

Forest and Watershed Restoration Act (FAWRA) Advisory Board
Meeting Minutes
June 26, 2020
DRAFT

1. Call to Order

A virtual Zoom meeting of the FAWRA Advisory Board (Board) was called to order at 9:00 a.m. on June 26, 2020 and presided over by Laura McCarthy, State Forester, Energy, Minerals and Natural Resources Department (EMNRD), Forestry Division.

- **Board Members and Delegates Present**

- Laura McCarthy, State Forester, EMNRD, Forestry Division, FAWRA Chair
- Mark Myers, Forester, State Land Office (SLO)
- Rebecca Roose, Environment Department (ED)
- Stewart Liley, Chief of Wildlife, Department of Game and Fish (DGF)
- Julie Valdez, Office of the State Engineer (OSE)
- Kathy Holian, Public Member
- Steve Hernandez, Public Member

- **Board Members Absent**

- Mark Roper, Division Director, Economic Development Department
- Randy Varela, Deputy Fire Marshal, Fire Marshal's Office, Fire Service Support
- Brent Racher, Public Member

- **Invited Federal Agencies Present**

- Sandy Watts, Acting Regional Forester, United States Department of Agriculture (USDA), Forest Service
- Kristen Graham Chavez, Programs Director, USDA, Natural Resources Conservation Service (NRCS)

2. Welcome

Laura McCarthy, State Forester and FAWRA Chair, recognized the Board, public members, and guests. Board members, non-voting participants, and members of the public introduced themselves via round robin.

3. Board Business

Approval of Agenda

Steve Hernandez moved to approve the agenda and Kathy Holian seconded the motion. The meeting agenda for June 26, 2020 was unanimously approved.

Approval of Minutes

Kathy Holian moved to approve the minutes of the May 27, 2020 Board meeting, which was seconded by Rebecca Roose. The minutes were unanimously approved.

4. State Forester's Update

Laura McCarthy provided an update on fiscal impacts of the June 2020 Special Session of the New Mexico Legislature on FAWRA FY21 funding. The funding for FARWA is in statute. The balance can be swept, so far it has not been, and none of the forest and watershed restoration money, whether capital

or FAWRA, was swept. The Forestry Division will work to get as many projects encumbered as possible and as many expenditures against those projects processed within the next three months. FY21 funding needs to be transferred from OSE to EMNRD. There is nothing in the current fiscal situation or resulting from the special session that the Forestry Division sees as preventing the funding transfer from happening for FY21.

Laura McCarthy also provided an update on the Mexican spotted owl (MSO) injunction, which has impacted some FAWRA projects that were approved in 2019. With the injunction still in place, funding from those projects was switched to other projects, including making private lands in the Zuni Mountains a top priority to help offset work stoppage on federal, national forest lands. The Center for Biological Diversity filed a notice of intent to sue in April that could result in an extended shut down period even if the WildEarth Guardians lawsuit is settled. To prevent that from happening, an MSO Leadership Forum comprised of the New Mexico and Arizona state foresters; DGF and Arizona Game and Fish Department; WildEarth Guardians; Center for Biological Diversity; and the USDA Forest Service Southwest Regional Forester was formed to begin discussions about how to continue restoration projects and protect the MSO. Laura explained that the discussions have been productive because there is a shared goal of preserving habitat and increasing populations of the spotted owl while also preventing the loss of our forests to catastrophic fire.

Sandy Watts added that the conversations with the MSO group have been going well and that the USFS is getting closer to an agreement, although she could not go into detail due to the ongoing litigation.

Stewart Liley added that there are some misconceptions out there and a lot of data from numerous projects to gather, but he feels that progress is being made regarding the MSO.

5. Project Rankings and Recommendations

Laura McCarthy told the Board and attendees that there are a total of 11 projects for potential funding. DGF abstained from scoring two projects and the SLO abstained from scoring one project. Due to this, ranking projects by total score would not work because it would penalize projects for which a Board member felt they needed to abstain. Forestry Division Forest and Watershed Health Coordinator Susan Rich developed a method that takes the sum and divided by the number of Board members who were ranking the projects to come up with an average score. The projects were then ranked 1-11 based on their average score. Laura asked if there were any comments on the method of scoring and average ranking and there were none.

Laura explained that it appears the \$2 million in FY21 funding will be sufficient for projects ranked 1-9. Laura went on to say that the projects ranked 10 and 11 -- SOBTF Conceptual Restoration Plan and Chupadera Mesa projects -- scored substantially lower than the others.

