will attempt to maintain funding for the watershed coordinator position after the grant term.**

Requested funds within this proposal are for activities associated with Task 1 and Task 2 is nearly equal. As part of Task 1, the WC and WP will develop a program and strategy to self-fund future work, and as part of Subtask 2.1 (i.e. increase funding into programs), they will pursue several new funding sources. Between these two efforts, there is a high likelihood of securing funds to maintain the program after the grant term, and the funds are likely to come from a variety of sources. One primary source of funds is program revenue through the sale of timber from project work conducted under the Master Stewardship Agreement (MSA) between the RCD and US Forest Service. The RCDs expect to take the lead on new forest health projects and projects will be selected that include timber value. The successful development and implementation of them has a high likelihood to produce revenue.

In addition to the above strategy, the WP intends to meet with other State partners (i.e. CAL FIRE, Cal EPA, Sierra Nevada Conservancy, CA Natural Resources Agency, and CA Air Resources Control Board) to discuss a new statewide effort to form agreements with rural RCDs in forested regions. This topic has been discussed through past efforts by the CA Association of RCDs and DOC but limited funding was available at that time. However, State funding and investment into forest health is now high, and several groups are advocating that some of these funds be provided to RCDs with the capacity to assist their federal partners with forest health project work. Funds provided through this particular avenue could be used to develop more forest health projects, and increase the chances of program revenue through MSA as described above.

Subtask 1.6 (i.e. self-reliant funding program) will assess other FSC in the region and determine if any models may be applicable to the Burney area. The process hopes to identify beneficiaries (e.g. insurance companies, large landowners, local districts) and persuade them to make small contributions to the program based on positive outcomes from the program. The Fall River RCD also has limited program income from the recent donation of the McArthur Swamp Planning Unit (ca. 4,500 acres near McArthur), and they have been notified they will be the recipient of the Burney Gardens Planning Unit (ca. 1,600 acres 10 miles south of Burney). Management Plans will be developed for these properties and both are hopeful to generate more income in the future that can be used to help pay for funding gaps such as the Watershed Coordinator position.

4. Work plan

Applicants must provide a detailed work plan that specifies the tasks, subtasks, and performance measures that will be performed during the grant term. The work plan will also include a schedule of target completion dates and cost estimates. The schedule should be of sufficient detail to allow assessment of the progress through the work plan at regular intervals. Cost estimates should be consistent with the budget. If awarded funding, this work plan will be incorporated into the Grant Agreement.

Task 1 Improve Fire Safety for the Burney Community	Timeline (Start & End Date)	Total Requested Grant Funds
<p>Subtask 1.1. Coordinate Meetings, Stakeholders, Boost Education and Outreach. <i>PM: Coordinate 4 FSC meetings, six newspaper articles, six flyers, monthly website posts, pre- and post-survey of fire safety for Community.</i></p> <p>Subtask 1.2. Develop and Implement Fuels Reduction and Weed Whacking/Racking Program. <i>PM: Program developed and implemented; 20 priority properties treated</i></p> <p>Subtask 1.3. Annual Fire Safe Meeting. <i>PM: Two Annual meetings coordinated and held.</i></p> <p>Subtask 1.4. Houseless Fire Safety Awareness. <i>PM: Program developed and implemented; 50% reduction in fire starts from houseless residents.</i></p> <p>Subtask 1.5. Wood Heat for those in Need. <i>PM: PM's Program developed and implemented; 20 priority homes assisted</i></p> <p>Subtask 1.6. Self-Reliance Funding Program. <i>PM: Program developed and implemented; 50-75% of funds after year two from non-grant sources</i></p>	<p>1.1 Meetings (May & Oct. 2019/20) Articles/flyers (Apr., Aug., Dec.2019/20) Survey (Apr. 2019/20)</p> <p>1.2 Developed: Apr. 2019. Implemented: May 2019/20.</p> <p>1.3 May 2019/20</p> <p>1.4 Developed: May 2019. Implemented: June 2019 - Apr. 2020.</p> <p>1.5 Developed: June 2019. Implemented: Sep. 2019 - Apr. 2020.</p> <p>1.6 Developed: Aug. 2019. Implemented: Jan. 2020.</p>	<p>\$98,370.00</p>

Task 2 Expand the Burney-Hat Creek and Upper Pit River Forest Health Projects	Timeline (Start & End Date)	Total Requested Grant Funds
<p>Subtask 2.1. Increase Funding to Programs.</p> <p><i>PM: Increase funding by three times the amount of “business as usual” for each RCD Forest Health Projects. Identify and secure funding from at least one new source that has not contributed in the region before.</i></p> <p>Subtask 2.2. Develop Coordination/Leadership/Planning Framework.</p> <p><i>PM: Framework established, promoted, and implemented.</i></p> <p>Subtask 2.3. Coordinate and Facilitate Strategic Planning Tool Meetings, Update Strategic Plan.</p> <p><i>PM: Strategic Plan updated; Planning Tool developed and launched;</i></p> <p>Subtask 2.4. Coordinate and Facilitate “Barrier/Opportunity” Meetings.</p> <p><i>PM: One new NEPA team developed; consulting firm identified to develop Forest wide EIR and cost estimate for document; one new prescribed burn team established, trained, and certified; five-year ARPA and/or Organic Permit secured from each Forest; new forestry high school class offered at Fall River and Burney High School; one new bioenergy facility established and operating; mill site secured.</i></p> <p>Subtask 2.5. Assist with Developing Two New Forest Health Projects for Each Forest Health Programs (i.e. Burney-Hat Creek and Upper Pit River)</p> <p><i>PM: Two forest health projects, totaling approximately 12,000 acres identified and initiated NEPA</i></p> <p>Subtask 2.6. Meetings/Reporting.</p> <p><i>PM: Eight meetings attended.</i></p>	<p>2.1 Apr. 2019 – Apr. 2021</p> <p>2.2 Apr. 2019 – Apr. 2021</p> <p>2.3 Apr. 2019 – Apr. 2021</p> <p>2.4 Apr. 2019 – Apr. 2021</p> <p>2.5 Apr. 2019 – Apr. 2021</p> <p>2.6 Apr. 2019 –2021</p>	<p>\$117,099.16</p>
	Grand Total:	215,469.16

5. Budget applicants must provide a budget broken down by cost type and by task. All costs must be eligible. Applicants may use the Excel template provided. If awarded funding, this Budget will be incorporated into the Grant Agreement.

Personnel	Hourly rate	Sum Hr/Mi	Task 1.1	1.2	1.3	1.4	1.5	1.6	Task 2.1	2.2	2.3	2.4	2.5	2.6	Total Requested
Watershed Coordinator	\$45.00	2950	400	400	200	300	300	250	100	150	200	200	250	200	\$132,750.00
Watershed Principal	\$75.00	990	40	30	20	40	30	30	250	170	120	110	70	80	\$74,250.00
		Subtotal	\$21,000.00	\$20,250.00	\$10,500.00	\$16,500.00	\$15,750.00	\$13,500.00	\$23,250.00	\$19,500.00	\$18,000.00	\$17,250.00	\$16,500.00	\$15,000.00	\$207,000.00
Travel Costs															
WC- within watershed	0.58/ mi.	850	100	25	50	25	100	0	0	100	100	200	100	50	\$493.00
WC- to required meetings	0.58/ mi.	1672	0	0	0	0	0	200	200	0	0	0	0	1272	\$969.76
WP- within watershed	0.58/ mi.	8380	200	50	100	50	200	0	2300	3030	1200	950	300	0	\$4,860.40
WP- to required meetings	0.58/ mi.	3700	0	0	0	0	0	400	0	0	0	0	0	3300	\$2,146.00
		Subtotal	\$174.00	\$43.50	\$87.00	\$43.50	\$174.00	\$348.00	\$1,450.00	\$1,815.40	\$754.00	\$667.00	\$232.00	\$2,680.76	\$8,469.16
Administrative Costs															
Liability Insurance (prorated)	\$56.50 per mo.														\$1,356.00
Supplies and Equipment	\$250.00														\$256.44
Telephone and internet (prorated)	\$35.00 per mo.														\$840.00
Managment staff	\$47.44	360													\$17,078.40
		Subtotal													\$19,530.84
		Subtotal	\$21,174.00	\$20,293.50	\$10,587.00	\$16,543.50	\$15,924.00	\$13,848.00	\$24,700.00	\$21,315.40	\$18,754.00	\$17,917.00	\$16,732.00	\$17,680.76	\$235,000.00

