

COASTAL CONSERVANCY

Staff Recommendation
January 29, 2004

SAN LUIS OBISPO COUNTY FISH PASSAGE DESIGN

File No. 03-145
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$350,000 to the Land Conservancy of San Luis Obispo County to prepare engineering designs, environmental documentation, and permit applications for fish passage improvement projects in San Luis Obispo County coastal streams.

LOCATION: Coastal streams in San Luis Obispo County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Location Map

Exhibit 2: Barrier Sample Photographs

Exhibit 3: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed three hundred fifty thousand dollars (\$350,000) to the Land Conservancy of San Luis Obispo County to prepare engineering designs, environmental documentation and permit applications for fish passage improvement projects in San Luis Obispo County coastal streams, subject to the condition that prior to the disbursement of any funds, the Land Conservancy of San Luis Obispo County shall submit for the review and written approval of the Executive Officer of the Conservancy a work program, budget and schedule, and the names of any contractors to be employed in carrying out the work.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

- 1 The proposed project is consistent with the purposes and criteria in Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) regarding enhancement of coastal resources.
 - 2 The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
 - 3 The project area has been identified in the certified Local Coastal Programs of San Luis Obispo County as requiring public action to resolve existing or potential resource protection problems.
 - 4 The Land Conservancy of San Luis Obispo County is a private nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code."
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PROJECT SUMMARY:

Staff is recommending that the Conservancy provide up to \$350,000 to the Land Conservancy of San Luis Obispo County (Land Conservancy) to prepare engineering designs, environmental documentation, and permit applications for fish passage improvement projects in San Luis Obispo County coastal streams (Exhibit 1). Working in partnership with the Steelhead Recovery Coalition of the South Central Coast (Steelhead Coalition), this project would substantially aid in the recovery of the threatened southern California steelhead.

Stretching from the Santa Maria River north to the southern Big Sur Coast, San Luis Obispo County contains 18 coastal watersheds. Many of these streams are interrupted by a variety of structures such as low-flow ("Arizona") road crossings, grade control weirs, and culverts that impede or prohibit upstream migration of steelhead. Despite such barriers, numerous streams in the County contain high-quality habitat, especially in their upper reaches. With funding and staff support from the Department of Fish and Game (DFG) and the California Conservation Corps (CCC), many of the streams offering potential for steelhead recovery have already been identified through a preliminary mapping of barriers completed through the Steelhead Coalition. The Steelhead Coalition is a public-private partnership of county, State, and federal agencies and local nonprofit groups including the Army Corps of Engineers, National Marine Fisheries Service, Caltrans, DFG, CCC, the Coastal San Luis Resource Conservation District (CSLRCD), and several local environmental organizations.

Working in partnership with members of the Steelhead Coalition, the Land Conservancy would establish a technical advisory committee comprised of both agency and private fisheries experts that would conduct a screening process to prioritize potential projects using the data collected from a variety of sources including the Conservancy's recently completed *Inventory of Barriers to Fish Passage in California's Coastal Watersheds*. A county-wide assessment of culverts by the CCC is also underway with funding from the DFG and the Conservancy. Concurrently, Caltrans is undertaking a statewide assessment of potential fish passage projects at its culverts. Other information on steelhead and their habitat will be available from individual watershed plans, including the San Luis Obispo Creek Watershed Enhancement Plan, completed in 2002 by the Land Conservancy with funding from the Conservancy, and the Morro Bay Watershed Steelhead Recovery Project Report, prepared in 2001 by the CSLRCD.

A project screening process would consider factors such as the biological benefit of removing a given barrier, project feasibility, design and cost, other watershed restoration efforts occurring in the county, land ownership and access to project sites, and permitting issues. With guidance from the proposed technical advisory committee, the Land Conservancy would identify at least five high-priority fish passage projects to be developed annually over a three-year period. The selected projects would be matched with an appropriate sponsoring entity, and included in an annual work program prepared by the Land Conservancy for consolidated design and permitting. The Land Conservancy would then oversee the preparation of engineering designs and completion of environmental documentation, and would prepare permit applications for the selected projects. During and following this phase of project development, the Land Conservancy would coordinate with the Steelhead Coalition and its local, State, and federal agency partners to obtain funds for construction. Conservancy funds provided for project design and permitting would constitute matching funds in most future grant applications for project construction.

This project is a critically important step in a regional effort to recover the southern California steelhead. Removal of migration barriers to enable the southern steelhead to recolonize streams within its historic range is essential if the population is to avoid extinction. While there has been local interest in, and support for, removing these barriers, as with other regions in the state, local entities have been hindered by a lack of sufficient funds and staffing to design and permit potential projects. The proposed Conservancy grant would help overcome this roadblock and develop a long-term strategy for barrier removal and modification. Because barrier removal is still in its early stages in central and southern California, the proposed project is expected to help build local capacity and expertise, and provide valuable lessons that could be applied throughout the region.