The rankings with funding requests are as follows presented on slide #3 of Laura's PowerPoint presentation (next page):

Project Ranking by Advisory Board

Project Name	Ranking Based on Average Score	Funding Request
Zuni Landscape Restoration	1	\$300,000
Turkey Mountain Watershed Phase 2	2	\$125,000 - \$300,000
Zuni Landscape Restoration Phase 2	3	\$200,000
Upper Coyote Creek – Elk Ridge 2	4	\$400,000
Rio Chama Watershed Restoration Planning	5	\$158,150
<u>Cebolla</u> Nutrias Watershed	6	\$250,000
Rio Grande ABQ Bosque Restoration	7	\$135,000
Sandia Pueblo Bosque Restoration	8	\$75,000
NMDGF Socorro Escondido WMA	9	\$204,969
SOBTF Conceptual Restoration Plan	10	\$158,895
<u>Chupadera</u> Mesa	11	\$270,000

Kathy Holian asked if doing a plan fits within the [FAWRA Guidelines](#) and how important is it to fund planning vs project work? Laura explained that the legislation does allow for planning to be funded.

Cheryl Bada replied that it is one of the categories and it's up to the committee (Board) to rank it and put in their input. There is nothing that prohibits it and it was one of the criteria for funding.

Laura McCarthy added that landscape scale planning is needed to get to good projects and to make progress at a significant scale on cross-boundary work. The Turkey Mountains and Zuni project were both able to go forward because of prior investment in landscape scale planning. Laura also pointed out that the Rio Chama Watershed Restoration Planning scored very high likely because of the importance of the Rio Chama to the state's water supply.

Stewart Liley commented that a lot of work that DGF does is paying for planning because once you get planning in it seems to bring a lot more partners to the table to get implementation done. DGF is in favor of planning and pays for a lot of it because without it, projects stay in conceptualization and never get off the ground.

Rebecca Roose agreed that planning is important, and ED developed its own way to score the planning projects without disadvantaging them in the process. ED ultimately looks at planning projects objectively as they would an implementation project when applying criteria to each individual project.

Julie Valdez is also important to OSE and they tend to score planning projects higher than some of the others.

Kathy Holian responded that she is impressed with all of the projects and also the fair number of local jobs it creates.

Laura McCarthy opened it up for discussion and asked why OSE scored Chupadera Mesa so high. Julie Valdez did not have the answer readily available in her notes. Laura moved on and asked ED if they had anything further after Rebecca had asked to see the slide again and she did not.

Mark Meyers commented that criteria number three in the FAWRA Guidelines pertaining to utilization made it challenging to rank Chupadera project which is predominantly prescribed fire without generating any wood products. He suggested that in revisiting criteria for FY22 with the board consider how to ensure prescribed fire projects are not negatively affected because of a lack of utilization.

Rebecca Roose commented that ED scored Chupadera low because of criteria two in the FAWRA Guidelines which pertains to water benefits. There are no irrigation systems or drinking water systems that use surface water downstream from the project area; and the average priority for the project area in the 2010 Forest Action Plan is low to medium-low.

Steve Hernandez motioned to accept the rankings on slide #3 (above) as prepared. Kathy Holian seconded the motion. The rankings as decided by the Board were unanimously approved.

6. Review of FY21 Guidelines and Process

Laura McCarthy proposed the Board have a meeting at the end of October 2020 to vote on the final guidelines for FY22, release the guidelines on December 1, 2020 with revised criteria, give until April 15, 2021 for projects to be submitted, deliver project packets on May 3, 2021, conduct a Board meeting in May 2021 with project presentations, scoring deadline of June 21, 2021, Board meeting June 24, 2021 to go over project rankings and recommendations.

Rebecca Roose asked if there was any feedback on the timeline when project proposals were prepared this cycle and how does the new timeframe compare to the current cycle. Laura McCarthy responded that the new cycle is the exact same as the prior timeline and she did not hear of any feedback good or bad. Forestry Division Deputy Director of Forests Lindsey Quam and Forest and Watershed Health Coordinator Susan Rich commented that most people started on project development right after the FY21 guidelines were issued. Lindsey said questions he did get were about what would be considered “good projects,” how planning sits in the realm of the intent of the FAWRA funding, they liked the timeframe and opportunity to make corrections to make their case stronger.

Steve Hernandez asked if the possibility of the Legislature sweeping funds affects the timeline if we’re still in the same budget crunch next year. Laura McCarthy said it’s uncertain, but if FY20 or FY21 funds get swept and we’re not able to get all of the projects on the current list going, we would prioritize any projects to which a commitment has already been made, which would be Zuni and Turkey Mountains. Anything that has been started would need to keep going. It would call into question whether or not new projects would be needed for FY22. The Legislature can sweep the fund balance if it’s unspent but must put money into the FAWRA fund by statute.

Stewart Liley commented that it depends on what the enabling legislation says on what the Legislature can and can’t do.

Cheryl Bada added that money already obligated tends to be safe because they’ve already done the work, but contracts can be cancelled on future work that is not done.