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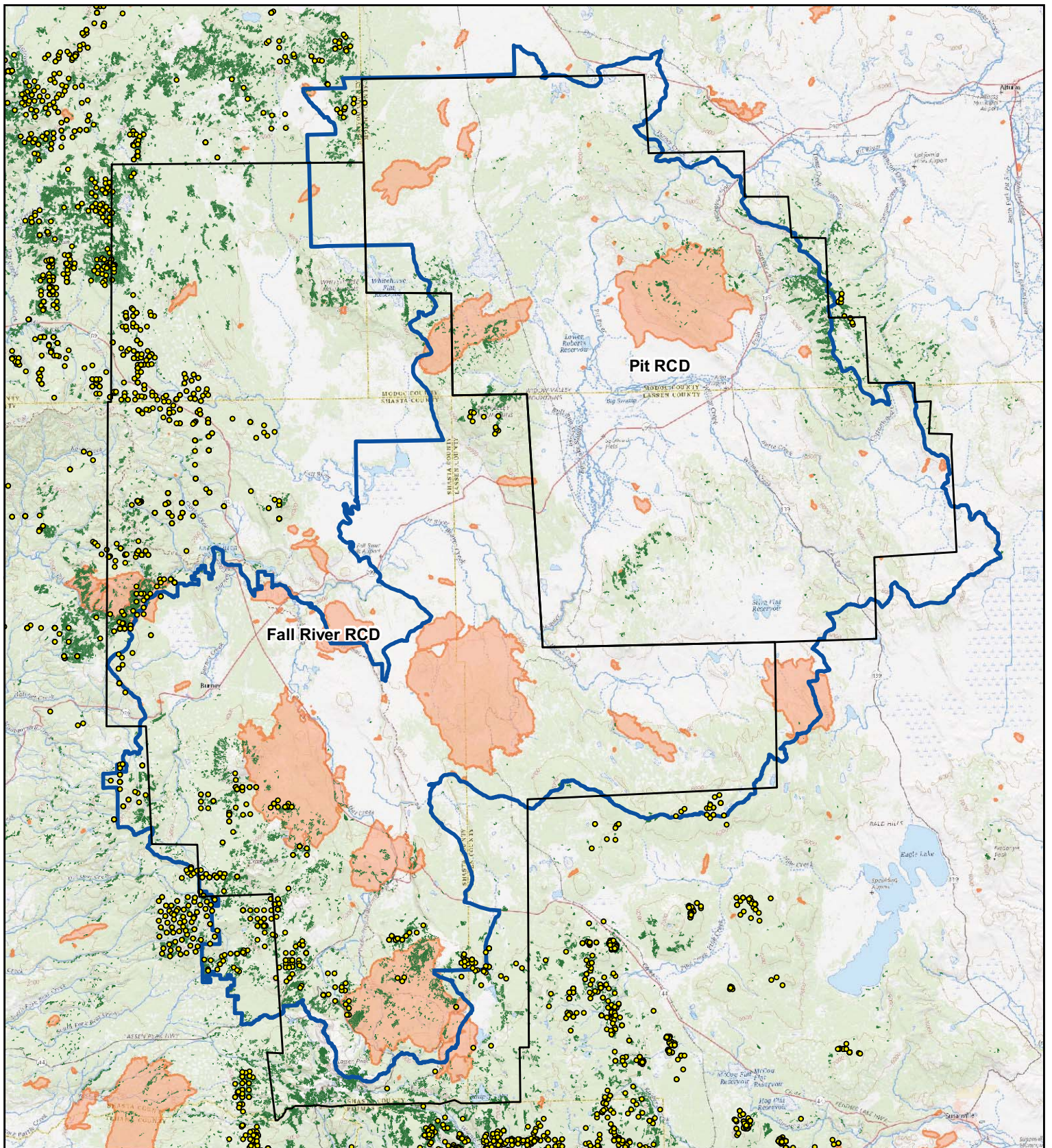
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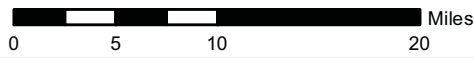
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- Spotted Owl Activity Center
- Fire Perimeter within Last 15 Years
- Existing Large Trees
- Project Area
- Federally Managed Land
- RCD Boundary





Forest Health Treatment Priority Mapping

The recent drought-induced tree mortality and increase in high-severity fire in California have highlighted declining forest health conditions. This reinforces the urgency of implementing preventive landscape level tree density and fuels reduction treatments to restore and maintain forest resiliency to drought and related bark beetle attack and high-severity wildfires. In 2018, Danny Cluck (Forest Health Protection Entomologist for the Northeastern California Region) developed a Forest Health Treatment Priority map that identifies areas deemed at high risk of tree mortality, due to bark beetles and/or high severity wildfire, on all lands throughout the state. We used these maps to identify areas that are currently at risk within the Burney Hat Creek CFLRP on the Lassen National Forest.

High priority treatment criteria

Areas identified by Forest Health Protection as high priority for treatment had to first meet the following basic criteria

- No moderate or high severity wildfire since at least 1998;
- Had not been thinned since at least 2005;
- No stand-replacing disturbance (i.e. clear-cut or natural mortality) since at least 2005; and
- Contained stands with 60% or higher relative stand density, that were dominated by trees with diameter at breast height of 11" or more.

This map can be used for landscape-level planning and to identify priority areas for treatment.

Areas that met these basic conditions were then classified as high priority for treatment based on species composition and stand density. Highest priority was assigned to areas that contained: predominantly pines (SDI 220 or higher); fir-dominated mixed conifer and white fir (SDI 270 or higher), but historically contained mostly pines; and pine-dominated mixed conifer forest (SDI 270 or higher). Pine-dominated stands are typically associated with drier sites and often experience higher levels of tree mortality associated with high stand density, bark beetles, and drought.

Secondary priority was assigned to locations with stands that contained fir-dominated mixed conifer and white fir (SDI 330 or higher) that were not already classified as highest priority. Fir-dominated stands found on more mesic sites can also experience elevated tree mortality associated with high stand density, bark beetles and drought, though generally at a lower level than pine-dominated stands or fir-dominated stands growing on historically pine-dominated sites.

This assessment provides a baseline for addressing the following monitoring question from the Burney Hat Creek CFLRP Ecological Monitoring Strategy: FOR.2. Are restoration treatments (e.g. thinning and/or prescribed fire) effective at enhancing resistance and resilience of forested stands to insect outbreaks and moisture stress?

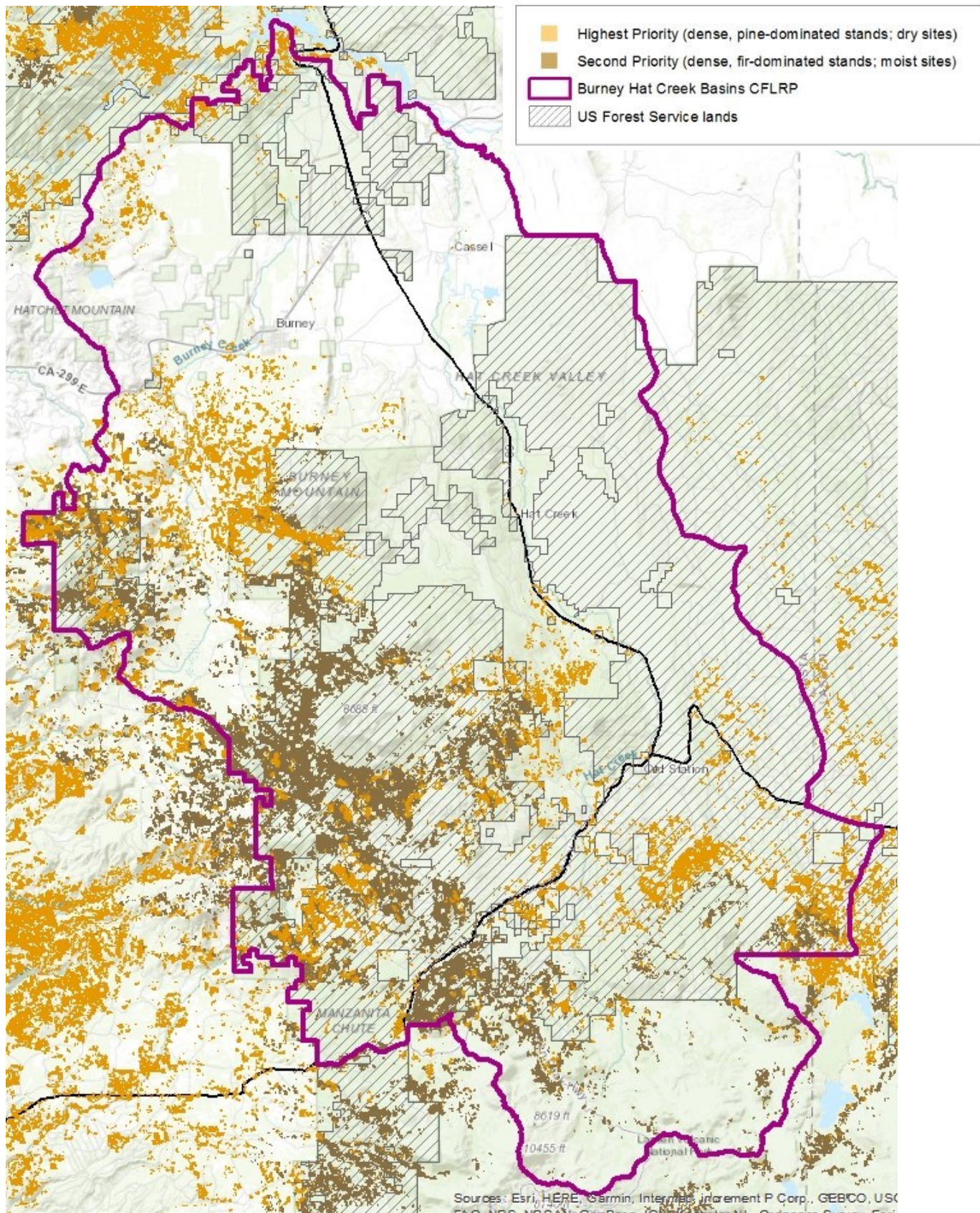
Link to Maps and GIS files:

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USDA Forest Service, Forest Health Protection: Treatment Priority Map

Priority areas for treatment on slopes less than 35%





Wildfire Risk within the Burney Hat Creek Basins CFLRP

We used wildfire model outputs, generated by the USDA Forest Service Pacific Southwest Region, to assess wildfire risk within the Burney Hat Creek CFLRP on the Lassen National Forest. We focused on two metrics of wildfire risk, burn probability and conditional flame length, which were estimated using the stochastic wildfire simulation program FSim. This fire model incorporates variability in weather, fire ignitions, fuel, and topography to estimate wildfire probability and intensity by simulating thousands of wildfires across large landscapes.

