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**STATE OF NEVADA**  
**Sagebrush Ecosystem Program**

**SAGEBRUSH ECOSYSTEM COUNCIL**  
**STAFF REPORT**  
**MEETING DATE: April 7<sup>th</sup>, 2016**

**DATE:** April 4<sup>th</sup>, 2016  
**TO:** Sagebrush Ecosystem Council Members  
**FROM:** Sagebrush Ecosystem Technical Team  
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**SUBJECT:** Update on State solicitation for Conservation Credit System Projects

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**SUMMARY**

The purpose of this item is to discuss moving forward with five recommended projects related to the State Solicitation for Conservation Credit System (CCS) credit projects. These five projects represent the highest scoring projects of the initial 21 project applications which were received, with all of these five projects seeking to enhance and/or restore greater sage-grouse habitat. In total these projects represent over 17,000 acres of greater sage-grouse habitat, across four counties and all three WAFWA Management Zones, and are estimated to generate about 15,000 credits when enrolled in the CCS.

**BACKGROUND**

In December, the State announced \$1,000,000 in funding through the Sagebrush Ecosystem Program (SEP) for projects that will enhance and restore high quality greater sage-grouse habitat on private and public land. The State of Nevada legislature also approved \$1,000,000 of funding for habitat enhancement and protection in FY2017.

***The purpose of these funds is two-fold:***

- (1) Improve greater sage-grouse habitat, and
- (2) Create a supply of “compensatory mitigation credits” to be used in the Nevada CCS.

Private landowners, businesses, conservation organizations, mitigation bankers, and state agencies were all encouraged to apply with potential projects to enhance and protect habitat on private and/or public land. Each interested project proponent was asked to submit a Letter of Interest (LOI) to the SEP to be considered for funding. To assist project proponents with submittal of their LOI an informational webinar and Q&A was held on January 15<sup>th</sup>.

LOI's were due February 8th, and the State received 21 LOI's from potential project proponents. The Sagebrush Ecosystem Technical Team (SETT) along with representatives from the Nevada Department of Wildlife (NDOW) then worked to evaluate the 21 projects according to defined eligibility requirements which included:

- *Location* – Projects must be in recognized greater sage-grouse habitat as defined by the SEP Management Categories Map.
- *Timeline* – Projects must be able to begin implementation in 2016.
- *Willingness to Participate in the CCS* – Project proponents must be willing to participate in the CCS by enrolling their credits in the system.
- *Habitat Quantity & Quality* – Project size, and expected habitat quality relative to all projects submitted.
- *Restoration & Enhancement* – Projects implement conservation activities that restore or enhance sagebrush habitat and/or increase habitat quality, as defined by the CCS Habitat Quantification Tool (HQT).
- *Public Lands* – The ability to have at least one project which includes public lands was strongly encouraged in order to provide state and federal agencies with a credit project to pilot on public land.

From the initial 21 projects, three were determined to be ineligible, and the others were ranked on the above criteria with seven projects being selected by the SETT and NDOW to develop full proposals. The SETT then worked with each project proponent to collect additional information necessary to further evaluate how the project meets the funding criteria, potential funding needs and amounts, and additional project site information. Through this process two projects decided to withdraw their application due to a lack of readiness to implement the project this summer but expect to reapply for the next round of funding, allowing for additional time to better define their project and approach.

