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Proposition 1 Grant Program Update

Staff Report

CYCLE 3 – FISCAL YEAR 2017-2018 SOLICITATION UPDATE

The Delta Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program third cycle full proposal solicitation closed on November 30, 2017. The Conservancy received 13 full proposals requesting a total of \$22.6 million. Table 1 below lists all full proposals received.

Once received, proposals go through a two-part review process to assess their administrative and technical qualifications. Delta Conservancy staff conduct an administrative review of proposals to ensure that they are eligible, complete, and consistent with program requirements. This process includes legal review and site visits to verify all project sites. To meet the requirements specified in the Grant Guidelines, Conservancy staff notified more than 80 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 has solicited comments from the Delta Stewardship Council (on adaptive management, best available science, and Delta Plan consistency review) and the Office of the Delta Watermaster (water rights review).

To assess their technical qualifications, all proposals will be reviewed by Delta Conservancy staff and by at least two external reviewers on the Professional Review Panel. The Professional Review Panel consists of State and federal agency experts from the Delta Protection Commission, California Department of Fish and Wildlife, Department of Water Resources, California Department of Food and Agriculture, U.S. Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration. Table 2 below lists the reviewing agencies assigned to each proposal.

Once the administrative and technical reviews are complete, Conservancy staff will determine funding recommendations, and plans to bring these to the Board for consideration at the March 28, 2018 Board meeting.

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Table 1. Summary of Cycle 3 (FY17-18) Full Proposals Received

Conservancy #	Project Name	Applicant	County	Category	Programmatic Focal Area	Amount Requested
Prop 1-1701	Bay Point Restoration Project	East Bay Regional Park District	Contra Costa	2	Ecosystem Protection, Restoration, and Enhancement	\$2,100,000
Prop 1-1702	Restoration Planning at River Garden Farms	American Rivers	Yolo	1	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement; Water-related Agricultural Sustainability	\$661,189
Prop 1-1703	Marsh Creek Reservoir Habitat and Capacity Restoration	Contra Costa County Flood Control and Water Conservation District	Contra Costa	1	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement	\$285,000
Prop 1-1704	Reengaging floodplains to feed Delta food webs: optimizing fish and waterbird habitat with working lands	California Rice Commission	multiple	1	Ecosystem Protection, Restoration, and Enhancement; Water-related Agricultural Sustainability	\$1,203,524
Prop 1-1707	Mitchell Trust Farm Multi-Species Habitat Conservation Easement Acquisition	Yolo Habitat Conservancy	Yolo	2	Ecosystem Protection, Restoration, and Enhancement	\$2,829,718
Prop 1-1708	Mello Conservation Easement	Sacramento Valley Conservancy	Sacramento	2	Ecosystem Protection, Restoration, and Enhancement	\$2,000,000
Prop 1-1709	Knightsen Wetland Restoration and Flood Protection Project	East Contra Costa County Habitat Conservancy	Contra Costa	1	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement	\$1,225,000

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Conservancy #	Project Name	Applicant	County	Category	Programmatic Focal Area	Amount Requested
Prop 1-1710	Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve	California Department of Water Resources	Sacramento	2	Ecosystem Protection, Restoration, and Enhancement	\$8,700,800
Prop 1-1711	Three Creeks Parkway #2: Request for additional funds to implement an expanded version of a project previously funded by the Delta Conservancy.	American Rivers	Contra Costa	2	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement	\$1,000,000
Prop 1-1712	Bees Lakes Habitat Restoration Plan	City of West Sacramento	Yolo	1	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement	\$592,500
Prop 1-1713	Stone Lakes	Ducks Unlimited	Sacramento	1	Ecosystem Protection, Restoration, and Enhancement	\$635,573
Prop 1-1716	Brentwood Reservoir	City of Brentwood	Contra Costa	1	Ecosystem Protection, Restoration, and Enhancement; Water Quality Improvement	\$200,000
Prop 1-1718	Nutria Eradication	CDFW	multiple	2	Ecosystem Protection, Restoration, and Enhancement	\$1,175,374

TOTAL \$22,608,678

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Table 2. Professional Review Panel Agencies Assigned to Cycle 3 Full Proposals

