

Meeting Date: September 27, 2017

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

Proposition 1 Grant Program Update

Staff Report

CYCLE 3 – FISCAL YEAR 2017-2018 SOLICITATION UPDATE

During the concept proposal solicitation, the Conservancy received 18 concept proposals, requesting more than \$26 million (see Table 1 below). Conservancy staff evaluated the concept proposals. Conservancy staff will provide feedback in writing and provide all applicants the opportunity to meet in person by September 29, 2017 to aid them in assembling a complete, clear, and responsive full proposal. The full proposal submission period will be October 2 through November 30, 2017.

As part of the full proposal review, all proposals are evaluated by an independent professional review panel. At the July 26, 2017 Board meeting, the Board requested that a discussion regarding the agricultural sustainability external reviewer be added to a future Program and Policy Subcommittee or full Board meeting. In response, Conservancy staff have considered additional external reviewers for agricultural sustainability projects. Staff recommends that [California Department of Food and Agriculture \(CDFA\)'s Office of Environmental Farming and Innovation](#) technical experts be included in the Independent Professional Review Panel for the Proposition 1 Grant Program's FY17-18 Full Proposal Solicitation. This recommendation is consistent with the Grant Guidelines that identify "an independent professional review panel made up of State and federal agency technical experts". CDFA's Office of Environmental Farming and Innovation (OEFI) includes state agency technical experts whose mission "is to serve California by supporting agricultural production and incentivizing practices resulting in a net benefit for the environment through innovation, efficient management and science". The OEFI manages grants under the State Water Efficiency and Enhancement Program and a new joint pilot program on [Agricultural Water Use Efficiency and Enhancement](#) with Department of Water Resources. Conservancy staff contacted CDFA's OEFI staff located in Sacramento and they expressed willingness to participate as external reviewers. They indicated that they would assign a reviewer(s) upon determination of relevant expertise once they receive full proposals. Staff has requested that reviewers have awareness of Delta-related agricultural issues gained through direct work experience in the Delta. Inclusion of a local agricultural representative was considered, but is not recommended for the following reasons: it would be inconsistent with the Grant Guideline's identification of state and federal representatives, and could result in a potential conflict of interest.

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Table 1. Summary of FY17-18 Concept Proposals Received

Project ID	Project Name	Applicant	County	Category	Funding Priority	Amount Requested
Prop 1-1701	Bay Point Restoration Project	East Bay Regional Park District	Contra Costa	2	Restoration, Protection, and/or Enhancement	\$2,920,000
Prop 1-1702	Restoration Planning at River Garden Farms	American Rivers	Yolo	1	Restoration, Protection, and/or Enhancement, Water-related Agricultural Sustainability	\$261,084
Prop 1-1703	Marsh Creek Reservoir Habitat and Capacity Restoration	Contra Costa County Flood Control and Water Conservation District	Contra Costa	1	Restoration, Protection, and/or Enhancement	\$285,000
Prop 1-1704	Management of Rice Fields to Enhance Instream Flows and Provide Multiple Ecosystem, Water Supply, and Flood Management Benefits	California Rice Commission	multiple	1	Restoration, Protection, and/or Enhancement Water Quality Water-related Agricultural Sustainability	\$1,158,535
Prop 1-1705	Bouldin Island Multipurpose Ecosystem Improvements and Sustainable Agricultural Plan	Metropolitan Water District of Southern California	San Joaquin	1	Restoration, Protection, and/or Enhancement, Water-related Agricultural Sustainability	\$310,000
Prop 1-1706	Occurrence, Fate and Transport of Estrogenic Activity in Effluents Released to the Sacramento-San Joaquin Delta	Board of Regents, Nevada System of Higher Education on behalf of Desert Research Institute	multiple	1	Water Quality	\$292,812
Prop 1-1707	Mitchell Trust Farm Habitat Conservation Easement Acquisition	Yolo Habitat Conservancy	Yolo	2	Restoration, Protection, and/or Enhancement	\$1,683,000
Prop 1-1708	Mello Conservation Easement	Sacramento Valley Conservancy	Sacramento	2	Restoration, Protection, and/or Enhancement	\$2,000,000
Prop 1-1709	Knightsen Wetland Restoration and Flood Protection Project	East Contra Costa County Habitat Conservancy	Contra Costa	1	Restoration, Protection, and/or Enhancement	\$1,250,000

