

Background

California voters passed Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Bond Act of 2014, on November 4, 2014. Proposition 1 added Section 79731 to the Public Resources Code (PRC), authorizing the state to issue bonds, and the legislature to appropriate the proceeds, for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state.

Proposition 1 allocates \$25 million of these funds for the Sierra Nevada Conservancy (SNC). The SNC has developed a plan to seek appropriation of these funds beginning with a \$10 million appropriation in the 2015-16 Fiscal Year (which is included in the Governor's proposed budget). Among the purposes described in the statute guiding the expenditure of these funds are:

- Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.
- Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, stormwater resources management, and greenhouse gas reduction.
- Implement watershed adaptation projects in order to reduce the impacts of climate changes on California's communities and ecosystems.

Lessons learned through the implementation of the Proposition 84 grant program are being carried forward for this new program. One area that will become a greater priority is the coordination with other state agencies that are receiving Proposition 1 funding.

Current Status

The draft guidelines ([Attachment A](#)) focus the \$10 million grant program on projects that will improve forest health. This is consistent with the Board's direction to make this subject the organization's top priority, and with the Sierra Nevada Watershed Improvement Program. It is anticipated that these funds will be awarded over the next two fiscal years.

Generally, the guidelines are similar to those used in the latter rounds of the Proposition 84 program, with a number of modifications to meet the requirements of Proposition 1. The grant program will be competitive with each complete application's score based on criteria identified in the guidelines. The proposed approach will also take into account the objectives described in the California Water Action Plan, the 2014 State Water Plan, and other relevant state plans.

Next Steps

Staff will continue to collect and review public comments through March 27. The SNC will conduct three workshops during this period in Redding, Auburn and Visalia. Following the close of the comment period, any modifications directed by the Board and other appropriate changes will be made to a final draft of the guidelines. The final draft will be provided to the Natural Resources Agency for review and approval (required

under Proposition 1) and brought to the Board at the June meeting. Staff intends to publish the Grant Guidelines and a Grant Application Packet on July 1, 2015. The first proposed deadline for application submittal is September 1, 2015, with potential awards at the December 2015 Board meeting. The current plan is to bring grants for authorization to the Board twice a year.

Recommendation

This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.