The remaining five priority projects are now being considered for funding to support implementation of habitat improvements, including on the ground enhancements and restoration, the development of management plans, analyses of habitat quality through the HQT, and completion of all materials necessary to make projects ready to sell credits through the CCS by this fall. In addition, all projects must commit to maintaining the post-project habitat function for at least five years and funding for maintenance must be included in the request. The full proposals are evaluated using the following criteria to ensure selected projects create meaningful benefits to sage-grouse and leverage the State's funding, and the overall criteria score is provided for each project in the summary below:

- 1) *Current Habitat Quality* – Estimated landscape-scale and local-scale metrics in HQT
- 2) *Habitat Improvement & Risk Reduction* – Estimated increase in habitat function based on proposed conservation actions
- 3) *Credit Generation Readiness & Probability* – Ability to complete project this year and commitment to participate in the CCS
- 4) *Cost Effectiveness of State's Investment* – Estimated credits generated per dollar invested by the State
- 5) *Other* – Very meaningful characteristics of the project not captured by other criteria

During April, the SETT will be discussing contract terms with project proponents for the State to recover the upfront funding provided, and these discussions may influence the final selection of projects to fund.

Past Announcements

December Announcement of Funding

<https://www.enviroaccounting.com/NVCreditSystem/FileResource/GetFileResourceForProgram/252a7039-8c89-4bc0-af63-8ed20f54a000>

Project Proponent Letter of Interest Form

<https://www.enviroaccounting.com/NVCreditSystem/FileResource/GetFileResourceForProgram/878b3107-def0-4040-a681-ed1eb04d199a>

**RECOMMENDED PROJECTS FOR FUNDING**

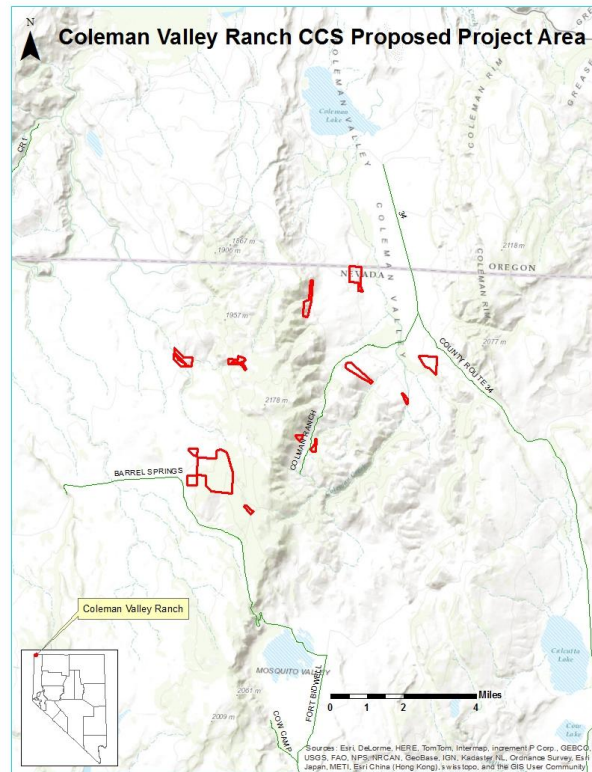
The SETT is recommending that the Council approve the five projects below for funding dependent on agreement and contract terms with project proponents in April. This approval will not be a guarantee of funding, but will allow the SETT to pursue finalization of agreement terms.

<b>Project</b>	<b>Proposed Action</b>	<b>Total Project Acres</b>	<b>County</b>	<b>Mngmt. Category</b>	<b>Total Project Estimated Sellable Credits</b>	<b>Requested Funding</b>	<b>Overall Rating (out of 25)</b>
Coleman Valley Ranch	Juniper Treatment & Pile	1,055	Washoe	PHMA	502.6	\$134,414	15
Cottonwood Ranch	Seeding, Preservation, & Stewardship	1,100	Elko	PHMA	726.5	\$60,832	16
Diamond Cattle Company	Grazing Management, Forb, Meadow and Riparian Fencing & Sagebrush Seeding	1,607	Eureka	PHMA (70%) GHMA (30%)	711.8	\$377,500	14
Johns Ranch	Stewardship, Seeding, & Grazing Management	1,097	Elko	PHMA	802.6	\$51,569	19
Tumbling JR Ranch	Infrastructure & PJ removal, Seeding, grazing management	12,414	White Pine & Elko	PHMA & GHMA	12,743.9	\$518,068	18
		<b>17,273</b>			<b>15,487.4</b>	<b>\$1,142,383</b>	

Summaries for each project are provided below.