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Project ID	Project Name	Applicant	County	Category	Funding Priority	Amount Requested
Prop 1-1710	Grizzly Slough Floodplain Restoration Project	California Department of Water Resources	Sacramento	2	Restoration, Protection, and/or Enhancement	\$7,696,000
Prop 1-1711	Three Creeks Parkway Restoration Project #2	American Rivers	Contra Costa	2	Restoration, Protection, and/or Enhancement, Water Quality	\$999,891
Prop 1-1712	Bees Lakes	City of West Sacramento	Yolo	1	Restoration, Protection, and/or Enhancement, Water Quality	\$324,600
Prop 1-1713	Stone Lakes	Ducks Unlimited	Sacramento	1	Restoration, Protection, and/or Enhancement	\$554,435
Prop 1-1714	Beneficial reuse of water Hyacinth	Reclamation District 548	San Joaquin	1	Restoration, Protection, and/or Enhancement Water Quality Water-related Agricultural Sustainability	\$117,500
Prop 1-1715	Management for the 21st Century - Developing climate-smart solutions today to meet the challenges of a changing world	California State University, Sacramento and DWR	multiple	1	Restoration, Protection, and/or Enhancement, Water Quality	\$114,750
Prop 1-1716	Brentwood Reservoir	City of Brentwood	Contra Costa	1	Restoration, Protection, and/or Enhancement, Water Quality	\$200,000
Prop 1-1717	Delta Legacy Abandoned Vessel Abatement Project	Delta Legacy Horizons	multiple	1	Restoration, Protection, and/or Enhancement Water Quality Water-related Agricultural Sustainability	\$4,927,960
Prop 1-1718	Nutria Eradication	CA Department of Fish and Wildlife	multiple	2	Restoration, Protection, and/or Enhancement	\$1,341,793
TOTAL						\$26,437,360

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APPROVED PROJECT UPDATE

In its first two grant cycles, the Conservancy awarded or reserved \$10.3 million of Proposition 1 funds for eligible projects. A brief overview of each grant cycle, the status of each project by grant cycle (in numerical order of Conservancy ID), and a map of all approved project locations are included below (Figure 1).

CYCLE 2 – Fiscal Year 2016-2017

The Board awarded or reserved \$4.4 million for four projects (one Category 1 planning and three Category 2 implementation).

<u>Project</u>	Dutch Slough Revegetation (Category 2)
<u>Amount Awarded</u>	\$2,900,000
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1602
<u>Grantee</u>	Reclamation District 2137
<u>Overview</u>	Establish and maintain 468 acres of native tidal marsh, riparian, and grassland vegetation at the Dutch Slough restoration site
<u>Board Action/Deadline</u>	Conditional Approval – July 2017
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget – complete, 7/31/17 2. Water conservation and efficiency plan for grantee – no longer required due to rescinding of the April 2014 Executive Order.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	Due to permitting delays, construction did not begin during the 2017 construction window. Therefore, the revegetation phase, to which Conservancy funds are being applied, will also be delayed. Staff plans to delay execution of the grant agreement until 2019 to ensure implementation does not exceed the 3-year grant funding term.

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**Project Petersen Ranch: Working Waterway Habitat Enhancement Project
(Category 2)**

Amount Awarded \$444,795

County Solano

Conservancy ID Prop 1-1605

Grantee Solano Resource Conservation District

Overview Restore 13.5 acres of riparian habitat and improve water quality through improved cattle management practices on approximately 525 acres of actively farmland along Lindsey Slough

Board Action/Deadline Conditional Approval – May 2017

Conditions/Status 1. Revised budget – complete, 6/13/17

Grant Agreement Status Active as of 9/1/17

Update The agreement has been executed.