Model outputs identify areas of high wildfire risk and can be used to prioritize fuel reduction treatments.

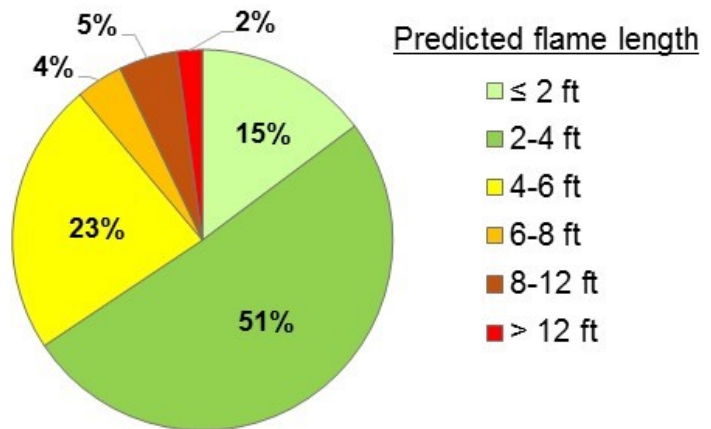
Key Findings

- The probability that a large wildfire (>100 acres) will burn within the CFLRP project area in any given year is 49%.
- The expected annual area burned is 1,926 acres.
- For any given pixel (i.e. an area of ~ 2 acres) the annual burn probability ranged from less than 0.001 (that is, 1 in 1000 odds of burning in a large wildfire in any given year) to 0.015 (1 in 67 odds).
- The highest burn probabilities were typically on the western side of the CFLRP project area.
- Approximately 66% (259,065 acres) of the landscape has predicted flame lengths less than 4 ft; 11% (44,002 acres) have predicted flame lengths greater than 6 ft, which generally corresponds to higher risk of crown fire.

Definitions

- **Burn probability:** the probability that a specific geographic location will experience a wildland fire within the calendar year.
- **Conditional flame-length probability:** the relative likelihood of observing a defined flame-length class at a point on the landscape, given that a wildfire occurs at the point.

Distribution of predicted conditional flame length

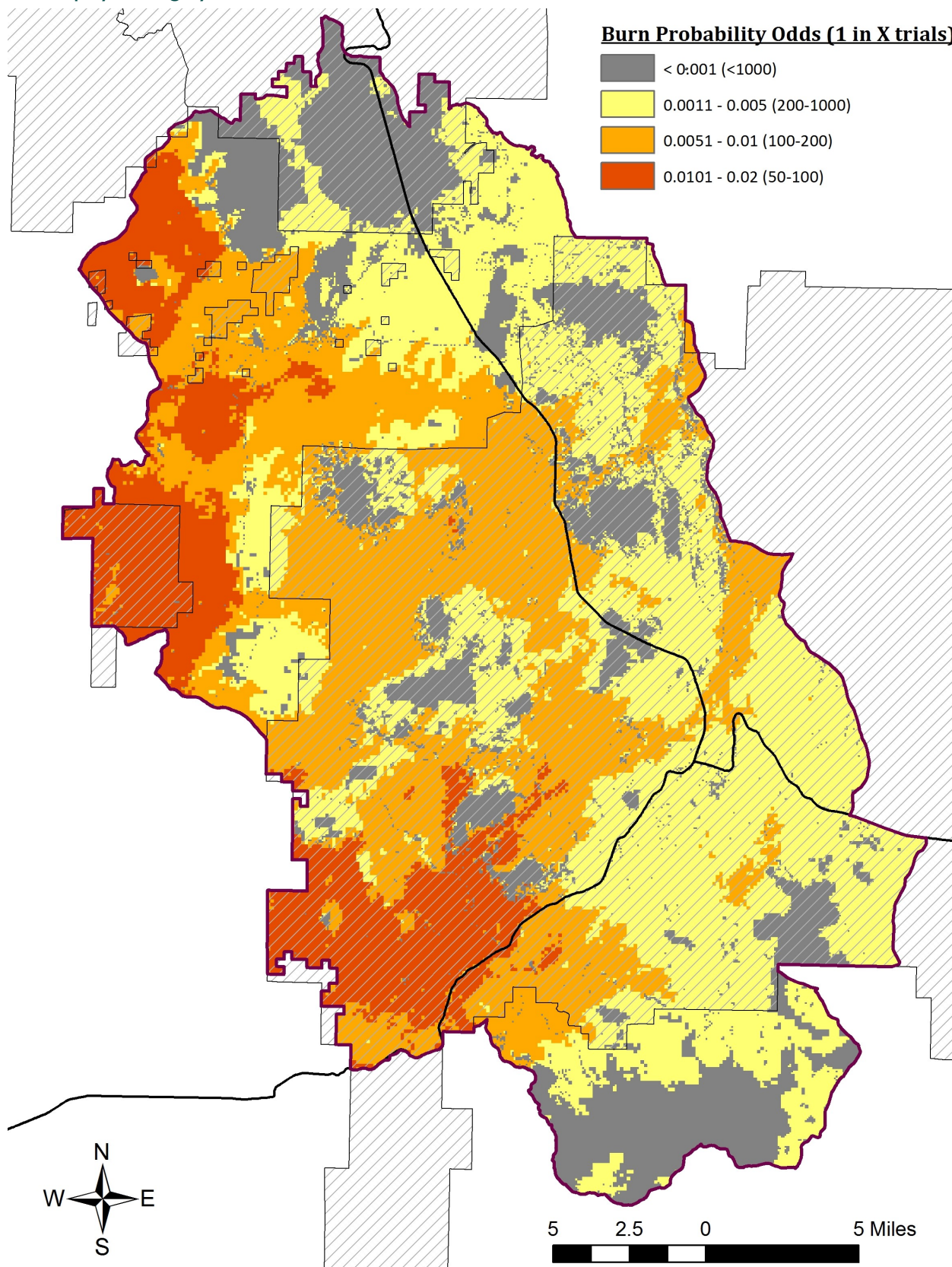


This assessment is the first step in addressing the following monitoring question from the Burney Hat Creek CFLRP Ecological Monitoring Strategy: FIRE.1.1. In areas where the goal is to reduce high severity patch size and fire-related tree mortality, are treatments effective?

