



STATE OF NEVADA
SAGEBRUSH ECOSYSTEM COUNCIL
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DRAFT MINUTES

Date: Friday, March 3, 2017
Time: 8:30 am
Place: Nevada Department of Wildlife Conference Room
6980 Sierra Center Parkway #120, Reno, NV 89511

A full audio recording of this meeting is accessible through the following website
http://sagebrusheco.nv.gov/Meetings/Sagebrush_Ecosystem_Council_Meeting/

Council Members Present: JJ Goicoechea, Chris MacKenzie, Allen Biaggi, Steven Boies, Gerry Emm, Starla Lacy, who left at 11:45 a.m., Bevan Lister, Tina Nappe, Sherman Swanson, Bill Dunkelberger, Julie Malvitz for Ray Dotson, Raul Morales for John Ruhs, Carolyn Swed, Jim Barbee, who left at 9:40 a.m., and returned at 11:25 a.m., Jim Lawrence, Tony Wasley

Council Members Absent: Ray Dotson, John Ruhs

- 1. CALL TO ORDER** – Chairman Goicoechea called the meeting to order at 8:31 a.m.
- 2. PUBLIC COMMENT** – Jim Barbee, Director of the Department of Agriculture (NDA) introduced a new staff member, Administrator of Animal Industry, Doug Farris.

Jim Lawrence, Deputy Director of the Department of Conservation and Natural Resources (DCNR) introduced two new staff members, Jodi Poley, Executive Assistant to the Director of DCNR and Dominique Etchegoyhen, Deputy Director of DCNR.

3. APPROVAL OF AGENDA – *FOR POSSIBLE ACTION

- Approval of agenda for March 3, 2017* – Member MacKenzie moved to approve the agenda; seconded by Member Biaggi; motion passed unanimously. ***ACTION**

4. APPROVAL OF MINUTES – *FOR POSSIBLE ACTION

- Approval of minutes from the meeting held on January 26, 2017* - Member Biaggi noted that under Agenda Item 7, page 4, paragraph 3, the wording does not make sense and should be amended as follows: "Member Biaggi asked if domestic wells would be evaluated in the scenario.", striking "...meaning this would be a pumping opportunity for household use rather than domestics." Carolyn Swed, US Fish & Wildlife Service (The Service) noted that the minutes reflect Mary Grimm as absent; however she was present via teleconference. Member Biaggi made a motion to approve the minutes with the proposed amendments; seconded by Member Nappe; Member Lacy and Member Emm abstained, as they were not in attendance at the January 26, 2017, meeting; motion passed. ***ACTION**

5. COUNCIL MEMBER ITEMS AND CORRESPONDENCE –

- A. Council members may make comments at this time and the Program Manager will bring forward any pertinent correspondence directed to the Council.

Member Nappe requested that discussion of activities and possible mitigation occurring on United States Bureau of Land Management (BLM) and The Service land outside of the Conservation Credit System (CCS) be added to the next agenda for discussion.

Kelly McGowan, Sagebrush Ecosystem Technical Team (SETT) Program Manager, advised that Newmont Mining Corporation (Newmont) has provided to the SETT validation checklists that are required before entering into the credit system for two properties. The first is the West IL Ranch, consisting of 14,000 private acres and 5,000 acres of BLM land. The second is the Battle Mountain Range, consisting of 18,000 private acres. Their intention is to enter these projects into the CCS once the validation checklists have been approved by the SETT. Member Boies inquired if the SETT would use the Habitat Quantification Tool (HQT) on those acres. Mr. McGowan responded that the SETT would probably not, but that Newmont would hire certified verifiers. Member Biaggi asked what the relationship is between this effort from Newmont and the agreement they signed a year ago and how is this fitting together for the CCS? Mr. McGowan said that he believes what Newmont is doing, and something the SETT has encouraged, is to plan ahead by running the HQTs to see what is there and then figure out where they might get enhancements for future needs to offset disturbance. Mr. McGowan believes it is their intent to use the CCS to validate these credits. Member Biaggi would like to see these projects enter into the CCS and to the extent they can do that, he applauds them. However, the Council would benefit from Newmont's Director of Environmental Stewardship, Jeff White's attendance at the next Council meeting to discuss the same. Mr. Lawrence inquired if these were the same lands identified in the Newmont agreement signed last fall. Mr. McGowan is unsure. Mr. Lawrence echoed Member Biaggi's statement that they want to see credits entered into the system; however more information needs to be provided at the next council meeting.

Mr. McGowan updated the members stating that the Nevada Collaborative Conservation Network (NCCN) information has been added to the Sagebrush Ecosystem Program (SEP) website homepage.

Mr. McGowan further stated that there is a native seed forum being hosted by the NDA in Winnemucca, Nevada, on March 28, 2017, at the Cooperative Extension Office.

