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SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY
 A California State Agency

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

Staff Report

RECOMMENDATION

Staff recommends that the Board approve, conditionally approve, or reserve funding for nine projects as specified in the attached staff recommendations.

CYCLE 3 – FISCAL YEAR 2017-2018 SOLICITATION UPDATE

The Conservancy received 13 full proposals requesting a total of \$22.6 million.

Proposals went through a two-part review process to assess their administrative and technical qualifications. 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. 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 solicited and considered comments from the Delta Stewardship Council (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 were reviewed by Delta Conservancy staff and 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 - Fisheries. External reviewers evaluated only the proposals and criteria relevant to their expertise.

The overall merit of the proposals was evaluated based on 10 evaluation criteria (adopted by the Board on July 26, 2017), and scored based on a point scale totaling 100 points. Staff and external professional reviewers evaluated proposals based on the criteria below.

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

Conservancy staff compiled internal and external scores, and held meetings with reviewers to normalize scoring. All scores were averaged to determine a final score for each proposal. Per the

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Board-approved Grant Guidelines, only proposals scoring 75 points or more are recommended for funding.

Staff recommends that the Board award a total of \$18,869,675 for nine proposals. Attachment 2 includes a comprehensive analysis and staff recommendation for each of the nine projects. Of the nine projects, the Conservancy staff recommends approval for one project; conditional approval for six projects requiring submission additional information prior to entering into a grant agreement; and the reservation of funding for two projects for which the CEQA process must be completed prior to the Conservancy's award of the requested funding. The Conservancy expects all conditions to be cleared by August 1, 2018 and all CEQA documents to be completed by October 1, 2018. Staff anticipates executing grant agreements between June and December of 2018, as projects are ready.

The recommended full proposals are for projects that will produce the following benefits:

- Protect and maintain habitat values on working lands;
- Restore wetland, upland, and transitional ecosystems;
- Advance planning for multibenefit restoration projects for floodplain, wetland, and riparian ecosystems, and working lands; and
- Eradicate invasive nonnative species.

For more information about the projects that are being recommended for approval, please see Table 1, below, and the attached map.

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

Contact

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Table 1. Recommendations to the Board

Conservancy #	Project Name	Applicant	County	Category	Amount Requested	Amount Recommended	Final Score	Staff Recommendation
Prop 1-1701	Bay Point Habitat Restoration Project	East Bay Regional Park District	Contra Costa	2	\$2,100,000	\$2,100,000	89.1	Approve
Prop 1-1707	Mitchell Trust Farm Multi-Species Habitat Conservation Easement Acquisition	Yolo Habitat Conservancy	Yolo	2	\$2,829,718	\$2,829,718	87.0	Approve
Prop 1-1713	Stone Lakes Restoration Project	Ducks Unlimited	Sacramento	1	\$635,573	\$635,573	86.2	Approve
Prop 1-1711	Three Creeks Parkway Restoration Project #2	American River	Contra Costa	2	\$999,318	\$999,318	85.5	Approve
Prop 1-1702	Restoration Planning at River Garden Farms	American River	Yolo	1	\$661,189	\$661,189	83.2	Approve
Prop 1-1710	Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve	Department of Water Resources	Sacramento	2	\$8,700,800	\$8,700,800	82.6	Approve
Prop 1-1718	Nutria Eradication Project	California Department of Fish and Wildlife	Other	2	\$1,175,374	\$1,125,577	82.2	Approve
Prop 1-1709	Knightsen Wetland Restoration and Flood Protection Project	East Contra Costa County Habitat Conservancy	Contra Costa	1	\$1,225,000	\$1,225,000	78.5	Approve
Prop 1-1712	Bees Lakes Habitat Restoration Plan	City of West Sacramento	Yolo	1	\$592,500	\$592,500	77.0	Approve

TOTAL RECOMMENDED FOR FUNDING \$18,869,675

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Conservancy #	Project Name	Applicant	County	Category	Amount Requested	Amount Recommended	Final Score	Staff Recommendation
Prop 1-1703	Marsh Creek Reservoir Habitat and Capacity Restoration	Contra Costa County Flood Control and Water Conservation District	Contra Costa	1	\$285,000	\$0	69.5	Deny
Prop 1-1708	Mello Conservation Easement	Sacramento Valley Conservancy	Sacramento	2	\$2,000,000	\$0	68.9	Deny/Disqualify*
Prop 1-1704	Reengaging Floodplains to Feed Delta Food Webs	California Rice Commission	Other	1	\$1,203,524	\$0	68.3	Deny
Prop 1-1716	Brentwood Reservoir	City of Brentwood	Contra Costa	1	\$200,000	\$0	49.3	Deny

*The application for project Prop 1-1708 (Mello Conservation Easement) was incomplete and therefor disqualified. The application was missing the following required application components: water rights narrative, cost allocation plan, budget narrative, funding by source table, cost share commitment letters, appraisal or estimation of fair market value, covered action checklist, and adaptive management narrative.