Link to Maps and GIS files:
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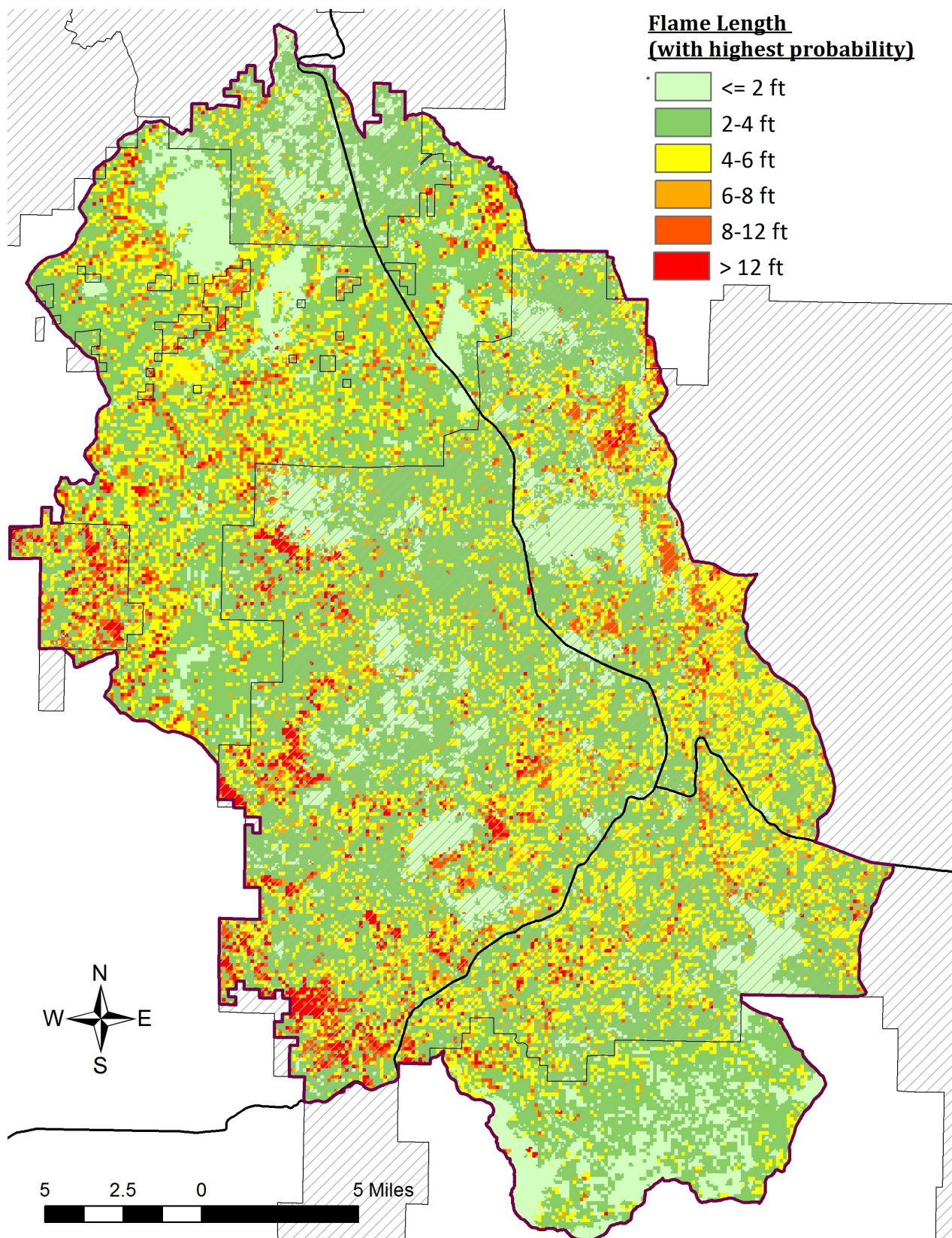


Predictive map showing the annual probability that a wildfire will burn a given pixel (i.e. ~ 2 acre area) within the Burney Hat Creek CFLRP on the Lassen National Forest. Model outputs were generated as part of the Wildfire Risk Assessment completed by the USDA Forest Service Pacific Southwest Region. Federal lands are displayed as gray hatch.





Map displaying the most likely predicted flame length, given that a wildfire occurs, within the Burney Hat Creek CFLRP on the Lassen National Forest. This map was developed by selecting the flame-length class with the highest probability for each pixel (~ 2 acre map unit). Data were obtained from the Pacific South-west Region's Wildfire Risk Assessment . Federal lands are displayed as gray hatch.





Pit Resource Conservation District

P.O. Box 301

Bieber, CA 96009

Phone (530) 299-3405 ~ Fax (530) 299-9410

E-mail: pitrcd@frontiernet.net

Resolution No. 2019-01

Pit/Fall River Resource Conservation Districts Forest Health Watershed Coordinator

RESOLUTION OF THE Pit Resource Conservation District of Shasta County, State of California FOR FUNDING FROM THE CALIFORNIA ENVIRONMENTAL LICENSE PLATE FUND THROUGH THE CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF LAND RESOURCE PROTECTION FOR THE WATERSHED COORDINATOR GRANT PROGRAM.

WHEREAS, the Forest Carbon Plan and Executive Order B-52-18 call for significant increases in the pace and scale of forest and watershed improvements to restore the health and resilience of California's forests and ensure the forests remain net carbon sinks that provide a range of ecosystem and social benefits; and

WHEREAS, the State Department of Conservation has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies, non-profits organizations, and others under the program, and

WHEREAS, said procedures established by the State Department of Conservation require the applicant to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out a forest health watershed coordinator program;

NOW, THEREFORE, BE IT RESOLVED that the **Pit Resource Conservation District:**

1. Certifies that said applicant has or will have sufficient funds to operate and maintain the project; and
2. Authorizes the submittal of the grant application to the Forest Health Watershed Coordinator Grant Program
3. Authorizes entrance into a grant agreement with the Department for the project and accepts the template terms and conditions, if the project is awarded funding.
4. Certifies that no conflict of interest or appearance of conflict of interest exists for any member of the Board of Directors as relates to the project

5. Certifies that funds under the jurisdiction of **Pit Resource Conservation District** are available to begin the project.
6. Appoints **Sharmie Stevenson, Executive Director**, or a designee, as agent of the **Pit Resource Conservation District** to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

Approved and adopted the 12th day of February, 2019. I, the undersigned, hereby certify that the foregoing Resolution number 2019-01 was duly adopted by the following roll call vote:

Ayes: 4 Noes: 0 Absent: 1 Sh Clerk, Sharmie Stevenson



Andy Albaugh, Chairman of Board

Fall River Resource Conservation District

Post Office Box 83
5618
McArthur, CA 96056



Telephone/Fax: (530) 336-6591/336-

e-mail fallriverrcd@citlink.net

Resolution No. DR2018-04

Fall River/Pit Resource Conservation Districts Forest Health Watershed
Coordinator

RESOLUTION OF THE Fall River Resource Conservation District of Shasta County, State of California FOR FUNDING FROM THE CALIFORNIA ENVIRONMENTAL LICENSE PLATE FUND THROUGH THE CALIFORNIA DEPARTMENT OF CONSERVATION DIVISION OF LAND RESOURCE PROTECTION FOR THE WATERSHED COORDINATOR GRANT PROGRAM.

WHEREAS, the Forest Carbon Plan and Executive Order B-52-18 call for significant increases in the pace and scale of forest and watershed improvements to restore the health and resilience of California's forests and ensure the forests remain net carbon sinks that provide a range of ecosystem and social benefits; and

WHEREAS, the State Department of Conservation has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies, non-profits organizations, and others under the program, and

WHEREAS, said procedures established by the State Department of Conservation require the applicant to certify by resolution the approval of application before submission of said application to the State; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out a forest health watershed coordinator program;

NOW, THEREFORE, BE IT RESOLVED that the Fall River Resource Conservation District:

1. Certifies that said applicant has or will have sufficient funds to operate and maintain the project; and

2. Authorizes the submittal of the grant application to the Forest Health Watershed Coordinator Grant Program
3. Authorizes entrance into a grant agreement with the Department for the project and accepts the template terms and conditions, if the project is awarded funding.
4. Certifies that no conflict of interest or appearance of conflict of interest exists for any member of the Board of Directors as relates to the project
5. Certifies that funds under the jurisdiction of **Fall River Resource Conservation District** are available to begin the project.
6. Appoints **Sharmie Stevenson, Executive Director**, or a designee, as agent of the **Fall River Resource Conservation District** to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

Approved and adopted the 27th day of November, 2018. I, the undersigned, hereby certify that the foregoing Resolution number DR201804 was duly adopted by the following roll call vote:

Ayes: 4 Noes: 0 Absent: 3 SS Clerk, Sara Small

Mike Millington
Mike Millington, Chairman of Board



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

Shasta-Trinity Unit
875 Cypress Ave
Redding, CA 96001
(530) 225-2418
Website: www.fire.ca.gov



February 12th, 2019

Dear Department of Conservation:

The CAL FIRE Shasta-Trinity Unit is submitting this letter to confirm our support for the grant application submitted by the Fall River and Pit Resource Conservation District (RCD) to the Department of Conservation's Forest Health Watershed Coordinator Grant Program.

CAL FIRE is highly interested in expanding their partnership with the RCD. Currently, CAL FIRE participates in the Burney Basin Fire Safe Council to develop and implement projects to keep the community of Burney fire safe. Through your grant program, the RCD is proposing to add a Watershed Coordinator to focus on projects advocated by the FSC. We are fully supportive of these projects and are particularly interested in the fuels reduction program. We believe the outreach element and development of this program will make significant amounts of woody residuals (i.e. tree branches, small trees, brush) available along the road network within Burney. As part of this program, CAL FIRE would assist with coordination, chipping, and hauling of this material to local facilities (Burney Forest Power, Burney Disposal). We would also be willing to store a chipper at our facility in Johnson Park (i.e. part of the greater Burney community), and future funding through CAL FIRE may allow us to purchase a chipper for this project element.

CAL FIRE has jurisdictional responsibility for all wildland fires on private lands within the watershed in the Burney area (State Responsibility Areas). We have discussed the Goals and Tasks within the RCD's grant application with the Watershed Principal. We believe these are consistent with DOC's Forest Health Watershed Coordinator Grant Program goals and objectives, and funding of a Watershed Coordinator would leverage our existing efforts in the region.

