

### **Background**

In November 2006, California voters passed Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coast Protection Bond Act of 2006, which included \$54 million for the Sierra Nevada Conservancy (SNC), with approximately \$50 million to be granted to eligible projects throughout the Region.

In its first two years of grant making (fiscal years 2007-08 and 2008-09), the SNC authorized 207 projects for a total of just over \$30 million. Based on the intent of the bond act, all projects authorized under Proposition 84 are geared toward protecting or restoring rivers, lakes and streams, their watersheds and associated land, water and other natural resources.

Unfortunately, in the middle of the second year (December 2008) the State's worsening fiscal crisis caused the Governor to freeze spending on all projects funded by General Obligation Bond sales, including programs funded under Proposition 84. Agencies were also prohibited from authorizing any new projects. The SNC Board had already authorized 32 grant projects prior to the freeze; but we were not able to execute the grant agreements for these projects, so they were, in essence, frozen as well.

Faced with the expiration of applications caught up in the freeze, the SNC consulted with other agencies and determined that we could bring forward conditional recommendations for a small subset of FY 2008-09 applications that had been received and evaluated prior to the freeze. As a result, the SNC Board acted in December 2009 to conditionally authorize 14 more projects – subject to the availability of new bond funds.

Good news started flowing again in early 2010, as the State Treasurer's Office was able to conduct two highly successful bond sales in March of that year. These two sales generated enough funding to allow existing and conditionally authorized projects to move forward and new projects to be authorized.

With approximately \$20 million remaining in unallocated Proposition 84 grant funds, the Board directed staff to expend \$10 million in FY 2010-11, with \$1 million allocated to each Subregion (for a total of \$6 million) and \$4 million to be awarded without strict regard to geographic location. Eligible projects for the current year include acquisition and site improvement or restoration projects (Category One) and pre-project activities associated with specific future on-the-ground projects (Category Two). The SNC released its current FY 2010-11 grant program solicitation in the summer of 2010, with a deadline of September 13, 2010, for receipt of applications.

### **Current Status**

#### **Summary of FY 2010-11 Applications Received**

The SNC received 129 applications requesting a total of \$40,070,949. Staff completed intake activities on the applications and immediately began reviewing them for applicant eligibility and completeness. Of the applications received, 16 were deemed ineligible

and/or incomplete, meaning that a total of 113 applications moved forward for more detailed evaluation. The total dollar amount requested for eligible applications was \$37,763,601.

#### Evaluation and Recommendation Process

Eligible and complete applications were forwarded for detailed review and initial scoring by individual teams of technical evaluators – a single two-person team for each Subregion. The 12 evaluators were technical experts who either currently work for or have retired from other agencies, with expertise in subjects such as wildlife biology, water quality, forestry and fire and working landscapes.

Initial evaluator scores were used to rank the applications from high to low within each Subregion. Once ranked within each Subregion, SNC Program Staff reviewed the applications, applying their knowledge to ensure the evaluations did not miss or misinterpret key information. Staff then considered applications in light of geographic and project type distribution and identified which projects from the “high” category provided the greatest benefit and therefore should be recommended for funding out of each \$1 million Subregional pot. The remaining high-ranked projects in each Subregion were then grouped together for purposes of identifying which ones should compete for funding from the non-geographic pot of \$4 million.

It should be noted, that despite trying to standardize scoring by training evaluators on what to look for in the applications and where to find information related to the evaluation criteria, as well as providing a detailed scoring rubric, there ended up being wide variations in how the six technical evaluation teams scored their projects. The differences in technical evaluator scores didn’t affect the ability to make recommendations within each Subregion, since the projects were ranked from high to low and only had to “compete” for recommendation against each other within their Subregion. But the numerical scoring disparities between Subregions created a challenge when it came to merging and prioritizing all remaining projects for consideration in the non-geographic pot. To address these differences, staff “normalized” scores across Subregions, using a “bell curve”-type formula developed based on all scores in all Subregions. It is these normalized scores that make up the final scores on which the recommendations were made.

#### Projects Recommended for Funding

##### Central Subregion: \$1,000,000

Two projects are being recommended in the Central Subregion: one to a nonprofit organization and one to a local water agency, for a total of \$1,000,000. The two projects strongly support SNC’s program goals and Proposition 84 objectives. One project is an acquisition in Placer County protecting 2,300 acres in the Bear River Watershed that directly supports regional recreational and habitat connectivity, while the other in El Dorado County will restore a heavily

impacted recreation area and riparian zone and address erosion and drainage of contaminants into a major drinking water source.

North Subregion: \$1,000,000

Three projects are being recommended in the North Subregion: to a nonprofit organization, a Fire Safe Council and a Resource Conservation District, for a total of \$1,000,000. Funding these projects will result in completion of the pre-project work necessary for the fee title purchase of 286 acres of sensitive habitat and wetlands near Susanville, restoration of approximately 2,415 acres of meadow and riparian habitat in Lassen County, and restoration of watershed functions in the sagebrush steppe habitat in both Lassen and Modoc Counties through the removal of invasive juniper on 625 acres. All three projects meet SNC program areas and support Proposition 84 objectives.