6. OVERVIEW AND DISCUSSION ON THE INITIAL STAFF RANKINGS AND RECOMMENDATIONS TO PROCEED WITH 'FULL PROPOSALS' FOR STATE FUNDING TO IMPROVE, RESTORE, OR MAINTAIN SAGEBRUSH ECOSYSTEMS WITH THE INTENT TO GENERATE CONSERVATION CREDITS – *FOR POSSIBLE ACTION*

Mr. McGowan directed the Council's attention to Staff Report dated March 3, 2017, regarding updates on the State Solicitation for Conservation Credit System Projects. Mr. McGowan advised the council that the SETT had received 11 letters of interest to fund conservation credit system projects. The SETT evaluated all letters of interest; met with the Nevada Division of Wildlife (NDOW) and their field biologists for input to decide which of the projects were most strategically located to benefit sage-grouse. The SETT then selected six projects representing the highest ranks. The map attached to the Staff Report provides an overall glimpse of the location of the projects. The projects, in alphabetical order, begin with the Crawford Cattle Company, in Humboldt and Elko Counties. That project is 100% located in the Priority Habitat Management Area (PHMA) with several leks nearby and is primarily a high quality late brood-rearing area. That project would include protecting high quality habitat, adaptive grazing management, fencing, increasing and protecting forbs in wet meadows, aeration, opening up decadent areas and seeding

sagebrush. This is the largest project at 12,398 acres and the cost associated is \$445,887.00, breaking down to \$36.00 per acre. The size, location, value of the habitat and the cost per acre make it an attractive project.

Raul Morales, BLM, asked how many credits that project would receive. Mr. McGowan stated that these are the proposed projects and once the SETT receives approval from the Sagebrush Ecosystem Council (SEC) to move forward, full proposals would be requested on the various projects. The SETT would then run the HQT, using the HSI as a proxy, to determine an estimated range of credits that could be expected.

Member Nappe asked if the SETT reviews BLM's monitoring on the related public land grazing in order to get an idea of the history of the permittee. Mr. McGowan stated that will be part of the discussion when ranking permittees as well as to receive feedback from NDOW as to the stewardship of the entire allotment. Member Nappe would like to encourage inclusion of good quality public lands in the CCS and believes that someone who has treated the public land well over the years should have a higher ranking.

The next project is the Earthton Coogan property located in Elko County, comprised primarily of PHMA. The proposed actions include protecting high quality habitat, adaptive management, removing fencing and old telephone poles and raptor perch sites, adding marked fencing, increasing and protecting forbs in wet meadows, inter-seeding, aeration and pinyon juniper (P-J) removal. This is a small project at 1,941 acres, at a cost of \$151,560.00, breaking down to \$78.00 per acre.

Eureka Livestock, located in Eureka County, is the next project. Mr. McGowan noted that this is some of the best late brood-rearing habitat in the area. The actions include protecting high quality habitat, adaptive grazing management, not grazing in the late summer months, four miles of fencing and a cattle guard. The project contains 1,650 acres, and associated costs are \$85,000.00, breaking down to \$51.00 per acre. Member Swanson noted that the Staff Report indicates that Eureka Livestock will not be grazing in May and June, however Mr. McGowan stated that they will not graze in the late summer months. Member Swanson stated that grazing in May and June can actually improve sage-grouse habitat, while grazing in the hot season may be problematic, and wondered if the report was correct. Mr. McGowan advised that he will request clarification from the landowner and advise the Council.

The Getch Lands are next on the list, located in Humboldt County, containing a high percentage of General Habitat Management Areas (GHMA). The Getch project is proposing to protect high quality habitat, adaptive grazing management, increasing and protecting forbs in wet meadows, fencing six springhead areas, adding two livestock water sources and two miles of fencing to subdivide the main meadow. The acreage involved is 7,050 acres at a cost of \$315,000, breaking down to \$45.00 per acre. This project sits within the Santa Rosa mountain range and was heavily influenced by fire in the past, resulting in the lower elevation sites covered predominantly cheat grass; however, as the elevation increases, the land is starting to recover. Member Emm asked if any of that was in PHMA. Mr. McGowan stated that it was not; it is primarily in GHMA, but noted that if a habitat is listed as GHMA, that does not mean it is not high value habitat; it may be critical habitat to the species. The SETT finds good projects in GHMA.

The Heguy Ranch, located in Elko County, is the next project at 6,674 acres with associated costs of \$227,520, breaking down to \$34.00 per acre. This project sits entirely within PHMA and the proposed actions include protecting high quality habitat, adaptive grazing management, increasing and protecting forbs in wet meadows, seeding forbs and sagebrush, treating decadent sagebrush, adding piped and liberty fencing and development of three livestock water sources.

