



GOLDEN STATE
NATURAL RESOURCES

Board of Directors Meeting

**Wednesday
December 6, 2023
8:00 A.M.**

**1215 K Street, Suite 1650
Sacramento, California 95814**

**Golden State Natural Resources (GSNR)
Board of Directors Meeting
December 6, 2023 - 8:00 a.m.
1215 K Street, Suite 1650
Sacramento, CA 95814**

This meeting will also be livestreamed for public access. Members of the public can watch or listen to the meeting using one of the following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone:

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PUBLIC COMMENT USING ZOOM: Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

EMAIL PUBLIC COMMENT: One may also email public comment to mchui@rcrcnet.org before or during the meeting. All emailed public comments will be forwarded to all GSNR Board of Directors members.

GSNR Board Members:

Supervisor Matt Kingsley, Inyo County

Supervisor Michael Kobseff, Siskiyou County

Supervisor Geri Byrne, Modoc County

Supervisor Rex Bohn, Humboldt County

Supervisor Doug Teeter, Butte County

AGENDA

1. Call to Order and Determination of Quorum

Chair, Supervisor Matt Kingsley, Inyo County

Vice Chair, Supervisor Michael Kobseff, Siskiyou County

2. Public Comment

At this time any member of the public may address the Board, but are not required to do so. Comments are usually limited to no more than 3 minutes per speaker.

3. Consent Agenda – ACTION

a. October 30, 2023, Board of Directors Meeting Minutes

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4. GSNR Chair's Report

Chair, Supervisor Matt Kingsley, Inyo County

5. Business and Administrative Matters *(Discussion and possible action relative to)*

a. Presentation Regarding GSNR's Adopted Conflict of Interest Policy

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Arthur J. Wylene, General Counsel

b. GSNR 2024 Proposed Budget – ACTION

Milena De Melo, RCRC Finance Director

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6. Project Status Updates *(Discussion and possible action relative to)*

Patrick Blacklock, President

Project Development Team

a. Project Coordination Update

Anthony Rahill, RCRC Director of Data Management

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b. CEQA and Permitting Update

Arthur J. Wylene, General Counsel

Sarah Bolnik, RCRC Economic Development Officer

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c. Governmental Affairs Update

Staci Heaton, RCRC Senior Policy Advocate

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d. Communications Update

Carolyn Jhaji, RCRC Communications Director

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e. Forest Treatment Project Development Update

Terrance Rodgers, RCRC Economic Development Officer

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f. Project Investment Update

Craig Ferguson, RCRC Senior Vice President

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g. Finance/Administration Update

Milena De Melo

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7. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, please call (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items during the public comment period. To facilitate public comment, please let staff know if you would like to speak on an agenda item. The agenda for this meeting of the Board of Directors of Golden State Natural Resources was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, at least 72 hours prior to the meeting.

Any written materials related to an open session item on this agenda that are submitted less than 24 hours prior to the meeting, and that are not exempt from disclosure under the Public Records Act, will promptly be made available for public inspection at GSNR's principal office, 1215 K Street, Suite 1650, Sacramento, CA 95814, (916) 447-4806, during normal business hours, and on the GSNR website, GSNR website, <https://goldenstatenaturalresources.com/meetings/>.

**Golden State Natural Resources (GSRN)
Board of Directors Meeting
October 30, 2023 - 2:00 p.m.
Chicken Ranch Casino
16929 Chicken Ranch Rd
Jamestown, CA 95327**

GSRN Board Members:

Supervisor Matt Kingsley, Inyo County
Supervisor Michael Kobseff, Siskiyou County
Supervisor Geri Byrne, Modoc County
Supervisor Rex Bohn, Humboldt County
Supervisor Doug Teeter, Butte County

Call to Order and Determination of Quorum

GSRN Chair, Supervisor Matt Kingsley, Inyo County, presided. Present were President Patrick Blacklock, General Counsel Arthur J. Wylene, and RCRC Director of Board Operations Maggie Chui, clerk. GSRN Chair Kingsley called the meeting to order at 2:00 p.m. A quorum was determined at that time. Those members present:

<u>Supervisor</u>	<u>County</u>
Matt Kingsley	Inyo County
Michael Kobseff	Siskiyou County
Geri Byrne	Modoc County
Rex Bohn	Humboldt County
Doug Teeter	Butte County

Absent

None

Public Comment

None

Consent

a. August 30, 2023 Board of Directors Meeting Minutes

GSRN Chair, Supervisor Matt Kingsley, Inyo County, called for approval of the above-listed consent agenda items.

