EASTERN SIERRA COUNCIL OF GOVERNMENTS (ESCOG)

REGULAR MEETING AGENDA

Friday, October 11, 2019
8:30 a.m.
Mammoth Lakes Council Chamber
437 Old Mammoth Road, Suite Z
Mammoth Lakes, CA

*Vice Chair Stacy Corless will attend via teleconference from the Olympic Village Lodge located at 1901 Chamonix Place, Olympic Village, CA 96146.

Board Members

Mono County Supervisor
Stacy Corless – Vice Chair
Mono County Supervisor
Bob Gardner
Town of Mammoth Lakes Councilmember
Lynda Salcido
Town of Mammoth Lakes Councilmember
John Wentworth

Inyo County Supervisor
Jeff Griffiths – Chair
Inyo County Supervisor
Dan Totheroh
City of Bishop Councilmember
Jim Ellis
City of Bishop Councilmember
Karen Schwartz

NOTICE TO THE PUBLIC

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact the Clerk of the Board at 760-965-3603. Notification 48 hours prior to the meeting will enable the City of Bishop or Town of Mammoth Lakes to make reasonable arrangements to ensure accessibility to this meeting. (See 42 USCS 12132, 28CFR 35.130)

NOTE: Comments for all agenda items are limited to a speaking time of three minutes.

1. Call to Order
2. Pledge of Allegiance
3. **Roll Call**

4. **Public Comment** – Notice to the Public: This time is set aside to receive public comment on matters not calendared on the agenda. When recognized by the Chair, please state your name and address for the record and please limit your comments to three minutes. Under California law the Eastern Sierra Council of Governments Board is prohibited from generally discussing or taking action on items not included in the agenda; however, the Eastern Sierra Council of Governments Board may briefly respond to comments or questions from members of the public. Therefore, the Eastern Sierra Council of Governments Board will listen to all public comment but will not generally discuss the matter or take action on it.

5. **Approve the Minutes of the August 9, 2019 regular meeting and September 13, 2019 special meeting.**

6. **Approval of the amended Joint Powers Agreement Establishing the Eastern Sierra Council of Governments as a separate Legal Entity from its Member Agencies and approval of the joint staff report.**

7. **Update on the Eastern Sierra Sustainable Recreation Partnership (ESSRP), including Innovative Finance for National Forests.**

8. **Update on the Prop68/Sierra Nevada Conservancy’s “Sustainable Recreation and Tourism” Grant, administered by the Town of Mammoth Lakes on behalf of the regional partners**

9. **Update on Air Service and the Mammoth Yosemite Airport and Bishop Airport.**

10. **Board and Council Reports**

11. **Call for Agenda Items for Next Meeting**

12. **Adjournment**

   The ESCOG will adjourn to the next meeting on Friday, December 13, 2019 at 8:30 a.m. in Bishop.
REGULAR MEETING MINUTES

Friday, August 9, 2019
8:30 a.m.
Bishop City Council Chambers
301 West Line Street
Bishop, California

Board Members

Mono County Supervisor
Stacy Corless – Vice Chair
Mono County Supervisor
Bob Gardner
Town of Mammoth Lakes Councilmember
Lynda Salcido
Town of Mammoth Lakes Councilmember
John Wentworth

Inyo County Supervisor
Jeff Griffiths – Chair
Inyo County Supervisor
Dan Totheroh
City of Bishop Councilmember
Jim Ellis
City of Bishop Councilmember
Karen Schwartz

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NOTE: Comments for all agenda items are limited to a speaking time of three minutes.

1. Call to Order

Chair Jeff Griffiths called the meeting to order at 8:36 a.m.
2. **Pledge of Allegiance**

The pledge of Allegiance was led by Board Member Karen Schwartz.

3. **Roll Call**

Chair Jeff Griffiths, and Board Members Lynda Salcido, John Wentworth, Dan Totheroh, Jim Ellis and Karen Schwartz were present. Vice Chair Stacy Corless and Board Member Bob Gardner were absent.

4. **Public Comment** – Notice to the Public: This time is set aside to receive public comment on matters not calendared on the agenda. When recognized by the Chair, please state your name and address for the record and please limit your comments to three minutes. Under California law the Eastern Sierra Council of Governments Board is prohibited from generally discussing or taking action on items not included in the agenda; however, the Eastern Sierra Council of Governments Board may briefly respond to comments or questions from members of the public. Therefore, the Eastern Sierra Council of Governments Board will listen to all public comment but will not generally discuss the matter or take action on it.

Town of Mammoth Lakes Town Manager Dan Holler announced the multi-day affordable housing design workshop for The Parcel project August 20th – August 23rd in Mammoth and invited the members of the Board to attend.

5. **Approve the Minutes of June 14, 2019**

ACTION: It was moved by Board Member John Wentworth, seconded by Board Member Dan Totheroh, and carried by a 6-0 voice vote to approve the minutes of the June 14, 2019 Board Meeting.

6. **Status and action regarding amended Joint Powers Agreement Establishing the Eastern Sierra Council of Governments as a separate Legal Entity from its Member Agencies**

Chair Jeff Griffiths requested that a special meeting be held in September when all of the ESCOG Board Members would be available for this discussion.

Board Member John Wentworth suggested a special meeting on September 13th in Mammoth Lakes, after the ESTA meeting.

Chair Griffiths reported that the Bishop City Council took up approval of the Joint Powers of Authority Agreement. Mr. Griffiths said there had been questions and concerns brought up by a member of the Bishop City Council which were being reviewed the member agencies’ legal counsels to see if they could be incorporated into the agreement.
Board Member Karen Schwartz recommended that the City Administrators, City Managers and some of the legal team attend the special meeting to avoid any miscommunication between them and ESCOG.

There was discussion among members of the Board.

CONSENSUS: It was agreed upon to schedule a special meeting of the ESCOG in Mammoth Lakes, Suite Z on September 13, 2019 at 11:00 a.m.

7. Update on the Eastern Sierra Sustainable Recreation Partnership (ESSRP)

Board Member John Wentworth gave an update on the ESSRP. Mr. Wentworth reported that he went to Alpine County and gave a presentation regarding the ESSRP and said that they were very enthusiastic to join the ESSRP. He discussed the process involved for them to join and said Bishop and Inyo County can do the same if desired. Mr. Wentworth also said that a grant application had been submitted to the National Park Service for the Recreation Trails and Conservation Systems Grant which would involve the six national parks units in the region. He said that the decision about the grant would be made in late August or September and said that the funds would be handled internally within the Park Service not given directly to the applicant.

Chair Jeff Griffiths reported that Inyo County was ready to engage the Forest Service and said there had been an initial meeting with United Stated Forest Service and representatives from Los Angeles Department of Water and Power (LADWP).

Board Member Karen Schwartz asked if Mammoth Lakes had a staff person dedicated to the Sierra Nevada Conservancy Grant.

SPEAKING FROM THE FLOOR:

Town of Mammoth Lakes (TOML) Town Manager Dan Holler reported that the Town had accepted the Sierra Nevada Conservancy Grant. Mr. Holler stated that different components of the grant would be managed by several subcontractors and described the proposed process.

Chair Jeff Griffiths explained how the SNC Grant would work and the types of projects that could be funded with it.

Board Member John Wentworth outlined financial details of the SNC Grant. He presented the PowerPoint presentation regarding the purpose, history and future of the ESSRP that he had presented to Alpine County. Mr. Wentworth offered that the members of the Board could use this presentation to present information about the ESSRP to their constituents.
There was discussion among members of the Board.

8. **Update on the Town of Mammoth Lakes Sierra Nevada Conservancy Vibrant Tourism and Recreation Grant**

This item was discussed in conjunction with Item #7.

Chair Griffiths called a recess at 9:29 a.m.

The Board reconvened at 9:37 a.m.

9. **Update regarding Mammoth Yosemite Airport and Bishop Airport**

Inyo County Chief Administrative Officer Clint Quilter gave an update on the Bishop Airport improvement bids that were out, and said they were given a 10% increase on their grant with the Federal Aviation Administration (FAA). Mr. Quilter said they were commencing design on the runway rehabilitation for their long runway which is expected to take place next summer. He reported that environmental studies had been started.

There was discussion between Mr. Quilter and members of the Board.

TOML Town Manager Dan Holler gave an update on the Mammoth Yosemite Airport. Mr. Holler reported that the segmented circle project would start next week. He said that the environmental assessments had been initiated for the Airport Capital Improvement Plan (ACIP) work and that the updated Airport Layout Plan (ALP) had started. He also said that they were anticipating a visit from the FAA in late September.

There was discussion between Mr. Holler and members of the Board.

10. **Update and discussion on General Aviation and Commercial Air Service plans for Mammoth Yosemite and Bishop Airports**

Mammoth Lakes Tourism (MLT) Executive Director John Urdi discussed the history of the air subsidy program, and gave an update on current air service plans. Mr. Urdi said that MLT was looking for a partnership with Bishop Airport to achieve reliable and consistent air service as well as the ability to land larger planes. He discussed how the TBID worked and the benefits it provided. He talked about the commercial airlines that currently fly into the Mammoth Yosemite Airport in addition to charter service provided by JetSuiteX and how the contracts for air subsidies work between Mammoth Mountain Ski Area, MLT and the airlines.
Mr. Urdi spoke about expanding their marketing efforts to new markets in the future. He gave information related to TBID funds being used to market and subsidize air service outside of Mammoth Lakes and reported that the MLT had been given an opinion letter from Attorney Michael Colantuono regarding TBID funds being used for air subsidy in Bishop stating that it was an option to do so. He mentioned that the MLT Board voted to continue to attempt to get an Attorney General opinion letter regarding the use of TBID funds at Mammoth Yosemite Airport and Bishop Airport. Mr. Urdi discussed rental car options available in Bishop and Mammoth and spoke of efforts to increase services in both locations. He asked if the ESCOG would be able to request an opinion letter to the Attorney General on MLT’s behalf.

SPEAKING FROM THE FLOOR:

Mr. Quilter stated that a county would have to request the Attorney General letter, and that demonstration of unsettled law would be required in order for the County to send the letter to the Attorney General. He said the County Board of Supervisors would then make the final decision as to whether or not they would proceed with the request. He also stated that Inyo County would not bear the risk of a negative Attorney General’s opinion letter alone.