**COLEMAN VALLEY RANCH**

<b>County</b>	Washoe
<b>Acres</b>	1,055
<b>Potential Credits</b>	502.6
<b>Requested Funding</b>	\$134,414
<b>Management Categories</b>	PHMA
<b>Land Ownership</b>	Private
<b>Management Action Type</b>	Juniper Treatment & Pile
<b>WAFWA MZ, BSU &amp; PMU</b>	V; Northwest Great Basin; Washoe-Modoc
<b>Partners</b>	None
<b>Total Project Rating Score</b>	15 out of 25



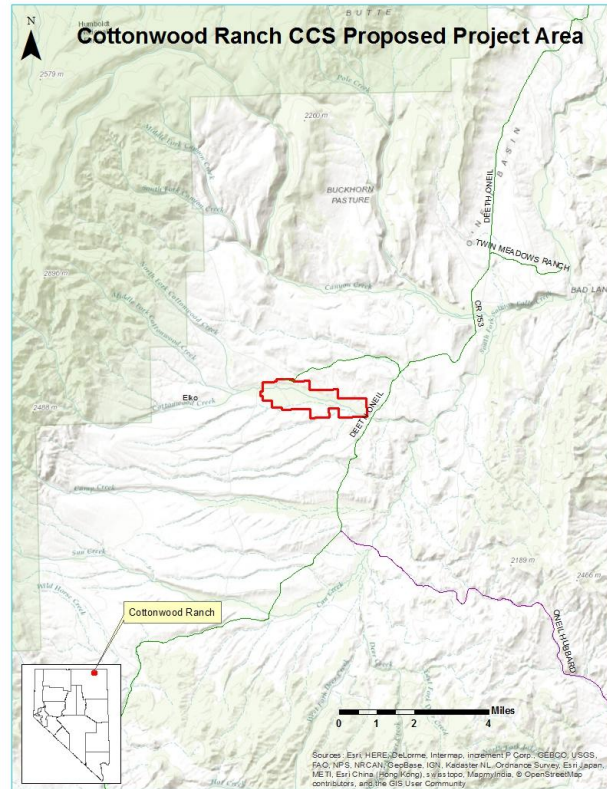
**Project Description**

Coleman Valley Ranch is a working cow/calf operation in Northern Washoe County. The ranch consists of twenty thousand acres of private land surrounded by BLM. Elevations range from 4700 to 7100 feet. Four year round streams are found on the property, including numerous springs and seeps. A substantial sage-grouse population can be found on the property and surrounding BLM lands, including several leks in the immediate area.

The proposed work under the Nevada CCS consists of removal of juniper trees on approximately 1,100 acres of private land. The juniper stands have encroached into sagebrush steppe country that is natural habitat for the greater sage-grouse. The junipers not only sterilize the sagebrush habitat, but provide perches for birds of prey, natural predators of the sage grouse. The majority of the proposed juniper removal sites are adjacent to prior juniper removal sites and contiguous to either permanently or seasonally wet meadows and/or water sources for wildlife.

**COTTONWOOD RANCH**

<b>County</b>	Elko
<b>Acres</b>	1100
<b>Potential Credits</b>	726.5
<b>Requested Funding</b>	\$60,832
<b>Management Categories</b>	PHMA (35%), GHMA (65%)
<b>Land Ownership</b>	Private
<b>Management Action Type</b>	Seeding, Meadow Enhancement, Preservation, Stewardship
<b>WAFWA MZ, BSU &amp; PMU</b>	MZ IV, O’Neil Basin, Martin
<b>Partners</b>	NRCS & USFWS
<b>Total Project Rating Score</b>	16 out of 25