Project Restoration of Priority Wetlands for Endangered Species at the Cosumnes River Preserve (Category 2)

Amount Awarded \$943,549

County Sacramento

Conservancy ID Prop 1-1608

Grantee Sacramento County Regional Parks

Overview Restore 110 acres of freshwater wetlands to benefit listed species

Board Action/Deadline Funding Reserved – September 27, 2017

Conditions/Status 1. Completion of CEQA requirements and approval of Responsible Agency Findings - incomplete, expected September 27, 2017

2. Revised budget – complete, 8/1/17

3. Proof and verification of adequate water rights – complete, 6/21/17

Grant Agreement Status Funding Reserved

Update Agenda Item 8 addresses CEQA responsible agency findings and award of funds for this project.

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<u>Project</u>	Investigations of restoration techniques that limit invasion of tidal wetlands (Category 1)
<u>Amount Awarded</u>	\$107,655
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1612
<u>Grantee</u>	The Regents of the University of California (UC Davis)
<u>Overview</u>	Identify improved methods for tidal wetland revegetation that reduce invasion by non-native plants at Dutch Slough
<u>Board Action/Deadline</u>	Conditional Approval – May 2017
<u>Conditions/Status</u>	1. Revised budget – complete, 6/15/17
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	This grant agreement is being modified to comply with the California Model Agreement for Research, Training, and Public Services performed by the CSU and UC.

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CYCLE 1 – Fiscal Year 2015-2016

The Board awarded or reserved funding \$5.9 million for eight projects. To date, five grant agreements have been fully executed; staff is working with grantees to prepare grant agreements for the remaining three projects.

Project Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project (Category 2)

Amount Awarded \$2,000,000

County Yolo

Conservancy ID Prop 1-Y1-2015-003 (1503 on map)

Grantee Ducks Unlimited

Overview Implement habitat and working landscape enhancements in the Yolo Bypass Wildlife Area

Board Action/Deadline Funding Reserved – original March 22 2017, 1st extension to July 26, 2017, 2nd extension to January 24, 2018

Conditions/Status

1. Completion of CEQA and approval of Responsible Agency Findings - incomplete, expected January 24, 2018
2. Verification of Adequate Water Rights – complete, 7/12/2017
3. Landowner Agreement – required as a condition of the agreement
4. Habitat Maintained for 15 Years – required as a condition of the landowner agreement
5. Bylaws – complete, 6/7/2016

Grant Agreement Status Funding Reserved

Update The Board approved an extension of the deadline to meet CEQA requirements to January 24, 2018.

Project Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta (Category 1)

Amount Awarded \$89,450

County All Delta Counties

Conservancy ID Prop 1-Y1-2015-005 (1505 on map)

Grantee California Land Stewardship Institute

Overview Develop a program for working with farmers to improve water quality, which is specific to the crops grown and water quality concerns in Delta counties

Grant Agreement Status Active as of 1/9/17

Update The project is meeting its conditions per grant scope of work.

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Project Sherman Island Wetland Restoration Project Phase III (Category 1)

Amount Awarded \$100,000

County Sacramento

Conservancy ID Prop 1-Y1-2015-008 (1508 on map)

Grantee Ducks Unlimited

Overview Plan and design for the restoration of 1600 acres of emergent wetlands

Board Action/Deadline Conditional Approval – July 2016

Conditions/Status 1. Bylaws – complete, 6/7/2016

Grant Agreement Status Grant Agreement Pending

Update The grant agreement has been sent to the grantee for final review and signature.