There was discussion between Mr. Urdi, Mr. Quilter and members of the Board.

11. Board and Council Reports

Board Member Dan Totheroh reported that he attended a sustainable ground water meeting regarding the State determining whether Inyo County would remain a medium priority or go to a low priority. He said if they were moved to a low priority they would not have to take any action; if they were moved to a medium priority they would need to get a plan in place. He reported that the Board decided not to discuss this matter until the State made a decision, although most of the Board Members were ready to get started on a plan regardless.

Board Member Jim Ellis said there had been some strategic planning meetings within his Council regarding grant funding from Caltrans and Proposition 68 to look at housing options such as mixed-use zones and their downtown area, and how to best utilize it. Mr. Ellis said that they had put out RFPs for consulting companies to help them see the bigger picture. He said they were looking at some possible trail work to make Bishop more of a destination. He reported that they were also trying to revise and improve signage, commercial versus residential zoning and design standards. He also said that Bishop’s park planning update was in progress.
Board Member Lynda Salcido reported that the focus in Mammoth Lakes was on The Parcel and getting ideas for housing on smaller pieces of land. Ms. Salcido said that The Parcel planning session coming up August 20 - August 23 would be important to move forward. She said that the sidewalk in Mammoth along Main Street was almost finished and looking great. She said the other side of the street would be completed next year. She also noted that the Lakes Basin was impacted with tourists.

Board Member Karen Schwartz reported that Bishop had finalized their purchase agreement for the Silver Peaks project, which was for the development of 72 affordable housing units. Ms. Schwartz said that now it was up to Inyo Mono Advocates for Community Action (IMACA) Housing and Planning Director Larry Emerson to find the GAP funding from purchasing the land to getting the money to start the development.

Chair Jeff Griffiths also discussed the Silver Peaks project and various funding options that were available. Mr. Griffiths said Inyo County was working with Inyo Mono Veterans Services, VFW, IMACA, and the City of Bishop to develop approximately 16-18 Veterans’ housing units and a Veterans’ Services complex across the street from the Silver Peaks project. He reported that the County’s consolidated office building was breaking ground soon.

There was discussion among members of the Board.

12. Call for Agenda Items for Next Meeting

September 13th special meeting:

- Status and action regarding amended Joint Powers Agreement Establishing the Eastern Sierra Council of Governments as a separate Legal Entity from its Member Agencies.

October 11th regular meeting:

- Update on the Eastern Sierra Sustainable Recreation Partnership (ESSRP).
- Update on the Town of Mammoth Lakes Sierra Nevada Conservancy Vibrant Tourism and Recreation Grant.
- Update regarding Mammoth Yosemite Airport and Bishop Airport.
- Update and discussion on General Aviation and Commercial Air Service plans for Mammoth Yosemite and Bishop Airports.
- Discussion of issues regarding regional emergency dispatch issues.

- Update from Mono County Information Technology Director Nate Greenberg regarding the close out of the Inyo Mono Broadband Consortium (IMBC) Advisory Council.
13. **Adjournment**

The meeting was adjourned at 10:46 to a special meeting on Friday, September 13, 2019 at 11:00 a.m. in Mammoth Lakes.
EASTERN SIERRA COUNCIL OF GOVERNMENTS (ESCOG)

SPECIAL MEETING MINUTES

Friday, September 13, 2019
9:00 a.m.
Mammoth Lakes Council Chamber
437 Old Mammoth Road, Suite Z
Mammoth Lakes, CA

Board Members

Mono County Supervisor
Stacy Corless – Vice Chair
Mono County Supervisor
Bob Gardner
Town of Mammoth Lakes Councilmember
Lynda Salcido
Town of Mammoth Lakes Councilmember
John Wentworth

Inyo County Supervisor
Jeff Griffiths – Chair
Inyo County Supervisor
Dan Totheroh
City of Bishop Councilmember
Jim Ellis
City of Bishop Councilmember
Karen Schwartz

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NOTE: Comments for all agenda items are limited to a speaking time of three minutes.

1. Call to Order

Chair Griffiths called the meeting to order at 9:08 a.m.
2. **Pledge of Allegiance**

Councilmember Lynda Salcido led the Pledge of Allegiance

3. **Roll Call**

Chair Jeff Griffiths, Vice Chair Stacy Corless, and Board Members Bob Gardner, Lynda Salcido, John Wentworth, Dan Totheroh, Jim Ellis and Karen Schwartz were all present.

Town of Mammoth Lakes Town Manager Dan Holler, Inyo County Chief Administrative Officer Clint Quilter and City of Bishop Interim City Administrator Robin Picken were also present. Mammoth Lakes Attorney Andy Morris, City of Bishop Attorney Ryan Jones, Mono County Counsel Stacey Simon and Inyo County Counsel Marshall Rudolph participated via teleconference.

4. **Public Comment** – Notice to the Public: This time is set aside to receive public comment on matters not calendared on the agenda. When recognized by the Chair, please state your name and address for the record and please limit your comments to three minutes. Under California law the Eastern Sierra Council of Governments Board is prohibited from generally discussing or taking action on items not included in the agenda; however, the Eastern Sierra Council of Governments Board may briefly respond to comments or questions from members of the public. Therefore, the Eastern Sierra Council of Governments Board will listen to all public comment but will not generally discuss the matter or take action on it.

There were no comments given at this time.

5. **Status and action regarding amended Joint Powers Agreement Establishing the Eastern Sierra Council of Governments as a separate Legal Entity from its Member Agencies**

Town of Mammoth Lakes Town Manager Dan Holler gave an update on the status of the JPA Agreement that had been sent out to the four member agencies for review and revisions. Mr. Holler recommended that if the ESCOG wanted to move forward with the agreement as presented, or amended at this meeting, that it then go out to each of the member agencies to vote whether to approve. Mr. Holler said the request for each agency would be funding of approximately $12,600 in order to move the JPA forward with no staff at this time. If the ESCOG wanted to go forward with adding and funding staff, it would need to go back to the agencies for approval.

**SPEAKING FROM THE FLOOR:**

City of Bishop Interim City Administrator Robin Picken voiced her concern about funding and staffing resources due to recent changes in City personnel.
The attorneys spoke about modifications that they had made to the draft JPA to address agency concerns about autonomy of the role of the ESCOG.

There was a discussion amongst the Board about how to address agency concerns about the JPA. Board Member Schwartz and Chair Griffiths spoke about specific concerns that had been voiced at their respective Council and Board meetings regarding the authority of the ESCOG and how costs would be split amongst the agencies.

There was additional discussion amongst the Board regarding potential concerns and perceived benefits of the JPA.

Mono County Counsel Stacey Simon spoke about several proposed changes to the JPA that were drafted to address some of the agency concerns. The first was that the JPA may not take a position on matters of policy unless the four member agencies agree; the second was to clarify that the ESCOG was not a council of governments (COG) within the meaning of various laws that assign duties to COGs related to housing elements and planning law, etc.

SPEAKING FROM THE FLOOR:

Chief Administrative Officer Clint Quilter stated that there were three versions of the JPA agreement and described the differences between them.

The Board took a recess at 9:40 p.m.

The Board reconvened at 9:48 p.m.

There was discussion amongst the group regarding accepting gifts.

There was discussion amongst the Board regarding proposed changes to the draft JPA agreement.

CONSENSUS: the Board had consensus on the following items:

Accept the original language and deleted changes in section 3.02 and 3.03.

Accept the language in section 3.04 as amended.

Accept the original language in section 3.08 and to disregard the proposed changes.
Accept section 3.10 as amended to state that the ESCOG may have a legislative platform and that platform must be approved by the four governing bodies.

Accept the original language in section 3.11.

Accept 4.02f as amended to require that a majority Board of Directors for the purposes of a quorum shall include at least one member of each member agency and no resolution or motion shall be passed or become effective without an affirmative vote of at least a majority of the membership of the Board and an affirmative vote of at least one member of each member agency.

CONSENSUS: The Board requested that a final draft of the agreement be brought back to the next meeting on October 11 along with a common staff report that would be approved by the ESCOG and included in each agency’s agenda packet when the ESCOG JPA item is considered by those agencies.

There was additional discussion between the Board, staff and the attorneys.

The Board and staff discussed the cost of staffing a 10 hour per week employee to serve as the Executive Director for the JPA, as well as the duties that person would perform and who they would report to. Mr. Holler estimated the cost of a part-time executive director to be $50,000 per year and added that this expense would be in addition to the previously discussed operating costs and would be split equally between the four member agencies for a maximum total cost of approximately $25,000 per agency per year

6. Board and Council Reports

There were no reports given.

7. Call for Agenda Items for Next Meeting

8. Adjournment

The meeting was adjourned at 11:05 a.m. to the next regular meeting on Friday, October 11, 2019 at 8:30 a.m. in Mammoth Lakes.
ESC OG STAFF REPORT

Subject: Approval of Final Eastern Sierra Council of Governments Joint Powers Authority (JPA) Formation Agreement

Meeting Date: October 11, 2019

BACKGROUND:

The Eastern Sierra Council of Governments (ESCOG) has been working through the process to create a formal Joint Powers Authority. At the September 13, 2019 special meeting, the Board worked through a final JPA formation agreement document. The final draft (redlined version) and a clean version is provided. Upon final review by the Board, the final clean agreement is to be presented to each Member Agency for consideration. The JPA formation agreement presented here incorporates the edits requested by the ESCOG during the September meeting and has been reviewed by the Member Agency attorneys.

A draft staff report that will be presented to each Member Agency was discussed, and an updated draft report is attached. It is anticipated that each member agency will provide their normal cover sheet and discussion as may be appropriate for each Board/Council process. The report addresses the estimated financial request of Member Agencies.