The final project is the RDD, located in western Humboldt County, and again, sits entirely within PHMA. The project contains 1,162 acres with associated costs of \$399,000.00, breaking down to \$343.00 per acre. This project is on the high level of cost per acre. Proposed actions include protecting high quality habitat, adaptive grazing management, removing 12 miles of fencing, increasing and protecting forbs in wet meadows and establishing new fencing. Mr. McGowan noted that the project contains an extensive amount of fence work and the Council may want to consider if state funding should be used to remove and install new fencing within the same area.

Mr. Morales inquired if the costs of these projects were based on SETT's estimate, or the property owners' estimates, and what attracted the SETT to the final six projects. Mr. McGowan stated that the estimates were provided by the property owners, and that the SETT chose the final proposed projects based on the submitted letters of interest. Dan Huser, Nevada Division of Forestry (NDF) stated that the selection was also based on meetings and input with NDOW.

In conclusion, Mr. McGowan states that a rough estimate on these projects would translate to approximately 12,000 conservation credits.

Member Biaggi notes that these projects total approximately \$1.6 million and ask how much money allotted by the Legislature for the CCS is remaining. Mr. Lawrence advises that approximately \$1.2 million is remaining, and that these projects would constitute a shortfall. However, the Council should keep in mind the possibility that landowners may bring their own funds to the table. Also, the SETT has been working with the United States Department of Agriculture, National Resource Conservation Service (USDA-NRCS) and has partnered with the Colorado Cattlemen with their exchange program and was granted a Regional Conservation Partnership Program (RCPP) grant. This grant could bring funding to Colorado and Nevada for undertaking sagebrush habitat uplift projects using the HQT as the method for calculating priority ranks. Those dollars may potentially help with funding some of the projects.

A full account of the discussion is captured in the audio recording, which is available on the Program's website.

Chair Goicoechea stated that he would entertain a motion; Member Swanson moved to give the SETT direction to go forward with the six projects and bring full proposals back to the SEC; seconded by Member Lacy; motion passed unanimously. ***ACTION**

7. STATUS UPDATE ON THE DEVELOPMENT OF CONSERVATION CREDITS ON PUBLIC

LANDS- Sara McBee, Nevada Division of State Lands (NDSL), presented the Staff Report dated March 3, 2017. ***NO ACTION**

Ms. McBee updated the Council with the on-going steps of the SETT in collaborating with The Service and the BLM to assist in establishing a process for implementing the CCS on public lands to fulfill projected mitigation demand and conserve the best habitat for Greater Sage-grouse in Nevada. She further advised that the SETT had identified multiple projects interested in developing credits on public land allotments. SETT is working on scheduling meetings with both The Service and BLM to move forward. The SETT is also integrating the BLM and The Service in their conversations with NDOW on identifying the best projects on public lands. Chair Goicoechea asked if SETT would weight those best projects based on where the SEC has other private land projects occurring. Ms. McBee confirmed that would be the case. She went on to advise the Council that SETT was working to identify additionality and durability recommendations for the CCS in order to meet the goals of integration with public lands. Ms. McBee provided a brief history of the goals of the CCS, which are contained in the March 3, 2017, Staff Report, which is available on the Program's website. Member Biaggi asked if durability meant that land use restrictions on those public lands would ensure the habitat areas remain stable

and constant over time. Ms. McBee responded affirmatively. Member Emm asked if trust lands would be considered private if the tribes want to put in for a project, as they are in federal status. Mr. Lawrence believes it does not matter if the land is public, private or tribal, as long as the holder of the land is willing to do the conservation work and commit to the durability.

Carolyn Swed acknowledged that it was encouraging to see the CCS projects that were reviewed and with regard to additionality and durability, The Service understands, given the land ownership patterns, that it is important to figure out the mechanisms for credits on public lands and acknowledges The Services' interest in these conversations.

Bill Dunkelberger, United States Forest Service (USFS) advised that this issue has been briefed by USFS and hopes to get the final approval to authorize credits on national forest land and then locate the most promising pilot projects in the near future. He met with John Ruhs, BLM, and Ray Dotson, NRCS, on this issue and NRCS has determined that for purposes of sage-grouse habitat improvement, federal dollars can be used and they do not consider that as additionality.

A full account of the discussion is captured in the audio recording, which is available on the Program's website.

8. REVIEW AND DISCUSS THE 2016 FINDINGS AND IMPROVEMENTS RECOMMENDATIONS RELATED TO THE IMPLEMENTATION OF THE NEVADA CONSERVATION CREDIT SYSTEM –

Mr. Kelly McGowan, Program Manager, SETT, led the discussion and reviewed a PowerPoint presentation. The presentation is available on the Program's website. A lengthy conversation ensued after presentation, for full details please refer to the audio recording. ***FOR POSSIBLE ACTION**

Mr. McGowan stated that the PowerPoint presentation includes two new improvement findings under development F14 and F15. The presentation will also include a review of I1, Preferred Conservation Areas (PCAs) and Sage-grouse Focal Areas (SFAs); I3, changes to the HSI; and finally, I4, Anthropogenic Disturbances. The SETT team will also cover project scenarios, and finish with the net ramifications of the discoveries. When SETT develops findings and improvements, the team works in-house, convenes a science work-group specializing in the areas being developed, feedback is received and then brought back to the Council for a final recommendation.