Supervisor Micheal Kobseff, Siskiyou County, motioned to approve the consent agenda. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

GSRN Chair’s Report

GSRN Chair, Supervisor Matt Kingsley, Inyo County, welcomed supervisors to the October GSRN Board of Directors meeting in Tuolumne County. Supervisor Kingsley provided a brief update on his recent participation in the Wildland Fire Leadership Council meeting.

Adoption of the 2024 GSNR Meeting Schedule

Maggie Chui, RCRC Director of Board Operations, presented the 2024 GSNR meeting schedule.

Recommendation

It was recommended that the GSNR Board of Directors approve the 2024 GSNR Meeting schedule as proposed. If any of the scheduled meetings are deemed unnecessary for conducting the organization's business, they may be subject to cancellation.

Supervisor Michael Kobseff, Siskiyou County, motioned to approve the 2024 GSNR Meeting Schedule, as presented. Supervisor Doug Teeter, Butte County, seconded the motion. Motion passed with all Supervisors present voting “Aye.”

Project Status Updates

Patrick Blacklock provided an update on the overall GSNR project, including its ongoing strategy, partnership opportunities, and efforts to increase forest health projects. Individual members of the Project Development Team provided further updates on the following:

- **Project Coordination Update**

Anthony Rahill, RCRC Director of Data Management, presented an update on recent project successes and upcoming milestones. Although there has been a minor delay in the project timeline, it continues to progress.

- **CEQA and Permitting Update**

Arthur J. Wylene, General Counsel, provided an update on the progress of the California Environmental Quality Act's environmental review and permitting processes for the two proposed project sites. Staff and consultants are actively conducting impact analyses and assessing other permitting requirements.

- **Governmental Affairs Update**

Staci Heaton, RCRC Senior Policy Advocate, presented on the project's governmental affairs efforts, ensuring alignment with federal and state forest resilience initiatives. These efforts encompass recent meetings with members of the legislature and the Newsom Administration.

Ms. Heaton discussed the recent passage of Assembly Bill 338 (Aguiar-Curry) related to public works.

- **Communications Update**

Carolyn Jhaji, RCRC Communications Director, provided an update on communications and outreach efforts, which aim to enhance public and stakeholder awareness of the project. Staff continues its efforts to expand the resources available to the public, including increasing community outreach, providing more resources and videos on the GSNR website, and fostering community relationships.

- **Forest Treatment Project Development Update**

Terrance Rodgers, RCRC Economic Development Officer, provided a brief update on the status of priority projects aimed at restoring forest health and resilience. These

projects include completing the Modoc National Forest Supplemental Project Agreement, pursuing opportunities for landscape-scale treatment projects through GSFA's Master Stewardship Agreement, and identifying and facilitating forest treatment projects on U.S. Forest Service land.

- **Project Investment Update**

Craig Ferguson, RCRC Senior Vice President, provided a brief update on private partner communications and outreach efforts, including ongoing meetings with potential investment partners, offtake partners, and stakeholders.

Adjournment

GSNR Chair, Supervisor Matt Kingsley, Inyo County, adjourned the meeting of the GSNR Board of Directors at 7:30 p.m.



To: Members of the GSNR Board of Directors
From: Arthur J. Wylene, General Counsel
Date: November 28, 2023
Re: Presentation Regarding GSNR's Adopted Conflict of Interest Policy

Background

The Internal Revenue Service encourages 501(c)(3) nonprofits, like GSNR, to "have a written conflict of interest policy" and "regularly and consistently monitor and enforce compliance with the policy." (Nonprofits are required to certify whether they have complied with this guidance each year on "Form 990," the annual return filed with the IRS and made available to the public.) GSNR therefore adopted such a policy at the initial meeting of its Board of Directors, held on September 25, 2019. A copy of the adopted policy is attached.