Conservancy #	Project Name	Applicant	CDFW	DPC	DWR	CDFA	NOAA	USFWS	Total reviewers
Prop 1-1701	Bay Point Restoration Project	East Bay Regional Park District	X	X	X		X	X	5
Prop 1-1702	Restoration Planning at River Garden Farms	American Rivers	X	X	X	X	X	X	6
Prop 1-1703	Marsh Creek Reservoir Habitat and Capacity Restoration	Contra Costa County Flood Control and Water Conservation District	X	X	X		X	X	5
Prop 1-1704	Reengaging floodplains to feed Delta food webs: optimizing fish and waterbird habitat with working lands	California Rice Commission	X	X	X	X	X	X	6
Prop 1-1707	Mitchell Trust Farm Multi-Species Habitat Conservation Easement Acquisition	Yolo Habitat Conservancy	X	X	X	X		X	5
Prop 1-1708	Mello Conservation Easement	Sacramento Valley Conservancy	X	X	X	X		X	5
Prop 1-1709	Knightsen Wetland Restoration and Flood Protection Project	East Contra Costa County Habitat Conservancy	X	X	X		X	X	5
Prop 1-1710	Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve	CA Department of Water Resources	Conflict	X	Conflict	X	X	Conflict	3
Prop 1-1711	Three Creeks Parkway #2: Request for additional funds to implement an expanded version of a project previously funded by the Delta Conservancy	American Rivers	X	X	X		X	X	5
Prop 1-1712	Bees Lakes Habitat Restoration Plan	City of West Sacramento	X	X	X		X	X	5
Prop 1-1713	Stone Lakes	Ducks Unlimited	X	X	X		X	Conflict	4
Prop 1-1716	Brentwood Reservoir	City of Brentwood	X	X	X		X		4
Prop 1-1718	Nutria Eradication	CA Department of Fish & Wildlife	Conflict	X	Conflict	Conflict	X	Conflict	2

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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). Three grant agreements have been executed, and one has been delayed due to permitting issues. All new information is highlighted.

<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>	All conditions have been met.
<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 All conditions have been met.

Grant Agreement Status Active as of 9/1/17

Update The agreement has been executed. Grantee has submitted the first progress report and invoice.

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 All conditions have been met.

Grant Agreement Status Active as of 1/8/18

Update The agreement has been executed. Work will begin immediately.

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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>	All conditions have been met
<u>Grant Agreement Status</u>	Active as of 1/8/18
<u>Update</u>	The grant agreement has been executed with work scheduled to begin July 2018

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CYCLE 1 – Fiscal Year 2015-2016

The Board awarded or reserved funding \$5.9 million for eight projects (four Category 1 planning and four Category 2 implementation). To date, six grant agreements have been fully executed; staff is working with grantees to prepare grant agreements for the remaining two projects. All new information is highlighted.

<u>Project</u>	Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project (Category 2)
<u>Amount Awarded</u>	\$2,000,000
<u>County</u>	Yolo
<u>Conservancy ID</u>	Prop 1-Y1-2015-003 (1503 on map)
<u>Grantee</u>	Ducks Unlimited
<u>Overview</u>	Implement habitat and working landscape enhancements in the Yolo Bypass Wildlife Area
<u>Board Action/Deadline</u>	Funding Reserved – original March 22 2017, 1 st extension to July 26, 2017, 2 nd extension to January 24, 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none">1. Completion of CEQA and approval of Responsible Agency Findings - incomplete, expected January 24, 20182. Landowner Agreement – required as a condition of the agreement3. Habitat Maintained for 15 Years – required as a condition of the landowner agreement
<u>Grant Agreement Status</u>	Funding Reserved
<u>Update</u>	The Board will consider approving California Environmental Quality Act Responsible Agency Findings and granting funding for this project at their January meeting.

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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

Conditions/Status All conditions have been met.

Grant Agreement Status Active as of 1/9/17

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

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 All conditions have been met.

Grant Agreement Status Active as of 10/20/2017.

Update The grant agreement has been executed. The first progress report and invoice are due January 31, 2018.

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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. Landowner Agreement – required as a condition of the agreement
2. 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. Landowner Access Agreement is being finalized between the Grantee and the Contra Costa County Water Conservation and Flood Control District. The first progress report and invoice are due January 31, 2018.**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** All conditions have been met.**Grant Agreement Status** Grant Agreement Pending**Update** Grantee is pursuing a different property with CA Department of Fish and Wildlife funding and therefore there is no need for Conservancy staff to continue working to align grant expectations with CDFW. Grant agreement negotiation is expected to continue through Spring 2018.

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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 All conditions have been met.

Grant Agreement Status Active as of 7/6/17

Update The grant agreement has been executed. Grantee has submitted the first progress report and invoice.

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

Conditions/Status All conditions have been met.