Sincerely,

Brian Noel

Brian Noel

Battalion Chief

CAL FIRE

Shasta-Trinity Unit

Shasta County Fire Department

Battalion 1

(530) 335-2203, office

(530) 448-2411, cell

brian.noel@fire.ca.gov

February 12, 2019

F O R E S T L A N D
M A N A G E M E N T



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CALIFORNIA DEPARTMENT OF CONSERVATION
Division of Land Resource Protection
wcp@conservation.ca.gov

RE: Fall River and Pit Resource Conservation Districts
Forest Health Watershed Coordinator Program

Gentlemen:

W. M. Beaty & Associates, Inc. is please to support the application submitted by the Fall River Resource Conservation District (FRRCD) and the Pit Resource Conservation District (PRCD) in their application for a California Department of Conservation (CDOC) Forest Health Watershed Coordinator Grant.

W. M. Beaty & Associates, Inc. participates in the Burney-Hat Creek Community Forest and Watershed Group and the Burney Basin Fire Safe Council Collaborative. During these meetings, we have identified and developed multiple projects that would advance forest health, particularly on federally managed lands. In addition, there is a need for additional activities within the Burney Community to promote fire safety. We have reviewed the tasks identified in the FRRCD and PRCD's grant proposal to the CDOC and believe they represent activities and actions that would benefit the region and leverage existing efforts.

W. M. Beaty & Associates, Inc. manages large tracts of family-owned forestland within the Project Area shown on the attached map. We are currently working with the PRCD and Lassen County Fire Safe Council to implement substantial fuel reduction work under the California Department of Forestry and Fire Protection (CAL FIRE) Greenhouse Gas Reduction Fund and the California Climate Initiative (CCI) Grant Programs. We are also working with the FRRCD to develop and implement several fuel reduction projects on private and federal land in Northeastern Shasta County as part of their Forest Health Grant Program application under the CAL FIRE CCI Grant Program. Grant funds are needed to improve forest health and improve socioeconomic conditions within this project area.

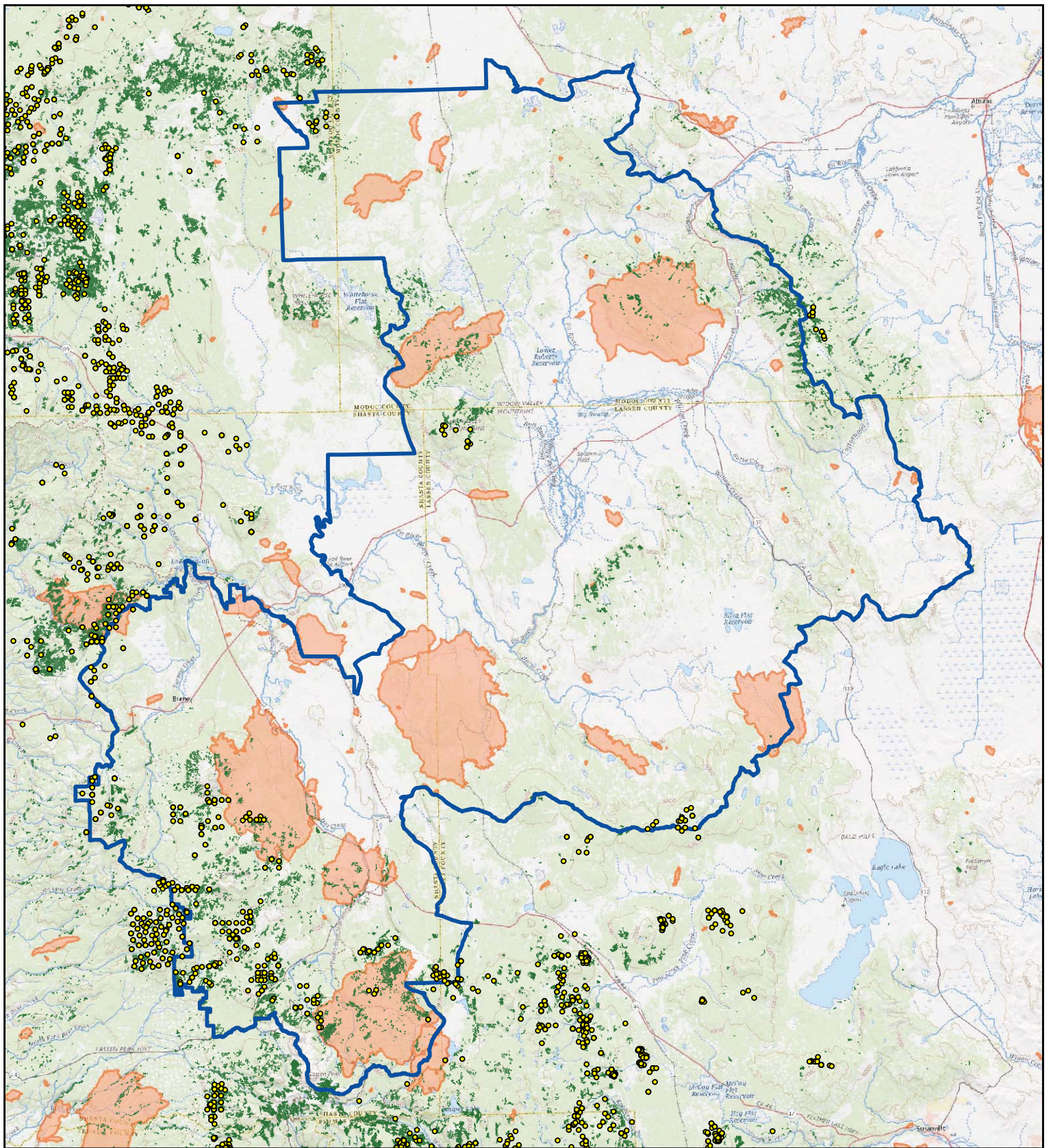
W. M. Beaty & Associates, Inc. supports and approves the efforts of the FRRCD and PRCD in applying for the CDOC Forest Health Program Coordinator Grant.

Sincerely,

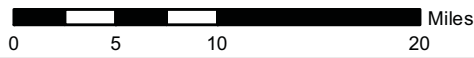
W. M. BEATY & ASSOCIATES, INC.

Scott P. Carnegie
Project Forester
scottc@wmbeaty.com

Enclosure



- Spotted Owl Activity Center
- Fire Perimeter within Last 15 Years
- Existing Large Trees
- Project Area
- Federally Managed Land



FALL RIVER JOINT UNIFIED SCHOOL DISTRICT

Superintendent
Greg F. Hawkins



Governing Board
President: Teri Vigil
Clerk: Cindy Ronquist
Trustee: John Hamilton
Trustee: Rick Dougherty
Trustee: Ignacio Venegas

"Education is Power"

February 13, 2019

Dear Department of Conservation

The Fall River Joint Unified School District (District) is submitting this letter to confirm our support for the grant application submitted by the Fall River and Pit River Resource Conservation District (RCD) to the Department of Conservation Forest Health Watershed Coordinator Grant Program.

The FRJUSD is highly interested in developing a partnership with the RCD. WE understand the RCD is advocating the development of a forestry class to be delivered at Fall River and Burney High Schools within the existing Career Technical Education (CTE) program. We will be meeting with RCD staff and consultants to determine the best course of action during the spring of 2019 in hopes that a course is developed and offered during the fall of 2019. We understand the RCD will be responsible for securing the necessary funds to pay for teaching this course, and the District is also committed to including requested funds through various grants they often prepare for their existing CTE programs to possibly augment any funding gaps that may occur.

Sincerely,

Greg F. Hawkins
Superintendent



Forest Service

Lassen National Forest
Supervisor's Office

2550 Riverside Drive
Susanville, CA 96130
530 257-2151
TDD: 530 257-2151
Fax: 530 252-6428

File Code: 1560; 2520

Date: February 8, 2019

Route To:

Subject: Letter of Support for Fall River Conservation District to Department of
Conservations Forest Health Watershed Coordinator Grant Program

To: Department of Conservation

The U.S. Forest Service is submitting this letter to confirm our support for the grant application submitted by the Fall River and Pit Resource Conservation District (RCD) to the Department of Conservations Forest Health Watershed Coordinator Grant Program.

The Lassen National Forest, Hat Creek Ranger District, has been partnering with the Fall River RCD for approximately ten years as a partner in the Burney-Hat Creek Community Forest and Watershed Group. The RCD was instrumental in developing this Collaborative, and with assisting the Lassen National Forest with their Collaborative Forest Landscape Restoration (CFLR) program.

During the last two years, the Lassen National Forest has requested assistance from the RCD and other partners to take a larger role in developing and implementing forest health projects. In fact, the Forest has tasked the RCD with the Crossroads project, a 2,800 acre fuels reduction activity in the Burney area Wildland Urban Interface (WUI) zone.

The RCD secured Sierra Nevada Conservancy funds to help develop the plan for this project, and the Lassen National Forest contributed \$100,000 to a Master Stewardship Agreement with the Mule Deer Foundation to augment the work. The intent of these funds are to leverage existing monies for this project, and if funds remain, continue to work with the RCD and partners on new projects. Eventually, the Supplemental Project Activities (SPA) Financial Plan in the Mule Deer MSA will be transferred to a new MSA being developed between the Fall River RCD and Lassen National Forest.