**Project Description**

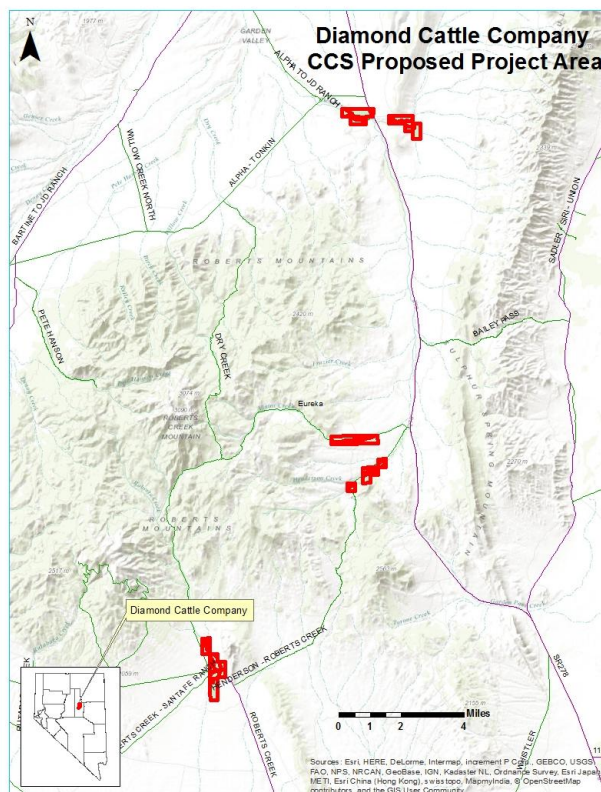
The Cottonwood Ranch project proposes to protect areas of existing high-quality sage-grouse habitat, and to enhance targeted areas by seeding to increase forb and grass density and diversity in critical meadow late brood-rearing habitat. The total private property ranch acreage is 1,130. The project area encompasses approximately 1,000 acres, as the headquarters, a green strip fire break area, and a fenced riparian area will be excluded. The fenced riparian area is currently under contract with a USFWS Partners Program grant and its current enrollment into the CCS would not meet additionality policies. Once the contract expires (2020), the landowners may choose to enroll the riparian acreage in the CCS.

The northern side of Cottonwood Ranch is the more productive meadow area with strong diversity of forbs and grasses. The southern portion is less productive and will be the target area for reseeding efforts. The outskirts of meadow area are upland sagebrush habitat. Much of the sagebrush habitat is high-quality habitat, while some areas are still recovering from previous removal efforts. The Cottonwood Ranch project area is utilized for cattle grazing, for which a management plan is in place. There are no haying operations within the Cottonwood Ranch project area.



## DIAMOND CATTLE COMPANY

<b>County</b>	Eureka
<b>Acres</b>	1,607
<b>Potential Credits</b>	711.8
<b>Requested Funding</b>	\$377,500.00
<b>Management Categories</b>	PHMA (70%) GHMA (30%)
<b>Land Ownership</b>	Private
<b>Management Action Type</b>	Grazing Management, Forb & Sagebrush Seeding
<b>WAFWA MZ, BSU &amp; PMU</b>	III, Central Great Basin, Diamond/Three Bar
<b>Partners</b>	Eureka DNR, Eureka CD, NCA, Kcoe Isom LLP, SWCA
<b>Total Project Rating Score</b>	14 out of 25