Grant Agreement Status Active as of 1/24/17

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

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<u>Project</u>	Lower Marsh and Sand Creek Watershed Riparian Restoration Planning Project (Category 1)
<u>Amount Awarded</u>	\$73,493
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-Y1-2015-019 (1519 on map)
<u>Grantee</u>	American Rivers
<u>Overview</u>	Improve restoration project efficiency within the Marsh/Sand Creek watershed through development of a programmatic CEQA document and permit, including stormwater planning.
<u>Conditions/Status</u>	All conditions have been met.
<u>Grant Agreement Status</u>	Active as of 10/19/16
<u>Update</u>	The project is meeting its conditions per grant scope of work.

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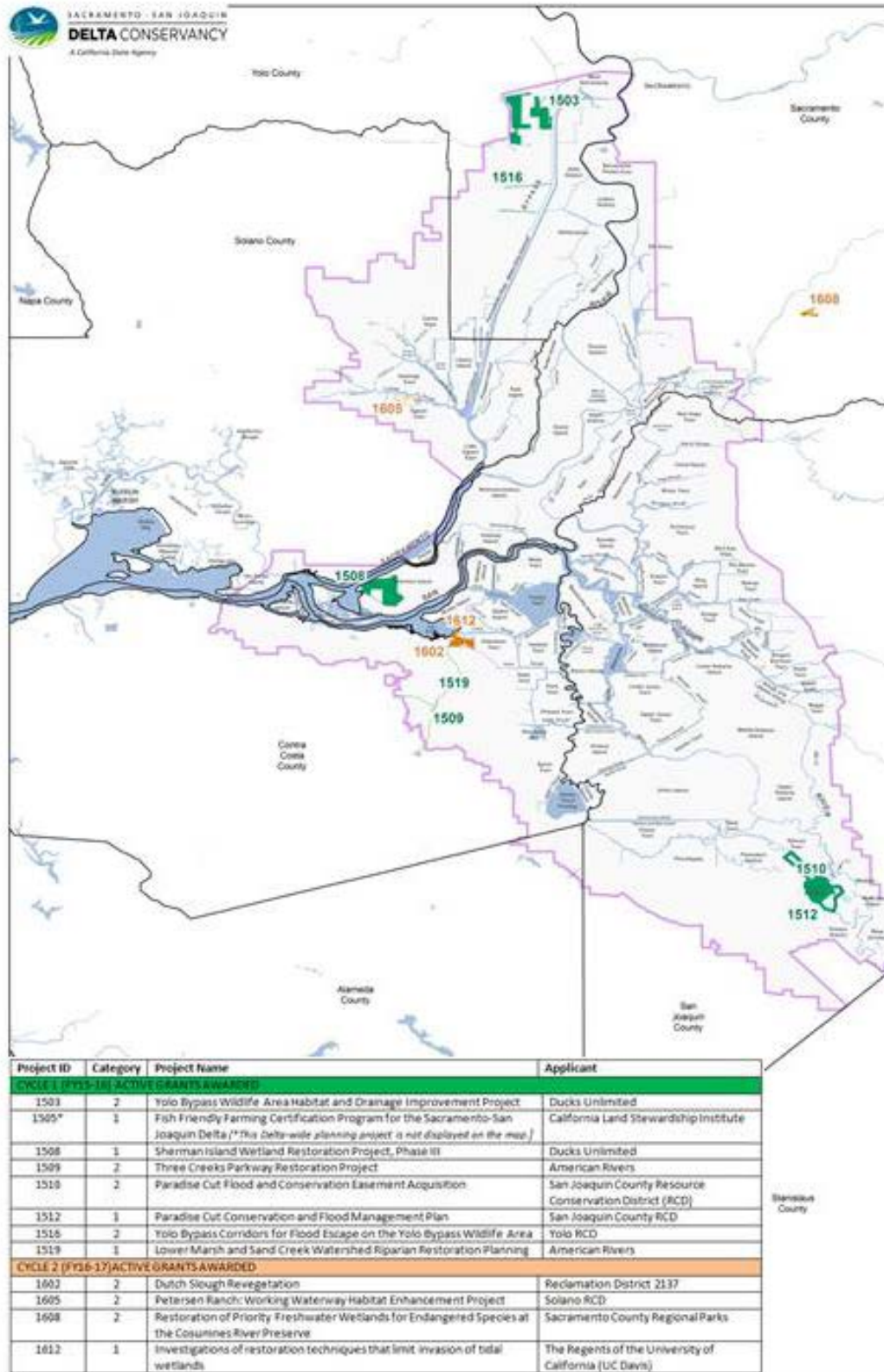


Figure 1. Map of Active Grants from first 2 grant cycles. This map can also be found online at: <http://deltaconservancy.ca.gov/active-prop-1-grants/>

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BACKGROUND

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 21-22. 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 a professional review panel, and are recommended for funding based upon score and funding availability.

Contact

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