The policy covers all GSNR Board members and corporate officers, and generally requires these individuals to disclose any financial interests that may give rise to a conflict of interest. If a potential conflict of interest arises, the policy grants GSNR's President (with the assistance of the CFO, and oversight by the Chair) discretion to take steps ranging from no action (e.g., if the putative conflict is not material) to requesting the affected individual's resignation. In the (rare) cases of potential conflict, the matter has been handled through recusal of the affected officer.

Unlike other RCRC-affiliates, whose Conflict of Interest Codes are adopted under California's Political Reform Act, GSNR's Conflict of Interest Policy was adopted in accordance with IRS guidance. While these provisions are not identical, they nonetheless serve the same underlying purposes and achieve the same objectives – i.e., ensuring that decision-makers disclose any financial interests that may cause conflict, and that appropriate steps are taken to avoid or remedy any potential conflicts thus identified.

Recommendation

It is recommended that the Board of Directors review the adopted Conflict of Interest Policy for Golden State Natural Resources, Inc., and provide any questions or feedback to staff.

Attachment

- Conflict of Interest Policy for Golden State Natural Resources, Inc.

Conflict of Interest Policy for Golden State Natural Resources, Inc.

Conflict of Interest Policy. This conflict of interest policy: (1) defines conflicts of interest; (2) identifies classes of individuals within the corporation covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.

(i) *Definition of conflicts of interest.* A conflict of interest arises when a person in a position of authority over the corporation may benefit financially from a decision they could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.

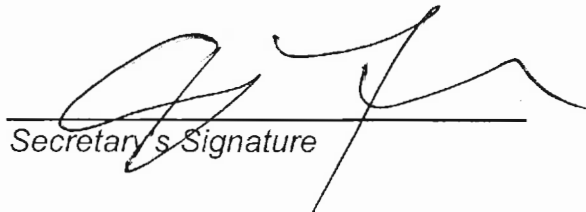
(ii) *Individuals covered.* Persons covered by this policy are the members of the Board of Directors and the officers of the corporation.

(iii) *Facilitation of disclosure.* Persons covered by this policy will annually disclose or update to the Chair of the Board, directly or on a form the corporation will provide, their interests that give rise or are expected to give rise to a conflict of interest.

(iii) *Procedures to manage conflicts.* For each interest disclosed to the chair of the Board, the President will determine whether to: (1) take no action; (2) assure full disclosure to the Board and other individuals covered by this policy; (3) ask the person to recuse from participation in related discussions or decisions within the corporation; or (4) ask the person to resign from his or her position in the corporation or, if the person refuses to resign, become subject to possible removal in accordance with the corporation's removal procedures. The corporation's President and Chief Financial Officer will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Chair in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

Secretary's Certificate

I certify that the foregoing is a true and accurate description of action taken at a properly constituted meeting of the Board of Directors of Golden State Natural Resources, Inc. on September 25, 2019.



Secretary's Signature



To: Members of the GSNR Board of Directors
From: Patrick Blacklock, President and CEO
Milena De Melo, RCRC Finance Director
Date: November 28, 2023
Re: GSNR 2024 Proposed Budget - **ACTION**

Background and Summary

Attached is the proposed 2024 Golden State Natural Resources (“GSNR”) Operating Budget (Attachment A). GSNR has been working diligently to develop the project and reach financial close, the point at which the project would transition from planning to construction and become self-sustaining through private equity and bond investment. The proposed budget continues to assume a more narrowly focused approach on completing the CEQA process and obtaining durable entitlements for the two proposed project sites. This will allow GSNR to continue advancing its proposed project toward improving the pace and scale of forest resiliency work in California. The proposed budget assumes additional draws on the loan from Golden State Finance Authority (GSFA). More details on the loan are in the “Other Related Matters and Information” section below. To date, \$9.5 million has been drawn on this loan, with \$2.25 million of the loan remaining available. The proposed 2024 budget is projected to draw down on the loan by \$1.5 million.

