# Meeting Brief

* Nick Wobbrock of Blue Forest Conservation presented the Forest Resilience Bond to the ACCG and discussed opportunities for collaboration.
* Tania Carlone provided an overview of the project development and approval package, then sought consensus to test run implementation of the new process, as recommended by the Planning WG, to learn from and refine the process through experience and over time. The ACCG reached consensus to text run the process.

# Action Items

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| **Actions** | **Responsible Parties** |
| Distribute the Monitoring Work Group Field Symposium draft flyer to full ACCG. | Regine Miller. |
| Incorporate hyperlinks into the February general meeting agenda and post on website as final. | Regine Miller. |
| Name the January meeting summary document as final and post to the website. | Stephanie Horii. |
| Post the project development and approval package to the website. | Stephanie Horii. |

# Summary

## Modification and/or approval of agenda and January 2020 Meeting Summary.

## There were no modifications to the agenda. Regine will incorporate the missing hyperlinks and post the agenda as final on the website. The January General Meeting summary was adopted as final with no changes and is to be posted on website.

## Presentations, Discussions and Business

**Presentation: Forest Resilience Bond model for private investment on public lands project, and the potential for collaborative within ACCG focus area.**

Nick Wobbrock, co-founder of Blue Forest Conservation (BFC), introduced the organization and stated that BFC helps to finance projects that others plan and want to implement, and that Nick and his colleagues are at the ACCG meeting to learn about the ACCG and determine how to help establish funds to do the work others want to do. Nick stated that he is a civil engineer, and co-founded BFC with Zach Knight five years ago after going to business school. BFC currently has a staff of 8.

Nick began his [power point presentation](https://acconsensus.org/wp-content/uploads/2020/02/FRB_ACCG_2.18.20.pdf) and described how the Forest Service has flat budgets, with a greater percentage of the budgets consumed by fire suppression each year. This translates to fewer resource dedicated to resiliency projects and more to fire suppressions, which affects Forest Service lands, and adjacent lands and communities. Nick went on to describe that collaboration can be difficult, financial and human resources are limited, and reimbursable grants are often constrained by cash flow. Nick described how BFC created the Forest Resilience Bond (FRB) to help overcome this. The FRB is a public-private partnership which secures investment to achieve social, environmental and financial benefits by helping to actualize projects that would otherwise not take place. Nick described how the FRB is used to involve co-beneficiaries such as water and electric utilities, insurance companies, and transportation agencies which have shared values and also individual interests that can be met through restoration projects.

Nick posed the question: where can additional funding for restoration project implementation come from? A small amount of funding may come from appropriations or from raising taxes but, for a larger source, private capital can provide an opportunity to fund projects, and can also provide cost sharing.

Nick described how the FRB can allow for greater efficiencies by paying contractors on time, enabling concurrent biomass facility financing, supporting rural economic development, and creating sustainable, long-term employment. Nick briefly discussed BFC’s [recent article published in the San Francisco Federal Reserve](https://acconsensus.org/wp-content/uploads/2020/02/SF-Federal-Reserve-Article.pdf). He went on to state that the bond can connect investor money with forest management projects that provide fire resiliency, water protection, and job benefits. BFC works with a legal firm to quantify and monetize a project’s benefits, develop contracts and then establish financial vehicles to create return for investors. Nick offered to share an additional [article about the non-monetary benefits of the FRB](https://acconsensus.org/wp-content/uploads/2020/02/FRB-More-Than-Finance.pdf).

Nick reviewed and discussed the partners BFC works with to implement the FRB. He then explained the mechanics of the FRB. The first step is to identify and permit a project, then BFC, together with a local partner organization, establishes a FRB LLC (has no employees). Private investors put money into the LLC which is then passed to a trusted non-profit partner, such as CHIPS. A project proponent receives all of the funds up front that is tied to a project’s specific NEPA action. Over time as the project is implemented and benefits are generated, the beneficiaries make payments to the LLC which is then used to pay back the investors plus a modest (2.5%) rate of return. Each beneficiary signs a different contract for repayment. While the Forest Service cannot pay for benefits, others such as a water agency can.

Nick explained where the return on investment comes from, and that the capital cost of the project and the return on investment (interest) must equal the utility contracts plus State and Federal contributions. He stated that this model helps to reduce the risk for the beneficiaries and put it on investors.