RECOMMENDATION

It is recommended that the ESCOG Board approve the JPA formation agreement (agreement) and the attached staff report, which will be submitted to each member agency’s governing body for consideration.
STAFF REPORT
for
Mono County Board of Supervisors
Inyo County Board of Supervisors
Bishop City Council
Mammoth Lakes Town Council

Subject: Consider approving the formation agreement for an Eastern Sierra Council of Governments Joint Powers Authority (JPA)

Meeting Date: TBD

BACKGROUND:

The Eastern Sierra Council of Governments (ESCOG) currently exists as a body that shares ideas and discussions between elected officials representing the Town of Mammoth Lakes, City of Bishop, and Inyo and Mono Counties. The ESCOG currently operates under a joint powers agreement. The ESCOG has expressed an interest in creating a Joint Powers Authority (JPA) that would allow the Board to take action on various items affecting the region and to have those powers and duties as provided for in the formation agreement. The JPA would be a separate legal governmental entity. The ESCOG Board has worked through the proposed formation agreement over the past several months. In order to move forward with the JPA formation as presented, all four member agencies will need to vote in support to do so. The attached agreement is provided for consideration by the ESCOG Member Agencies. The ESCOG Board is requesting that each agency either approve or reject the JPA formation agreement as proposed rather than with revisions. Comments or concerns will be expressed and passed on to the ESCOG Board, however, any revisions to the document would require review and approval by each member agency again.

ANALYSIS:

Creation of a JPA would create a new governmental body in the Eastern Sierra. As a separate body, the ESCOG may be delegated certain authority and funding from the Member Agencies creating the JPA. It may act autonomously and independently from or in concert with member agencies, subject to the powers and duties as provided for in the JPA formation agreement.

Duties and Responsibilities

The JPA formation agreement delegates specific authority to the JPA. The JPA would be formed under the specific State statues allowing governmental agencies to create Joint Powers Authorities (see section I. Recitals, 1.05 and 1.06 of the agreement). Section II sets for the basic purpose for the creation of the JPA. This states as follows:
II. Purposes

2.01 The ESCOG shall continue to be organized to: (1) provide a forum for discussion and study of regional issues of interest to the Member Agencies; (2) identify and plan for the solution of selected regional issues requiring multi-governmental cooperation; (3) facilitate actions and agreements among the Member Agencies for specific project development; (4) conduct other region wide functions as the Members deem appropriate.

2.02 In addition to the above, the ESCOG shall be organized to identify funding sources and to apply for and receive funding for the planning and implementation of programs of regional impact or significance, and to implement such programs, upon approval of the governing bodies of each Member Agency.

The Formation Agreement provides a number of checks and balances for the Member Agencies as noted above in section 2.02. In Section III Powers, there are additional limits such as the ability to raise certain revenue is limited under 3.07. “With the approval of the governing bodies of each of the Member Agencies, to raise revenues through the imposition of fees, assessments, taxes or the issuance of bonds, in accordance with applicable laws” (emphasis added). The JPA’s overall powers and duties are also focused and under section 3.11 do not include other statutory duties that may be undertaken by a Council of Governments (COG). The powers delegated to the JPA do provide appropriate authority for the JPA to function and to address specific areas of regional importance in concert with the member agencies.

The ability to act as a regional body may bring added value in areas that cover multiple agency governmental boundaries (i.e. recreation, digital 395 broadband, National Forest Planning, to note a few). The JPA will also be positioned to pursue regionally based grants and other funding directed at agreed upon projects and programs. The JPA will continue to provide opportunity for the Member Agencies to share information and ideas.

Financial Considerations

The ESCOG historically has not had any staff assigned to work on its behalf. Clerking duties have rotated between the four agencies, although a recent change has assigned those duties to a new Town of Mammoth Lakes position that will be funded in part by each of the four ESCOG agencies. The new position is responsible for coordinating and clerking meetings, record keeping, and maintaining the ESCOG website. The approval of the JPA will have additional staff and support costs. The estimate for formation of the JPA is provided in Attachment A. The initial cost for each agency for the first year of operation is estimated at $100,400 or $25,100 per member. For FY19-20 a prorated amount is anticipated and will be finalized based on the timeframe necessary to initiate the new JPA.
The initial funding estimate includes the current clerk duties being provided by the Town of Mammoth Lakes. While part of the annual cost, this is not a new cost to the members. The initial recommendation is for a part-time Executive Director. An allocation of $50,000 is recommended. The position may be contracted through a member agency. The alternative would be to directly contract with an individual. The remaining costs are normal operational costs including, legal, fiscal agent, insurance and other miscellaneous costs. It is anticipated that the initial legal and fiscal agent costs will be provided by member agencies.

Next Steps
Mono County Counsel has taken the lead on drafting the attached JPA formation document, which has been reviewed by Counsel and the administrators for the Member Agencies. The proposed JPA was approved by the ESCOG on October 11, 2019. The ESCOG voted to present the document to each of the member agencies for approval, which is required before any additional action can be taken to formalize the JPA.

If the JPA is approved by each of the four agencies, a number of steps will need to occur in order to finalize the formation of the JPA. The following initial steps have been identified by staff and legal counsel as requirements for the formation of a JPA:

1. File the JPA formation document with the Secretary of State
2. Adopt a Conflict of Interest Code
3. File new (or amended) Form 700s
4. Secure insurance for the JPA
5. Acquire legal counsel/representation (initially contract with member)
6. Draft and adopt a budget and detail member agency financial requirements
7. Set regular meeting schedule (adopt by resolution)
8. Adopt Bylaws for the new JPA
9. Hire/Contract for an Executive Director

It is anticipated that current member agency staff will assist in several of these steps.

LEGAL CONSIDERATIONS:

Adoption of the JPA will create a new governmental entity in the Eastern Sierra. The JPA structure is provided under State law and is a legal process used by multiple agencies across the state to provide regional services. The Eastern Sierra Transit Authority (ESTA) is a local example. This body will have those duties, powers and authority as provided for in the JPA formation documents.

OPTIONS

Each of the member agencies should consider the following options.
Option 1: Approve the draft JPA formation agreement as proposed. Vote in concept to approve the initial funding for the remainder of FY19-20 (anticipated to be 50% of the estimated annual cost) and as a base line for FY20-21 budget planning purposes.

Option 2: Provide input on the proposed JPA formation agreement and request that theESCOG make revisions to the draft JPA formation agreement. Any revisions or additional information would need to come back to the four agencies for approval, as all four agencies need to approve the same document. The ESCOG Board is requesting that the proposed JPA formation document be either approved or rejected, with any comments forwarded to the ESCOG Board.

Option 3: Do not approve the draft JPA. Request that the ESCOG stop working on the establishment of a JPA and that it continue to function as a body that shares ideas and information between elected officials in the region and continue to operate under the existing joint powers agreement structure.

Attachments

A - Initial Startup Cost Estimates
B - Final Draft JPA formation agreement
## Attachment A
### JPA START-UP COST ESTIMATE

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¹ – Assumes work provided by existing Member agency staff on a part-time basis/or limited contract for services.
² – Assumes work provided by existing Mammoth Lakes staff, with minor increase in meetings
³ – Assumes work provided by existing member staff (Mono/Inyo County)
Attachment B

Final Draft JPA
This agreement, made and entered into this _____________ day of ______________, by and among the County of Mono, a political subdivision of the State of California (“Mono”), the County of Inyo, a political subdivision of the State of California (“Inyo”), the Town of Mammoth Lakes, a municipal corporation (“Town”) and the City of Bishop, a municipal corporation (“City”) (collectively “Member Agencies” or “Members”), shall supersede and replace, in its entirety, that Amended Joint Powers Agreement Eastern Sierra Council of Government Entities (COG) entered into by and among the Parties on or about February 26, 1999.

I. Recitals

1.01 In 1995, the Counties of Inyo and Mono and the Town of Mammoth Lakes executed a joint powers agreement (JPA) establishing the Eastern Sierra Council of Governments (ESCOG). The 1995 JPA was amended in 1999 to add the City of Bishop as a party.

1.02 Since its establishment, the ESCOG has functioned as a forum for communication among Member Agencies regarding issues of regional concern and, more recently, for the planning and implementation of regional communications and broadband solutions through the establishment of the Inyo-Mono Broadband Consortium. The ESCOG has not historically operated as a joint powers authority independent from its Members, nor taken the necessary steps to become such an independent legal entity.

1.03 The Member Agencies acknowledge and agree that there are circumstances where it is necessary or desirable for the Member Agencies to function collectively on a regional basis, such as where regionalization enhances funding opportunities, provides resources and capabilities that would not otherwise be available, or improves the delivery of services to benefit the interests of the Members’ constituents.

1.04 The Member Agencies further agree that the creation of a regional joint powers authority that is a separate legal entity from the Members would position the ESCOG to maximize and take advantage of these opportunities.

1.05 Article 1 of Chapter 5 of Division 7 of Title 1, commencing with section 6500, of the California Government Code authorizes two or more public agencies, by joint powers agreement approved by their governing bodies, to jointly exercise any powers common to them and/or to create a separate legal entity for the purpose of exercising such powers.

1.06 It is the intent of the Parties to enter into a joint powers agreement pursuant to the provisions of sections 6500 et seq. to establish a joint powers authority, the Eastern Sierra Council of Governments, which would supersede and replace the historic ESCOG established in 1995 (and modified in 1999), for the purposes of enhancing funding and resource opportunities and providing such programs, services or functions that the Member Agencies, by approval of their governing bodies, deem necessary or desirable.
II. Purposes

2.01 The ESCOG shall continue to be organized to: (1) provide a forum for discussion and study of regional issues of interest to the Member Agencies; (2) identify and plan for the solution of selected regional issues requiring multi-governmental cooperation; (3) facilitate actions and agreements among the Member Agencies for specific project development; (4) conduct other region wide functions as the Members deem appropriate.

2.02 In addition to the above, the ESCOG shall be organized to identify funding sources and to apply for and receive funding for the planning and implementation of programs of regional impact or significance, and to implement such programs, upon approval of the governing bodies of each Member Agency.

III. Powers

3.01 To contract or otherwise participate in, and to accept grants, funds or services from the State or Federal government, their agencies or instrumentalities or from any civic organization or private person (including but not limited to corporations) in connection with any program judged by the ESCOG Board to be relevant to its purposes, and upon approval of the governing bodies of the Member Agencies.