2024 Proposed GSNR Budget Summary

The 2024 proposed GSNR Operating Budget results in net unfavorable expenditures over revenue of \$1,803,524. This proposed result is comprised of total revenues of \$1,821,200 and expenditures of \$3,624,724. The following sections describe in more detail the highlights of the attached proposed 2024 Budget. The “Key Differences Between 2024 Proposed and 2023 Revised Budgets” section describes the significant changes from 2023.

Key Differences between the 2024 Proposed and 2023 Revised Budgets

The proposed 2024 GSNR Operating Revenue budget is \$1,821,810, a decrease of \$223,990 (11.0%) from the 2023 approved revised budget. The proposed 2024 expenditures budget for GNSR of \$3,624,724 represents a decrease of \$1,816,666 (33.4%) from the 2023 approved revised budget. Following is a summary of the key differences between the proposed 2024 and the 2023 approved revised budgets:

- **Grant Revenue:** A \$500,000 (100.0%) decrease in grant revenue compared to the original budget. In 2023 GSNR was awarded \$500,000 US Forest Service grant, which is not contemplated in the 2024 budget as the grant funding was fully exhausted in 2023.

- **Pre-development owner's engineer:** A decrease of \$792,500 (87.6%) for pre-development owner's engineer expenditures. The budget assumes continuation of the work with our existing development and project execution partner, however at a reduced scale given the current focus to complete CEQA and obtain durable entitlements for the two proposed project sites.
- **Consultants (CEQA, foresters, SPAs):** A decrease of \$857,477 (48.5%) for consulting fees for CEQA/permitting consultants, foresters, etc. This is primarily driven by the timing of when work related to the CEQA review is expected to be completed, which is planned for first part of 2024.
- **Contract support service fee:** An increase of \$400,000 (29.0%) for the contract support service fee paid to RCRC, demonstrating increased support services provided by RCRC staff toward the goal of improving the pace and scale of forest resiliency work in California.
- **Consultants:** A decrease of \$113,300 (100.0%) for financing and lobbying related consultants. These costs are not anticipated as part of the 2024 budget as the contracts associated with these fees were terminated in 2023.
- **Interest expense:** An increase of \$143,150 (42.7%) for interest to be paid on the loan from GSFA due to anticipated additional draws in 2024 at interest rates ranging from 3% to 7% per annum. To date the interest expense on the loan from GSFA has been accrued and will be paid back along with the principal repayment of the loan balance, currently planned for post financial close.
- **Investment Banking:** A decrease of \$250,000 (100.0%) for investment banking fees. In February 2023 GSNR engaged Barclays as its investment banker in connection with debt financing in the amount of approximately \$400,000,000 to implement its plan to design, build, finance, operate and maintain one or more wood pellet plants and related facilities anticipated to be located within California. In 2023 GSNR paid a \$250,000 deposit to Barclays for these services. As GSNR focuses on completion of CEQA process and obtaining durable entitlements for the two proposed project sites, additional fees for investment banking are not contemplated in the 2024 budget.
- **Payroll and payroll taxes:** A decrease of \$283,361 (100.0%) for payroll and payroll taxes. The 2024 budget assumes zero full-time equivalents (FTEs) to be employed directly by GSNR. Staffing to support GSNR's efforts will be met via GSNR's contract support service agreement with RCRC.

2024 Proposed Revenue Highlights

- **In-kind contribution from affiliated entity:** The proposed budget includes a \$1,798,200 in-kind contribution from Rural County Representatives of California (RCRC). RCRC's in-kind contribution is necessary to fund GSNR's activities and

reflects its commitment to GSNR. This in-kind contribution from RCRC will be presented for approval to RCRC's Board of Directors as well.

- **Lease / license income:** The proposed budget includes \$23,000 lease / license revenue.