Nick stated that the FRB model helps to expedite projects by providing funding up front and taking less time to implement work as compared to reimbursable grants subject to cash flow constraints. On the Tahoe National Forest, Yuba River Ranger District, the North Yuba Project will take 3 to 4 years to implement using the FRB instead of 8 to 10 years without the bond.

Nick reviewed and discussed the FRB project success criteria which were developed internal learning from their first project. Nick stated that strong forest and local leadership that is willing to try something new and innovative is a key element. BFC is interested in projects that are already planned and permitted because BFC NEPA takes too long and BFC does not want to drive project development.

Nick shared about the North Yuba Project on the Tahoe National Forest which was motivated by a fire risk analysis that indicated a majority of extreme and very high fire risk areas. BFC brought the project to the YWA Board which funds includes thinning, prescribed fire, aspen and meadow restoration, and invasive weed treatments. In the case of the North Yuba Project, the YWA was particularly interested in reducing fire risk for woody debris flows. The YWA contract is not tied to water quantity increases but does include monitoring for it. Nick explained that YWA signed a fee for service contract, meaning the agency pays $300,000 each year as work is accomplished for 5 years. YWA has the option to delay payment in the event of a low water year and can also pay based on outcomes. YWA pays below market rates for the project’s restoration benefits from cost sharing with partners. The total project cost is $4MM, with YWA paying $1.5M.

Nick shared that investors like larger projects. The current North Yuba project treats 7,000 acres treatment to protect 15,000 acres. Approximately $800,000 was spent in 2019 field season, with $1.5M expected to be expended in the 2020 field season. The YWA contract was signed in November 2018 after which work began before snow fell that winter. Currently, The Nature Conservancy, the South Yuba River Citizens League and others have signed a Memorandum of Understanding to plan for an additional 250,000-acre FRB project in the North Yuba watershed.

Nick reviewed potential opportunities to develop a RFB with the ACCG. He described the need to identify project(s) that the group would like to see occur on the ground, determine the benefits of the project and identify the beneficiaries that we can approach together about how the project can be in their interest, develop beneficiary contracts, secure investors who pay the project capital upfront, implement the project(s), conduct an annual independent evaluation of measure success, payments by beneficiaries are made, and the return is paid to the investor.

**Discussion Summary**

* One participant ask when the beneficiaries pay back the LLC, does the money pass through the LLC or does it go directly to investor? Nick replied the latter was used on the North Yuba Project FRB, but it could be specified otherwise in the investor agreement. Nick went on to state that the investor agreements take about six months to develop.
* One participant asked why would a utility or the Forest Service pay the cost of the project plus the return on investment that goes to investors. Nick replied that projects that have not been planned and permitted are not taking place due to a lack of resources and difficulty to put up money up front. Nick stated that beneficiaries may opt to pay back the FRB over more than ten years. Nick stated that while there is debate over potential water supply benefits, there is agreement how to measure it. He went on that the FRB can be used to package a project that a utility can participate in without having to wait 10 years to see if there is an increase in water quantity.
* One participant asked if the FRB included international investors to which Nick replied that there is no reason international investors may not participate so long as they’re willing to take 1 to 4% return on their investment.
* One participant asked if and how the Yuba Water Agency (YWA) (utility beneficiary on North Yuba Project), which is a public agency, can justify the investment. Nick replied that YWA can justify the investment and an agreement is in place. The restoration project is a significant discount when compared to the YWA’s potential risk. Nick offered to share the YWA agreement.
* One participant asked if there is a minimum investment up front. Nick replied that not necessarily, however, projects need to be landscape scale and cost at least $2MM to attract investors. A series of small projects could potentially be bundled together to form a single large project.
* One participant asked if the State financing source of repayment on the North Yuba project is a CAL FIRE grant or directed funds. Nick replied that the State financing was a grant. The FRB LLC takes in a loan, fronts the money to implement the word at 0%, then the loan is paid by the grant.
* Some participants were interested to know information from BFC that helps to turn recreation benefits into a tangible metric. Nick replied that he can provide information on evaluating recreation and also tourism benefits, and that one would want to also examine tax revenue.
* One participant asked if the Forest Service was a beneficiary. Nick replied that yes, the Forest Service was a beneficiary and completed the NEPA. There was also log value from stewardship retained receipts by the Master Stewardship Agreement holder (non-profit partner) that could be an additional source of value.

