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Request for Approval of Staff Recommendations for the Second Solicitation Cycle of the Proposition 1 Ecosystem Restoration and Water Quality Grant Program

Staff Report

RECOMMENDATION

Staff recommends that the Board review and consider the attached project recommendations for the 2016-2017 solicitation of the Proposition 1 Ecosystem Restoration and Water Quality Grant Program, and conditionally approve or reserve funding for four projects as specified in the project recommendations.

RECOMMENDATION BACKGROUND

During the 2016-2017 fiscal year, the Delta Conservancy ran its second grant cycle for the Proposition 1 Ecosystem Restoration and Water Quality Grant Program (Grant Program). The Conservancy received five full proposals by the close of the full proposal solicitation period on January 13, 2017. Once received, proposals went through a two-part review process to assess their administrative and technical qualifications.

Administrative Review

Delta Conservancy staff conducted an administrative review of proposals to ensure that they were eligible, complete, and consistent with program requirements. This process included Legal review and visits to verify all project sites. To meet the requirements specified in the Grant Guidelines, Conservancy staff notified more than 25 local governments and districts, water agencies, and tribes about projects within their jurisdiction, providing them the opportunity to comment on projects. In addition to local notifications, the Conservancy solicited and considered comments from the Delta Stewardship Council (on the subjects of adaptive management, best available science, and Delta Plan consistency review) and the Office of the Delta Watermaster (on the subject of water rights).

Technical Review

Full proposals were evaluated and scored by Conservancy staff and a professional review panel consisting of five State and federal agencies: California Department of Fish and Wildlife, Delta Protection Commission, Department of Water Resources, U.S. Fish and Wildlife Service, and National Oceanic and Atmospheric Administration. The technical merit of the proposals was evaluated based on 13 evaluation criteria (adopted by the Board on July 27, 2016), and scored based on a point scale totaling 100 points. External reviewers evaluated only the proposals and criteria relevant to their expertise.

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Staff and external professional reviewers evaluated proposals based on the criteria below.

- Project Description and Organizational Capacity (1 criterion)
- State Priorities/ Project Benefits (3 criteria)
- Readiness (1 criterion)
- Local support (3 criteria)
- Funding: Cost Share and Leveraging (2 criteria)
- Scientific Merit and Performance Measures (3 criteria)

Conservancy staff compiled internal and external scores, and held meetings with all reviewers to normalize scoring. All scores were averaged to determine a final score for each proposal. Per the Board-approved Grant Guidelines, only proposals scoring 75 points or more are recommended for funding.

Staff is recommending the Board award a total of \$4,395,999 for four proposals. Included in this agenda item is a comprehensive analysis and staff recommendation for each of the four projects. Of these four, the Conservancy staff recommends conditional approval for three projects that must submit additional information prior to entering into a grant agreement; and the reservation of funding for one project for which the CEQA process must be completed prior to entering into a grant agreement. For conditionally approved projects, the Conservancy expects to complete grant agreements by fall of 2017.

For more information about the projects that are being recommended for approval, please see the included table and map. The recommended full proposals are for projects that will produce the following benefits:

- Promote restoration of native vegetation;
- Restore upland and wetland ecosystems; and
- Enhance riparian habitat on working lands.

BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program is focused on restoring and enhancing Delta ecosystems, improving water quality, and enhancing water-related agricultural sustainability. The Grant Program identifies projects to protect and restore California rivers, lakes, streams, and watersheds that may be funded with Proposition 1 funding (Sec. 79732 et seq). The Conservancy anticipates administering at least one grant cycle each fiscal year between 2015 and 2020. Grant Program is a competitive, two-step process, requiring both a concept proposal and a full proposal. 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. The Conservancy will open a third grant solicitation period in the summer of 2017 and anticipates awarding funding in spring of 2018.

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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 2016-2017 fiscal year, \$10 million is available for the grant program.

Contact Person

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Recommendations to the Board							
Project Name	Applicant	County	Category	Amount Requested	Amount Recommended	Final Score	Staff Recommendation
Dutch Slough Revegetation	Reclamation District 2137	Contra Costa	2	\$2,900,000	\$2,900,000	88.70	Approve
Petersen Ranch: Working Waterway Habitat Enhancement Project	Solano Resource Conservation District	Solano	2	\$444,795	\$444,795	85.60	Approve
Investigations of restoration techniques that limit invasion of tidal wetlands	The Regents of the University of California	Contra Costa	1	\$107,655	\$107,655	84.75	Approve
Restoration of Priority Freshwater Wetlands for Endangered Species at the Cosumnes River Preserve	Sacramento County Regional Parks	Sacramento	2	\$943,549	\$943,549	82.83	Approve
Mello Conservation Easement	Sacramento Valley Conservancy	Sacramento	2	\$2,000,000	\$0	72.70	Deny
TOTAL RECOMMENDED FOR FUNDING					\$4,395,999		