2024 Proposed Expenditure Highlights

- **Pre-development owner's engineer:** The proposed budget includes \$112,500 for pre-development owner's engineer. The budget assumes continuation of the work with our existing development and project execution partner.
- **Consultants (CEQA, foresters, SPAs):** The proposed budget includes \$911,000 for consultants for work related to CEQA, permitting, forestry, etc. RCRC staff is managing the CEQA process and obtaining durable entitlements for the two proposed project sites. The budget reflects the consultant costs associated with these efforts.
- **Legal:** The proposed budget includes \$150,000 for legal expenses. The budget contemplates legal expenses related to the completion of the CEQA process and obtaining durable entitlements for the two proposed project sites.
- **Contract support service fee:** The proposed budget includes a contract support service fee paid to RCRC of \$1,778,800. The contract support service fee paid to RCRC is comprised of and calculated on direct and indirect costs associated with a particular entity's operations. RCRC staff time and other direct costs plus an overhead allocation is used as a basis for determining the fee charged to affiliate entities, such as GSNR, and earned as revenue by RCRC and recognized as expense to the affiliate entities. The Contract Service Fee is supported by a contract service agreement between RCRC and GSNR, similar to the process with other RCRC affiliated entities.
- **Interest expense:** The proposed budget includes a total interest of \$478,150 to be paid on the loan from GSFA, which includes the current balance of the loan as well as additional draws anticipated in 2024. To date the interest expense on the loan from GSFA has been accrued and will be paid back along with the principal repayment of the loan balance, currently planned for post financial close.
- Ongoing operating expenses such as accounting and auditing, insurance, and rent totaling \$38,650.

Budgeted Net Revenue

The proposed budget for 2024 will result in net expenditures over revenue of \$1,803,524.

Other Related Matters and Information

In 2020 GSFA and GSNR Board of Directors approved a loan of up to \$10.0 million from GSFA to GSNR to finance program activities and meet cash flow requirements during the

pre-development phase of GSNR's forest resiliency program. The loan was subsequently amended in July 2023, to increase the maximum loan amount by an additional \$1.75 million, for a total loan of up to \$11.75 million. To date, \$9.5 million has been drawn on this loan, with \$2.25 million of the loan remaining available. The above-mentioned 2024 net expenditures over revenue in the amount of \$1,803,524 are expected to be funded by this loan. The proposed 2024 budget is projected to draw down on the loan by \$1.5 million.

Recommendations

It is recommended that the GSNR Board of Directors approve the following recommendations:

1. Approve the attached proposed 2024 GSNR Operating Budget.
2. Approve the contract support service fee to RCRC in the amount of \$1,778,800 which includes a prorated amount of the salaries for RCRC personnel who provide services to the GSNR through the contract for services with RCRC, including those of the RCRC President/CEO, RCRC Finance Director and RCRC Senior Vice President.

Attachment

- 2024 GSNR Operating Budget (Attachment A)

GOLDEN STATE NATURAL RESOURCES
Operating Budget
For the Year Ended December 31, 2024

	2024 Budget	2023 Revised Budget	Change Increase / (Decrease)
Revenue			
In-kind contributions from affiliated entity	\$ 1,798,200	\$ 1,528,390	269,810
Lease / license income	23,000	16,800	6,200
Grant revenue	-	500,000	(500,000)
Total Revenue	\$ 1,821,200	\$ 2,045,190	\$ (223,990)
Expenditures			
Development			
Pre-development owner's engineer	\$ 112,500	\$ 905,000	(792,500)
Consultants (CEQA, foresters, SPAs)	911,000	1,768,477	(857,477)
Legal - sites, contracts	150,000	195,664	(45,664)
Leases	33,624	19,614	14,010
Travel - consultants	30,000	75,000	(45,000)
Subtotal Development	1,237,124	2,963,755	(1,726,631)
General and Administrative			
Accounting and auditing	19,250	12,000	7,250
Advertising and business development	10,000	10,000	0
Computer maintenance and support	3,000	4,000	(1,000)
Contract support service fee	1,778,800	1,378,800	400,000
Consultants	-	113,300	(113,300)
Insurance	1,900	1,136	764
Interest expense	478,150	335,000	143,150
Investment banking	-	250,000	(250,000)
Miscellaneous	25,000	25,000	0
Payroll and payroll taxes	-	283,361	(283,361)
Rent	17,500	17,148	352
Taxes - property	25,000	25,000	(0)
Travel - staff	10,000	13,000	(3,000)
Travel - board member reimbursement	12,000	2,891	9,109
Utilities	7,000	7,000	0
Subtotal General and Administrative	2,387,600	2,477,635	(90,035)
Total Expenditures	\$ 3,624,724	\$ 5,441,390	\$ (1,816,666)
Net Expenditures over Revenue	\$ (1,803,524)	\$ (3,396,200)	\$ 1,592,676