The RCD proposal and partnership with the Lassen National Forest is directly in line with for National directive of Shared Stewardship. By working with multiple partners, we hope to increase collaboration and set landscape level priorities for targeted treatments in areas with highest payoffs. Our recent Forest Health proposal submitted to CAL FIREs California Climate Investment program through the RCD seeks to launch this effort.

Forest staff has reviewed the goal and objectives of the RCDs grant application and are highly supportive. In addition to funding mentioned above, Lassen National Forest staff will meet with the Watershed Principal on several subtasks described in order to advance them and expand the Burney-Hat Creek Forest Health Project. A successful RCD application would greatly leverage existing money and activities in the watershed, support the Forest Carbon Plan, and support other



local regional plans (e.g. Burney-Hat Creek Watershed Management Plan, Upper Pit River Integrated Regional Water Management Plan).



CHRIS CHRISTOFFERSON
Acting Forest Supervisor

cc: Bobette Jones, Carol Thornton, Chris O'Brien, Janine Book, Russell Nickerson



United States
Department of
Agriculture

Forest
Service

Modoc National Forest
Big Valley
Ranger District

P.O. Box 159
508 South Main Street
Adin, CA 96006
(530) 299-3215

File Code: 1950

Date: 02/11/2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program

Dear Department of Conservation:

The U.S. Forest Service is submitting this letter to confirm our support for the grant application submitted by the Fall River and Pit Resource Conservation District (RCD) to the Department of Conservations Forest Health Watershed Coordinator Grant Program.

The Modoc National Forest, Big Valley Ranger District, has been partnering with the Pit RCD for many years. Most recently, the RCD and FS completed the Cove Fire Salvage Project whereby the Pit RCD "team" of staff and consultants led this effort. Their team completed most all of the National Environmental Policy Act (NEPA) compliance and guided the project through award and implementation. The success of this project and partnership has initiated a desire by the Forest to continue with new projects. As such, the Forest is contributing \$100,000 to a Master Stewardship Agreement between the RCD and Modoc NF to conduct work on the Stone Fire Salvage project and other new projects to be identified and developed.

I have discussed the Goals and Tasks within the RCDs grant application with the Watershed Principal. I have also reviewed this information and found it consistent with DOC's Forest Health Watershed Coordinator Grant Program goals and objectives. In addition to funding contributed within the MSA, Forest staff will meet with the Watershed Principal on several subtasks described in order to advance them and expand the Upper Pit River Forest Health Project.

Sincerely,

Garrett Noles
Acting District Ranger
Doublehead and Big Valley Ranger Districts
Modoc National Forest





Sierra Pacific Industries

Burney District • Burney, California 96013. • P.O. Box 2677 • (530) 335-3681

February 13, 2019

Dear Department of Conservation (DOC):

Sierra Pacific Industries is submitting this letter to confirm our support for the grant application submitted by the Fall River and Pit Resource Conservation District (RCD) to the Department of Conservation's Forest Health Watershed Coordinator Grant Program.

Staff from our company participate in the Burney-Hat Creek Community Forest and Watershed Group, as well as the Burney Basin Fire Safe Council Collaborative. During these meetings, we have identified and discussed multiple future projects that would advance more forest health work, particularly on federally managed lands. In addition, there is a need for more active work within the Burney Community to promote fire safety. We have reviewed the Tasks identified in the RCD's proposal to DOC and believe they represent work that would benefit the region and leverage existing efforts.

Sierra Pacific Industries manages several large tracts of timberland within the project area and is currently working with the RCD to develop fuels reduction projects as part of their proposal to CAL FIRE's CCI-Forest Health Grant Program.

Sincerely,

Keith L. Greenwood

Keith L. Greenwood
Burney District Manager



UPPER PIT RIVER IRWM
REGIONAL WATER MANAGEMENT GROUP
P.O. Box 1434
Alturas, CA 96101
530.233.4314 ext. 114

February 7, 2019

RE: Watershed Coordinator Program

Dear Department of Conservation,

The Pit River Resource Conservation District (RCD) and the Fall River Resource Conservation District (RCD) has been a member of the Upper Pit River Integrated Regional Water Management (IRWM) Regional Water Management Group (RWMG) since inception. By participating in integrated watershed management with the Upper Pit River RWMG, crucial work on a watershed level basis with federal, state and private partners has and will continue with assessment of our region and encourage collaboration to identify, design and implementation of projects that benefit the Upper Pit River region which includes both public and private lands. As a result of ongoing work, they continue to successfully implemented projects, having multiple benefits that improve riparian health, forestry, wildlife habitat, livestock management and irrigation efficiency.

The Upper Pit River IRWM RWMG partnerships encourage collaboration on water conservation and restoration projects. The Upper Pit River RWMG is in total support of the Pit RCD/Fall River RCD partnership and efforts to acquire capacity funding for a full-time Watershed Coordinator and look forward to working with them in the future on watershed improvement.

Sincerely,



Stacey Hafen
Regional Water Management Group Coordinator
Upper Pit River IRWM



February 14, 2019

Watershed Coordinator Program Manager
Department of Conservation
Division of Land Resource Protection
801 K Street, MS 18-01
Sacramento, CA 95814

To Whom It May Concern:

The Sierra Institute for Community and Environment's (Sierra Institute) supports the Pit and Fall River Resource Conservation Districts (Pit and Fall River RCDs) proposal to the Department of Conservation's 2019 Watershed Coordinator grant program.

The Sierra Institute is a primary partner of the Burney-Hat Creek Community Forest and Watershed Group (BHC). The Sierra Institute partnered with the Fall River RCD to assist with establishing the BHC nearly ten years ago, and today continues to work closely with the RCD and other partners to facilitate group meetings. The BHC works closely with project partners to advance the planning and implementation of forest and watershed health projects throughout the RCD's jurisdiction, including the core 364,000-acre BHC footprint, which lies adjacent to the South Lassen Watersheds Group (SLWG) planning unit. The Sierra Institute also facilitates the SLWG planning unit, and as this collaborative matures and projects become more defined, there is critical opportunity to coordinate and collaborate across adjacent boundaries to achieve landscape-level objectives.

To increase the impact of coordinated efforts at the watershed scale and across all jurisdictions, the Sierra Institute dedicates staff time, area expertise, local data, and associated resources to the efforts of planning and implementing projects focused on improving watershed and community health. These contributions improve the Pit and Fall River RCD, and other partners' efficacy in prioritizing collaborative projects.

The Pit and Fall River RCDs collaborative efforts through the BHC and Burney Basin Fire Safe Council Sierra represent a valuable contribution to improving conditions within critical upper watersheds. Given the long-standing partnership between Sierra Institute and the Fall River RCD, and the mutual goals of both BHC and SLWG to advance landscape-level forest and watershed projects at an increased pace and scale, the Sierra Institute strongly recommends your support for the RCDs proposal.

Sincerely,

Jonathan Kusel, Ph.D.
Executive Director

9. Proof of applicant capacity

Applicants should provide a short narrative description of their capacity to successfully implement the grant, should the project be funded. This description should address:

- How the applicant's board and/or management structure will contribute to the effective execution of project tasks.
- Any professional staff within the applicant's employ who are qualified to develop and successfully implement the tasks outlined in the proposal. The response should include a description of the skills and experience of such staff or, if the applicant does not possess such expertise, how the applicant will acquire this expertise.
- Any financial resources at the applicant's disposal to support the implementation of the grant.
- Any additional resources the applicant can draw on to ensure his/her success. Resources include, but are not limited to volunteers, physical capital, and existing partnerships.

The Watershed Principal (Todd Sloat) and RCDs Executive Director (Sharmie Stevenson) have successfully developed and implemented over twenty-five projects in the last 10 years totaling over 10M dollars using the proposed management structure. This structure consists of part-time staff (Mrs. Stevenson) and a local consultant (Forest Creek Restoration, formerly Todd Sloat Biological Consulting, Inc., operating as Watershed Principal/Manager/Coordinator) serving to implement RCD strategic plan goals/objectives and improve watershed conditions. Past project costs varied between \$10,000 - \$3,000,000, and included a wide range of resource topics (e.g. forest health, agriculture efficiency, and wetland restoration). The successful completion of this work is based on management principles of trust, communication, risk management, responsibility, and accountability. Numerous project partners are also responsible for past RCD project success (e.g. USFS, NRCS, Ducks Unlimited, California Waterfowl Association, Mule Deer Foundation, Lassen County Fire Safe Council, private agriculture and industrial timberland owners/managers). This proposed project will rely upon those same partnerships and principles to ensure project success. While the overall project may seem complex, it is actually quite simple when management focuses on individual project goals and tasks. Sharmie Stevenson has been serving an Administrative role and Executive Director role for the Pit RCD for over twenty five years. Todd Sloat has served as Watershed Coordinator for seventeen years and will mentor the other Coordinator (Garrett Costello) within this proposal. A biographic summary of Forest Creek Restoration is provided at the end of this section.