3.02 To accept gifts, bequests or donations in support of current programs of the ESCOG or to support ongoing operating expenses.

3.03 To contract for any services judged by the ESCOG to be necessary or convenient for carrying out its purposes and to pay the costs of such services in accordance with section 5.02. Such contracts may be with an ESCOG Member, upon agreement by that Member and the ESCOG, or with an outside agency or firm and may include contracts for:
   a. General legal services.
   b. Litigation or specialized legal services.
   c. Liability Insurance and, where applicable, workers’ compensation insurance.
   d. Human Resources services.
   e. Other governmental services required to operate the ESCOG may be provided by a Member, JPA staff or an independent contractor.

3.04 The debts, liabilities or obligations of the ESCOG shall not become the debts, liabilities or obligations of the Member Agencies. The ESCOG may incur debts, liabilities or obligations in accordance with the above. However, notwithstanding the foregoing, and as required by Government Code sections 6508.1, 6508.2, 20574.1 and 20575, in the event of dissolution of the JPA, the Member Agencies shall apportion any PERS liability among themselves and allow CalPERS to make the apportionment if the Members cannot agree.

3.05 To employ personnel including an Executive Director and/or such other staff as the ESCOG Board of Directors deems appropriate and to establish the powers and duties of such personnel.
3.06 To invest, in accordance with Government Code section 6509.5, monies in the treasury of the ESCOG that is not immediately required for necessities of the ESCOG.

3.07 With the approval of the governing bodies of each of the Member Agencies, to raise revenues through the imposition of fees, assessments, taxes or the issuance of bonds, in accordance with applicable laws.

3.08 To own, lease or license real or personal property and/or equipment which is necessary or proper to carry out the purposes of the ESCOG.

3.09 All other powers that are necessary or proper to carry out the purposes of the ESCOG.

3.10 To take official positions on matters of policy and/or to support or oppose legislation which is consistent with a legislative platform of the ESCOG, which platform has been approved by the governing bodies of the Member Agencies.

3.11 In establishing the ESCOG, is not the intention of the parties to create a council of governments as that term is defined in subdivision (b) of Government Code sections 65582. Accordingly, the ESCOG shall have none of the powers or obligations set forth in Article 10.6, of Article 3, of Division 1, Title 7 of the Government Code related to the development of Housing Elements, nor shall it have any powers or obligations as may be set forth in any other statutes or regulations applicable to a “council of governments,” unless this agreement is modified, by approval of the governing bodies of all of the Member Agencies, to provide such powers.

Each of the above powers may be exercised by the ESCOG in the same manner, and subject to the same restrictions, as such powers are exercised by the Town of Mammoth Lakes.

IV. Organization - The internal organization of the ESCOG shall be as follows:

4.01 Membership. Members shall consist of the County of Inyo, the County of Mono, the Town of Mammoth Lakes and the City of Bishop, upon approval of this agreement by the governing body of each, and the execution of this agreement by an authorized representative of each Member. Each Member shall be entitled to be represented by two representatives, each of whom shall be a member of the legislative body of such Member.

4.02 Board of Directors, Officers and Meetings.

a. The ESCOG shall have a Board of Directors comprised of two representatives, and up to two alternates, appointed by each of the governing bodies of its Members. The term of office of each director shall not exceed his or her term of office on the legislative body he or she represents.

b. Upon execution of this agreement by all four Member Agencies, the ESCOG representatives having previously been appointed by the governing bodies of the Member Agencies shall
continue to serve as directors of the ESCOG for the terms for which they were previously appointed. The term of office of each subsequently-appointed representative shall be four (4) years. If a vacancy occurs on the board, it shall be filled by appointment of the governing body of the affected Member and such appointed representative shall serve for the remainder of the term.

c. The Board of Directors shall elect from among its members a Chair, Vice-chair and Secretary for a term of one (1) year. The members currently serving in those offices shall continue to serve for the remainder of their appointed terms, except that the member, if any, previously appointed to serve as Secretary/Treasurer shall instead serve as Secretary. Notwithstanding the above, the office of Secretary may be an administrative staff person of the ESCOG or of a Member Agency designated by the Board of Directors.

d. The ESCOG shall establish regular meetings of the Board of Directors which shall be not less than one (1) such meeting each calendar quarter.

e. Meetings of the ESCOG shall be noticed and carried out in accordance with the provisions of the Ralph M. Brown Act.

f. A majority of the Board of Directors shall constitute a quorum for the transaction of business. A majority of the Board of Directors for purposes of a quorum shall include at least one representative of each Member Agency. No resolution or motion shall be passed or become effective without affirmative vote of at least a majority of the membership of the ESCOG board and at least one affirmative vote by the representative of each Member Agency. Additionally, for those actions requiring approval by the governing bodies of the Member Agencies as specified in Article III of this agreement, each and every Member Agency must also approve the resolution or motion.

V. Financial Provisions

5.01 Each Member shall contribute to the administrative support of the ESCOG. Administrative support is understood as those costs, expenditures and obligations which maintain up to one (1) 0.5 FTE agency administrative staff person. Each Member’s contributions to administrative time and support shall be accounted for. It is intended that each Member will provide twenty-five percent (25%) of the administrative staff person, unless otherwise agreed by the Board of Directors, and shall agree in advance regarding any additional administrative support.

5.02 Members may make financial contributions to the ESCOG in any manner authorized by Government Code section 6504. All contract costs incurred pursuant to section 3.03 and section 5.04 of this JPA shall be divided equally among the Members. Any financial contributions other than for costs under section 3.03 or 5.04 shall be provided on an individual project basis and approved by the governing body of the Member Agency providing such support. Any advances of public funds to the ESCOG shall be repaid in the manner provided in the document authorizing the advance.
5.03 The ESCOG’s fiscal year shall commence on July 1 of each year and terminate on June 30 of the following year.

5.04 The Finance Director of the County of Mono shall serve as the Fiscal Agent, Treasurer and Auditor (hereinafter “Treasurer”) for the ESCOG, unless otherwise directed by a majority of the board. The Treasurer shall be responsible for all money of the ESCOG from whatever source, shall be the depositary and have custody of the money of the ESCOG, and shall perform all duties and functions of the Treasurer as set forth in Government Code sections 6505, 6505.5, or any other applicable state, federal or local law or regulation. All funds of the ESCOG shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements during the fiscal year. Members shall share the costs of this service equally.

5.05 Nothing contained in this agreement shall bind any Member to a financial commitment on behalf of the ESCOG, except as specifically provided.

VI. Property and Records

6.01 Upon any dissolution of the ESCOG, any surplus money or property shall be disposed of by division among the Members in the same proportion as such Members contributed to the ESCOG.

6.02 The Town of Mammoth Lakes shall serve as the repository of all records of the ESCOG. Record retention shall conform to the requirements of law. Any record destruction shall first be approved by the Board of Directors. The Board of Directors may provide for record retention beyond the requirements of law.

VII. General Provisions

7.01 Amendments. This agreement may be amended at any time by all of the Member Agencies acting through a majority vote of their governing bodies. In the event the ESCOG should determine that an amendment to this agreement would be in the best interests of the ESCOG and its Member Agencies, it may propose such amendment for ratification by the governing bodies of each Member Agency. This agreement shall be deemed and be so amended upon the date the last governing body approves such amendment.

7.02 Voluntary Association. It is understood and agreed that membership and participation in the ESCOG as described in this agreement is voluntary. Any Member may withdraw by giving written notice to the governing bodies of the other Member Agencies in the manner provided in this agreement for the communication of notices.

7.03 Withdrawal. A Member may withdraw from the ESCOG by providing written notice to the remaining Members at least ninety (90) days prior to the end of the fiscal year, and shall remain liable for its share of financial support and/or contribution to the ESCOG through the end of that
fiscal year. Except for payments required by AB 1912 (2018) and described in section 3.04, a withdrawing Member shall not be liable to the ESCOG nor any of the other Members for payment of contributions or financial support to the ESCOG not previously committed by that Member.

7.04 Dissolution and Termination. The ESCOG may be dissolved and this agreement terminated at any time in the same manner as provided for amendment in section 7.01. The ESCOG shall automatically be dissolved upon withdrawal of 2 of its Members.

7.05 Effective Date and Term of Agreement. This agreement shall be and become effective for all purposes when approved by the governing bodies of each of the Member Agencies and shall remain in full force and effect unless and until dissolved or terminated in the manner provided in this agreement.

7.06 Notices. In the event it is or becomes necessary for a party to this agreement to serve or give notice to any other party, such notice shall be deemed validly served and given if deposited in a United States Post Office with postage thereof fully prepaid, sent registered or certified mail and, if to Inyo County, addressed to the County Administrator, Administrative Center, County of Inyo, PO. Box N, Independence, California 93526; if to Mono County, addressed to the County Administrative Officer at P.O. Box 696, Bridgeport, California 93517; if to the Town of Mammoth Lakes, addressed to the Town Manager at P.O. Box 1609, Mammoth Lakes, California 93546; and, if intended for the City of Bishop, addressed to the City Manager at 337 West Line Street, Bishop, California 93514.

7.07 Inurement. This agreement shall inure to the benefit of and be binding upon the parties hereto and their successors.

VIII. Execution

IN WITNESS WHEREOF, the Member Agencies have executed this agreement as of the date last written below.

COUNTY OF INYO

DATED: __________________________

BY: ___________________________
Chair, Board of Supervisors

ATTEST: __________________________
Clerk to the Board

APPROVED AS TO FORM:

__________________________________
Inyo County Counsel

COUNTY OF MONO

DATED: __________________________
BY: __________________________
    Chair, Board of Supervisors

ATTEST: __________________________
    Clerk to the Board

APPROVED AS TO FORM:

__________________________________
    Mono County Counsel

TOWN OF MAMMOTH LAKES

DATED: __________________________

ATTEST: __________________________
    Town Clerk

APPROVED AS TO FORM:

__________________________________
    Town Attorney

CITY OF BISHOP

DATED: __________________________

ATTEST: __________________________
    City Clerk

APPROVED AS TO FORM:

__________________________________
    City Attorney
JOINT POWERS AGREEMENT ESTABLISHING THE EASTERN SIERRA COUNCIL OF GOVERNMENTS AS A SEPARATE LEGAL ENTITY FROM ITS MEMBER AGENCIES

This agreement, made and entered into this __________ day of __________, by and among the County of Mono, a political subdivision of the State of California ("Mono"), the County of Inyo, a political subdivision of the State of California ("Inyo"), the Town of Mammoth Lakes, a municipal corporation ("Town") and the City of Bishop, a municipal corporation ("City") (collectively "Member Agencies" or "Members"), shall supersede and replace, in its entirety, that Amended Joint Powers Agreement Eastern Sierra Council of Government Entities (COG) entered into by and among the Parties on or about February 26, 1999.