To: Members of the GSNR Board of Directors
From: Anthony Rahill, RCRC Director of Data Management
Date: November 28, 2023
Re: Project Coordination Update

Summary

This memo provides a project management update for the overall Golden State Natural Resources (GSNR) project.

Background

The GSNR project team continues to meet weekly to advance the project. The current focus is to complete the California Environmental Quality Act (CEQA) environmental analysis and secure the required entitlements for both the Lassen and Tuolumne county sites.

In addition, the team continues to pursue opportunities where GSNR's active engagement can advance a pilot set of forest resiliency projects.

Recent Success

- Conditional Use Permit submitted for the Lassen facility (July 12, 2023)
- Meeting with Port of Stockton (August 14, 2023)
- Preliminary grading plan completed (September 12, 2023)
- Conditional Use Permit submitted for the Tuolumne facility (September 12, 2023)
- Draft Development Agreements submitted to counties (October 17, 2023)
- Lassen Percolation Testing completed (November 13, 2023)
- Port of Stockton Draft Reimbursement Agreement submitted (November 15, 2023)
- Internal review of portions of the ADEIR (Ongoing)

Upcoming Milestones

- Well Testing (both facilities)
- Communication outreach
- Continued progress on ADEIR
- Continued efforts towards forest resiliency projects

Staff Recommendation

No action requested. This is for informational purposes only.



To: Members of the GSNR Board of Directors
From: Arthur J. Wylene, General Counsel
Sarah Bolnik, RCRC Economic Development Officer
Date: November 28, 2023
Re: CEQA and Permitting Update

Summary

This memo provides an update on the CEQA and permitting processes for the GSNR project.

Background

Consistent with Board direction, the GSNR project team is focused on completing the CEQA (environmental review) process and obtaining durable entitlements for the two proposed project sites. These two processes are closely intertwined and are proceeding simultaneously.

Golden State Finance Authority (GSFA) is the CEQA "lead agency" for the entirety of the GSNR project and will be working closely with the "responsible agencies" (including Lassen and Tuolumne Counties and the Port of Stockton) to complete an Environmental Impact Report (EIR) for the project. Since the last Board meeting, staff and the consulting team have continued work on the many technical studies underlying the project's CEQA review including water supply, hydrology, traffic, and noise, among others. The process remains on track for having the Draft EIR ready for public release in very early 2024. Completion of the Final EIR and presentation to the GSFA Board are expected during the first half of 2024.

The entitlement process is likewise proceeding on track at all three sites. Formal Use Permit applications were submitted to Lassen County on July 12, 2023 and to Tuolumne County on September 11, 2023. These applications are presently under review by county staff, and the GSNR team continues to meet weekly with each county to coordinate this review with the CEQA process. Additionally, draft development agreements were submitted to both counties for review on October 17, 2023. Staff further submitted a draft Reimbursement Agreement to the Port of Stockton on November 15, 2023, which, when approved, will provide the framework for similar collaboration with the Port.

Recommendation

No action is necessary at present as this is an informational item only.



To: Members of the GSNR Board of Directors
From: Staci Heaton, RCRC Senior Policy Advocate
Date: November 28, 2023
Re: Governmental Affairs Update

SUMMARY

This serves as an update on governmental affairs efforts for Golden State Natural Resources.