Garrett Costello, sole proprietor of Symbiotic Restoration Group, will serve as the Watershed Coordinator for this project. Mr. Costello has a B.S. in Environmental Management and Protection, with a minor in Recreation Management. His specialties' include soil science, wetland and stream restoration, project coordination, outreach and communication, design, and website development. He moved to the Burney community three years ago and has been employed by the US Forest Service and Todd Sloat Biological Consulting. He currently works part-time for the Fall River RCD conducting outreach for a proposed bioenergy facility, and operates his business conducting work locally on skills listed above.

The Fall River RCD Board of Directors (BOD) is composed of seven members and the Pit RCD Board five. Both Boards are committed to the community and natural resource management, and serve to provide leadership and purposeful project development and implementation. The Fall River RCD BOD led the effort to establish the Burney-Hat Creek Community Forest and Watershed Group (i.e. central collaborative for which the Burney Basins Collaborative Forest Landscape Restoration (CFLR) Project was established). The RCD BOD also led the formation of the Burney Basins Fire Safe Council, and co-led the Upper Pit River Integrated Regional Water Management Group. As described above, each of these Collaborative groups provide forums where projects are developed and vetted, with the Burney Basins CFLR as the central planning entity for this proposal.

Similar projects of magnitude and complexity include the previous Pit RCD funded Watershed Coordinator. The project consisted of improving collaboration among partners and developing trust, leveraging over eight million dollars in new grant funds to the region, advanced integrated resource planning through Collaboratives, and assisted with developing and implementing several stream/meadow restoration projects. The RCD Executive Director and Watershed Principal also led the effort to develop and implement the Cove Fire Salvage Project, including all steps to complete NEPA for the project including scoping, effects analysis, preparation of the EA, Decision Notice, and Emergency Situation Determination. The RCD also developed the timber sale contract and assisted the USFS with implementation administration by utilizing a Stand Alone Stewardship Agreement.

Overall, the Executive Director and Watershed Principal have successfully implemented over thirty grant funded natural resource related projects in the past 15 years, all of which have come under or at the budgeted amount and met all grant invoicing and reporting requirements. Additionally, five of these grants were chosen at random, by the State Department of Finance, for audits in 2017 and at the conclusion of the audit practice there were no findings by the Department.

The Pit RCD has limited financial resources at their disposal to support the grant. All of the disposable income has been “invested” into forest health project on federal land through a Master Stewardship Agreement. The RCD decided upon this strategy in January 2018 when the US Forest Service requested help for the Cove Fire Salvage Project. If funding is secured through this grant proposal, the States (i.e. DOC) financial contribution will be added and tracked within the MSA. The RCD believes future program income will result from this new approach and be available to support future Watershed Coordination activities. A discussion of this approach for self-funding was provided early within the application.

Forest Creek Restoration, Inc. Biographic Summary: Forest Creek Restoration, Inc. (Forest Creek) is small consulting firm specializing in developing and implementing stream-meadow and forest restoration projects. Todd Sloat, President, has a BS in Wildlife and Fisheries Biology and MS in Ecology where he focused on wetland ecosystems. He has a wide range of technical skills including biological surveys (e.g. terrestrial wildlife, fish, plants), habitat and geomorphic assessments, compliance and permitting, development of management and monitoring plans, construction and construction supervision, and facilitation of multi-stakeholder groups. Forest Creek currently conducts most of their work within NE California where they assist partners to develop and implement restoration projects on private and public lands. The company has been doing this type of work since 2000 and also holds a Class A – General Engineering Contractor’s license in California. Forest Creek is one of a handful within CA that is licensed by the State to provide design-build services for stream-meadow restoration projects.

In addition to the above narrative, applicants must provide at least two of the following documents as evidence of their capacity to manage the grant, if the project is awarded funding:

- Evidence of previous experience successfully implementing grants similar in size and scope within the last three (3) years.
- A copy of the current annual organizational budget. **(See Attached)**
- A copy of the most recent financial audit (if an audit is not available, a copy of the organization’s recent financial statements). **(See Attached)**
- If the applicant or is a non-profit, copies of the most recent Federal form 990 and IRS 501(c)(3) Tax Determination Letter.
- Letters of support from previous clients, partners, or grantors that reference the organization’s experience.

Pit Resource Conservation District
Budget Overview: FY 2018-19 - FY19 P&L
 July 2018 - June 2019

	Total
<u>Income</u>	
Contributions - Private	75,000.00
Non-Profit Grants	10,000.00
Federal Grants	50,000.00
State Grans	6,000,000.00
Total Income	\$ 6,135,000.00
Gross Profit	\$ 6,135,000.00
 <u>Operations Expenses</u>	
Advsertising	1,000.00
Computer Software/Supplies	1,500.00
Education	1,000.00
Equipment Rental	7,500.00
Insurance	3,000.00
Indirect/Admin	34,000.00
Membership Fees	750.00
Office Expense	2,500.00
Office Supplies	2,500.00
Supplies/Materials	5,000.00
Travel	5,000.00
Total Operations Expense	\$ 63,750.00
 <u>Payroll Expenses</u>	
Wages	48,000.00
Taxes	5,800.00
Workers Compensation	
Insurance	3,000.00
Total Payroll Expenses	\$ 56,800.00
 <u>Professional Fees</u>	
Accounting	8,500.00
Construction	5,000,000.00
Contract & Consulting	900,000.00
Legal Fees	5,000.00
Total Professional Fees	\$ 5,913,500.00
 <u>Capital Repairs</u>	
	10,000.00
Total Capital Repairs	\$ 10,000.00
 Total Expenses	\$ 6,044,050.00
Total Income	\$ 6,135,000.00
 Net Income	\$ 90,950.00

Pit Resource Conservation District

Financial Statements
For the Year Ended
June 30, 2018



Pit Resource Conservation District
June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board of
Pit Resource Conservation District
Bieber, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Pit Resource Conservation District (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Monica Derner CPA PC
Alturas, California
December 31, 2018

Basic Financial Statements

Pit Resource Conservation District
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2018

	Total Governmental Funds	Adjustments (Note 2)	Government - Wide Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 109,343	\$ -	\$ 109,343
Grants receivable	128,645	-	128,645
Expenses paid in advance	1,653	-	1,653
Capital assets, non-depreciable	-	545	545
Capital assets, depreciable, net	-	-	-
 Total assets	 <u>\$ 239,641</u>	 <u>\$ 545</u>	 <u>\$ 240,186</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 83,940	\$ -	\$ 83,940
Accrued payroll and related obligations	2,602	-	2,602
Payments received in advance	3,457	-	3,457
 Total liabilities	 <u>\$ 89,999</u>	 <u>\$ -</u>	 <u>\$ 89,999</u>
<u>FUND BALANCES / NET POSITION</u>			
Net investment in capital assets	-	545	545
Unrestricted	149,642	-	149,642
 Total fund balances / net position	 <u>149,642</u>	 <u>545</u>	 <u>\$ 150,187</u>
 Total liabilities and fund balances	 <u>\$ 239,641</u>	 <u>\$ 545</u>	

The accompanying notes are an integral part of these financial statements.

Pit Resource Conservation District
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
For The Year Ended June 30, 2018

	Total Governmental Funds	Adjustments (Note 2)	Government - Wide Statement of Activities
<u>REVENUES</u>			
Revenues			
Operating grants and contributions	\$ 382,890	\$ -	\$ 382,890
Fees for service	52,815	-	52,815
Investment income	973	-	973
Other revenues	864	-	864
	<u>437,542</u>	<u>-</u>	<u>437,542</u>
<u>EXPENDITURES / EXPENSES</u>			
Administrative costs and overhead	36,763	-	36,763
Contingencies	-	-	-
Communications	-	-	-
Food	-	-	-
Maintenance, buildings	-	-	-
Memberships	600	-	600
Office expense	2,459	-	2,459
Professional & specialized services	340,139	-	340,139
Publications & legal notices	-	-	-
Specialized departmental expenses	47,051	-	47,051
Capital outlay	-	-	-
Depreciation	-	-	-
	<u>427,012</u>	<u>-</u>	<u>427,012</u>
Excess (deficiency) of revenues over expenditures / expenses	10,530	-	10,530
<u>FUND BALANCES / NET POSITION</u>			
Beginning of the year	139,112	545	139,657
End of the year	<u>\$ 149,642</u>	<u>\$ 545</u>	<u>\$ 150,187</u>

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pit Resource Conservation District (District) was formed in the 1940's to address issues pertaining to soil and water conservation. Also, in 1974, the Adin-Lookout Resource Conservation District merged with the Pit Resource Conservation District to form what is known as today's Pit Resource Conservation District.

The District, in cooperation with the Natural Resources Conservation Service, provides technical and financial assistance to agricultural producers and promotes vegetation management to benefit stream channel stability and wildlife enhancement. In 1996 the District entered into an agreement with CDFG to contract grazing, farming and haying operations on the Ash Creek Wildlife Area. Most recently, the Pit RCD has expanded its watershed management role and activities. It has secured public grants used to hire a watershed coordinator, conducted monitoring and watershed assessment studies, and implemented on-the-ground projects to improve stream and upland conditions. Ultimately, the District's mission is to protect, conserve, restore, and enhance natural resources for sustainability and economic diversity.