Laura McCarthy said the one thing that could help with FAWRA fund retention is the study recently completed for the Rio Grande Basin that documented that 26-27 jobs for every \$1 million spent, so if the Legislature sweeps the money, they are also sweeping rural jobs.

Rebecca Roose commented that the 2021 Legislative Session ends March 20th and that’s when the Board would know if legislative actions and decisions were made. The Governor’s deadline to veto is April 9th and that is when there is certainty about fund availability for the FY22 cycle. As for the timeline, it works from a session standpoint.

Cheryl Bada replied that if anything is going to be swept it would be during the session so if they haven't after April 10th the Board can vote.

The following dates were developed for the FY22 FAWRA timeline:



Rebecca Roose motioned to approve the FY22 timeline. Julie Valdez seconded the motion. The FY22 timeline was unanimously approved.

Laura McCarthy opened discussion on Guidelines and Process. She brought up Mark Myer's point that the utilization criteria conflicts if scoring a prescribed fire project. This might be able to be fixed by having an exemption in the criteria or something like that. Laura said Forestry Division staff can work on that.

Mark Myers commented that a key piece of the process is that many times the utilization happens on the front end and then is maintained through prescribed fire. There may be a component of protecting valuable timber resources through managing fuels so there is clearly a connection.

Rebecca Roose commented that the way criterion three is written is about "potential" for utilization and not an actual plan for utilization. She suggested there may be a better way to bridge what we're hoping the projects achieve and the actual wording of the criterion so we're not giving ourselves permission to read into what's actually going to happen. Laura McCarthy explained that one of the challenges is that wood utilization is market based and the project proponent can't specify where the wood will go.

Susan Rich and Lindsey Quam said they can work with the ideas the Board has provided to edit the FAWRA Guidelines for FY22 with an emphasis on the need to score based on how the project proponent is describing their plan for utilization, what's their best foot forward for this piece of the project and build in the flexibility for market conditions and unanticipated issues.

Laura McCarthy moved on to open discussion on FY20 funding. The Board gave a very high ranking to the Encino Vista Landscape Restoration Plan and the intent was to pay for archeological surveys as part of the planning process, but there is no state price agreement for archeological surveys. Fortunately,

there were no applicants for FY21, and the Forestry Division is thinking of cutting this out for FY22. There is discussion with EMNRD about creating a statewide price agreement because other division's use archeological surveys in their work.

Laura McCarthy asked for feedback on on the May 27 presentations of the project proposals. Steve Hernandez said it would work better in person. Rebecca Roose commented that the presentations were helpful. It was a lot at once, but she prefers that to breaking the presentations up over two days. Rebecca also suggested the presenters be alerted that the time allotted for each presentation would be enforced. Laura mentioned putting the presentation requirements that into the guidelines, along with the time limit and guide to use more photos than text in the slides to tell the story of the proposed project. Kathy Holian said she found it difficult to follow the presentations that had a lot of text and bullet points.

Rebecca Roose commented that on the first criterion in the FAWRA Guidelines ED inserted "will", as in "the project will essentially lead to these outcomes." The project plan itself isn't doing the protecting. The Forestry Division may consider building planning into criterion one and criterion two for consistency across multiple reviewers/scorers.

7. Discussion of Field Trip in Summer/Fall 2020

Laura McCarthy opened up discussion on a possible field trip in the fall with COVID-19 protocols in place. Kathy Holian said for her, it's better to see what's taken place on a project or what needs to be done in person rather than reading about it so she can decide whether to fund them or not. Laura said that the top two candidate projects for a visit are Zuni or Turkey Mountains because there is long-term commitment to those projects.

The consensus was to visit the Zuni project with a tentative date of Thursday, September 17, 2020.

8. Other Business

No other business was discussed.

9. Next Steps and Next Meeting Date

Laura McCarthy reviewed next steps, including sending the notification of selection to everyone who provided projects, sending June 26th minutes, creating calendar invites, revising the guidelines for FY22, organizing the field trip, and working with OSE on funds transfer for FY21.

Rebecca Roose commented that she would like to do more with spreading the word about the opportunities for potential FAWRA projects. She suggested adding an agenda item to the October 6th meeting to discuss a communications rollout. Laura McCarthy responded that a point of confusion in FY19 and FY20 outreach was that FAWRA is not grant money and projects are to be implemented by the Forestry Division. One of the goals of the FAWRA creators was to use the funding to create new opportunity for interagency relationships and coordination. Laura said that this will be an action item to take in revising the guidelines for FY22.

The next meeting of the Board is scheduled for October 6, 2020.

10. Adjournment

Rebecca Roose moved to adjourn the meeting. Mark Myers seconded the motion. The Board unanimously voted to adjourn the meeting.

Minutes submitted by: Wendy Mason

Approved by: Laura McCarthy