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DELTA STEWARDSHIP COUNCIL

A California State Agency

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Re: Draft Delta Conservancy Ecosystem Restoration and Water Quality Grant Program Guidelines

The Delta Stewardship Council (Council) appreciates the opportunity to comment on the draft guidelines and the draft grant application packet developed by the Delta Conservancy to administer its Ecosystem Restoration and Water Quality Grant Program funded by the 2014 Water Quality, Supply, and Infrastructure Improvement Act (i.e., Proposition 1). This grant program will focus on recovery of special-status species and their habitats, improvement of watershed water quality, and promotion of agricultural sustainability, which will all collectively help achieve the State's coequal goals of water supply reliability and ecosystem restoration in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta. Council staff appreciates that many of our informal suggestions regarding consistency with the Delta Plan have already been incorporated into the latest version of the guidelines. By formulating grant guidelines that call for projects to be consistent with the Delta Plan regulations, the Conservancy can make it easier for grantees (or the Conservancy itself) to successfully certify consistency with the Delta Plan regulations if the project is determined to be a covered action. This letter provides some additional suggestions to help improve consistency of the Delta Conservancy's grant program with the Delta Plan and the Delta Science Plan.

I. Coordination to Implement the Delta Plan

Best Available Science and Adaptive Management

The draft grant guidelines includes an evaluation criteria that conceptual proposals include, if applicable, "an adaptive management plan as required and defined in the Delta Plan regulations that considers threats to habitat, including climate change." We recommend that the grant guidelines more explicitly require an adaptive management plan that is consistent with Delta Plan regulations (refer to Appendix 1B of Delta Plan found at http://deltacouncil.ca.gov/sites/default/files/documents/files/AppB_Combined_2013.pdf) and

"Coequal goals" means the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place."

informed by best available science (as defined by Appendix 1A of Delta Plan, located at http://deltacouncil.ca.gov/sites/default/files/documents/files/AppB_Combined_2013.pdf).

Additionally, we are recommending to all state agencies providing grants for projects that may become covered actions subject to Delta Plan regulations that they include the pertinent definitions of “best available science” and “adaptive management” in grant guidelines and solicitation packages consistent with the Delta Plan, Delta Science Plan, and the California Water Action Plan. For newly proposed restoration projects that apply for Proposition 1 grant funds, we highly recommend that the Delta Conservancy consider funding only for projects that demonstrate use of best available science in developing their grant application and also have a strategy for implementing and funding an adaptive management plan.

Council staff believe that the importance of best available and adaptive management should be substantially elevated in the proposal review process. We recommend that if a full proposal fails to demonstrate use of best available science and an adaptive management plan consistent with Delta Plan regulations, such projects should be disqualified from grant funding consideration by the Delta Conservancy, regardless of its final proposal score.

Performance Measures

The revised grant guidelines require performance measures used for tracking progress towards project goals and desired outcomes to be consistent and related to performance measure identified in the Delta Plan. We appreciate Delta Conservancy staff identifying the importance of linking its grant-funded projects to Delta Plan performance measures, which include tracking the acreage of habitat restoration projects in the Delta and Suisun Marsh and monitoring trends of native species in protected and restored habitats. Council staff recommends that a proposal’s performance measures also reflect and link to the project’s adaptive management plan or to specific management triggers (i.e., changes in management and operations are considered and implemented if feasible and appropriate). We look forward to working with Delta Conservancy staff to ensure coordination of these project-specific performance measures with those in the Delta Plan.

II. Coordination to Implement the Delta Science Plan

We appreciate that the Delta Conservancy is requiring that grantees demonstrate alignment of their proposed projects with the Delta Science Plan. The Delta Science Program developed the Delta Science Plan, which outlines a shared vision for the Delta by helping to collaboratively build upon a shared body of scientific knowledge with the capacity to inform future environmental decisions.

Support for the Adaptive Management Cycle, Including Use of Best Available Science

We suggest that the Delta Conservancy use its Proposition 1 bond funds to explicitly support science needs for all phases of a restoration project, from initial planning to post-construction monitoring. Use of best available science and input from scientific experts is critical to

effectively executing all phases of the adaptive management cycle described in the Delta Plan and the Delta Science Plan, from defining the problem to evaluating and responding to changes at a site. The Delta Conservancy's grant program proposes to support two types of proposals: Category 1 proposals are those activities that will lead to on-the-ground projects (e.g., planning, permitting, studies, design, and CEQA activities) and Category 2 proposals are on-the-ground projects (e.g., habitat restoration; working landscape enhancement; and monitoring and assessment). Out of the \$9 million available annually for the Ecosystem Restoration and Water Quality Grant Program, the Delta Conservancy will designate a maximum of \$450,000 for Category 1 proposals and a maximum of \$8,550,000 for Category 2 proposals during each funding cycle.

