



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
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EMS TRANSMISSION 12/28/10  
Instruction Memorandum No. NV-2011- 021

To: District Managers, Winnemucca and Elko Districts  
District Manager, NorCal District

From: State Director, Nevada

Subject: Ruby Pipeline Project Submission and Approval Process DD: 3/31/2011; 10/31/2011

**Program Area:** Wildlife, Renewable Energy, Land Use Planning

**Purpose:** This Instruction Memorandum (IM) provides direction for submitting and approving project proposals seeking to use the voluntary enhancement funding in accordance with the Memorandum of Understanding (MOU) dated December 7, 2010 between the BLM and the Nevada Department of Wildlife (NDOW) (Attachment 1). A total of \$8,826,411 in voluntary enhancement funds have been provided by Ruby Pipeline LLC for the implementation of the *Ruby Project Cooperative Conservation Agreement for the Greater Sage-Grouse and Pygmy Rabbit* (Agreement) in Nevada (Attachment 2).

**Policy/Action:** The voluntary enhancement funds must be used to (1) directly offset, through habitat restoration and/or enhancement, impacts to the sagebrush steppe communities and/or related wildlife issues generated by the Ruby Pipeline Project, (2) add to the state of knowledge of the Greater Sage-Grouse and/or pygmy rabbit, or (3) provide for the acquisition of high quality habitat. These funds may not be used for any other purpose. As appropriate, these funds may be used in conjunction with other federal and/or non-federal matching funds to enhance project capabilities. The voluntary enhancement funds shall not be used when appropriated funds are otherwise identified for a particular action.

Additional direction for identification of Sage-Grouse and pygmy rabbit projects is outlined in Appendix C of the Agreement.

**Background:** Habitat enhancement is used to address residual effects of an action that remain after project-related measures are incorporated. Ruby Pipeline LLC expressed an interest to provide habitat enhancement or protection through a set of voluntary Cooperative Conservation Agreements. Signatories for the *Ruby Project Cooperative Conservation Agreement for the Greater Sage-Grouse and Pygmy Rabbit* were BLM and the four (Wyoming, Utah, Nevada and Oregon) state wildlife management agencies.

The \$8.8 million received from the Ruby Pipeline LLC have been deposited in a Nevada Department of Wildlife (NDOW) interest-bearing account and will be allocated as outlined in Table 1. The allocations are based on the "Nevada Habitat Characterization Matrix Impact Assessment Process" as described in Appendix B of the Agreement. Forty (40) percent of the \$8.8 million will be allocated for

multijurisdictional and/or landscape-level projects. The remaining 60% of the funds will be separated into 3 sub-accounts (Elko, Winnemucca and Surprise) to be used for projects located within each area. A minimum target of 10% of the total \$8.8 million will be used to fund pygmy rabbit projects.

Table 1. Voluntary Enhancement Funding Summary based on weighted mitigation ratios\* and assuming 14 acres/mile.

Voluntary Enhancement Funding Summary								
Type of Project	Office	Acreage Impacted Based on Habitat Matrix Analysis					Allocated Voluntary Enhancement Funding	
		Category 1	Category 2	Category 3	Ancillary Roads	Total	\$	%
Multi-jurisdictional	N/A	N/A	N/A	N/A	N/A	N/A	\$3,530,564	40
District/Field Office Specific	Elko District	2,190	2,961	540	1,053	6,744	\$3,071,218	35
	Winnemucca District	470	567	0	1,053	2,090	\$951,786	11
	Surprise Field Office	1,064	227	451	1,053	2,795	\$1,272,843	14
Total		3,724	3,755	991	3,159	11,629	\$8,826,411	100

\*Category 1 ratio is 4:1 mitigation acreage to impacted acreage; Category 2 is 3:1, Category 3 and Ancillary Roads are 1:1

### Project Submission and Approval Process

The following direction provides additional clarification to the process outlined in Appendix C of the Agreement.