Project Three Creeks Parkway Restoration Project (Category 2)

Amount Awarded \$836,409

County Contra Costa

Conservancy ID Prop 1-Y1-2015-009 (1509 on map)

Grantee American Rivers

Overview Convert denuded flood control channel at the confluence of Marsh, Sand, and Deer Creeks into a healthy stream corridor

Board Action/Deadline Funding Reserved – September 2016

Conditions/Status 1. Completion of CEQA requirements and approval of Responsible Agency Findings – complete, 11/21/2016

2. Verification of Adequate Water Rights – complete, 10/17/2016

3. Landowner Agreement – required as a condition of the agreement

4. Habitat Maintained for 15 Years – required as a condition of the landowner agreement

Grant Agreement Status Active as of 6/27/17

Update The grant agreement has been executed. The first progress report and invoice are due October 31.

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**Project Paradise Cut Flood and Conservation Easement Acquisition Project
(Category 2)**

Amount Awarded \$2,000,000

County San Joaquin

Conservancy ID Prop 1-Y1-2015-010 (1510 on map)

Grantee San Joaquin Resource Conservation District

Overview Purchase flood and conservation easements to protect agriculture for Swainson's Hawk and to protect the opportunity to build a new flood bypass at Paradise Cut in the future

Board Action/Deadline Funding Reserved – March 2017

Conditions/Status 1. Completion of CEQA requirements and approval by Board – complete, 3/22/2017
2. Completion of acquisition checklist requirement – complete, 3/6/2017

Grant Agreement Status Grant Agreement Pending

Update Conservancy staff is coordinating with the grantee and CA Department of Fish and Wildlife, who is funding other components of this project, to align grant expectations for easements with multiple State funding sources. Grant agreement negotiation is expected to continue into 2018.

**Project Paradise Cut Conservation and Flood Management Planning Project
(Category 1)**

Amount Awarded \$99,924

County San Joaquin

Conservancy ID Prop 1-Y1-2015-012 (1512 on map)

Grantee San Joaquin Resource Conservation District

Overview Develop a conservation and flood management plan for a new flood bypass at Paradise Cut

Board Action/Deadline Conditional Approval – July 2016

Conditions/Status 1. Monitoring Plan – complete, 7/27/2016

Grant Agreement Status Active as of 7/6/17

Update The grant agreement has been executed. The first progress report and invoice are due October 31.

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Project: Wildlife Corridors for Flood Escape on the Yolo Bypass Wildlife Area Project (Category 2)

Amount Awarded: \$688,195.64

County: Yolo

Conservancy ID: Prop 1-Y1-2015-016 (1516 on map)

Grantee: Yolo Resource Conservation District

Overview: Restore up to 5 miles (22 acres) of new, floodway-compatible wildlife and pollinator habitat, providing an exit and transit corridor for wildlife during floods

Grant Agreement Status: Active as of 1/24/17

Update: The project is meeting its conditions per grant scope of work.

Project Lower Marsh and Sand Creek Watershed Riparian Restoration Planning Project (Category 1)

Amount Awarded \$73,493

County Contra Costa

Conservancy ID Prop 1-Y1-2015-019 (1519 on map)

Grantee American Rivers

Overview Improve restoration project efficiency within the Marsh/Sand Creek watershed through development of a programmatic CEQA document and permit, including stormwater planning.

Grant Agreement Status Active as of 10/19/16

Update The project is meeting its conditions per grant scope of work.