I. Recitals

1.01 In 1995, the Counties of Inyo and Mono and the Town of Mammoth Lakes executed a joint powers agreement (JPA) establishing the Eastern Sierra Council of Governments (ESCOG). The 1995 JPA was amended in 1999 to add the City of Bishop as a party.

1.02 Since its establishment, the ESCOG has functioned as a forum for communication among Member Agencies regarding issues of regional concern and, more recently, for the planning and implementation of regional communications and broadband solutions through the establishment of the Inyo-Mono Broadband Consortium. The ESCOG has not historically operated as a joint powers authority independent from its Members, nor taken the necessary steps to become such an independent legal entity.

1.03 The Member Agencies acknowledge and agree that there are circumstances where it is necessary or desirable for the Member Agencies to function collectively on a regional basis, such as where regionalization enhances funding opportunities, provides resources and capabilities that would not otherwise be available, or improves the delivery of services to benefit the interests of the Members’ constituents.

1.04 The Member Agencies further agree that the creation of a regional joint powers authority that is a separate legal entity from the Members would position the ESCOG to maximize and take advantage of these opportunities.

1.05 Article 1 of Chapter 5 of Division 7 of Title 1, commencing with section 6500, of the California Government Code authorizes two or more public agencies, by joint powers agreement approved by their governing bodies, to jointly exercise any powers common to them and/or to create a separate legal entity for the purpose of exercising such powers.

1.06 It is the intent of the Parties to enter into a joint powers agreement pursuant to the provisions of sections 6500 et seq. to establish a joint powers authority, the Eastern Sierra Council of Governments, which would supersede and replace the historic ESCOG established in 1995 (and modified in 1999), for the purposes of enhancing funding and resource opportunities and providing such programs, services or functions that the Member Agencies, by approval of their governing bodies, deem necessary or desirable.
II. Purposes

2.01 The ESCOG shall continue to be organized to: (1) provide a forum for discussion and study of regional issues of interest to the Member Agencies; (2) identify and plan for the solution of selected regional issues requiring multi-governmental cooperation; (3) facilitate actions and agreements among the Member Agencies for specific project development; (4) conduct other region wide functions as the Members deem appropriate.

2.02 In addition to the above, the ESCOG shall be organized to identify funding sources and to apply for and receive funding for the planning and implementation of programs of regional impact or significance, and to implement such programs, upon approval of the governing bodies of each Member Agency.

III. Powers

3.01 To contract or otherwise participate in, and to accept grants, funds or services from the State or Federal government, their agencies or instrumentalities or from any civic organization or private person (including but not limited to corporations) in connection with any program judged by the ESCOG Board to be relevant to its purposes, and upon approval of the governing bodies of the Member Agencies.

3.02 To accept gifts, bequests or donations in support of current programs of the ESCOG or to support ongoing operating expenses.

3.03 To contract for any services judged by the ESCOG to be necessary or convenient for carrying out its purposes and to pay the costs of such services in accordance with section 5.02. Such contracts may be with an ESCOG Member, upon agreement by that Member and the ESCOG, or with an outside agency or firm and may include contracts for:
   a. General legal services.
   b. Litigation or specialized legal services.
   c. Liability Insurance and, where applicable, workers’ compensation insurance.
   d. Human Resources services.
   e. Other governmental services required to operate the ESCOG may be provided by a Member, JPA staff or an independent contractor.

3.04 The debts, liabilities or obligations of the ESCOG shall not become the debts, liabilities or obligations of the Member Agencies. The ESCOG may incur debts, liabilities or obligations in accordance with the above. However, notwithstanding the foregoing, and as required by Government Code sections 6508.1, 6508.2, 20574.1 and 20575, in the event of dissolution of the JPA, the Member Agencies shall apportion any PERS liability among themselves and allow CalPERS to make the apportionment if the Members cannot agree.

3.05 To employ personnel including an Executive Director and/or such other staff as the ESCOG Board of Directors deems appropriate and to establish the powers and duties of such personnel.
3.06 To invest, in accordance with Government Code section 6509.5, monies in the treasury of the ESCOG that is not immediately required for necessities of the ESCOG.

3.07 With the approval of the governing bodies of each of the Member Agencies, to raise revenues through the imposition of fees, assessments, taxes or the issuance of bonds, in accordance with applicable laws.

3.08 To own, lease or license real or personal property and/or equipment which is necessary or proper to carry out the purposes of the ESCOG.

3.09 All other powers that are necessary or proper to carry out the purposes of the ESCOG.

3.10 To take official positions on matters of policy and/or to support or oppose legislation which is consistent with a legislative platform of the ESCOG, which platform has been approved by the governing bodies of the Member Agencies.

3.093.11 In establishing the ESCOG, is not the intention of the parties to create a council of governments as that term is defined in subdivision (b) of Government Code sections 65582. Accordingly, the ESCOG shall have none of the powers or obligations set forth in Article 10.6, of Article 3, of Division 1, Title 7 of the Government Code related to the development of Housing Elements, nor shall it have any powers or obligations as may be set forth in any other statutes or regulations applicable to a “council of governments,” unless this agreement is modified, by approval of the governing bodies of all of the Member Agencies, to provide such powers.

Each of the above powers may be exercised by the ESCOG in the same manner, and subject to the same restrictions, as such powers are exercised by the Town of Mammoth Lakes.

IV. Organization - The internal organization of the ESCOG shall be as follows:

4.01 Membership. Members shall consist of the County of Inyo, the County of Mono, the Town of Mammoth Lakes and the City of Bishop, upon approval of this agreement by the governing body of each, and the execution of this agreement by an authorized representative of each Member. Each Member shall be entitled to be represented by two representatives, each of whom shall be a member of the legislative body of such Member.

4.02 Board of Directors, Officers and Meetings.

a. The ESCOG shall have a Board of Directors comprised of two representatives, and up to two alternates, appointed by each of the governing bodies of its Members. The term of office of each director shall not exceed his or her term of office on the legislative body he or she represents.

b. Upon execution of this agreement by all four Member Agencies, the ESCOG representatives having previously been appointed by the governing bodies of the Member Agencies shall
continue to serve as directors of the ESCOG for the terms for which they were previously
appointed. The term of office of each subsequently-appointed representative shall be four
(4) years. If a vacancy occurs on the board, it shall be filled by appointment of the governing
body of the affected Member and such appointed representative shall serve for the
remainder of the term.

c. The Board of Directors shall elect from among its members a Chair, Vice-chair and Secretary
for a term of one (1) year. The members currently serving in those offices shall continue to
serve for the remainder of their appointed terms, except that the member, if any, previously
appointed to serve as Secretary/Treasurer shall instead serve as Secretary. Notwithstanding
the above, the office of Secretary may be an administrative staff person of the ESCOG or of
a Member Agency designated by the Board of Directors.

d. The ESCOG shall establish regular meetings of the Board of Directors which shall be not less
than one (1) such meeting each calendar quarter.

e. Meetings of the ESCOG shall be noticed and carried out in accordance with the provisions of
the Ralph M. Brown Act.

f. A majority of the Board of Directors shall constitute a quorum for the transaction of
business. A majority of the Board of Directors for purposes of a quorum shall include at
least one member representative of each Member Agency. No resolution or motion
shall be passed or become effective without affirmative vote of at least a majority of the
members of the ESCOG board and at least one affirmative vote by the representative of
each Member Agency. Additionally, for those actions requiring approval by the
governing bodies of the Member Agencies as specified in Article III of this agreement, by
each and every Member Agency must also approve the resolution or motion, unless
otherwise indicated.

V. Financial Provisions

5.01 Each Member shall contribute to the administrative support of the ESCOG. Administrative
support is understood as those costs, expenditures and obligations which maintain up to one (1)
0.5 FTE agency administrative staff person. Each Member’s contributions to administrative time
and support shall be accounted for. It is intended that each Member will provide twenty-five
percent (25%) of the administrative staff person, unless otherwise agreed by the Board of
Directors, and shall agree in advance regarding any additional administrative support.

5.02 Members may make financial contributions to the ESCOG in any manner authorized by
Government Code section 6504. All contract costs incurred pursuant to section 3.03 and section
5.04 of this JPA shall be divided equally among the Members. Any financial contributions other
than for costs under section 3.03 or 5.04 shall be provided on an individual project basis and
approved by the governing body of the Member Agency providing such support. Any advances
of public funds to the ESCOG shall be repaid in the manner provided in the document authorizing the advance.

5.03 The ESCOG’s fiscal year shall commence on July 1 of each year and terminate on June 30 of the following year.

5.04 The Finance Director of the County of Mono shall serve as the Fiscal Agent, Treasurer and Auditor (hereinafter “Treasurer”) for the ESCOG, unless otherwise directed by a majority of the board. The Treasurer shall be responsible for all money of the ESCOG from whatever source, shall be the depositary and have custody of the money of the ESCOG, and shall perform all duties and functions of the Treasurer as set forth in Government Code sections 6505, 6505.5, or any other applicable state, federal or local law or regulation. All funds of the ESCOG shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements during the fiscal year. Members shall share the costs of this service equally.

5.05 Nothing contained in this agreement shall bind any Member to a financial commitment on behalf of the ESCOG, except as specifically provided.

VI. Property and Records

6.01 Upon any dissolution of the ESCOG, any surplus money or property shall be disposed of by division among the Members in the same proportion as such Members contributed to the ESCOG.

