



**Consideration of Amendment to Budget of Ecosystem Restoration and Climate Adaptation Grant  
Program Agreement for Ulatis Creek Habitat Restoration Project  
Staff Report**

<b>Awardee</b>	Solano County Resource Conservation District
<b>Project ID</b>	P1-2208
<b>Award Year</b>	2022
<b>County</b>	Solano County
<b>Category</b>	Implementation
<b>Original Award Amount</b>	\$359,639
<b>Amended Request Amount</b>	\$413,586
<b>Request</b>	Budget Amendment

This agenda item presents a request to increase the total budget of the grant award, which has yet to be executed. It does not propose a change to the term or scope of work.

**RECOMMENDATION**

Staff recommends that the Board approve a budget increase of up to \$53,947 as presented in this report.

**DESCRIPTION**

The Awardee requests an addition of \$53,947 to the original grant award to support increased project costs. Specifically, the additional funds will cover Personnel Services, Operating Expenses (General), Operating Expenses (Subcontractors) and Indirect Costs.

When the Awardee submitted their proposal for the Ulatis Creek Habitat Restoration Project in December 2021, they developed the budget using then-current salary and benefit schedules as well as supplies estimates. These numbers were then multiplied by an inflationary adjustment estimate for the three-year grant period. The inflationary adjustment estimates were based on the previous decade's inflation index, which ranged from zero to 3.6 percent between 2010 to 2020. This inflationary adjustment has been standard practice for the Awardee when preparing grant applications and is in line with the methods used by other agencies.

During the last two years, global inflation has led to widespread increases in project budgets. In preparation to enter into their grant agreement, the Awardee re-evaluated their budget and determined their budget now underestimates project costs by 15 percent. Specific examples of percent increases include Personnel Service (15 percent), equipment rental and supplies (nine to 31 percent), travel (17 percent), and purchase of native plants (ten to 20 percent). In response to the inflationary increase, the Awardee is requesting additional funding to implement the existing scope of work.

Table 1. Project Budget Request History and Cost Share Breakdown.

	Delta Conservancy Funding	Awardee Cost Share	Total Project Budget
Board Approved Amount	\$359,639	\$93,249	\$452,888
Current Request	\$413,586	\$103,922	\$517,508
Increase	<b>\$53,947</b>	<b>\$10,673</b>	<b>\$64,620</b>

If the requested budget increase is not approved, the Awardee will need to delay the project to secure other funds to complete the project. If other funds are not secured, the applicant will work with Conservancy staff to significantly adjust the project’s scope of work to fit within the current budget.

**BACKGROUND**

At the October 26, 2022 Board meeting, the Board awarded funding of up to \$359,546 to the Solano County Resource and Water Conservation District for the Ulatis Creek Habitat Restoration Project. The objective of this implementation project is to restore 20 acres of historic riparian habitat on working lands in the Delta. The project will focus on installing native plants along the Ulatis creek, including bushes, trees, and grasses, generating habitat for several species, including migratory birds. The grant agreement for this project has not yet been executed, and this is the first amendment requested for this project.

**SUGGESTED MOTION LANGUAGE**

Move that the Board approve a pre-execution amendment to the grant agreement with Solano County Resource Conservation District for Project ID P1-2208 to award an additional \$53,947 in project funding.

**CONTACT**

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