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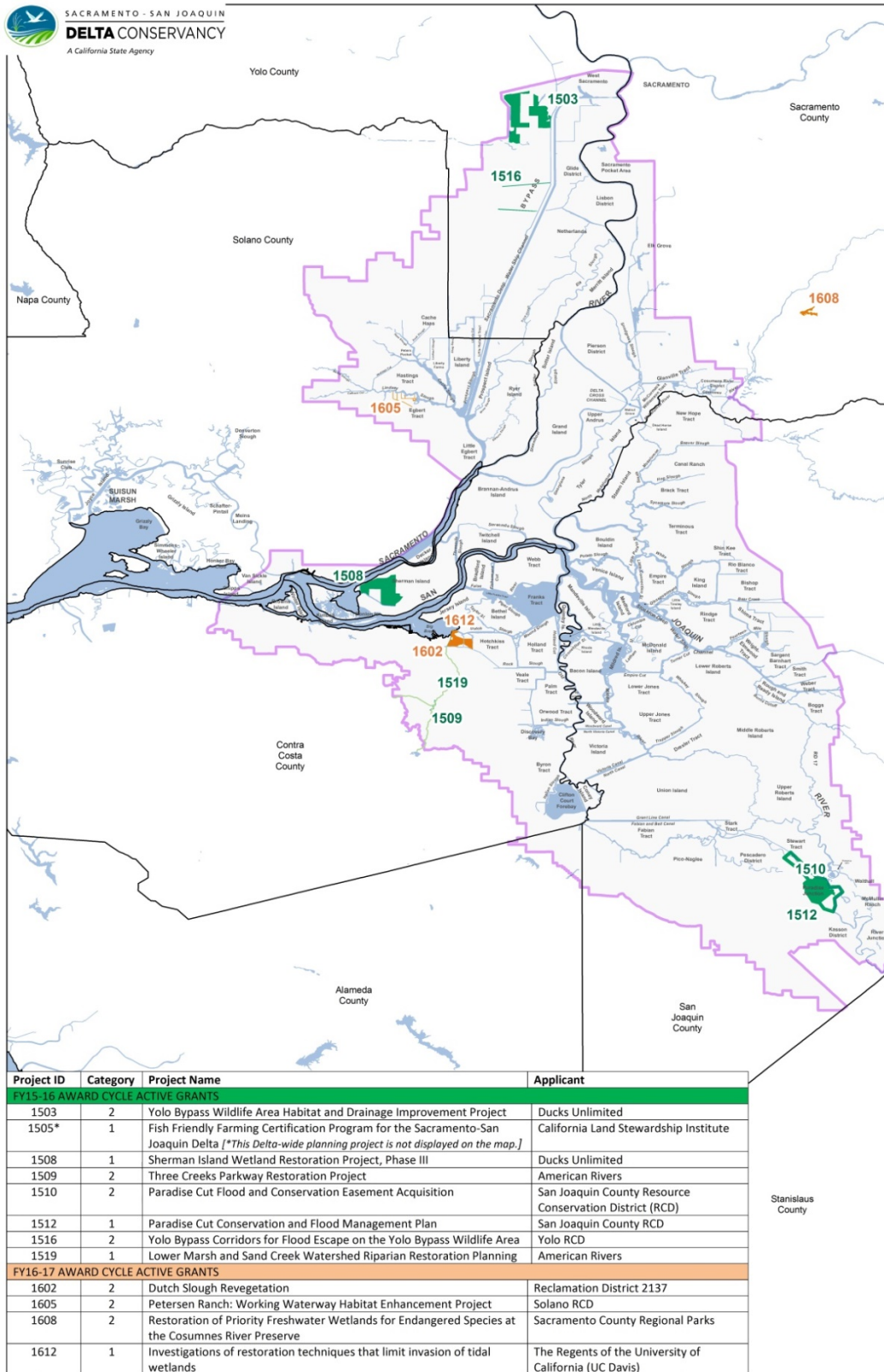


Figure 1. Map of Active Grants from FY15-16 and FY16-17.

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PROGRAM BACKGROUND AND BUDGET

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program funds \$50 million in multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities. The Conservancy anticipates administering one grant cycle annually through at least fiscal year 19-20. The Grant Program is a 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 for funding based upon score and funding availability.

Contact

Beckye Stanton, Senior Environmental Scientist (Specialist)

Sacramento-San Joaquin Delta Conservancy

Phone: (916) 375-4994