Since 1995, the nonprofit Land Conservancy has taken the lead in the design, permitting, and construction of many of San Luis Obispo County's steelhead recovery projects, including 10 barrier modification or removal projects, and the restoration of nearly five miles of stream banks in San Luis Obispo Creek. In partnership with the Steelhead Coalition and its participating State and federal agency partners, the Land Conservancy would draw upon its practical steelhead recovery experience to effectively manage this countywide steelhead recovery effort.

Site Description: The proposed project area, San Luis Obispo County's coastal watersheds, is formally designated by NOAA as the Estero Bay Hydrologic Unit, an area that corresponds to the coastal draining watersheds west of the Coastal Range (Exhibit 1). It stretches roughly 80 miles from the Santa Maria River north to the Monterey County line, and extends from the coast to the ridge of the coastal range. Although the Estero Bay Hydrologic Unit is often classified as a single watershed, it actually comprises numerous individual stream systems. These individual watersheds range in size, from the relatively large 84-square-mile San Luis Obispo Creek and 75-square-mile Morro Bay watersheds, down to the 47-square-mile Santa Rosa Creek and 12-square-mile Islay Creek watersheds. The length of the primary creeks in these watersheds is relatively short. For example, running approximately 18 miles, San Luis Obispo Creek is one of the longer creeks in the region.

Despite their small size, many of coastal watersheds historically supported significant runs of steelhead, which spawned in the middle and upper reaches of the streams and tributaries. Many streams still support healthy populations of resident rainbow trout in their upper reaches. But these steelhead runs have dwindled or disappeared as a consequence of human modifications to the creeks and their drainage basins. In almost every coastal stream, culverts, grade control

weirs, low-water road crossings, or other structures impede or prevent steelhead migration to upstream spawning grounds (Exhibit 2).

Around the cities of San Luis Obispo, Pismo Beach, Grover Beach, Arroyo Grande, and Santa Maria, urban and suburban development is typically surrounded by cattle ranches or irrigated agriculture, including orchards and vineyards. Several of the upper reaches in the watersheds are within Los Padres National Forest, and thus retain high-quality riparian habitat. Land use in these upper watersheds is generally limited to publicly owned park and forest lands, cattle ranches, and scattered large-lot residential development. Lower in the watersheds and coastal plains, there is relatively little urban development with the exception of the City of San Luis Obispo, where vegetation has been removed from the creek and the streambanks armored for flood control, and Arroyo Grande Creek where levees have been built to protect row croplands. In these areas, development and irrigated agriculture together have diminished the habitat value of many streams.

Project History: Since the 1997 listing of the southern steelhead under the federal Endangered Species Act, State and federal resource agencies have been actively engaged in partnering with local agencies and nonprofits in steelhead recovery projects in several San Luis Obispo County streams. Since 1999 the Steelhead Coalition has brought together local, State, and federal resource agencies and nonprofits to coordinate the planning, permitting, and funding of steelhead recovery projects. Over the past four years the Coalition has obtained DFG funding to survey and map the location of barriers to steelhead migration countywide, and with staff support from the CCC, is currently conducting preliminary assessments of barriers in the County. In 2002, the Morro Bay Watershed Steelhead Recovery Project Report prepared by the CSLRCD documented steelhead populations, habitat conditions, and migration barriers in several of that watershed's creeks and streams. Caltrans has also undertaken a statewide assessment of potential fish passage projects at its culverts. All of this data would be used to identify priority projects for potential design and permitting.

While several fish passage improvement projects have been constructed in the county over the past several years, a large number of barriers that have been identified as potential priorities for modification have yet to be addressed due in large part to the difficulties local agencies and nonprofit organizations face in designing and permitting these projects. While preparing the *Inventory of Barriers to Fish Passage*, Conservancy staff identified this problem as a major obstacle to construction of fish passage improvements along the coast. This led to Conservancy approval in August 2003 of a grant to Trinity County for engineering, environmental documentation, and permitting of fish passage improvement projects within four North Coast counties. In October of this year, the Conservancy provided funding to the Santa Barbara County Water Agency to manage a similar project in that county. Over the past several months Conservancy staff has been working with the Land Conservancy and Steelhead Coalition to develop a strategy for moving priority projects toward construction in San Luis Obispo County.

PROJECT FINANCING:

Pre-construction: Engineering design, environmental documentation, and permitting:

Coastal Conservancy	\$350,000
Department of Fish and Game	<u>110,000</u>
Total pre-construction cost:	\$460,000

Project construction (future):

RWQCB (Avila/Unocal Settlement Fund) \$100,000

The anticipated source of Conservancy funds for this project is an appropriation to the Conservancy from the “Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000” (Proposition 12) for salmonid habitat recovery. This Act provides funding to public agencies and nonprofit organizations to protect, restore, acquire, and enhance salmon habitat.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code (Sections 31111 and 31251-31270), regarding enhancement of coastal resources.

Under §31111, the Conservancy may fund and undertake plans and feasibility studies, and may award grants to public agencies and nonprofit organizations for these purposes. Consistent with this section, the nonprofit Land Conservancy will undertake the proposed plans and studies.

Under §31251, the Conservancy may award grants for the purpose of enhancement of coastal resources that, because of natural or human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. Consistent with this section, the proposed project would lead to improvements in habitat in San Luis Obispo County’s coastal streams for the benefit of threatened southern California steelhead, an important coastal resource whose numbers have dwindled because structures such as culverts and road crossings have impeded passage to historic spawning and rearing habitat.