6.02 The Town of Mammoth Lakes shall serve as the repository of all records of the ESCOG. Record retention shall conform to the requirements of law. Any record destruction shall first be approved by the Board of Directors. The Board of Directors may provide for record retention beyond the requirements of law.

VII. General Provisions

7.01 Amendments. This agreement may be amended at any time by all of the Member Agencies acting through a majority vote of their governing bodies. In the event the ESCOG should determine that an amendment to this agreement would be in the best interests of the ESCOG and its Member Agencies, it may propose such amendment for ratification by the governing bodies of each Member Agency. This agreement shall be deemed and be so amended upon the date the last governing body approves such amendment.

7.02 Voluntary Association. It is understood and agreed that membership and participation in the ESCOG as described in this agreement is voluntary. Any Member may withdraw by giving written notice to the governing bodies of the other Member Agencies in the manner provided in this agreement for the communication of notices.
7.03 **Withdrawal.** A Member may withdraw from the ESCOG by providing written notice to the remaining Members at least ninety (90) days prior to the end of the fiscal year, and shall remain liable for its share of financial support and/or contribution to the ESCOG through the end of that fiscal year. Except for payments required by AB 1912 (2018) and described in section 3.04, a withdrawing Member shall not be liable to the ESCOG nor any of the other Members for payment of contributions or financial support to the ESCOG not previously committed by that Member.

7.04 **Dissolution and Termination.** The ESCOG may be dissolved and this agreement terminated at any time in the same manner as provided for amendment in section 7.01. The ESCOG shall automatically be dissolved upon withdrawal of 2 of its Members.

7.05 **Effective Date and Term of Agreement.** This agreement shall be and become effective for all purposes when approved by the governing bodies of each of the Member Agencies and shall remain in full force and effect unless and until dissolved or terminated in the manner provided in this agreement.

7.06 **Notices.** In the event it is or becomes necessary for a party to this agreement to serve or give notice to any other party, such notice shall be deemed validly served and given if deposited in a United States Post Office with postage thereof fully prepaid, sent registered or certified mail and, if to Inyo County, addressed to the County Administrator, Administrative Center, County of Inyo, PO. Box N, Independence, California 93526; if to Mono County, addressed to the County Administrative Officer at P.O. Box 696, Bridgeport, California 93517; if to the Town of Mammoth Lakes, addressed to the Town Manager at P.O. Box 1609, Mammoth Lakes, California 93546; and, if intended for the City of Bishop, addressed to the City Manager at 337 West Line Street, Bishop, California 93514.

7.07 **Inurement.** This agreement shall inure to the benefit of and be binding upon the parties hereto and their successors.

**VIII. Execution**

IN WITNESS WHEREOF, the Member Agencies have executed this agreement as of the date last written below.

**COUNTY OF INYO**

DATED: ____________________________

ATTEST: ____________________________

Chair, Board of Supervisors

Clerk to the Board

APPROVED AS TO FORM:

______________________________

Inyo County Counsel
COUNTY OF MONO

BY: ____________________
   Chair, Board of Supervisors

DATED: ____________________

ATTEST: ____________________
   Clerk to the Board

APPROVED AS TO FORM:
   ____________________
   Mono County Counsel

TOWN OF MAMMOTH LAKES

BY: ____________________
   Town Mayor

DATED: ____________________

ATTEST: ____________________
   Town Clerk

APPROVED AS TO FORM:
   ____________________
   Town Attorney

CITY OF BISHOP

BY: ____________________
   City Mayor

DATED: ____________________

ATTEST: ____________________
   City Clerk

APPROVED AS TO FORM:
   ____________________
   City Attorney
Innovative Finance for National Forests

Request for Proposals
Pre-proposals—Due Monday October 21st, 2019

Introduction

*Innovative Finance for National Forests* is a program for local communities and stakeholders looking for new ways of funding healthy forests, project developers who can help connect investment capital to forested landscapes, and Forest Service managers and collaborators with projects that are ripe for private investment capital. *Innovative Finance for National Forests* program success is developing, refining, or scaling tools, templates, and approaches that direct private investment capital to improve the health of the National Forest System through projects that deliver environmental and social outcomes and financial returns. Project activities may take place on the National Forest System, on adjacent state, private or tribal lands, or across boundaries provided outcomes of project activities contribute to the health of Forest Service ownership.

The *Innovative Finance for National Forests* program is a new approach. It provides grants to engage investment capital to complement existing philanthropic or public resources to meet National Forest System needs and the mission of the USDA Forest Service. It is funded by and administered by the USDA Forest Service (USFS) National Partnership Office (NPO), National Forest Foundation (NFF), and U.S. Endowment for Forestry and Communities (Endowment).

The *Innovative Finance for National Forests* grant program welcomes both fully developed concepts and discussion/joint development of nascent ideas. Many concepts may require significant input and support. *Innovative Finance for National Forests* program contacts are available to connect finance, land management, and Forest Service colleagues and to assist with concept development.

Interested parties are encouraged to contact one of the below to discuss ideas or opportunities.
Program Coordinator: Jeff Lerner; jalanlerner@gmail.com; 202-236-1883
National Partnership Office: Tommie Herbert, catherine.herbert@usda.gov; 540-905-9531
National Partnership Office: Cindy McArthur, cindy.mcarthur2@usda.gov; 808-744-2792
National Forest Foundation: Marcus Selig, mselig@nationalforests.org; 720-437-0290

Background

Our National Forests are a treasure that benefit all citizens, but they face numerous and growing challenges that jeopardize the ecologic, economic, and social benefits these landscapes provide. The impacts of catastrophic wildfire, drought, flooding, and insect and disease disturbance are increasingly severe, exacerbated by rising temperatures and growing development pressures. The scale of need far outpaces the capacity of appropriations and traditional philanthropy to fund necessary work.

These challenges require exploring new approaches to finance land management. One nontraditional approach is to connect the investment sector—those with intent to generate a measurable, beneficial social or environmental impact alongside a financial return—with specific needs on National Forests and adjacent working lands. Investors have significant private capital to deploy for natural resource challenges but, unlike traditional philanthropy, expect environmental and financial returns.
Grant Program Overview

The Innovative Finance for National Forests grant program seeks to:
- Engage investment capital in partnership models with the promise of future financial returns from project beneficiaries, such as water utilities and municipalities;
- Support tools and solutions that promise improved financial sustainability for land management and community development;
- Deliver measurable social, ecological, and financial outcomes to beneficiaries;
- Chart a path to address landscape-level challenges on National Forests and adjacent lands; and,
- Generate lessons learned to incorporate into agency management and decision making.

Innovative Finance for National Forests is a planned $4 million, five-year, competitive grant program. Grant funds will be awarded to applicants in multi-year contracts based on agreed milestones. Forest Service units and programs cannot receive funding directly.

There is a two-stage application process:
1) A brief pre-proposal using the application form provided ([http://www.ifnffgrants.org/](http://www.ifnffgrants.org/)). Potential applicants are encouraged to contact the staff listed above to discuss a project concept prior to submitting a pre-proposal.
2) An invited full proposal with more details on your project and the strategies you will employ to attract private investment. Timeframe and funding details below. Full proposals may be invited after discussion and due diligence on pre-proposals.

The application process is interactive. The staff listed above look forward to discussing project concepts with interested applicants.

HOW CAN HEALTHY FORESTS DELIVER A FINANCIAL RETURN?

The answer to this question is simple in concept, challenging in practice, and critical to understand before engaging with the Innovative Finance for National Forests program. Financial returns are derived from money made or money saved. Some of the examples below are relevant for federal and non-federal ownership, some are relevant only for the latter.

Examples of **money made** include:
- Layer financial flows from protected forests (ex: easement, hunting lease, timber)
- Sale of environmental market credits (ex: carbon, wetlands, streams)
- Enhancing public benefits from conservation outcomes (ex: property values, tax revenues)

Examples of **money saved** include:
- Activities that support healthy forests and make business operations more efficient
- Reducing risks of impacts or costs of impacts from disturbances through healthy forests

To provide a return on investment, entities that make or save money as a result of a project must commit to dedicate a portion of made or saved money back to the up-front investor. The amount of up-front investment to make a project happen must be less than the amount of money made or saved from the project activities.
Grants are anticipated to range from $100,000 to $500,000. It is expected that grant awards for projects in earlier stages (Design, Develop) will include requests below or on the lower end of this range. Please discuss variance from this range with one of the contacts listed above.

Applicants whose full proposals are approved in 2020 must complete proposed objectives and milestones within a maximum four-year contract period; shorter contracts are acceptable. If a multi-year grant is awarded, funds will be renewable annually based on grantee performance determined by a yearly review.

Most proposals will require USFS engagement at the local level to support on-the-ground project implementation. Innovative Finance for National Forests program staff can help with these connections where needed. If proposals direct capital to work on public lands, please include at least initial ideas on legal authorities/precedent allowing for implementation for IFNF program staff to provide feedback.

EXAMPLES OF PRIVATE INVESTMENT IN THE NATIONAL FOREST SYSTEM

In 2017, the Forest Service began working with Blue Forest Conservation (BFC), a public benefit corporation, to develop and implement the Forest Resilience Bond (FRB). The FRB is a financial vehicle that aggregates payments from downstream beneficiaries of forest restoration activities (water utilities and large-scale water consumers, hydroelectricity generators, carbon emitters, etc.) to reimburse upfront capital investors. This model, with its large-scale upfront investment, allows for more rapid implementation of restoration activities than would be possible through incremental funding approaches such as appropriations. BFC launched its first FRB pilot project in November 2018, to restore forest health in the North Yuba River watershed on the Tahoe National Forest. With aggregated multi-year payments from the Yuba County Water Agency, the State of California and the NFF, the FRB accessed over $4 million in private capital to improve 15,000 acres of National Forest lands over the next three to four years. The NFF is the primary implementation partner, carrying out projects such as ecological forest thinning, meadow restoration, prescribed burns, and invasive plant treatments that improve forest and watershed health. As work is accomplished, payments from the beneficiaries of the work’s outcomes will be made back to the FRB to deliver a modest, sub-market rate of return.

