

Meeting Date: October 19, 2016
Page 1



1450 Halyard Drive, Suite 6
West Sacramento, CA 95691
www.deltaconservancy.ca.gov

Proposition 1 Grant Program Update

Staff Report

2016-2017 GRANT CYCLE UPDATE

On September 30th, the Conservancy closed its concept proposal solicitation for the 2016-2017 fiscal year. The Conservancy received 13 proposals, three of which are for planning projects (category 1) and 10 of which are for implementation projects (category 2). Proposals have been received for projects in all five Delta counties. In total, applicants requested \$15.98 million. For more information about the concept proposals received, please see the attached project tracking spreadsheet. Staff will bring recommended projects before the Board at the November Board meeting.

AMENDMENTS

Conservancy staff is now in the process of executing its first round of grant agreements. To prepare for requests from grantees to amend their grant agreements, staff would like to formalize a grant agreement amendment process for three factors: extending the term of grant agreement, changes to scope of work, and/or changes to budget. Changes to one or more of the factors above will be required to follow the process outlined below for which an amendment is required.

The proposed amendment process outlined below describes how to amend grants for the three factors discussed above. The process was drafted after consulting other Proposition 1 Chapter 6 granting agencies about their amendment processes, and is based most closely on the processes followed by the California Department of Fish and Wildlife and the Sierra Nevada Conservancy.

For amendments to extend the term of grant agreement, staff is recommending that amendment decisions be made at the staff level. Staff will continue to track the spending timeframe of encumbered funds and will not extend a grant term beyond allowable timeframes. For changes to scope of work that does not significantly alter the project's intent, deliverable, and/or outputs and outcomes, staff is recommending that amendment decisions be made at the staff level. Significant changes to the scope of work will not be considered. For changes to budget, the terms of the grant agreement state "changes to the line-item budget within a specific task may be made without formal amendment (not to exceed 10% and no more than \$5,000 of line item(s) to be reduced or increased)." Outside of these line item budget adjustments, staff is recommending that amendment approvals be made by the Executive Officer for any budget increase that is 10 percent or less of the total budget or less than \$50,000, whichever amount is lesser, when exceptional unanticipated circumstances warrant. Requests to amend the budget that exceed this limit would be brought before the Board.

Meeting Date: October 19, 2016

Page 2

Grant Agreement Amendment Process

Note on process: Changes to one or more of the factors (term, scope, and/or budget) will be required to follow the process outlined below.

1. Grantee submits formal, justified request to Project Manager.
2. Request is reviewed and approved by Grant Manager, Program Manager, and Executive Officer.
3. For budget amendments that exceed 10 percent of the total budget, request will be brought to the Board for their consideration and approval.
4. Grant Manager drafts and routes approved amendment for execution.

BACKGROUND

The Conservancy's Proposition 1 (Prop. 1) Ecosystem Restoration and Water Quality Grant Program is focused on restoring Delta ecosystems, improving water quality, and enhancing agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be funded with Prop. 1 funding (Sec. 79732 *et seq*). Both Prop. 1 and the Conservancy's enabling legislation emphasize focusing on projects that use public lands and that maximize "voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta."

During the 2015-2016 fiscal year, the Conservancy ran its first grant cycle for the Prop. 1 Grant Program. The Conservancy anticipates administering at least one grant cycle each fiscal year for five years. The Grant Program is a two-part competitive program, with a concept proposal solicitation open to the public, and a full proposal solicitation open to qualifying concept proposal applicants. Full proposals are subject to a rigorous scoring and evaluation process by both staff and an external review panel, and are recommended based upon score and funding availability.

BUDGET

Proposition 1 identified \$50 million for the Delta Conservancy "for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities (Sec. 79730 and 79731)." For the 2015-2016 fiscal year, \$9.3 million was allocated to the Conservancy for the Ecosystem Restoration and Water Quality grant program. For the 2016-2017 fiscal year, \$10 million will be available for the grant program.

Contact Person

Campbell Ingram, Executive Officer
Sacramento-San Joaquin Delta Conservancy
Phone: (916) 375-2089