BACKGROUND

GNSR, since its inception, has been engaged with state and federal legislative bodies and regulatory agencies that set policy on forest resilience and fuels treatment projects on state, federal and private lands in California. Advocacy for GSNR has ranged from educating key legislators and agency officials on the goals of GSNR's Forest Resilience Project to engaging on legislation and agency policies to help ensure positive outcomes for forest resilience and fuels treatment. With the environmental scoping process for GSNR's Forest Resilience Project now underway, staff are reaching out to key officials to provide updates on GSNR, as well as expanding education and advocacy efforts in accordance with the current status of the project.

Key Policy Meetings

A key aspect of GSNR's governmental affairs plan is outreach to government officials to update and educate on the status of the project.

The governmental affairs plan is focused on follow-up meetings with key agency staff to provide update briefings on the project. Staff recently met with the California Natural Resources Agency, Sierra Nevada Conservancy, and Department of Conservation, adding to previous meetings with USDA Forest Service (USFS) staff in Washington, DC. Staff will be engaged in ongoing conversations with state legislative and Congressional members. Staff is also working on outreach to other organizations that could provide opportunities to partner on community education and outreach.

Legislative Update

The California state Legislature will reconvene after the new year, and staff will continue to consider opportunities to engage on policies and legislative proposals to help ensure positive impact on GSNR's forest resilience goals.

STAFF RECOMMENDATION

Information only.



To: Members of the GSNR Board of Directors
From: Carolyn Jhajj, RCRC Communications Director
Date: November 28, 2023
Re: Communications Update

SUMMARY

Receive update on communications and outreach efforts for Golden State Natural Resources.

BACKGROUND

With the environmental scoping process for GSNR’s Forest Resilience Project underway, including the issuance of a revised Notice of Preparation (NOP) on June 1, 2023, staff are currently expanding outreach efforts to inform the public and key stakeholders about the proposed project.

A key aspect of GSNR’s communications plans is increased public outreach. GSNR has conducted public outreach meetings in Lassen and Tuolumne counties, including the most recent public meeting held in Tuolumne on October 30th. Staff have also conducted two virtual public scoping meetings. Planning is also underway to hold a meeting in the City of Stockton in the coming months. These meetings provide an opportunity for the public to learn about the project, meet the project team, ask questions, and provide feedback.

As part of increased public outreach, staff have added additional resources to the GSNR website, including a document addressing frequently asked questions and a list of scientific resources regarding forest treatment work. Staff continue to explore additional avenues and methods for sharing the story of GSNR.

Lastly, staff are currently meeting with local leaders, elected officials, various organizations, and other interest parties regarding GSNR’s proposed project. At these meetings, staff are also discussing outreach efforts and gathering input on any additional stakeholder groups to include in GSNR’s communication. With the alteration in port location in the reissued NOP to the Port of Stockton, staff are focusing some of this stakeholder outreach in the Stockton area.

STAFF RECOMMENDATION

Information Only.



To: Members of the GSNR Board of Directors
From: Terrance Rodgers, RCRC Economic Development Officer
Date: November 28, 2023
Re: Forest Treatment Project Development Update

Summary

This memo highlights current priorities under development in partnership with the U.S. Forest Service (USFS), allied agencies, and private partner participants. The overall purpose is to advance forest treatment projects that enhance forest health and resiliency while creating rural economic development.

Background

Forest treatment activities designed to enhance forest health and resiliency, specifically in national forests, are often slow to advance due to regulatory requirements, resource constraints, and the lack of a sustainable pathway for biomass produced through restoration activities. The current GSNR strategic approach facilitates forest health activities by convening and supporting potential partners to advance forest resiliency projects. The following section is an update on the priority areas previously shared with the GSNR Board of Directors.

1. Modoc National Forest Supplemental Project Agreement (SPA)

The Modoc National Forest SPA will enable the treatment of 30,000+ plantation acres. RCRC staff and consultants are working directly with USFS staff to advance the project with recurring weekly discussions and data sharing while completing the associated environmental analyses. The targeted timeframe for SPA completion is spring of 2024. SPA draft Specialist Reports have been submitted to USFS staff for review, clarification, and concurrence, and additional outstanding reports will be submitted in the coming weeks. RCRC staff and USFS leadership agree on the proposed approach, timelines, and for the required NEPA documents. RCRC staff are reviewing all draft reports and providing input and direction to facilitate the SPA development process and approval. In addition, staff have begun scoping our projected project implementation costs to inform future grant application opportunities.

