

Sagebrush Ecosystem Program

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STATE OF NEVADA
Sagebrush Ecosystem Program

SAGEBRUSH ECOSYSTEM COUNCIL
STAFF REPORT
MEETING DATE: September 13, 2016

DATE: September 9, 2016
TO: Sagebrush Ecosystem Council Members
FROM: Sagebrush Ecosystem Technical Team
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SUBJECT: Informational Update on Conservation Credit System Credit and Debit Projects

SUMMARY

The purpose of this item is to provide an overall update to the SEC on the status of the four State funded projects to enable credit generation through Conservation Credit System (CCS), the three stand-alone credit generation projects, and the five debit projects.

ACCOMPLISHMENTS

- Four Project Proponent Agreements for Funding to Generate Sage-Grouse Habitat Credits fully signed and executed.
- Projects initiated in time for 2016 field season window April 15-June 30.
- State solicitation generated interest in three privately funded, SETT validated credits projects.
- All projects have conducted and finalized their desktop and field data collection per the HQT protocol.
- All credit project proponents are currently developing their draft management plans with assistance from the SETT.

Detailed project information and lessons learned are provided in the following pages.

PROJECTS APPROVED FOR STATE FUNDING

The spreadsheet below outlines the five projects as approved by the SEC during their April 7, 2016 meeting and current funding status.

Project	Proposed Action	County	Mgmt. Category	Total Project Acres	Total Estimated Sellable Credits	Funding	Estimated Base Cost Per Credit
Coleman Valley Ranch	Juniper Treatment & Pile	Washoe	PHMA	1,055	536	\$134,414	\$250.77
Cottonwood Ranch	Seeding, Preservation, & Stewardship	Elko	PHMA	1,100	807	\$48,649	\$60.28
Johns Ranch	Stewardship, Seeding, & Grazing Management	Elko	PHMA	1,097	803	\$30,000	\$37.36
Tumbling JR Ranch	Infrastructure & PJ removal, Seeding, grazing management	White Pine & Elko	PHMA & GHMA	12,414	4,268 ¹ (12,743)	\$518,068	\$121.38
Totals as of 9/8/16				15,666	6,414	\$731,131	\$113.98

¹ Original credit amount high based on overestimation

We are currently in the process of reviewing each of the proponents' verifier documents for quality control purposes. We will continue to work with each of the proponents (or their verifiers) to assist them in the development on their management plans.

NON STATE FUNDED CREDIT PROJECTS

Estill Ranches – This potential credit project is located in Management Zone V (MZ) in northern Washoe County. A validation checklist is completed and a notice of validation has been authorized by the SETT. Preliminarily, these sites incorporate significant meadow with surrounding sagebrush habitat. It was anticipated that the field data collection would be completed in the spring/summer of 2016, but the CD Program staff that were going to assist the landowner in conducting the HQT were not able to complete the HQT prior to the field data collection window of opportunity. It is anticipated that the credits will be developed and certified in 2017.

New Nevada Lands – This landowner has significant holdings of ‘checkerboard’ land across northern Nevada. These potential credits were developed in MZ IV, Owyhee Biologically Significant Unit (BSU), Tuscarora Population Management Unit (PMU) and encompassed nearly 600 acres. All of the acres analyzed in the site fell within the GHMA management category. The landowner was interested in using this site as a type of demonstration project to analyze how the CCS functions. The site produced 51 credits for potential sale. After reviewing the field data collected, it was evident that

the sites potential was limited by the presence of cheatgrass, thereby reducing the potential for perennial grasses and a lack of forb diversity. It is unclear at this time whether the landowner will actually enter these credits into the credit system as a stand-alone credit project. The landowner is interested in the potential of entering additional land into the credit system with the understanding that larger acreages with higher habitat value will likely produce significant credit potential.

Squaw Valley Ranch – This credit project site is located in MZ IV. The project proponent selected 3 separate areas they judged high quality, medium quality, and low quality to test the CCS and its outcomes. After running the HQT, the site that was valued as high quality scored accordingly in the HWT. This site was a high-value meadow site on 198 acres with very good perennial grass and forb cover as well as diversity of forbs. Given the condition of the meadow and the meadow multiplier factor, the site generated 932 total credits. The medium quality site returned a very nominal value and the low quality site scored at 0. As the other two sites were determined to have minor value to sage-grouse, it is determined that only one of the sites would be used for credit generation. The project proponent is a certified verifier, but opted to select a certified verifier from the State's list to avoid any perceptions concerning conflicts of interest.

CURRENT DEBIT PROJECTS

Bald Mountain Mine – This mine EIS was nearing completion before the Greater sage-grouse LUPA was finalized. As such, they asked the SETT to conduct a desktop analysis of the debit site to establish an estimate of the debits generated. A range of debits (based on the desktop analysis and dependent upon where the credits used to offset the debits occurred) was established and used in the EIS documents. The estimated range of debits created was 5,500 - 6,500. The credits generated by the Tumbling JR will likely be transferred to offset the debits (the proponent for the debits and credits is Kinross Gold).

Gold Rock Mine – The Gold Rock mine is located in MZIII, in BSU and PMU Butte/Buck/White Pine in western White Pine County. The total area analyzed was 30,109 acres. The estimated number of debits generated is 7,548.

Fire Creek Mine – This mine is located in MZIII, in BSU Central Great Basin and PMU Shoshone in northeastern Lander County. Like the Bald Mountain Mine, this project had an EIS finalized prior to the initiation of the credit system. The proponent reached out to the SETT to determine if there was a possibility to utilize a modified version of the HQT to determine direct impacts but use alternative measures to mitigate the indirect impacts. The SETT is in discussions with the proponent to determine the validity of the methodology. The total area analyzed was 3,014 acres. The estimated number of debits generated is not determined based on the inconsistent methodology.

Greater Phoenix Mine – This mine is located in MZIII, in BSU Northwest Interior and PMU Battle Mountain in eastern Humboldt and Western Lander Counties. The total area analyzed was 29,660 acres. The estimated number of debits generated was 370.

Gold Bar Mine – No verifier documents available.