"F14- The current methods for data collection on debit sites requires an extensive area (up to 8km surrounding the site) where vegetative field data collection is required. Alternative methods could reduce the need to survey the entire area and thereby increase efficiencies and reduce costs."

Mr. McGowan noted that the current method for data collection requires an extensive area for collection of vegetative field data. SETT's finding recommends reducing the size of the field sampling area. Currently, for example, mining projects require a six kilometer buffer and data collection occurs throughout that entire area. That can equate to over 100,000 acres that are surveyed and analyzed. The SETT considered a method to reduce the survey area, which would increase efficiency and reduce costs, while ensuring the method utilized was defensible scientifically. Mr. McGowan stated that most indirect disturbances occur in closer proximity to the project site. Member Morales noted that the eight kilometer buffer was based on science, what then, is the reduced buffer size based on? Mr. McGowan stated that the recommendations are based on the best available science, and if the science is lacking, it is based on best professional judgment, including the resources of NDOW, as well as Dr. Peter Coates. The recommendation is to simplify the process which can be replicated by any certified verifier. Sara McBee will explain further with the next slides, as she worked with the science work-groups and Tamzen Stringham, who offered specific guidance with respect to Disturbance Response Groups (DRG).

Ms. McBee discussed the reduced buffer zones represented on the slides. Further meetings are needed with the Technical Review Groups (TRGs) to streamline and better define the reduced field surveys. The SETT is working with the TRGs and Mr. Stringham to discuss ways to include areas that may not have DRGs available. The SETT findings would reduce to one-third the total debit project area; sampling each map unit and extrapolating data; map units that do not occur within the debit project area will be sampled; recommending establishment of transects at maximum and minimum distance from a navigable road; and establishing processes for excluding non-habitat within the debit project area. Mr. McGowan added that all of the transect locations are randomly generated and that will continue. Member Biaggi asked for the scientific basis for these recommendations and are there scientific grounds for reducing the area? Ms. McBee advised that this is only to reduce the field survey area and there are scientific experts who agree that it can be allowed for the sampling effort and to extrapolate that data in a scientific manner. Member Lacy states that the SETT is assessing the same impact at six kilometers that is had at two kilometers, and then assuming that nothing will change. Ms. McBee advised that was correct, but the SETT is open to proponents sampling outside of that two kilometer area when it is felt that the habitat is not being captured. Ms. McBee also stated that these are preliminary findings and the SETT is working with the TRGs and the recommendations require further vetting.

There was discussion, questions and concerns regarding this issue which can be found in the audio recording available on the Program's website.

Mr. Lawrence reminded the SEC that the importance of including public lands in the CCS was just discussed. The way the CCS is currently structured, site scale data collection must be performed on these large areas of public land. That would require an extensive amount of field and data collection which may not be realistic. Mr. Lawrence asked if it was possible to find a better way of performing the data collection, or does the entire area, which may contain 70,000 acres of transects, have to be surveyed. Or, is it possible to focus on what is known about the decay curves and concentrate on the intensive data collection closer to where the actual impact is. Mr. Lawrence presented that it is possible that an alternative means can be scientifically valid.

Member Boies asked if this boundary change affects the distance from a tower or powerline, or does this only affect habitat related transects. Mr. McGowan confirmed that this only affected field data. Member Allen inquired how the six or eight kilometers were calculated in an irregularly shaped disturbance, and if it was from a centroid point from the disturbance, or the outside boundary of the disturbance. Ms. McBee stated that it was calculated from the outside edge of the boundary. Ms. Swed acknowledged the complexity of the subject and stated that it was her understanding that the recommendation would involve trying to characterize the pre-project habitat condition. She went on however to say that she understands Member Lacy's concern that the results may be biased if there is already a disturbance in the area. Member McGowan clarified that if there is a preexisting disturbance in the area, it will be buffered and not counted against the new disturbance. Mr. Morales also understands the complexity of the surveys, and noted that the BLM is buffering a 4-mile area around seasonal habitat and disturbance calculations. The BLM needs to feel comfortable with the final recommendation of SETT and that whatever changes are made will be supported by science. Meghan Brown, proxy for Jim Barbee, NDA, asked if this recommendation was just testing the quality of the habitat, not the measurement of disturbance. Mr. McGowan confirmed that statement. Vice-chair MacKenzie stated that it will not be a pure extrapolation; there will still be HSI and other items that will fold into it, which gives him a degree of comfort.

F15- Anthropogenic disturbance categories do not differentiate ancillary anthropogenic features, which can result in overestimating indirect effects of minor anthropogenic features.