North Central Subregion: \$1,000,000

Five projects are being recommended for funding in the North Central Subregion to nonprofit organizations for a total of \$1,000,000. Funding these projects will result in a conservation acquisition of 2,995 acres in the Little Truckee River Watershed in Sierra County, advance pre-project planning for a 2,730 acre watershed acquisition in Tehama County, development of a management and protection plan for springs in the Mohawk Valley in Plumas County, acquisition of 2,720 acres of a working forest in Sierra County, and complete due diligence for the acquisitions of four properties in Butte County that will leverage linkages between protected areas and watersheds.

East Subregion: \$1,000,000

Three projects are being recommended in the East Subregion to two different nonprofit organizations for a total of \$1,000,000. These projects will result in completion of pre-acquisition activities for the outright donation of 425 acres near Bridgeport Valley for conservation purposes, acquisition of a conservation easement on a 600 acre working landscape in Mono County and completion of a restoration project to re-establish the natural form and function of Markleeville Creek through the site of a former U.S Forest Service Guard Station.

South Subregion: \$993,000

Three projects are being recommended for funding in the South Subregion to two Resource Conservation Districts and one nonprofit organization for a total of \$993,000. The projects will complete the environmental compliance for meadow restoration and repair in the Willow Creek Watershed, complete fuels treatment on 240 acres in the Grand Bluff Forest and place a conservation easement on

1,362 acres of the historic Topping Ranch, which is located on Kennedy Table in Madera County.

South Central Subregion: \$1,000,000

Four projects are being recommended for funding in the South Central Subregion to nonprofit organizations for a total of \$1,000,000. These projects will conduct pre-project activities for the acquisition of Ackerson Meadows, a 415 acre privately owned meadow, conduct environmental compliance and pre-project due diligence work to restore four meadows and their associated streams in the Clavey Watershed, complete invasive species removal on 80 acres of riparian habitat along the Upper Merced River, and purchase a conservation easement on a 5,868 acre working landscape west of Copperopolis in an area experiencing rapid conversion pressure.

Non-Geographic Recommendations: \$4,007,000

A total of nine additional projects are recommended to be funded solely from the non-geographic pot. These are summarized below. Eight other projects have been recommended for some part of their funding to come from the non-geographic pot; however, projects with split funding were summarized above within the Subregion where each is located.

In the Mt. Lassen Area, full non-geographic funding will support three projects; one to a nonprofit organization, one to a Resource Conservation District, and one to the California Department of Parks and Recreation. The recommended projects are all due diligence projects that would address impacts such as legacy mining contamination, erosion/sediment problems in heavily impacted areas, and forest and floodplain management issues in major watersheds.

Six projects in the Mt. Whitney Area are being recommended for funding completely out of the non-geographic pot, to one utility district, a Resource Conservation and Development Council, three nonprofit organizations and the USDA-Sequoia National Forest. These projects will acquire property to protect Mariposa's public water supply and create a preserve and recreational trail; complete the planning, design, and environmental compliance for reusing wastewater at the Lone Pine High School Farm and in the community of Lone Pine; complete the assessment and design work for a restoration project on the Hope Valley Meadow; provide pre-project planning and environmental review to prepare a joint NEPA-CEQA document for a restoration project at Long Meadow; acquire a 15,000 acre working landscape in the Southern Sierra, which also provides a vital linkage for wildlife; and conduct pre-project activities for the acquisition of conservation easements on four ranches in the Southern Sierra foothills.

### **California Environmental Quality Act Compliance**

SNC worked with the Department of General Services' Environmental Services Section and the State Attorney General's office to review project proposals for compliance with California Environmental Quality Act (CEQA) requirements. A total of 12 projects being recommended do not require CEQA documentation due to the nature of the proposed actions, and have been included in a memo prepared for the SNC.

Fifteen projects being recommended require the SNC to complete a Notice of Exemption (NOE) and file the NOE with the State Clearinghouse. NOEs have been prepared for review and will be filed upon Board approval.

Before approving the Lower Ash Creek Wildlife Area Restoration Project (SNC 419), the SNC must consider the Mitigated Negative Declaration (MND) and Mitigation Monitoring Program (MMP) prepared and adopted by the California Department of Fish and Game, and adopt necessary CEQA findings. If the Board approves the project after adopting the CEQA findings, it will also authorize the Executive Officer to file a Notice of Determination (NOD) with the State Clearinghouse.

Before approving the Hazel Creek and Hazel Creek Campground Restoration Project (SNC 322), the SNC must consider the Master Environmental Impact Report (MEIR), Subsequent Project Initial Study (confirming that the project's impacts are addressed by the MEIR), and the MMP prepared and adopted by the El Dorado Irrigation District, and adopt necessary CEQA findings. If the Board approves the project after adopting the CEQA findings, it will also authorize the Executive Officer to file a NOD with the State Clearinghouse.

For both of these projects the SNC is serving as a Responsible Agency in accordance with CEQA Guidelines. The environmental documents are on file at the offices of the Sierra Nevada Conservancy, 11521 Blocker Drive, Suite 205, Auburn, CA 95603.

### **Recommendation**

**Staff recommends that the Board (a) adopt necessary CEQA findings and file a Notice of Determination (NOD) for project SNC 419, the Lower Ash Creek Wildlife Area Restoration Project; (b) adopt necessary CEQA findings and file a NOD for project SNC 322, the Hazel Creek and Hazel Creek Campground Restoration Project; (c) and authorize the grants listed in Agenda Item X, Exhibit A. Staff additionally recommends that the Board authorize staff to enter into the necessary agreements and direct staff to file the appropriate CEQA documentation with the State Clearinghouse.**