**Presentation and discussion: Seek concurrence with the Planning WG recommendation to pilot the project development process and materials.**

Tania Carlone reviewed the ACCG meeting guideline principles, stating a commitment to learning and to not allowing the project development process to fail. She stated that establishing the project development process will be an iterative process. She asked for the ACCG to listen to the intent behind the words and explained that it is member’s responsibility to generate new words or ways of thinking about it. It’s also the group’s job to notice if a few individuals have dominated the conversation, so that the group can make space and allow for others to speak up. Tania asked for members to not try to win but rather seek clarification. If something is not hitting you right, offer alternatives.

Tania stated that the Planning WG recommends a test run of the project support process and intends to propose a phased implementation. The ACCG will then evaluate the effectiveness of the process. In parallel, the Planning WG ad hoc committee will determine how to “evaluate” socio-economic benefits. Tania stated when the ACCG feels the project development process has been refined to the degree that is satisfactory to the members, the final version will replace the draft version and will be viewed as a living document.

Tania explained the [project development and approval process flow chart](https://acconsensus.org/wp-content/uploads/2020/02/01-Process-for-requesting-support-from-ACCG_1-31-20.pdf). If project is time constrained or non-controversial, the project could come directly to a general meeting. If the project then requires more discussion, it could be kicked back to the Planning WG or to work with Regine to develop a letter of consensus support. If a project is not time constrained or is potentially controversial, it shall begin the process in the Planning WG. The project proponent would work with Joe Aragon or Tania first, then engage with Planning WG to develop the project and get a Planning WG recommendation to go to the full ACCG to seek consensus support.

A project proponent would need to complete the [project support submission form](https://acconsensus.org/wp-content/uploads/2020/02/02-ACCG-Request-for-Project-Support-Submission-Form_1-31-20-1.pdf), notably including section 12 of the form, project summary. The project proponent would anticipate potential areas of controversy or other people’s concerns. The tool is intended to help identify potential areas of controversy, and allow for proponents to minimize the controversy so the ACCG can reach consensus on the project and move it forward. Tania asked if the group has a general understanding of the framework and how it all fits together.

Tania stated that the Planning WG has consensus to recommend testing the process. She asked if there was any further discussion from anyone who has not yet spoke but would like to. Tania asked the group if anyone have objections to giving the project development and approval process a test run. There were no objections.

**Discussion Summary**

* One participant stated that initial comments were included using track changes, but subsequent comments have not been tracked and shared with the group. In this way, the participant stated there is no way of knowing the nature of the actual comments. Tania stated that comments were received in December, following which in January she shared the nature of the comments received and asked if they reflected that they reflected the comments.
* Some participants discussed the benefit of the knowing the specific comments and who they are attributed to.
* One participant asked to clarify that the Planning WG is leading development of the process and is the place to digest comments then come back to the full group.
* Tania stated that if the ACCG test runs the project development process, she will create a matrix to track the explicit comments with and without attribution, as contributor desires. Tania asks if this will help to which some participants agreed.
* Some participants explained that there are different perceptions of what the support tool is supposed to be. Some see it as a guide for project proponents when bringing a project to the ACCG whereas others perceive it as a filter to determine whether or not a project will be given ACCG consensus support. Participants stated that this is a guide for project proponents to use to anticipate controversy one may have when they bring a project to the group.
* Multiple participants offered support to test run the process, then subsequently further refinement occur within the Planning WG.
* One participant reminded the group that just because a treatment is not currently listed in the document does not mean it cannot be added in the future.
* Some participants discussed changing the ACCG Principles and Policies to Guide Operations document to “principles and purposes”. Tania stated that the Planning WG will discuss the actual name of the document at its next meeting, to ensure they are using the one the group choose in 2010.
* One participant stated that the process can affect the timing of getting projects done depending on whether or not the activities are controversial. The tool uses language that is tied to the Forest Service.
* One participant offered that, as the ACCG discusses this process, some of the projects may need “further consideration” as opposed to being “controversial”. To make the process and documents more all lands, the participant suggested the ACCG could examine how the California Forest Practice Rules measure success.
* One participant asked to clarify the process for a project that has already completed NEPA but is now seeking grant funding. Tania stated the project would go to the Planning WG and referred the group to the Project Submission Form Section 11, describing previous ACCG engagement. The participant stated that if the project is controversial, then returning back to the Planning WG could potentially restart the process with the Planning WG. Tania gave the example of the Scottiago Project stating that there were ongoing concerns that were eventually addressed by a field visit. The process is a way to get to shared understanding about a project.
* One participant stated that if a project has NEPA, it is done, and that the guidelines are for those who are trying to develop a project. If you already have NEPA and are trying to get an ACCG letter of support, ACCG may or may not support it.
* One participant asked if there a time period to twilight the test run to which Tania replied that the timing is going to depend upon how many projects come forward. Planning WG will update to the ACCG.
* One participant stated that the SLAWG expects to have the mapping tool available by the end of the year, so that may be a good time to re-evaluate the process and, if needed, make changes.