Mr. McGowan presented the findings for F15. Mr. McGowan notes that lumping anthropogenic disturbances into broad categories may not be representative of the actual impacts, and at times may result in an overestimate of the indirect impacts of those features by a significant margin. The SETT intends to define a

process to assess anthropogenic disturbance categories over time and incorporate them into the CCS. SETT finds, and in particular with mining, that there are ancillary features that go outside the disturbance area. In the example shown on the PowerPoint, a potential mine is depicted which requires de-watering. In order to de-water efficiently and allow for infiltration, the mine must move water out of the area through pipelines to infiltration basins. This would be an area the SETT would consider as an ancillary feature associated with mining, but not incorporated into the footprint of the mine. Currently, in the anthropogenic features table, the SETT has no way to assess this ancillary feature. The SETT intends to further consider the matter with the science work-groups. Member Emm asked if the SETT would take into consideration whether the pipeline would be buried or on the surface. Mr. McGowan stated that would be part of the discussion with the proponent of the project area, and where ancillary features are located, what can the proponent do to minimize the impact. Member Lacy asked for clarification that up until this point, the SETT did not previously have the ability to differentiate the impact between the mine and the ancillary features. Mr. McGowan stated that was correct. Mr. Lawrence clarified that the manual and the HQT identify the treatment of powerlines and roads, but the SETT team has found other types of features that are not addressed and should those types of features be presented to the science work-groups to see if they should be treated the same as powerlines and roads, or do they need a separate category. Member Nappe stated her belief that de-watering has a tremendous impact on wildlife. Member Biaggi noted that not all ancillary features are a detriment to wildlife, some may be beneficial. Mr. McGowan agreed with both points and reiterated the need to collaborate with the science work-groups.

11 Designate areas with SFAs as Preferred Conservation Areas and revise the Proximity Ratio in order to incentivize enhancement and protection of both Greater Sage-grouse populations in close proximity to the debit project and Greater Sage-grouse strongholds in the State.

Dan Huser presented Improvement Recommendation I1 designating PCAs and revising the Proximity Ratio. This clarifies the definition of PCAs as where PHMA and SFA overlap, as more clearly defined in the 2016 Findings & Improvement Recommendations Report. Vice-chair MacKenzie stated that this recommendation reflects the conversations SEC has had and complimented the SETT for the compilation and work done.

There was concern and discussion between the members and ex-officio members as to when BLM would adopt the new Management Category Map and the effect that has on the SEP. A full account of the discussion is captured in the audio recording, which is available on the Program's website.

14 Revise HSI scoring approach to appropriately incorporate HSI values associated to credit and debit projects.

Ms. Andrle presented the recommendation details on I4. The method for incorporating the habitat suitability index (HSI) into the assessment of local-scale habitat function by the HQT does not accurately reflect local-scale habitat quality; the effects of the presence of conifer and the removal of conifer are not adequately captured by the current HQT framework. The SETT recommends replacing the current scoring curve used to incorporate the HSI into the HQT with the three seasonal HSI maps. In 2015, the Council approved and adopted the USGS Habitat Management Categories Map. These seasonal maps were essentially multiplied together to create the annual composite map. Due to the fact they are multiplied together, the maps identify the "best of the best" habitat. The reclassified annual composite HSI map currently being utilized by the SETT, artificially inflated habitat value in areas. Ms. Andrle directed the Council's attention to the PowerPoint containing the composite maps and the scoring curve. The SETT's solution was to go back to the seasonal HSI maps to quantify the seasonal habitat that the HQT quantifies. The SETT has run all of the projects through dozens of scenarios. A sample scenario is the Cottonwood Ranch credit project, which contains very good habitat. Using the HSI reclassification map, the average HSI was 100%. When SETT utilized the annual composite map, the HSI dropped to approximately 27%, which is as low as the scoring gets. The Cottonwood Ranch is a late-brood-rearing habitat and the annual composite map did not take that into account. Seasonal mapping would calculate habitat function per map unit. Mr. Morales asked if the TRGs and science work-

groups had reviewed and evaluated this process. Ms. Andrie stated that they had, and the SETT has also worked extensively with Dr. Peter Coates, who developed the seasonal maps, on the best approach and method to use the HSI in this process. Member Boies stated that he understands the approach, but noted that this approach favors larger projects; his concern is the effect this could have on brood-site areas, and that the proposed change decreases the credits. Ms. Andrie noted that they are seeing an overall decrease in both credit and debit generation due to the HSI change, mainly because the HSI reclassified map over-estimated habitat function.

There was further discussion on this recommendation captured in the audio recording, which is available on the Program's website.

13 Revise the shape of the distance decay curves used to assess indirect effects from anthropogenic features from a sigmoidal curve to an exponential decay curve, and increase the distance decay curve weights and distances for towers and power lines.