Council staff has noticed that many restoration projects have support for planning, permitting, and construction, but not enough funds for adaptive management. Consequently, we strongly recommend that the Delta Conservancy specifically set aside a portion of funding designated for Category 1 proposals to support restoration projects that need additional science support for development and implementation of an adaptive management plan. This will help those projects make progress towards implementation, while simultaneously helping ensure their consistency with Delta Plan regulations.

For Category 2 proposals, we highly recommend that only those projects that can demonstrate use of best available science in their grant application and have an adequate adaptive management plan be considered for funding. Doing so will help ensure that all projects funded by the Delta Conservancy's grant program that are also covered actions are inherently consistent with a key Delta Plan policy requiring adequate funding to implement an adaptive management plan. We foresee that the Delta Conservancy's Category 2 grants can fund implementation of adaptive management in circumstances where grant applicants have completed their restoration design and fully developed an adaptive management plan, but have not secured adequate funding to implement the plan. Supporting adaptive management will ensure that scientific knowledge continues to evolve to support the achievement of the state's ecosystem restoration goals.

Support for an Integrated Long-Term Monitoring Strategy

Evaluation of the effectiveness and implications of habitat restoration actions has been identified as a high priority science action by a work group established by the Delta Plan Interagency Implementation Committee. We hope that the Delta Conservancy can use its bond funds to help facilitate long-term monitoring of ecosystem restoration projects in the Delta and Suisun Marsh. The 2014 Water Bond allows for up to 10% of bond funds to be set aside for planning and monitoring necessary for successful design, selection, and implementation of projects. The Draft Grant Application Packet states that Category 2 grants may not exceed 5% for planning activities and 5% for monitoring activities. Since there may be situations where grant applicants need more funding for implementing a monitoring program than for project planning, we hope that the Delta Conservancy will modify the constraint that only 5% of Category 2 grant funding can be for monitoring. We recommend that the limit on funding

monitoring for Category 2 grant projects be raised to 10% in scenarios where no grant funds for planning purposes are requested or needed by grant applicants.

Additionally, we hope that the Delta Conservancy can facilitate long-term monitoring of restoration projects through its grant program. Long-term monitoring is necessary to evaluate project outcomes, such as response of target species to habitat restoration over the course of 10-20 years, because responses may not be readily apparent in the months and years immediately following project construction. Additionally, long-term monitoring should include assessments of landscape-level outcomes so that the cumulative benefits of individual habitat projects can be assessed, as called for by the recently updated federal guidance by the USEPA and the Army Corps of Engineers for mitigation and restoration projects. We suggest coordination through the Delta Science Program with other Delta Plan Interagency Implementation Committee agencies, including the California Department of Fish and Wildlife (CDFW), as well as with other state and federal agencies, and affected local agencies, to facilitate the assessment of cumulative outcomes of multiple restoration projects at the landscape scale.

Often projects tend to have funding for compliance monitoring for a short timeline (e.g., around three years), but not for monitoring of long-term outcomes. We understand that even though Delta Conservancy staff recognize the importance of long-term monitoring, funding such monitoring through the Ecosystem Restoration and Water Quality Grant Program may be infeasible, due to underlying contracting rule constraints. One of the Delta Conservancy's evaluation criteria for full proposals (i.e., criteria #5 of 16) will assess how well the applicant explains plans for long-term management and sustainability beyond the term of the grant proposal. We suggest that the Delta Conservancy call for grant recipients to agree to provide access to restored sites and allow long term monitoring by other investigators beyond the initial grant period as a key way they can demonstrate consistency with that proposal evaluation criteria.

Use of Existing Mapping and Assessment Tools

The Delta Science Plan identifies a need for fostering integrative synthetic thinking across the Delta science and management community. More specifically, the Delta Science Plan calls for scientists and resource managers to habitually consider the larger context and linkages that their projects and programs tie into, which will help facilitate effective adaptive management and reduce knowledge gaps. One of the ways the Delta Science Program hopes to achieve this goal is by encouraging restoration proponents to utilize standardized mapping and assessment tools.

The Delta Conservancy's draft grant guidelines call for wetland restoration project data and wetland monitoring data to be collected and reported in a manner that is compatible and consistent with the Wetland and Riparian Area Monitoring Program (WRAMP) framework, tools administered by the California Wetlands Monitoring Workgroup (CMMW), including the California Aquatic Resource Inventory (CARI) for classifying wetland distribution and abundances, and EcoAtlas for tracking and summarizing data from all wetland restoration

projects in a region. In addition to those tools, Council staff recommends that grant applicants be required to also use CDFW's Vegetation Classification and Mapping Program (VegCAMP) and the CalVeg maps from the U.S. Department of Agriculture (USDA); collectively these available base maps can help place proposed projects within a watershed or landscape context. The U.S. Environmental Protection Agency (USEPA) has already incorporated these tools into their wetlands protection grant program (Section 104(b)(3) of the Clean Water Act), and we recommend following the specificity of the federal grant guidance.