In 2018, on the Wayne National Forest in Ohio, the Forest Service and NFF contracted with Quantified Ventures, a capital firm, to assess the feasibility of Pay for Success (PFS) to support recreation infrastructure development. Like the FRB, PFS provides upfront capital for activities that will produce social, ecological and economic benefits. The repayment of that upfront investment, however, is tied to the successful achievement of expected, quantifiable outcomes. If realized, PFS would provide over $5 million in upfront investment to finance the development of the Bailey’s Mountain Biking Trail System, an 88-mile trail network near Athens, Ohio. As a mountain biking destination within 250 miles of 35 million people, Bailey’s is predicted to increase visitation and drive new economic opportunities for nearby gateway communities. Local governments would repay the investors based on increased visitation, and an associated expected increase in tax revenue from tourism spending. Although the necessary agreements are not yet in place for this project, there is a high-level of community support for the project.
Grant Program Requirements

Projects must meet the following requirements.

Focus Areas

Applicants must propose finance tools to address one or more of the following Focus Areas:

1) Forests as watershed infrastructure;
2) Sustainable recreation infrastructure; and,
3) Market-based approaches that drive these two focus areas and/or that promote forest health.

*Forests as watershed infrastructure:* The National Forest System and adjacent forested landscapes are an important network of built and natural infrastructure that support clean and abundant drinking water, watershed resilience to natural and human disturbance, and aquatic habitat. Demands on forests to support healthy watersheds and deliver public benefits are increasing in the face of changing conditions.

*Sustainable recreation infrastructure:* National Forest System and adjacent forested landscapes provide a range of recreation opportunities that serve a diverse American public as they connect to nature and access outdoor experiences. It is important that the new and existing infrastructure facilitating these experiences is well-maintained, financially and economically sustainable.

*Market-based approaches that drive these two focus areas and/or that support forest health.* National Forest System and adjacent forested landscapes are active in and dependent upon markets for timber products, non-timber forest products, and forest-dependent products such as water and recreation. Market-based approaches (supply-chains, consumer-driven, wood utilization, etc.) can create sustainable and systemic change. Improvements to forest products market infrastructure can provide social, ecological, and financial outcomes at the landscape level, at the facility, and for the consumer.

Jurisdiction and Ownership

Projects must benefit the long-term health and resilience of the National Forest System. Finance tools may be applicable to either National Forest System Lands, or adjacent state, private and tribal lands or a project with some cross-boundary combination of both NFS and adjacent lands.

Stages of Development

Applications will be accepted for one or more of the following phases:

- **Design:** Initial due diligence on a financing concept, identifying on-the-ground projects, site scoping, pre-feasibility analysis, USFS unit engagement.
- **Develop:** Stakeholder map, Return on Investment/Cost Benefit Analysis/Avoided-costs analysis, full feasibility analysis, identification of performance metrics, transaction structuring.
- **Implement:** Contracts and agreements, construction, forest treatments, project management, monitoring and evaluation of outcomes, work plans.
- **Refine:** Repeat ‘design’ and ‘implement’ stages in new geographies to continue refining proof of concept, technical assistance workshops focused on replicating models in new locations.
U.S. Forest Service Engagement

Forest Service engagement is critical to success of all *Innovative Finance for National Forests* grants.

- Applications in Develop, Implement, and Refine stages should reference at least one specific USFS agency unit or program as cooperators to host or facilitate activities (e.g. NEPA, timber sale prep, implementation cost-share, and support for local collaboratives/contractors).
- The Forest Service may not receive grant funds directly from this program.
- If required, applicants may request funding for activities that increase local USFS unit capacity and engagement. IFNF staff contacts can help applicants with connections to USFS units or programs and with budget issues related to use of funds for these purposes.

**Match**

A minimum of 20% non-federal match of cash or in-kind services is required.

**Eligible Applicants**

The following entities are eligible for funding: not-for-profit 501(c) (3) organizations; for-profit companies; tribes; intertribal consortia; state and local government agencies, and; colleges and universities. A single organization or a consortia/team of organizations may apply. Unincorporated individuals are not eligible.

*Innovative Finance for National Forests* does not discriminate on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior credible activity.

**Ineligible Activities and Limitations on Activities**

- Operations/administration beyond recovered indirect costs;
- Lobbying, litigation or political advocacy. Other limitations on allowable costs may be found at 2 CFR Part 200;
- Match for any other federal program;
- Education or research projects without on-the-ground benefits;
- Total project costs in the following areas may not exceed 15% of request: education, interpretation, land management planning (NEPA), convening, scientific research, market standards/tools, and monitoring.
Application Process

There is a two-stage process for applicants:
1) A brief pre-proposal using the application form provided (http://www.ifnfgrants.org/).
2) Invited full proposals for meritorious pre-proposals.

The application process is interactive. Innovative Finance for National Forests staff look forward to working with interested applicants to develop concepts and full proposals.

Website and Email
Pre-proposal forms and additional information is posted on www.ifnfgrants.org.

Please send completed pre-proposal application forms to Peter Stangel, peter@usendowment.org.

Webinars and Phone Q&As
Two informational webinars will be hosted by the National Forest Foundation. These are open to interested applicants and Forest Service colleagues. There is no need to register. Please join by phone 1-800-576-6614 and online at http://nationalforestfoundation.adobeconnect.com/join/.

Webinar 1: Thursday, September 26th 1pm - 2pm EST
Webinar 2: Tuesday, October 1st 1pm-2pm EST

Timeframe and Funding
- Program Announcement: Week of September 9th, 2019
- Pre-proposal/ concept submission: Monday, October 21st, 2019
- Advising, concept development, coaching: September 2019 through February 2020
- Invitations for full proposals: Friday, January 17, 2019
- Full proposal submissions due: Tuesday, February 18, 2019
- Tentative funding decisions: Early April
- Deadlines are available at www.ifnfgrants.org. Late applications will not be considered.

DUNS, SAM and OMB Cost Principles
Subcontractors must provide a current Duns and Bradstreet DUNS number and be registered and up to date in the SAM.gov grantee registration system. Applicants should start this registration process as early as possible to avoid delays in contracting. The purchase of equipment under this funding announcement must comply with the USFS General Terms and Conditions as well as OMB Cost Principles.

Indirect Rates
Information about the Endowment’s Indirect Cost Policy can be found here. Please contact Aleta Rogers (Aleta@usendowment.org), Grants and Contract Specialist.

Intellectual Property and Sensitive Information
Please discuss intellectual property concerns with Innovative Finance for National Forests staff contacts. It is the intent that final reports from projects funded by this program will be publicly available and that program participants will share deliverables, outcomes, and lessons-learned through webinars. Program contacts will work with grantees to protect sensitive information while also ensuring dissemination of important information that will benefit the health of National Forests.
Application Review Criteria

Proposals will be judged on the following criteria:

1. **National Forest System nexus**: Defines the NFS challenge to be addressed. Outlines the role of USFS units and preferably secures their endorsement of the project.
2. **Meets the Grant Program requirements and eligibilities**: Focus area, land ownership and stage of development.
3. **Attracts private investment**: Outlines financial tools and the strategies to put them into practice with key stakeholders.
4. **Measurable Outcomes**: Delivers measurable and significant social, ecological, and financial outcomes to a defined set of beneficiaries and presents a framework for monitoring outcomes.
5. **Implementation and Authorities**: Makes clear the use of legal authorities or implementation tools needed to achieve on-the-ground results.
6. **Sustainability**: Has the potential for the project to provide long-term sustainable financing solutions as well as how stewardship practices might be maintained and monitored over time.
7. **Experience**: Previous experience of the project team in financial transactions, partnerships with natural resource agencies or conservation in general.
8. **Budget**: The budget seems reasonable for the proposed activities and suitable matching funds are identified.
9. **Replication and Scale**: Project idea has the potential for replication as well as transferability to other parts of the National Forest System and may be scaled to different sized projects.

Grant Awards

Successful applicants will enter into an award agreement with the Endowment, making them Endowment sub-recipients. As a recipient of federal funds, sub-recipients must comply with all federal regulations as described in 2CFR Part 200, Uniform Administrative Requirement, and Cost Principles.

**Payment**

Sub-recipients will invoice the Endowment quarterly on a reimbursable basis. If required, an initial advance payment may be requested.

Grant award terms will include defined outcomes and success measures appropriate for the contract period. Funds will be disbursed incrementally as grantees meet agreed-upon outcomes and quantitative/ qualitative project milestones. Grantees are encouraged to revisit and revise their initial milestones as needed throughout the duration of their projects. Grantees are also required to submit interim reports and a final report documenting their achievements and lessons learned.
Measuring and Reporting Success

Success for the Innovative Finance for National Forests program is defined as developing, refining, replicating and/or scaling tools that direct private investment capital to promote the health of the National Forest System.

Applicants will propose metrics for project-level outcomes in the pre and full proposal. IFNF staff will work with applicants to define annual and final project-level outcomes in the grant award contract. View appendix for ‘example outcomes from innovative finance projects’ in each focus area to generate ideas.

Applicants must report annually on:

- **National Forest System nexus**: Forest Service funding and in-kind staff hours contributed to the project
- **Progress on Outcomes**: Beneficiaries or payors engaged and progress toward social, ecological and financial outcomes.
- **Implementation and Authorities**: Type and number of Grants & Agreements, contract or permit instruments or other implementation tools employed.
- **Budget**: Specific matching contributions (cash and in-kind matching contributions and sources)

Applicants must complete a final report that will also include:

- **Attracting private investment**: Corporate, foundation, or other philanthropic funding contributions. Investors engaged, amount of capital contributed per investor, rate of return or cost of capital (if applicable and possible to share), and investment term through the proposed finance tool.
- **Outcomes**: Social, ecological and financial outcomes and beneficiaries or payors engaged.
- **Replicability and Scalability**: Potential market size (in terms of acres, municipalities, watersheds) for future application of the tool (including evidence and degree of certainty). Potential to be fully funded by investment capital. Potential to deliver blended, market, financial returns within a 10-year timeframe.
- **Lessons Learned**: New ideas or recommendations for improving USFS program management, performance, policy frameworks or partnership approaches.
Appendix: Examples of Needs and Projects on the National Forest System

National Partnership Office staff have researched project needs on the National Forest System and offer the following examples to inspire thinking. National Partnership Office and National Forest Foundation staff can provide additional information and contacts for specific projects. Nontraditional approaches to funding and addressing these needs are required.