**Next Steps**

* The Project Development and Approval package will be posted on the ACCG website.

## UPDATES

## Admin Work Group Update

Improvements to the ACCG website homepage are underway, and that the CHIPS-Forest Service Modification #3 has been executed. This modification is expected to support administration and facilitation through FY 2020.

The Admin WG is coordinating revision of the Memorandum of Agreement (MOA), with each Work Group refining their charge and function. Changes are being compiled after which the Admin WG will review a full draft of MOA, then eventually recommend bringing the revised MOA back to the ACCG.

**Planning Work Group Update**

**SLAWG Update on Regional Forest and Fire Capacity Program (RFFCP) grant proposal.** The Sierra Nevada Conservancy (SNC) granted the Upper Mokelumne River Watershed Authority (UMRWA) the full $50,000 requested, and is now drafting the grant agreement. UMRWA is expected to contract the work to its consultant to develop a database system and user interface mapping tool which will help to create a prioritization matrix for projects. SLAWG will be engage the Planning WG and full ACCG once the project gets underway. Work is expected to be completed by the end of 2020.

**Project Development Process Ad Hoc Committee.** Today’s meeting discussion outlined the status of the project development process. Some members have expressed concern that that the project development and approval process evaluated projects based on environmental factors but did not take into account social or economic ones. An ad hoc committee comprised of three participants was established to develop a detailed and comprehensive approach to accounting for socio economic factors in the project development and approval process. The ad hoc will have something ready for the full ACCG’s review in two months.

**Monitoring Work Group Update**

The Sierra Institute for Community and Environment (SI)’s final draft of the socio economic monitoring report is expected soon and will be distributed to the ACCG when available. The group may consider discussing the final report at a full ACCG meeting.

The Monitoring WG is planning a field monitoring symposium for June 10th with July 17th as a back-up date. The symposium will include three stops: prescribe burning, plantation treatments, and meadow restoration monitoring in the Power Fire area. Regine will distribute the draft flyer to the group.

## Roundtable

Rich Farrington: The National Fish and Wildlife Foundation (NFWF) funded Power Fire Culvert Upgrades and Drainage Improvement Project is getting underway. Rich shared that he participated in the recent Potential Operational Delineations (PODs) webinar and would like to have a PODs presentation to the full ACCG.

Michael Pickard: Michael added that the Stanislaus National Forest will host a workshop on the PODs analysis in late March in Sonora. He went on to state that in SNC news, the Board will award grants at its meeting in early March with grants going to both Amador Fire Safe Council and CHIPS.

Regine Miller: The Wildlife Conservation Board funded Upper Mokelumne River Forest Restoration project is getting underway in partnership with the Amador Ranger District and UMRWA. With this in mind, CHIPS is working to recruit crewmembers in in Amador, Alpine and Calaveras Counties. CHIPSs continues to work on securing project finance for the biomass to energy plant planned for Wilseyville. CHIPS was recently granted a six month extension by the utility for the project’s grid interconnection fees.

Tim Tate: Sierra Pacific Industries (SPI) is currently logging in many locations as if it were June. There are unmet log needs at the Lincoln and Sonora facilities to get SPI through until April. SPI conducted a tremendous amount of fuel break work in 2019. This work will continue in 2020 both with new fuel breaks and maintenance of existing fuel breaks. SPI created shaded fuel breaks in the Love Creek track and around Dorrington including in areas around developed subdivisions and the north fork of the Stanislaus River. SPI’s spring planting season will begin in the next week or so. There is high demand for hand crews that accomplish revegetation work; SPI ends up sharing crews with their other districts which can be a challenge in that it can constrain the work or scale of the work, and is an increasing concern to SPI.

Joe Aragon: The Calaveras Ranger District is in the process of hiring seasonal employees which is stimulating conversation across the forest about leveraging partnerships to get the same work done with limited resources.