Ms. Andrie presented the SETT's recommendation to revise 13 of the 2016 Findings & Improvement Recommendations Report, and noted that the current sigmoidal curve shape and weights and distances are not aligned with expert opinion or the available scientific literature. Research reflects a more rapid reduction of indirect effects from disturbances than what is represented by the current sigmoidal curve. SETT recommends revising the shape of the distance decay curve from a sigmoidal to an exponential curve and to increase the distance decay curve weight and distance for towers and powerlines. An overview of the distance decay curve and how it affects the habitat function when assessing the HQT was given. In the example given, a 100% weight would mean 100% impact from that disturbance, correlating to a 0 habitat function at the source. As you move away from the source, the impact decreased and the habitat function increases. As you increase your distance from the anthropogenic disturbance, the habitat function increases. The proposed change was thoroughly vetted through the TRGs and supported by scientific literature. Member Biaggi asked how the sigmoidal curve was developed. Mr. McGowan stated that it was set up by the TRGs, and that Shawn Espinosa, NDOW, can give the Council a better understanding of the development. Mr. Espinosa stated it was a combination of factors and Colorado work as well. Member Lacy agrees that the exponential curve makes sense, but the improvement also recommends increasing the weight and the distance for towers and powerlines. Ms. Andrie responded that was correct. Member Bevin asked whether this was dependent on habitat type. Ms. Andrie responded in the negative.

Ms. Andrie indicated that for this particular component, all anthropogenic features are pulled together and the curves are applied; that layer is used to multiply against the HSI and the micro-habitat characteristics being collected. All the other components are going into the final debit or credit calculation; this is just one component of that. Member Bevin stated he understood that in reality those curves and distances are not the same for each habitat type. A tower or powerline is much more detrimental to a nesting site than it would be to a late brood-rearing site, or to even a lek site. Ms. Andrie stated that the SETT recognizes that and it is something that would be taken into consideration through the minimization process. SETT proposes to increase the weight distance from towers and powerlines from 25% to 75% and from six kilometers to eight kilometers. The SETT looked at the probability of ravens nesting on powerlines, which is an 80% probability. Perching or the probability of occurrence of ravens along the powerlines was in the 25-30% probability. The goal is to incentivize effective minimization measures, including perch deterrents and devices. Member Boies stated that there are different items to look at, including the structure and design of the powerlines. Almost all of the projects last year had a single or 3-phase powerline on them. This scenario would have a negative impact on those credits. There must be a way to distinguish between the different types of powerlines and the percentage levels. Ms. Andrie stated that recommendation to move from the 25% weight to 75% weight is that the impact of the powerlines was underestimated. Ms. Andrie also recognizes that there are differences in the towers and powerlines. Chair Goicoechea asked if our plan differentiated between transmission and distribution. Ms. Andrie replied that the current plan does not.

Member Boies distributed a map delineating the impact the change to weights and distances could have on projects. (A copy of the map is available upon request from the Sagebrush Ecosystem Technical Team). Member Boies stated that the map indicates about 800,000 acres and the area contains a large transmission line. All of that area could be impacted to some degree. Member Boies further stated that it cannot be argued that the area under the transmission line is a sacrifice area, but by moving the weight and distance from 25% to 75%, most of the land would be a sacrifice area, and the value would be so far reduced that there would be no participation in the CCS in land designated as some of the most critical habitat. Member Lacy commented that the point is well taken, and other science must be reviewed. Member Lacy stated that the SETT team mentioned Pete Coates' probability of raven occurrence within two kilometers, and later in the presentation 27 kilometers was mentioned. Member Lacy does not believe that to be credible. Mr. Andrie commented that two kilometers measure has the most significant impact, however, the effects, albeit small, have been documented out to 20 kilometers. Member Lacy agreed with the science behind the two kilometer range, but then asked why the SETT supports moving the distance to eight kilometers. Mr. Andrie stated that the range came from unanimous support and discussion during the TRG meetings, as well as university professors, agency professionals and Dr. Coates. Member Lacy asked that the SETT provide the names of the university professors and presented a document published in 2015, entitled, "Best Management and Practices for Electric Utilities in Sage-grouse Country". Member Lacy asked why there was no mention of this work when looking at the different types of structures of towers and powerlines. Member Lacy further mentioned scientific studies in the State of Utah and asked that once the document was published that the SETT review the same. Member Lacy does not believe the eight kilometer distance is well born against the breadth of the research available, and believes that the position is premature.