Under §31251.2(a), at the request of a local public agency or agencies with jurisdiction over the entire project area, the Conservancy may award grants to enhance a watershed resource that is partly outside of the coastal zone in order to enhance coastal resources within the coastal zone. The proposed project would address fish passage in coastal watersheds that lie partly within and partly outside the coastal zone with the goal of enhancing these watersheds for the benefit of the anadromous steelhead, which utilizes entire stream systems, both within and outside the coastal zone, to complete its life cycle. Agency members of the Steelhead Coalition, including DFG, CSLRCD, and the County, have requested Conservancy involvement in this project (Exhibit 3).

Consistent with §31252, the certified Local Coastal Programs of San Luis Obispo County identify coastal streams as requiring public action to resolve resource protection problems, as described in the “Consistency with Local Coastal Program Policies” section below.

Consistent with §31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5 Objective A** of the Conservancy’s Strategic Plan, the proposed project would promote coastal resource conservation by assisting in the modification or removal of barriers to fish passage in San Luis Obispo County coastal streams. As a result of this project, steelhead may gain access to several miles of spawning and rearing habitat.

Consistent with **Goal 6 Objective A** of the Conservancy's Strategic Plan, the proposed project would lead to the development of up to 15 projects to restore the habitat value of San Luis Obispo County's coastal watersheds for anadromous steelhead.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** Supporters of this project include Assemblymember Abel Maldonado, Senator Bruce McPherson, DFG, San Luis Obispo County, and the Steelhead Coalition. Letters of support are attached as Exhibit 3.
4. **Location:** The proposed authorization would address fish passage in coastal streams on the San Luis Obispo County coast. Although some of the selected project sites may lie outside of the coastal zone, the project would aid in the recovery of the anadromous southern steelhead.
5. **Need:** The Land Conservancy, in partnership with the Steelhead Coalition, is prepared to design and obtain the permits needed to modify or remove migration barriers. Conservancy funding for this phase of project development would enable the Land Conservancy to oversee the preparation of final designs and permits for priority projects that are needed prior to obtaining construction funds from other sources. San Luis Obispo County has requested Conservancy assistance to restore fish passage in its coastal streams.
6. **Greater-than-local interest:** Restoring migration corridors for the federally listed southern steelhead is of state and national interest. Restoring spawning and rearing habitat in San Luis Obispo County's coastal streams is critical to the recovery of the population.

Additional Criteria

7. **Urgency:** The South Central Coast California Steelhead Evolutionary Significant Unit (ESU) designates southern steelhead as threatened under the federal Endangered Species Act, and DFG has identified recovery of southern steelhead as a top management priority. Restoring access to spawning and rearing habitat will be crucial in achieving recovery.
12. **Readiness:** The Land Conservancy, in partnership with the Steelhead Coalition, is ready to begin the project immediately. Following the technical advisory committee's completion of the screening process to identify priority barriers, the process to design and obtain permits for selected projects will begin.
13. **Realization of prior Conservancy goals:** The Conservancy's preparation of the report *Inventory of Barriers to Fish Passage in California's Coastal Watersheds* signals the

agency's focus on and commitment to the improvement of fish passage in coastal streams. This proposal would serve to implement recommendations in the report by expediting the development of fish passage projects.

15. **Cooperation:** In developing this project the Land Conservancy will work closely with members of the Steelhead Coalition in cooperation with staff from San Luis Obispo City and County, Caltrans, DFG, federal permitting agencies, and other organizations.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project is consistent with, and would further the objectives of, San Luis Obispo County certified Local Coastal Program (LCP) policies on protection of coastal streams and sensitive habitats. In Chapter 6, "Environmentally Sensitive Habitats," Policy 18 states, "Coastal streams and adjoining riparian vegetation are environmentally sensitive habitat areas and the natural hydrological system and ecological function of coastal streams shall be protected and preserved." Consistent with Policy 18, modifying or removing barriers to steelhead migration in coastal streams will serve to preserve and enhance a stream's natural hydrological system and ecological function.

In addition, Policy 25 states, "Stream diversion structures...shall be sited and designed to not impede up and downstream movement of native fish or to reduce stream flows to a level which would significantly affect the biological productivity of the fish and other stream organisms." Consistent with Policy 25, modifying or removing structures and improving stream flows that currently impede steelhead migration and significantly affect their biological productivity will serve to restore their up and downstream movement, enhance their spawning and rearing habitat, and increase their biological productivity.

COMPLIANCE WITH CEQA:

The proposed project design, environmental review, and permitting activities are statutorily exempt from review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21102 and 14 Cal. Code of Regulations Section 15262, in that they would involve only feasibility analyses for projects that have not yet been approved. Consistent with that section, the environmental effects of the proposed future fish passage projects would be considered in the environmental review and permit process. The proposed activities are also categorically exempt under 14 CCR §15306, which exempts basic data collection and resource evaluation activities. Upon Conservancy approval of this project, staff will file a Notice of Exemption.