The purpose of this program is to fund projects which provide the greatest benefit to the Greater Sage-Grouse and/or pygmy rabbit. The intent is for the local BLM and NDOW offices to function as teams to jointly prioritize and recommend projects for approval. The goal is to have an inter-agency project submission which is supported by the local BLM and NDOW offices.

Projects may be proposed by any federal, state, or local agency; or a non-governmental organization. Projects will be considered regardless of land ownership but must have land owner concurrence. Projects must be electronically submitted through either a local BLM District or NDOW office to the BLM Nevada Deputy State Director for Natural Resources, Lands and Planning (DSD) or the NDOW Habitat Division Chief (Division Chief) using the standardized format provided in Attachment 3. Project requests for using one of the three sub-accounts (Elko, Winnemucca or Surprise) may be submitted at any time.

Projects requests for using the multi-jurisdictional/landscape scale funding during FY2011 must be submitted no later than March 31, 2011. Funding decisions will be made no later than May 15, 2011. Proposals requesting to use the multi-jurisdictional/landscape scale funding for FY2012 and beyond must be submitted to the DSD or Division Chief no later than October 31 of each calendar year. Projects will be evaluated with a funding decision to be made not later than December 15 of each calendar year.

Project proposals received at either the BLM Nevada State Office or the NDOW Headquarters office will be jointly reviewed and considered by the DSD and the Division Chief. Any project to be funded through the Agreement and located on federal land will be approved by the DSD. Any project to be funded through the Agreement and located on non-Federal land will be approved by the Division Chief. No project shall receive funding until it is approved. If a disagreement arises between the DSD and the Habitat Chief, the matter will be elevated to the Nevada BLM State Director and the Director of NDOW for resolution.

Projects may be managed by either agency or the Nevada Partners for Conservation and Development depending upon the specifics of the project and the ability of that agency/organization to provide project management support. It is understood that a portion of the project funding will support project administration, NEPA compliance, materials, contract fees, appraisals and other direct project-related purchases.

The BLM will ensure that project activities located on public lands are in compliance with the National Environmental Policy Act and in conformance with BLM land management plans and consistent with other State and local plans for the specific project location.

The managing entity will provide an annual accounting of expenditures and a report of project completion as outlined below.

**Reports:**

Working jointly with NDOW, the BLM Nevada Division of Natural Resources, Lands and Planning (NV-930) will prepare an annual project summary report which will be provided to the Ruby Pipeline LLC no later than March 31 of each year beginning in March 2012. At a minimum, the summary report will address by calendar year, the number of projects approved, initiated and completed, the total dollars approved and expended by project and the total unallocated amount remaining in the account. Information depicted in the annual project summary report will be based upon project specific expenditure information received from NDOW as well as project specific expenditure reports received from the project managing entity not later than January 31 of each year.

A standardized template will be provided under separate cover to project managers prior to the first year's reporting period. Project managers' will complete and electronically submit the project reports to the BLM Nevada State Office Wildlife Program Lead or the NDOW Habitat Specialist no later than January 31 of each year beginning January 31, 2012. This information will be consolidated and used as the basis for the annual report.

**Timeframe:** Effective immediately upon receipt

**Contact:** Sandra Brewer at (775) 861-6626

Signed By:  
Ron Wenker  
State Director, NV

Authenticated By:  
Ellyn Darrah  
Administrative Assistant

**Attachments:**

1. Memorandum of Understanding between the BLM and the FWS to providing guidance and direction to implement the Use of Voluntary Enhancement Funds Supplied by Ruby Pipeline in Connection with the Sage-Grouse and Pygmy Rabbit Cooperative Conservation Agreement (BLM-MOU-NV934-6843-2011-001) (4 pp)
2. Ruby Project Cooperative Conservation Agreement for the Greater Sage-Grouse and Pygmy Rabbit (35 pp)
3. Project Proposal Format and Ranking Factors for the Enhancement Funds (6 pp)

Distribution:  
State Director, CA