A lengthy discussion was had wherein the members generally agreed on changing the shape of the distance decay curve from a sigmoidal curve to an exponential decay curve. Member Biaggi stated that there are still a lot of questions and uncertainty with regard to the weight and distance issue and asks the SETT to take that portion back for further consideration and research. Ms. Andrie requested that the SETT continue with the PowerPoint presentation to demonstrate the net ramifications of the proposed HSI and anthropogenic disturbance improvements. Ms. Andrie forwarded to the slide titled, "Comparing Original and New Credit/Debit Estimates." Ms. Andrie noted how the change in the curve and the weights could impact projects differently. For example, Coleman had a 0% change in credit calculation when moving from the sigmoidal curve to the exponential curve, with the increase in powerline weight and distance, as the powerline was just outside of the line. She noted that if the anthropogenic disturbance is very close to the edge of a project it will be very impactful, if the disturbance is two to three kilometers away, the impact is back down to 20-30%. Overall, there are net decreases in both credit and debit generation. Member Boies stated that the credit projects will be taking a loss and that would make it less attractive for credit producers to participate in the CCS. Ms. Andrie responded that was not necessarily the case, as debits are also being reduced and on average, more than the credit project. Mr. Lawrence stated that the largest challenge with the CCS is to build something that is a universal metric – on the debit and credit side – so that the same metric is used across the board. Mr. Lawrence also stated that one of the goals of this exercise is to make the system more in balance so that there is value to the credits produced and that the federal partners feel comfortable utilizing the CCS as the mitigation system when land use planning. Ms. Swed echoed Mr. Lawrence's comments and expressed her appreciation to the SETT and the TRGs who have met over the last several months. She understands that SETT is recommending the changes, but at the same time, there may be other data that needs to be considered, as the scientific integrity of the process is paramount in order to rely upon it for sound decisions. Member Boies stated that his concern is that if the CCS does not have participation on the credit side, then the Program will not be a success. Chair Goicoechea stated that he is hearing both sides, with debit creators over here – and credit creators over here, and they are both saying the same thing, "We are not comfortable", and he is not prepared to go with the 75% and eight kilometers. Chair Goicoechea inquired of Mr. Morales that if the SEC does not adopt the weight and distance recommendation today, will that be a deal-breaker for BLM. Mr. Morales replied that mines have a time-frame that they need to get in operation, and it is mostly mines

that would have to work through this process. They cannot afford to wait for the new process to be developed, and the BLM has had to utilize what they had available for the projects.

Member Biaggi noted that there appears to be additional research and study that may have not been considered. Mr. Espinosa suggested that it may be helpful for Professor Jim Sedinger to give a presentation to the Council on his works. Mr. Boise mentioned that there may be other science professionals who should give presentations. Chair Goicoechea stated that the science must be right so that the Council can defend it.

Mr. McGowan presented the remaining PowerPoint slides on the Comparison of Credits Generated per Acre, and offered three scenarios. In reviewing the chart comparisons for Mine 1, and using the original method of quantifying credits and debits, the mine generated over 16,000 debits. It would take 38 Coleman Ranch credits to offset those debits. Under the revised credit system, the mine generated approximately 6,000 debits and it would take 19 Coleman Ranch credits to offset those debits. This gives the Council an example of how both the credits and debits have been reduced. Further examples were provided. Member MacKenzie stated that in reviewing the bar graph, it is basically making it more attractive for debit producers to participate, as it now requires a lesser number of credits, and in that regard, Member Boies' earlier statement that this would devalue credits is correct. In the scenario provided, the credits and debits are not an equal adjustment. Mr. McGowan reminded the Council that this is a very small sample and is not representative of all projects.

There was further discussion on this recommendation captured in the audio recording, which is available on the Program's website.

Member Biaggi made a motion to approve the findings in Improvement Recommendations relating to the implementation of the Nevada Conservation Credit System, with the exception of Item I3 and in that particular item, the Council would approve the exponential decay curve, but defer for further consideration by the SETT for a future meeting of this body, regarding the distance values and weight values of Item I3; seconded by Member Lister; motion passed unanimously.

9. REVIEW OF ACTION ITEMS AND FUTURE AGENDA ITEMS DRAFTED ON FLIP CHARTS DURING THIS MEETING AND SCHEDULED NEXT SEC MEETING –

- A. With staff assistance, the Council will review items discussed, as well as items acted upon during this meeting, and determine which of those they wish to direct staff to do further work on, as well as which items the Council wishes to act on that may not have been acted upon during earlier discussion.
- B. Improvement item I.3 with regard to the weight and distance/towers and powerlines.
- C. The Council scheduled their next meeting for Wednesday, April 5, 2017, location and time to be determined.

10. FEDERAL AGENCY UPDATES AND COMMENTS –

- A. U.S. Fish and Wildlife Service – No Update
- B. Bureau of Land Management (BLM) – Mr. Raul Morales reported that the BLM is working on Memorandums of Understanding (MOUs) with both The Service and NDOW, with the hope to have them finalized in March of 2017. Mr. Morales further reported that round two of the Livestock Roadshow has been rescheduled for Ely and Austin for April 7 and 8, 2017. Mr. Morales stated that the BLM is hosting the NCCN facilitation and training scheduled for March 21-24, 2017.

C. US Forest Service (USFS) – Mr. Bill Dunkelberger noted that Monique Nelson is the new Sage-grouse Program Manager for the Humboldt-Toiyabe. USFS is working with the Nevada Cattlemen’s Association and the NDA in rolling out implementation of the sage-grouse plan and grazing permits.