### Project Description

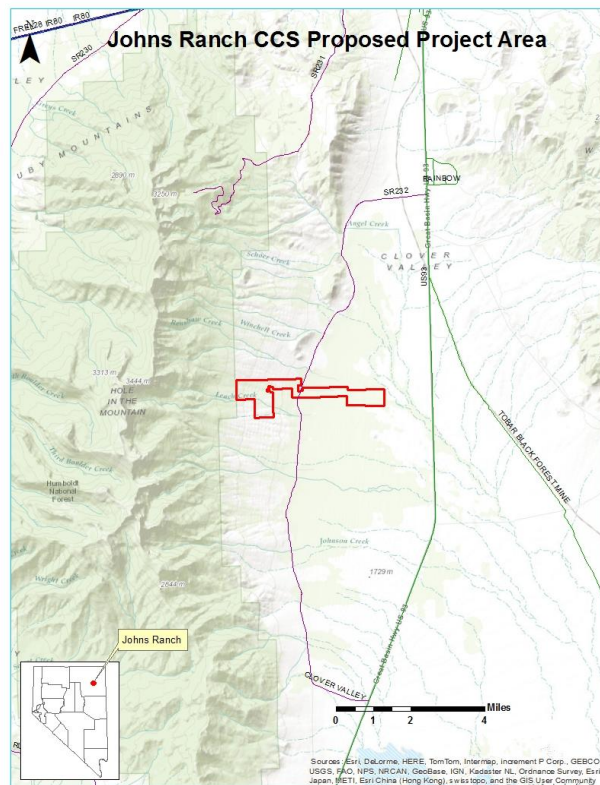
The desired outcome of this project is to maintain the spring sources in the project area due to topography, provide sustainable range-land health, and improve the small meadows associated with these springs for sage-grouse and other wildlife benefits. This project will enhance the existing meadow condition and maintain sage-grouse brood habitat along with possible nesting habitat.

The allotment management team and ownership are not able to make a commitment to any specific practices until a contract or agreement is signed with the State prior to Management Plan design. They would like to agree upon habitat enhancement and management practices during a walkthrough of the projects with SETT and NDOW staff to help ensure the Management Plan is designed with all parties on the same page to allow maximum uplift and credit generation. Potential management action types include:

- Fencing off wet meadows, seeps, springs, and riparian areas on all private lands, this would include liberty fencing to protect against wild horse impacts which are an issue in this area
- Weed management
- Seeding, fence markers, grazing management, managing and enhancement of wet meadows, roller aeration in decadent sage brush areas, and installation of piezometers near wet meadows

## JOHNS RANCH

<b>County</b>	Elko
<b>Acres</b>	1,097
<b>Potential Credits</b>	802.6
<b>Requested Funding</b>	\$51,569
<b>Management Categories</b>	PHMA
<b>Land Ownership</b>	Private
<b>Management Action Type</b>	Stewardship, Seeding, & Grazing Management
<b>WAFWA MZ, BSU &amp; PMU</b>	III; Ruby; Ruby Valley
<b>Partners</b>	CD Program, NDF, & NDOW
<b>Total Project Rating Score</b>	19 out of 25



### Project Description

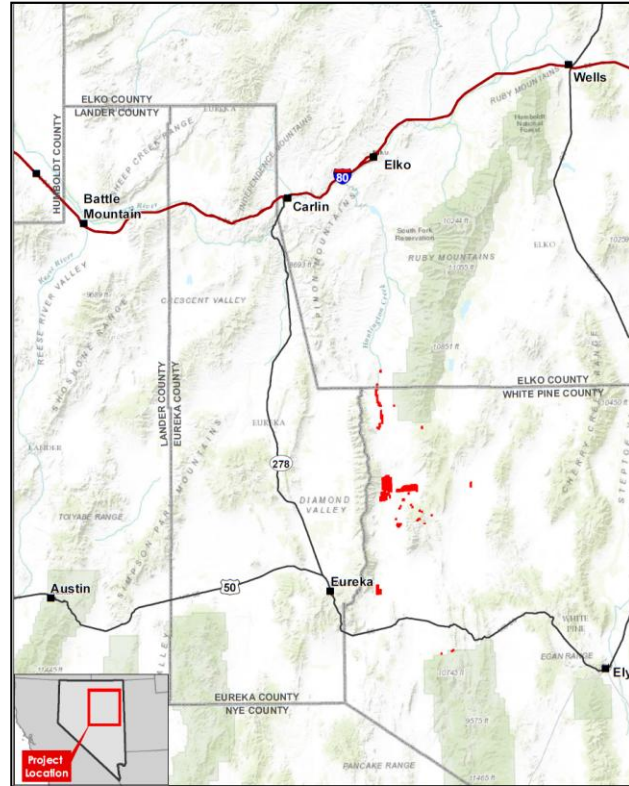
Johns Ranch is proposing to implement a number of enhancement and restoration efforts over roughly 640 acres. The landowner, along with technical assistance from the Elko Conservation Team lead by the DCNR Conservation Specialist, NDF Resource Management Officer, and NDOW Habitat Biologist are planning work collaboratively with the landowner to develop the Management Plan with all the applicable land management practices.

