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December 30, 2016

California Natural Resources Agency  
Secretary John Laird

**Sent via email**

Dear Secretary Laird:

Pursuant to Public Resources Code, Section 33350, I am pleased to send you the Sierra Nevada Conservancy's (SNC) 2015-16 Annual Report.

The Sierra Nevada Region is the state's principal watershed and provides a variety of benefits that serve all Californians. More than 60 percent of California's developed water supply originates in the Sierra Nevada, and over three-quarters of the water that flows into the Sacramento-San Joaquin Delta comes from the rivers of the Sierra Nevada Region. In addition, the forested watersheds of the Sierra Nevada provide critical carbon storage, world-class recreational opportunities, wood products, and important wildlife habitat.

However, many of these benefits are at risk. Wildfires are getting bigger and more intense. A massive amount of tree mortality is occurring, especially in the southern Sierra Nevada. A changing climate with record-low snowpack is compromising the Region's ability to filter and store water. Greenhouse gases are being released at a higher rate than previously expected due to drought, insect-related tree mortality, and high-severity fire. There is broad consensus that science-based ecological restoration of Sierra Nevada watersheds must be dramatically increased in order to protect the range of benefits they provide.

Since our inception, the SNC has been working to preserve, protect, and improve Sierra benefits for all of California. Our efforts have included awarding over \$60 million in bond funds for projects that protect and enhance the health of California's watersheds by improving forest health, remediating mercury contamination from abandoned mines, protecting critical natural resources, and reducing the risk of large, damaging wildfires.

[WWW.SIERRANEVADA.CA.GOV](http://WWW.SIERRANEVADA.CA.GOV)  
TOLL FREE (877)257-1212



To learn more about these projects and other efforts the SNC is undertaking to protect and enhance the primary source of California's water, I encourage you to visit our website and view our Fiscal Year (FY) [2015-16 Annual Report](#).

### **SNC FY 2015-16 Budget Activity**

The SNC is funded by the Environmental License Plate Fund (ELPF); Proposition 84, The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; and Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Act of 2014. Pursuant to Public Resources Code, Section 33350, I am pleased to report on the following expenditures for FY 2015-16:

- In FY 2015-16, SNC received an appropriation of \$10 million from Proposition 1 to be awarded for local assistance grants over two years. During FY 2015-16, the SNC awarded 17 grants totaling \$4,698,280 in support of the [Sierra Nevada Watershed Improvement Program](#) (WIP). Three of those grants totaling \$568,444 were awarded specifically to reduce tree mortality risks and directly address needs identified in the Governor's Emergency Proclamation about tree mortality. It is anticipated that by the end of 2016, the initial \$10 million allocation from Proposition 1 will be fully awarded to local assistance grants.
- Proposition 84 authorized \$54 million for the SNC, with nearly \$50 million to be utilized for local assistance grants. During FY 2015-16, the SNC awarded \$842,474 to the Tuolumne River Preservation Trust for the Rim Fire Restoration Project, which nearly exhausted the SNC's remaining Proposition 84 local assistance grant funds.
- The SNC spent 99.6 percent of the \$4,523,000 ELPF appropriation. Of this, \$3.1 million was allocated for salary and wages, and \$1.4 million for operating expenditures.

If you would like additional information about our projects or programs, or would like to discuss matters identified in the report, please feel free to contact me at (530) 823-4667 or [jim.branham@sierranevada.ca.gov](mailto:jim.branham@sierranevada.ca.gov).

Sincerely,



Jim Branham

Executive Officer