The Interagency Ecological Program (IEP) Tidal Wetlands Monitoring Project Work Team is currently developing a Generalized Monitoring Plan (GMP) which is expected to be completed by the end of this year. The GMP will provide a framework to create customized monitoring programs for tidal wetlands restoration projects in the Delta and Suisun Marsh that can test important hypotheses about the functioning and evolution of restored tidal wetlands. Once the GMP is completed, we recommend that the Delta Conservancy ensure that grant applicants of tidal wetland restoration projects develop a monitoring plan guided by the GMP.

III. Other Comments

Peer Review Process

The draft grant guidelines state that concept proposals will be reviewed and scored by Delta Conservancy staff, and full proposals will be reviewed and scored by the Delta Conservancy grant team, with a technical review team providing an independent assessment of the staff evaluation and scoring. We believe that the CDFW Ecosystem Restoration Program (ERP) grant program with their peer review contract with UC Davis can serve as an example for guiding the Delta Conservancy's review process.

The "Full Proposal Instructions" in the grant application packet does not explicitly describe where grant applicants should describe their use of best available science and adaptive management within their proposal documents. We suggest that such information be required within the 10-page "Detailed Project Description Narrative", and have suggested some text that Delta Conservancy staff could incorporate into the grant application packet to address this issue (see Suggested Line Edits to the Draft Grant Application Packet below).

Suggested Line Edits to the Draft Grant Guidelines

Council staff offers the following suggested revisions to the draft grant guidelines for consideration by Delta Conservancy staff:

- a. The extent to which the scientific basis of the proposed project is clearly described and the degree to which best available science and adaptive management practices, as defined by Delta Plan regulations, have been adopted and will be implemented. *(this comment is for both page 15 under "Evaluation Criteria for Concept Proposal" and page 16 under "Evaluation Criteria for Full Proposal")*

Suggested Line Edits to the Draft Grant Application Packet

The following are suggested changes to the draft grant application packet:

- a. The extent to which the scientific basis of the proposed project is clearly described and the degree to which best available science and adaptive management practices, **as defined by Delta Plan regulations**, have been adopted and will be implemented. *(this comment is for both page 5 under "Concept Proposal Evaluation Criteria" and page 6 under "Full Proposal Evaluation Criteria")*
- b. Provide a clear description of how the project proposed for Conservancy funding is consistent with Prop. 1, the California Water Action Plan, the Conservancy's enabling legislation and Strategic Plan, **the Delta Plan** and **other** key local, state, and federal plans.
- c. Applicants must provide information about the total project cost as well as the amount requested from the Conservancy. Information about cash and in-kind contributions, including sources, must also be included. Category 2 grants may not exceed **a combined 10%~~5 percent~~** for planning activities and **5 percent for** monitoring activities. An applicant will be invited to submit a full proposal if the concept proposal has met all of the criteria and receives the minimum score. Only **proposals from** applicants invited to submit a full proposal will be reviewed and considered.
- d. **Describe how best available science and adaptive management, consistent with Delta Plan regulatory requirements, have been adopted and will be implemented.** (suggest inserting this language under the subheading "Detailed Project Description Narrative" on page 9).
- e. Describe the need for the project and how it contributes to statewide priorities (e.g., California Water Action Plan) or regional plans (e.g., **Delta Plan**; links to relevant plans can be found in the Guidelines, Appendix B).
- f. All applicants, including federal agencies, must complete and submit the CEQA/NEPA compliance form (Appendix X to be developed). **Although required, these documents are considered supplemental and do not fall within the ~~15-page~~ 22-page** limit for the full proposal.
- g. Category 2 grants may not exceed **a combined 10%~~5 percent~~** for planning activities and **5 percent for** monitoring activities. *(this comment is for Appendix A, page 16).*

Final Remarks

Overall, we are pleased to see the progress of the Delta Conservancy's Ecosystem Restoration and Water Quality Grant Program which promises to facilitate habitat restoration and improved watershed management in the Delta and Suisun Marsh and help promote agricultural sustainability in the Delta. If you need clarification regarding our comments, I encourage you to contact Jessica Davenport at jdavenport@deltacouncil.ca.gov or (916) 445-2168.

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Sincerely,

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Delta Stewardship Council