As a Special District, it is governed by an appointed board of directors that establish priorities and set policy. Directors are landowners within the district boundaries and volunteer their time without compensation. The District abides by Division 9 guidelines for its operating activities.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

In evaluating the District as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the District may be financially accountable and, as such, should be included within the District's financial statements. The District (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the District. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of these criteria, the District does not have any component units.

B. Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities include the financial activities of the overall government.

When both restricted and unrestricted net assets are available, restricted resources are depleted first before the unrestricted resources are used.

Fund Financial Statements

Fund financial statements of the District are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District has only one fund (the General Fund), which is a governmental fund type.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Funds

Governmental Fund Types:

General Fund – The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Capital Projects Funds – This fund is used to account for resources that are used for the acquisition or construction of major capital projects.

No other fund or fund types are used by the District.

C. Measurement Focus and Basis of Accounting

Measurement Focus

In the *government-wide financial statements*, activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with the activities are reported. Net position (ie total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted; and unrestricted components.

In the *fund financial statements*, activities are presented using a current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present resources and uses of available spendable financial resources during a given period. Fund balance is the measure of available spendable financial resources at the end of the year.

Basis of Accounting

Government-wide statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and non-exchange transactions are recognized when the exchange takes place.

The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after the year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

D. Budgets

The board of the District formally adopts a budget for each fiscal year. The accounting basis used for budgetary purposes is the same as that used for financial statement purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

The District considers all highly liquid investments (including any restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents.

F. Capital Assets

Equipment with a cost of \$5,000 or more and estimated lives of more than 1 year is accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except donated assets are recorded at their estimated fair market value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is calculated using the straight line method of depreciation over the estimated useful lives ranging from 5 to 40 years.

The cost and accumulated depreciation of a capital asset sold or retired is deducted from capital assets, and any gain or loss resulting from the disposal is credited or charged in the non-operating section of the Statement of Revenues, Expenses, and Changes in Net Position. The cost of current repairs, maintenance, and minor replacements is charged to expenses.

G. Fund Balance / Net Position

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non Spendable includes amounts that cannot be spent because they are either 1.) Not in spendable form, or 2.) Are legally or contractually required to be maintained intact.

Restricted includes amounts for which constraints have been placed on the use of the resources either 1.) External imposed by creditors (such as through debt covenant), grantors, contributors, or laws or regulations of other governments, or 2.) Imposed by law through constitutional provisions or enabling legislation.

Committed includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Executive Board. These amounts cannot be used for any other purpose unless the Executive Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations the extent that existing resources have been specifically committed for use in satisfying those contractual obligations.

Assigned includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Board or through Board delegation to management.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned includes the residual fund balances not included in any of the above categories.

Net position in the government-wide financial statements comprises various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified into the following three components.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balance of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* consists of constraints imposed by creditors (such as through bond covenants), grantors, contributors, or laws and regulations or other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* consists of net position that does not meet the definition of restricted net position or invested in capital assets, net of related debt.

When both restricted and unrestricted net assets are available, unrestricted resources are depleted first before the restricted resources are used.

Fund Balances

In the governmental fund financial statements, reserves and designations segregate portions of fund balance. Reservations of fund balance are for amounts that are not available or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance are established by action of management and represent tentative plans that are subject to change.

H. Revenues

The District derives its revenues from a share of property taxes from properties located within the District, grants, and fees that are charged for certain services performed by the District.

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Accounts Receivable

The District uses the direct write off method for bad debts. This method does not materially differ from the allowance method since receivables are considered fully collectible.

NOTE 2 – ADJUSTEMENTS; FUND FINANCIAL STATEMENTS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Adjustments presented on pages 3 through 6 of the financial statements are for the purpose of converting the fund financial statements to government-wide financial statements. The adjustments are as follows:

Statement of Net Position and Government Funds Balance Sheets:

Amounts reported for assets for governmental activities in the statement of net position are different from amounts reported in governmental funds because in governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital

6/30/18

\$ 545

Statement of Activities and Governmental Revenues, Expenditures, and Changes in Fund Balances:

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because in governmental funds, the cost of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expenses.

\$ -

NOTE 3 – RISK MANAGEMENT

The District manages its various risks through the use of insurance policies from commercial insurance carriers. The District deems its policies are adequate for workers compensation claims and general liability claims.

NOTE 4 – CASH AND INVESTMENTS

The District's does not have any policies intended to limit the District's exposure to interest rate risk, credit risk, or concentration of credit risk.

Investments Authorized

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by California Government Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value in market interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the hold of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

NOTE 4 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policies of the District contain no limitations on the amounts to be invested with any one issuer other than that stipulated by California Government Code.

Custodial Credit Risk

Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's investment policy and California Government Code do not contain legal or policy requirements that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Cash Balances

All cash held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) to a total of \$250,000. In addition, under California government code Title 5, commencing with Section 53560, banks are required to provide securities of at least 10% in excess of the total amount of deposits secured by those securities. Aggregate funds on deposit at June 30, 2018 were less than \$250,000.

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Pit Resource Conservation District
Notes to Financial Statements
June 30, 2018

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018:

<u>Government Activities:</u>	Balance 6/30/17	Additions	Retirements	Balance 6/30/18
Capital assets not being depreciated:				
Land	\$ 545	\$ -	\$ -	\$ 545
Capital assets being depreciated:				
Buildings	\$ 2,180	\$ -	\$ -	\$ -
Less accumulated depreciation	-2,180	-	-	-2,180
Net depreciable assets	\$ -	\$ -	\$ -	\$ -

Capital asset activity for the year ended June 30, 2017:

<u>Government Activities:</u>	Balance 6/30/16	Additions	Retirements	Balance 6/30/17
Capital assets not being depreciated:				
Land	\$ 545	\$ -	\$ -	\$ 545
Capital assets being depreciated:				
Buildings	\$ 2,180	\$ -	\$ -	\$ 2,180
Less accumulated depreciation	-2,180	-	-	-2,180
Net depreciable assets	\$ -	\$ -	\$ -	\$ -

Required Supplementary Information

Pit Resource Conservation District
 Budgetary Comparison Schedule
 For The Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable) from Final Budget</u>
Revenues				
Operating grants and contributions	\$ 70,000	\$ 70,000	\$ 382,890	\$ 312,890
Fees for service	-	-	52,815	52,815
Investment income	-	-	973	973
Other revenues	-	-	864	864
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>437,542</u>	<u>367,542</u>
Expenditures				
Administrative costs and overhead	-	-	36,763	(36,763)
Contingencies	1,400	1,400	-	1,400
Communications	2,000	2,000	-	2,000
Food	250	250	-	250
Maintenance, buildings	200	200	-	200
Memberships	700	700	600	100
Office expense	50	50	2,459	(2,409)
Professional & specialized services	15,000	15,000	340,139	(325,139)
Publications & legal notices	400	400	-	400
Specialized departmental expenses	50,000	50,000	47,051	2,949
Capital outlay	-	-	-	-
	<u>70,000</u>	<u>70,000</u>	<u>427,012</u>	<u>(357,012)</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,530</u>	<u>\$ 10,530</u>

The accompanying notes are an integral part of these financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Governing Board of
Pit Resource Conservation District
Bieber, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Pit Resource Conservation District (District), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and district responses noted as 2018.1 – 2018.2.

Compliance and Other Matters

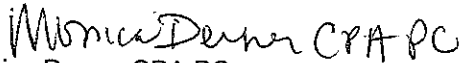
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and district responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Monica Derner CPA PC
Alturas, California
December 31, 2018

Schedule of Current Year Findings and District Responses:

Material Weakness

2018.1 Lack of Segregation of Duties

Criteria. It is the District's responsibility ensure that sufficient safeguards are in place to protect its assets and provide complete and accurate financial statements in accordance with generally accepted accounting principles (GAAP).

Condition. The District did not adequately segregate operational activities.

Cause. The District has too few employees to adequately separate tasks.

Effect. The District may be susceptible to fraudulent activity.

Recommendation. The District should adopt and utilize policies and procedures where board members support operational tasks while continuing to monitor activities.

Response. The District is in agreement with the recommendation, and will review and update its policies and procedures accordingly.

Material Weakness

2018.2 Accrued Activity is Not Recorded

Criteria. It is the District's responsibility to prepare complete and accurate financial statements in accordance with generally accepted accounting principles (GAAP).

Condition. The District did not accrue substantial receivables and expenses pertaining to current operations.

Cause. The District is required to submit grant requests for reimbursement on specific cycles that may not coincide with posting practices.

Effect. Receivables, payables, and related accounts did not reflect activity in its entirety through year end.

Recommendation. The District should adopt and utilize policies and procedures that support the reporting of data in the appropriate reporting period.

Response. The District agrees with the recommendation and will review and update its policies and procedures accordingly.

Prior Year Status:

There were no prior year findings.