Steve Brink: Steve shared about the use drones to tie synthetic rope to string hay wire, and stated that there is a demonstration planned for the coast in the spring. The benefit of using drones is that riggers do not have to pack rope down the hill. Steve also shared about wildlife acoustic sound boxes that tune out other noise and detect unique sounds which will allow one to track individual owls. Steve went on to state that the Forest Service plans to test a concrete bridge deck injected with microfibrils to increase strength and reduce the amount of concrete in the vicinity of Yreka.

Dawn Coultrap: Dawn stated that she is the Acting Calaveras District Ranger through June.

Ray Cablayan: On the Forest level, Ray will be working with Yosemite Stanislaus Solutions (YSS) and will learn new things that they are doing. The Stanislaus National Forest ranks high in the region for fuels treatments. The Forest has conducted quite a bit of pile burning (every month of the year in 2019) and is looking forward to broadcast burning. Timber for the fiscal year is coming off of the Cabbage Patch and Black Springs projects. Ray stated that it is challenging to fill the seasonal positions, especially lower level positions, He went on that there are not enough people applying for GS 5 to 7 positions because people are moving onto other opportunities. Because of this, the Forest Service has used Great Basin Institute to try to find crews for forestry technicians.

Chuck Loffland: The Three Meadows Project is moving forward, all but the hydrology report are finalized. The Forest Service is close to a draft decision, and hopes to implement the project in fall 2020.

Robin Wall: Robin stated that she will be out mid-March through July on a District Ranger detail in Missouri.

Rick Hopson: The Amador Ranger District is conducting burning and logging, and is facing seasonal hiring challenges. Rick stated that the dry weather is incentive to come to these meetings.

Marc Young: Active logging on the Amador Ranger District began in early January, including on Scottiago project. Work conducted along Omo Ranch Road on SPI land ties into Forest Service land being treated. The District has planting planned this spring for the Power Fire footprint.

Greg Suba: California is proposing a budget change to invest $80MM in complete LiDAR coverage of the State. Greg is meeting with the Natural Resources Agency next week about how to make the data they generate as universally available and useable as possible.

John Buckley: Encourages the ACCG to see what is being achieved at YSS as a learning experience. John participated in press conference with the State insurance commissioner introducing legislation to not allow insurance companies to drop residents where they have met certain hardening standards. This is intended to incentivize hardening and fuels reduction.

Steve Wilensky: CHIPS and the Humboldt-Toiyabe National Forest drafted a new Specific Project Agreement (SPA) which is quite extensive. The Alpine Biomass Collaborative (ABC) now has a Master Stewardship Agreement (MSA) that was signed last week. CHIPS’ modest SNC grant for workforce development and training has spawned into an intertribal initiative wherein 100 people attended traditional ecological knowledge training. CHIPS’ Midpines Allotment crew is looking to expand their scope of work to meet the needs of Yosemite National Park. CHIPS and its partners have invoked the Stafford Act in relation to the $1B of work in the Camp Fire recovery. The groups is focused on how to spend a portion of the funds that generate local benefit. Steve stated that there is still confusion from agencies on the number of the hazard trees resulting from the fire.

# Meeting Participants

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| **Name** | **Affiliation** |
| John Heissenbuttel | Cal Am, Amador FSC |
| Michael Pickard | Sierra Nevada Conservancy |
| Sue Holper | ACCG Member |
| Steve Wilenksy | Calaveras Healthy Impact Product Solutions |
| Regine Miller | Calaveras Healthy Impact Product Solutions |
| Tania Carlone | Consensus Building Institute |
| Rich Farrington | Upper Mokelumne River Watershed Authority |
| Greg Suba | Sierra Forest Legacy |
| Joe Aragon | USFS Stanislaus NF, Calaveras Ranger District |
| Shane Dante | Foothill Conservancy |
| Robin Wall | USFS Eldorado NF, Amador Ranger District |
| Tim Tate | Sierra Pacific Industries |
| Chuck Loffland | USFS Eldorado NF, Amador Ranger District |
| Dawn Coultrap | Calaveras Range District, Acting Ranger |
| Steve Brink | California Forestry Association |
| Ray Cablayan | Calaveras Ranger District, temporarily Summit Miwok District |
| Marc Young | Amador Ranger District |
| Thurman Roberts | Calaveras Healthy Impact Product Solutions, Hung A Lel Ti Washoe tribe, Sierra Nevada Alliance |
| Mary Sketch | Center for Rural Strategies |
| Nick Wobbrock | Blue Forest Conservation |
| Kim Quesnel | Blue Forest Conservation |
| Peter Wyrsch | Blue Forest Conservation |
| Randy Hanvelt | Association of California Loggers |