Forests as Watershed Infrastructure

Innovative finance models for watershed infrastructure are needed to:

a) Repair, replace, or upgrade existing built infrastructure (roads, trails, aquatic organism passage/ culverts, bridges, etc.) on and adjacent to National Forest System lands. As maintenance is deferred, impacts to watersheds increase through sedimentation, channelization, and limited aquatic habitat.

b) Reduce the risks of catastrophic wildfire, drought, flooding, and insect and disease disturbances. Large-scale proactive forest restoration can reduce the risk and the impact of these disturbances. Landscape scale restoration for watershed enhancement is an underfunded and an urgent priority.

c) Fund or provide bridge loans for natural disaster response. The costs of disaster response to Forest Service units and forest-dependent communities is increasing. Innovation in funding for disaster response is challenging given annual budget cycles.

d) Leverage Forest Service tools such as the Good Neighbor Authority, Wyden Amendment, and Joint Chiefs programs that support cross-boundary forest restoration (i.e. treatments on National Forest System and adjacent lands). Partnerships to leverage these tools and introduce new models are needed to better coordinate and connect with adjacent landowners for scaling restoration. Cross-boundary watershed enhancement is a critical priority. Aggregating adjacent land managers and coordinating budgets across deputy areas/ ownerships is a costly and challenging process.

e) Restore and reforest post-fire lands. Tree planting can be expensive due to site preparation, seedling and planting costs, and monitoring, and dwarfs available funding. There are significant reforestation backlogs and post-wildfire replanting and restoration must be accelerated.

f) Protect from incompatible development lands that impact forest services. Industrial and urban expansion adds pressure to the functioning of a forested watershed. Funding for USFS acquisition is limited. Protection of key private land parcels from willing sellers contributes to the resilience of NFS ownership and benefits from forested watersheds.

g) Restore legacy impacts from extractive uses such as mining, oil and gas, and hydroelectric energy. There are 30,000 acid mine drainage sites across National Forest System ownership – many of which lack a responsible party or permittee. These impacts deliver pollutants into drinking water and aquatic systems and may alter hydrology. The cost of addressing impacts far exceeds appropriations.

Potential outcomes from innovative finance for watershed infrastructure projects:

- Water quality and flow improvement (reduce sediment, regulate temperature, reduce turbidity)
- Flood plain connectivity, protection, recovery and resilience
- Reduce risk or cost of damages from fire and other natural/ human induced disturbances
- Restore ecological/ hydrologic function following forest disturbances (e.g. fire, storms)
- Balance residual impacts from developments and support forestland protection
- Aquatic habitat improvement
- Adaptation to changing ecological conditions
• Improve fisheries industry and water-related recreation industries

_Potential project activities to be funded by innovative finance for watershed infrastructure:_
• Upgrade and maintain existing infrastructure across National Forest System and adjacent lands
• Install new infrastructure where required
• Hazardous fuels reduction, prescribed burning, vegetation treatments
• Disaster recovery and response scenario planning and technical innovations
• Riparian restoration, channel/stream restoration, aquatic organism passage, large woody material placement in streams, etc.
• Support cold water fisheries and healthy habitat
• Transition to more sustainable grazing management
• Wetlands creation, enhancement
• Restoration of abandoned mine lands, AMD stranded liabilities, dam removal
• Priority land protection
• Reforestation post-disturbance

_Potential innovative financing for watershed infrastructure:_
• Revolving loan fund for Aquatic Organism Passage and bridge improvements to be repaid through dependable/secured public disaster recovery and relief funds
• Joint benefits authority bond issuance for cross-boundary hazardous fuels reduction
• Leverage EPA CWA SRFs to achieve FS priority acquisition and unfunded LWCF proposals
• Outcomes-based financing for mine land restoration and acid mine drainage remediation
• Forest Resilience Bond replication
• Landscape-scale strategy for salmon habitat restoration
• Contribute to the design of a template framework for mitigation banking on NFS lands

_Sustainable Recreation Infrastructure_

_Innovative finance models for recreation projects are needed to:_

a) Accelerate trail management. Forest Service appropriations support the management of only 50% of established trails. Deferred maintenance costs compound, creating even bigger funding challenges.

b) Improve energy and water efficiency. New technologies are available to update public recreational facilities to reduce water and energy consumption or expand seasons of potential visitation through weatherproofing. Due to budget limitations, the USFS may not be able to cover upfront investment.

c) Diversify recreation at ski areas permitted on National Forests. Shorter and more unpredictable winters reduce the viability of sustainable local economies and tourism-related employment. Many ski areas lack access or expertise for creative financing to support diversified recreation through mountain biking and other outfitter/guide offerings.

d) Enhance visitor experience. Unclear signage, insufficient parking, and ineffective visitor use planning introduces traffic management and law enforcement costs, and environmental impacts of recreation activities. Enhanced public access, developed recreation site design, signage, and visitor use planning are needed in high use sites to avoid these future costs increasing.

e) Provide affordable housing for seasonal fire and recreation employees. National Forest System units in communities with high per capita income or high real estate prices also struggle to provide affordable housing and public access for a diversity of tourists and public. The USFS does not have a budget that supports siting, developing, managing affordable housing.
f) Provide capital for sustainability practices to outfitters, guides, restaurants, and businesses supporting the tourism economy in communities adjacent to National Forests. These small businesses may lack access to capital, marketing strategies, and business planning support to design sustainable enterprises. New legal and financial approaches can support entrepreneurship for vibrant gateway communities to National Forests.

g) Address public health challenges in communities adjacent to National Forests, which struggle with public health challenges such as mental health disorders, obesity, stress, heart disease, and attention disorders. Individual changes in behavior to increase access and use of the outdoors can address many of these issues. The USFS is not designed to provide financial incentives for outdoor access.

**Potential outcomes from innovative finance for recreation projects:**
- Human health and safety
- Visitor experience improvements and diversification of citizen access
- Water and energy use reduction
- Relieve overcrowding, enhance visitor experience
- Road maintenance/ decommissioning
- Improve local economic development
- Connectivity and reduced emissions through local public transit
- Reduce ecological impacts of recreation
- Local hunting and fishing/ outfitter industry growth
- Enhance local tourism spending

**Potential recreation project activities to be funded by innovative finance:**
- Trail building and maintenance for a variety of uses
- Updating and maintaining existing infrastructure
- Manage visitor flow with signage and transportation planning
- Outfitter/ guide, concessionaire, local business training and guidance
- Innovations in affordable housing design and materials

**Potential innovative financing for recreation:**
- Leverage existing voluntary surcharge funds for financing/ investment projects
- Redevelop under‐utilized recreation areas to be more user friendly
- Ballot referenda for trail maintenance and improvement
- Replicate Pay for Success for new recreation infrastructure
- Business incubator for outfitter/ guide entrepreneurship and ‘gateway communities’ through guidance, loans, new corporate structures, workforce training, collective marketing
- Social impact bond to support low-income access to public lands recreation
- Hospital/ insurance investment strategy for public health and outdoor access

**Market-based Approaches**

**Innovative finance models for wood products are needed to:**
- Conduct assessments of the potential market for a product or service to determine the viability and scalability potential for a new concept. Well defined metrics coupled with realistic goals for customer acquisition and market penetration are critical to determining viability.
• Establish processing facilities with the right site, size, and capacity to adequately serve market demand or support forest restoration. Finance is needed to expand facilities to create the conditions for sustainable forest management.

• Develop innovations to streamline the preparation, implementation, and monitoring of treatments that reduce costs and make resilient forests a more attainable goal. Vegetation and restoration treatments can be costly. Time required to prepare timber treatments, complete NEPA, prepare harvest schedules, contract loggers, and monitor outcomes leads to backlogs in restoration and large discrepancies between potential and actual supply volumes.

• Enhance the network of businesses offering value-added market pathways for timber. Secondary forest products companies can generate demand for additional wood volumes, and therefore additional restoration. Logging workforce has limited access to capital, legal and business advisory services to support marketing, equipment purchasing, staff management, and enterprise incorporation. Innovative legal and financial approaches to supporting logging and forest products businesses are needed.

• Grow a reliable and technically proficient workforce to complete harvesting activities or staff mills in areas of NFS ownership and state, private, and tribal forestland ownership. Funding for training and professional development at the Forest Service is limited.

Potential outcomes from wood product market-based innovative finance projects:

• Market analysis (including: market trends, competitor analysis, barriers to entry, SWOT analysis, potential size of market (revenues) and targeted customers)
• Improved long-term supply and efficiency of sustainable forest products;
• Strengthened demand drivers for healthy forest management;
• Expanded/better educated work force and forest products value chain;
• Reduce wood waste, hazardous fuels reduction, incidents of insect and disease;
• Streamlined implementation of cross-boundary restoration;
• Increased municipal tax revenue from mill expansion and secondary forest products businesses;
• Reduced GHG emissions through wood utilization, carbon storage in products, and improved forest management;
• Business development through wood availability; and,
• Social outcomes from innovative uses of wood, such as affordable housing or community space.

Potential activities for wood product market-based projects:

• Logger training and workforce development
• Community shared operations equipment; portable equipment for processing
• Diversify and expand existing mill capacity
• Site and build new right-sized processing facilities for long-term local wood supplies
• Investment in district-energy systems to support rural wood economies and renewable biofuels
• Drones/ tablets/ remote sensing to streamline product availability
• Labeling/ certification for local wood markets and locally branded lumber/ furniture, etc.
• Business advisory support
• Competitive analysis including a SWOT Analysis
• Market trends and economic impact study
• Market plan for a new concept
• Pilot test to prove viability

Potential financing for wood products markets:
• Integrated investment strategy for mill capacity/ forest protection/ forest health improvement/ workforce development
• Improve and launch a new technological innovation for streamlining efficiency of harvesting or monitoring
• Develop projects for more sustainable value chain of a key forest products dependent corporation
• Strategy for generating returns from a cross-boundary private lands certification enrollment