2. Partnership development with existing biomass users to facilitate landscape scale treatment projects through utilization of GSFA's Master Stewardship Agreement (MSA).

Discussions continue between RCRC staff and public and private partners to identify USFS forest health projects that can be advanced using a model similar to that employed with the Modoc SPA. RCRC staff continue to assess specific projects and associated opportunities to complete environmental reviews (as needed), procure licensed timber operators and contractors to implement the project work, and identify transportation and logistics firms to deliver USFS feedstock to biomass users. Assistance with completion of SPAs and/or other required environmental review will be evaluated and, where possible, provided to advance forest treatment. Additionally, there are several supply chain challenges which often make forest health projects cost prohibitive. Staff will continue to identify specific project opportunities that can provide both forest health-related project benefits and rural economic development opportunities for current biomass markets surrounding the national forests that are in commercially viable delivery proximity to existing biomass users. Specifically, the GSNR project team is working with the Six Rivers, Stanislaus and Sierra national forests to identify and narrow down specific projects that accomplish these multi-faceted objectives.

3. Continue to identify and secure a “near-ready” forest treatment project on USFS land and facilitate required processes to arrive at final implementation phase.

RCRC staff are working with USFS representatives to monitor specific national forests’ upcoming programs of work. The purpose of these activities and efforts are to identify a project at or near completion of the required NEPA requirements and/or other environmental review. The goal is to facilitate and expedite completing one or more projects through grant acquisition and collaboration with private and public partners. RCRC staff recognize it is imperative to complete an initial project(s) to catalyze the MSA and develop a consistent, adequate, long-term feedstock supply that enables landscape scale treatment and de-risks this aspect of the overall project.

Staff Recommendation

No action is necessary as this is an informational item only.



To: Members of the GSNR Board of Directors
From: Craig Ferguson, RCRC Senior Vice President
Date: November 28, 2023
Re: Project Investment Update

SUMMARY

Receive update on private partner communications and outreach efforts for Golden State Natural Resources (GSNR).

BACKGROUND

GSNR continues to meet regularly with prospective investment partners and stakeholders, both on the financing and product purchasing fronts. This will continue to occur during the environmental scoping process now underway. A verbal update will be provided at the GSNR Board of Directors meeting.

STAFF RECOMMENDATION

Information only.



To: Members of the GSNR Board of Directors
From: Milena De Melo, RCRC Finance Director
Date: November 28, 2023
Re: Finance/Administration Update

Summary

This memo provides an update on finance and administration efforts for Golden State Natural Resources (GSNR).

Background

Golden State Finance Authority (GSFA) loan

In March 2020, the GSFA Board authorized a loan of up to \$10.0 million to GSNR to fund predevelopment activities for the project. During the June 16, 2023 meeting, the GSFA Executive Committee unanimously approved the amendment of the loan agreement with GSNR accordingly and that the GSNR loan be increased by up to \$1.75 million, bringing the total maximum borrowing up to \$11.75 million. This amount supports implementation of a more narrowly focused approach of completing the CEQA process and obtaining durable entitlements for the two proposed project sites throughout 2023 as well as providing six months of additional capacity in 2024. Through November 29, 2023 total draws on the loan were \$9.5 million, with about \$570.0 thousand cash available.

US Forest Service \$500,000 Wood Products Infrastructure Assistance Federal Grant

On July 11, 2023 staff was formally informed of funding of our application for a \$500,000 federal assistance grant for the Golden State Natural Resources Forest Resiliency Project. The USFS grant is a reimbursement basis grant and does not require a match from GSNR. In addition, it allows for GSNR to retroactively apply for the grant reimbursement back to the award date (April 7, 2023). Through the end of November 2023, GSNR applied for the entire amount of the grant for reimbursement for expenditures allowed under the grant agreement. The reimbursement was received on November 7, 2023.

Staff Recommendation

Information only