D. US Department of Agriculture (NRCS) – Ms. Julie Malvitz reported that NRCS will be having a teleconference call on the RCPP, and that the RCPP is one of four they currently have working in the State right now, in various stages. Ms. Malvitz also stated that NRCS has the information requested by Mr. McGowan regarding private land and state land and will be providing that to the SETT. Ms. Malvitz will also be on the NCCN team with BLM.

E. Other – No update.

11. STATE AGENCY UPDATES AND COMMENTS

A. Office of the Governor – No update.

B. Department of Conservation and Natural Resources (DCNR)– Mr. Jim Lawrence reported that DCNR’s budget hearing was held at the Legislature, which included the Sagebrush Program. Mr. Lawrence stated that the legislators had good questions and positive comments. Mr. Lawrence advised that most of the questions from the Legislators were similar to what was had today, such as when the first transactions will occur in the credit system; what is the status of the project; will public land projects be included. Mr. Lawrence said that overall the hearing went very well and the legislators were very supportive of the Program.

C. Department of Wildlife (NDOW) – Mr. Tony Wasley reported that NDOW is monitoring legislation in the State of Wyoming regarding the capturing and collection of sage-grouse eggs for the purpose of captive breeding programs. The idea was originally put forward for up to 250 eggs from no more than 40 nests. Wyoming Game & Fish thought that was biologically defensible. Since its original introduction it has been amended to 1,000 eggs. NDOW is watching that legislation and if passed, and collection does ensue, monitoring the successes or failure.

Mr. Shawn Espinosa reported that the Department is gearing up for lek survey season, and that the volunteer lek survey training session will be held on March 11, 2017. NDOW will be faced with difficult access issues this year, with roads being washed out and mud and snow conditions. NDOW will rely on the aerial survey program for aerial fixed wing infra-red surveys. The Department is also working on the bi-state action plan progress report. NDOW had a data call that went out in December and was due by February 15, and there are several projects already entered, a draft should be available at the end of April, early May. NDOW is having some challenges recruiting their research crews and technicians.

D. Department of Agriculture (NDA) – Meghan Brown reported for Jim Barbee that the NDA will be holding an all-day native seed forum on March 28, 2017. The forum will be Nevada centric, and bring federal, state and local partners together to discuss moving forward with increasing cultivation and diversity within the native seed programs. NDA’s goal is to engage producers. NDOW has had federal and state discussions, but are excited to talk about people who might participate in growing and cultivating native seeds. They have invited a broad array of state and local groups, as well as the conservation community, the consultants who will be working on mitigation projects and restoration. NDOW further reports that they are struggling with recruitment for the position on the SETT.

E. Conservation Districts Program – No update.

F. Sagebrush Ecosystem Technical Team (SETT) – Mr. Kelly McGowan reminded the members of the refresher training for verifiers which will be held in mid-April. He further reported that there is a course being offered on the sage-brush ecosystem training regarding restoration of disturbed areas mostly from fire. It is sponsored by the BLM and the Great Basin Fire Sciences, on April 10-14, 2017.

G. Other – No update.

12. PUBLIC COMMENT

Kim Summers, ranch manager for RDD, Inc., stated that he appreciated the opportunity to participate in these meetings. He is a proponent of the Program, but believes that as a potential credit producer it is his obligation to inform the Council as to how credit producers internalize the information. The RDD project is the most expensive project on the list and that was done on purpose. He wanted to make sure the Council noticed the project. He is concerned about the costs to generate credits and if sets himself up for a 30-year commitment he cannot walk away, he has to stay and manage that project based upon what was agreed upon. There have been comments today indicating that the Council does not know what they are agreeing to. He understands that the Council wants to charge ahead but believes that in moving forward, the Council needs to assure that the producers are protected. He requests that the Council proceed with caution and not at the cost of the credit producers. Mr. Summers agrees that including public lands in the Program is a good idea, but there are causal effects which can damage habitat that are out of the control of the producers. Mr. Summers also stated that currently, his project does not contain a powerline. However, there has been talk that the local power company would like to install a powerline on the project and if that is approved, the value of his credits will be reduced. He is concerned that outside factors, of which he has no control, will detrimentally affect his credits. He is concerned that more credit producers are not attending the Council meetings, and following along with the guidelines being discussed and recommended. He noted that he is a member of a local group, and at the last meeting he was surprised to find out that very few of the members were aware of what was happening at the Council meetings, including the local BLM and Fish & Wildlife offices. Not only were they unaware, they did not seem to care. They were moving on with their own projects and their own systems. He closed by stating that without the credit producers, there wouldn't be much of a Program.

13. ADJOURNMENT – There being no further business to come before the Council, Chair Goicoechea adjourned the meeting at 1:22 p.m.