

**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 California Water Code, 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 watersheds of the state. The bond measure included an allocation of \$25 million for the Sierra Nevada Conservancy (SNC). The SNC has coordinated with other Proposition 1 funding agencies to maximize the investment of bond funds in the Region.

The Fiscal Year (FY) 2015-16 state budget included an appropriation of \$10 million to be awarded over two fiscal years. At the June 2015 Board Meeting, the Board approved the Sierra Nevada Conservancy Proposition 1 FY 2015-16/2016-17 Grant Guidelines. Under those guidelines, SNC administered three rounds of proposal submission and review. Over those three rounds, SNC received 69 proposals requesting \$19,285,972 of the \$10,000,000 in available funding. A total of 32 Proposition 1 grants for \$9,881,830 were authorized by the Board.

The FY 2017-18 state budget included an appropriation of \$8 million to be awarded over two fiscal years. At the June 2017 Board Meeting, the Board approved the Sierra Nevada Conservancy Proposition 1 FY 2017-18/2018-19 Grant Guidelines. The SNC released a request for proposals on June 20, 2017. SNC received 32 full applications totaling \$8,956,972. After the evaluation process, 23 applications totaling \$6,955,458 in requests scored above the 80-point threshold for possible funding. At the March and June 2018 meetings, the Board authorized awards of \$6,455,459 to 22 projects. The California Environmental Quality Act (CEQA) compliance for the one remaining project was still underway at the time of the June Board Meeting.

In summary, since the initiation of SNC's Proposition 1 Grant Program, the total value of grant requests received was \$28,242,944 for the \$18,000,000 in available funding. If the Board authorizes the grant recommended at this meeting, a total of 55 Proposition 1 grants for \$16,837,289 will have been authorized as follows:

- 8 in the North Subregion
- 16 in the North Central Subregion
- 15 in the Central Subregion
- 11 in the South Central Subregion
- 3 in the East Subregion
- 2 in the South Subregion
- 35 are Category One Implementation Projects, 20 are Category Two Planning Projects

Please note that when projects cross county or Subregion boundaries, they are attributed to the primary county or Subregion for the purposes of this report.

### **Current Status**

Of the 23 projects that scored above the 80-point threshold in the latest grant round, 22 were authorized at the March and June 2018 Board meetings. The SNC staff is currently completing grant agreements for awarded projects.

The applicant for the remaining project from this round, Sierra County Public Works, has completed the necessary CEQA compliance process. Staff recommends the SNC Board adopt the CEQA findings and authorize a grant in the amount of \$500,000 for the Upper North Yuba Forest Health and Resilience Project (SNC1023). A brief description follows – please see [Exhibit A](#) for project details – including links to the complete application package and CEQA documentation.

### **Project #1023: Upper North Yuba Forest Health and Resilience Project Sierra County Public Works**

#### ***Category One Site Improvement Project - \$500,000***

This project requires the SNC to file a Notice of Determination as a Responsible Agency based on review of the Mitigated Negative Declaration approved by Sierra County as Lead Agency. The 267-acre Upper North Yuba Forest Health and Resilience Project is located on Tahoe National Forest lands in the headwaters of the North Fork of the Yuba River adjacent to State Route 49, between the communities of Sierra City / Bassetts and Yuba Pass. Sierra County, partnering with the Tahoe National Forest, will improve overall watershed health by implementing treatments to reduce forest fuels and promote aspen regeneration, making forests more resilient to the stresses of insects, disease and fire which are predicted to increase under changing climatic conditions.

The area of the Upper North Yuba Forest Health and Resilience Project fits within a larger 14,545-acre NEPA action which encompasses the entire North Yuba River watershed. It is within the Tahoe-Central Sierra Initiative landscape and contributes to the overall effort to restore the health and resilience of this area. This project aligns with the California Water Action Plan, Proposition 1, and the SNC's WIP goals to manage headwaters for multiple benefits, working within lands that were prioritized during the SNC WIP process with the Tahoe National Forest.

- To access the complete application package, [click here](#).
- To access the Initial Study and Mitigated Negative Declaration, [click here](#).
- To access the Notice of Determination, [click here](#).

### **Next Steps**

Upon approval by the Board, staff will file adopted CEQA documentation and prepare an agreement for the authorized grant.

The application process for the current WIP Forest Health grant round, funded by Proposition 1 and Proposition 68, is underway. There have been 67 pre-applications received with full applications due on October 1, 2018.

**Recommendation**

**Staff recommends the Board:**

**(a) approve findings concurring with the Mitigated Negative Declaration and authorize the Executive Officer to file a Notice of Determination as a Responsible Agency for the Upper North Yuba Forest Health and Resilience Project (SNC1023); and**

**(b) authorize a grant award to Sierra County Public Works for the Upper North Yuba Forest Health and Resilience Project (SNC1023) as described in Exhibit A for \$500,000 and further authorize staff to enter into the necessary agreements to move forward with this project.**