Specific proposed improvements include:

- *Pasture Seeding* – the goal is to increase and diversify beneficial forbs in a valley on the property named Clover Valley because of the abundance of native clovers, but other forbs such as Sainfoin and vetches would add diversity to the pastures and attract different insects important for brood survival.
- *Rangeland seeding* – Are intending to return a portion of the project area just west of a lek to the original loamy slope 12-16 pz where Idaho fescue, Bluebunch wheatgrass, Arrowleaf Balsamroot, and Mountain Big Sagebrush comprise 50% of the vegetative composition.
- *Electric Fence* – With the above treatments and management actions they will be developing a prescribed grazing plan as to give these investments the best chance of being successful. Plus over the overall management plan will have prescribed grazing as the preferred method to maintain various ecological seral stages, building a mosaic of different age classes and of different plant compositions within the range site description and state and transition models.

**TUMBLING JR RANCH**

<b>County</b>	White Pine & Elko
<b>Acres</b>	12,414
<b>Potential Credits</b>	12,743
<b>Requested Funding</b>	\$518,068.00
<b>Management Categories</b>	PHMA, GHMA
<b>Land Ownership</b>	Private
<b>Management Action Type</b>	Infrastructure & PJ removal, Seeding, grazing mngmt.
<b>WAFWA MZ, BSU &amp; PMU</b>	WAFWA MZ III; BSU's (Central Great Basin, Ruby, & Butte/Buck/White Pine); PMU's (Diamond, Butte/Buck/White Pine, Ruby Valley, & South Fork)
<b>Partners</b>	KG Mining
<b>Total (Summed) Project Rating Score</b>	18 out of 25



**Project Description**

The full-proposal was submitted on behalf of KG Mining by Stantec Consulting Services, for the JR Tumbling Ranch.

Tumbling JR parcels were categorized into five geographic areas for ease of reference which include the following:

- *Huntington Valley and Overland Pass* - The focus in this area is to preserve existing sage-grouse value on all parcels and implement enhancements through the seeding of herbaceous vegetation on some areas. Additionally, in areas of tree encroachment, enhancement and restoration is planned post-treatment.
- *Long Valley* - These parcels encompass approximately 160 acres and occur in the far eastern portion of the project area. This area is planned for preservation and enhancement. Enhancements will consist of pipe-rail fence around the spring and the northern portion of the meadow, removing the mobile home and other trailer, removing wooden fence posts if non-functional, and seeding herbaceous vegetation to increase brood-rearing value.
- *North Newark Valley and Buck Mountain* – This is the largest area with all parcels being entered as preservation parcels. Additionally, areas that can benefit from pinion and juniper treatments will be enhanced or restored based on the condition of the site. The desired outcome for these parcels is to preserve and enhance large tracts of winter and brood-rearing habitat in close proximity to active leks.
- *South Newark Valley* – Consists of two parcels which include mostly irrigated agriculture which will be preserved.
- *Mount Hamilton* – Consists of three small parcels on the very southern end of the project area, where restoration activities will be implemented to reduce the encroachment of pinion and juniper.



**POSSIBLE MOTION**

Should the Council agree with the staff recommendation, a possible motion would be,  
“Motion to have the SETT pursue final negotiations with the five presented projects.”