

COASTAL CONSERVANCY

Staff Recommendation  
September 15, 2004

**SOUTH BAY SALT POND RESTORATION PROJECT**

File No. 02-070  
Project Manager: Amy Hutzal

**RECOMMENDED ACTION:** Authorize: 1) disbursement of \$650,000 of previously authorized Conservancy funds to the Coastal Conservancy Association for science support associated with the South Bay Salt Pond Restoration Project, and 2) acceptance of \$500,000 from the Santa Clara Valley Water District and disbursement of these funds for planning and technical work associated with the South Bay Salt Pond Restoration Project.

**LOCATION:** San Francisco Bay, south of the San Mateo Bridge, in Alameda, Santa Clara, and San Mateo Counties.

**PROGRAM CATEGORY:** San Francisco Bay Area Conservancy

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**EXHIBITS**

Exhibit 1: Map of Project Area

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes:

- 1) The disbursement of six hundred fifty thousand dollars (\$650,000) of funds granted from the Wildlife Conservation Board to the Conservancy and previously authorized on March 25, 2004, for the South Bay Salt Pond Planning effort, to the Coastal Conservancy Association to manage science advisory panels that provide technical oversight to the South Bay Salt Pond Restoration Project, subject to the condition that prior to the disbursement of any Conservancy funds, the Coastal Conservancy Association shall submit for the review and approval of the Executive Officer of the Conservancy a work program and budget, and the names and qualifications of any subcontractors that it intends to employ.
- 2) The acceptance of five hundred thousand dollars (\$500,000) from the Santa Clara Valley Water District and disbursement of these funds for planning and technical work

associated with the South Bay Salt Pond Restoration Project and the South San Francisco Bay Shoreline Study.”

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 authorization is consistent with Chapter 4.5 of Public Resources Code Sections 31160 *et seq.*, regarding the Conservancy’s mandate to address the resource and recreational goals of San Francisco Bay Area.
2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy’s Project Selection Criteria and Guidelines adopted on January 24, 2001.
3. The Coastal Conservancy Association is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code.”

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**PROJECT SUMMARY:**

This authorization would provide for: 1) disbursement of previously authorized Conservancy funds to the Coastal Conservancy Association (“CCA”) for science support associated with the South Bay Salt Pond Restoration Planning effort, which will enable CCA, serving in its role as a supporting non-profit to the Conservancy, to continue to participate in scientific oversight activities for the South Bay Salt Pond Restoration Planning effort, and 2) acceptance and disbursement of funds from the Santa Clara Valley Water District (“SCVWD”) for planning and technical work associated with the South Bay Salt Pond Restoration Project and the South San Francisco Bay Shoreline Study.

**Coastal Conservancy Association**

CCA will continue to engage scientists to participate in the National Science Panel and Science Team of the South Bay Salt Pond Restoration Project. In February of 2003, the Conservancy authorized funds for CCA to establish the National Science Panel and Science Team and to conduct public outreach related to the South Bay Salt Pond Restoration Project. CCA has successfully been conducting this work since the Conservancy authorization; this authorization will allow for continued work on the technical oversight tasks. CCA will work in coordination with the Conservancy, California Department of Fish and Game (DFG), and U.S. Fish and Wildlife Service (FWS) to coordinate the activities of these two scientific and technical oversight groups.

The National Science Panel is made up of seven internationally-recognized scientists representing a range of expertise in wetlands restoration and estuarine ecology, including sediment dynamics, hydrology, water quality, shallow water food webs, migratory birds, and wetland ecology. The National Science Panel members will ensure that the South Bay Salt Pond Restoration Project learns from the efforts of wetland restoration efforts nationally and internationally, and is employing a scientifically rigorous planning process. The National

Science Panel meets at major project milestones to analyze the structure, workplan, and science being employed in the planning process, assess whether appropriate factors are being considered in the planning effort, review progress, and provide overall guidance. The National Science Panel has met twice to date and has provided written recommendations to the Conservancy, which have greatly influenced the structure and direction of the project planning efforts.

The Science Team consists of recognized local experts on wetland restoration, hydrology, geomorphology, water quality, fish and wildlife, flood management and engineering, public access, and introduced species in the San Francisco Bay. The fifteen members of the Science Team work in the San Francisco Bay Area in academia, in private consulting, and with public agencies. The Science Team meets monthly to quarterly to provide oversight for the restoration effort, review work products by the technical consultants working on the project, and produce reports and papers on scientific and technical issues pertaining to the restoration project.

The continued efforts of the National Science Panel and Science Team will help ensure that the South Bay Salt Pond restoration plan is scientifically sound and will raise the chance of successfully meeting the project objectives to: 1) restore habitat for endangered species, migratory birds, and native wildlife, 2) provide for flood management, and 3) enhance public access. CCA has been successfully managing the scientific oversight for the South Bay Salt Pond Restoration Project since the board authorized initial funding for CCA in February of 2003.

#### **Santa Clara Valley Water District**

The SCVWD participates as a member of the Project Management Team of the South Bay Salt Pond Restoration Project and is particularly interested in the habitat restoration and flood management components of the project in Santa Clara County. To assist the planning effort for the South Bay Salt Pond Restoration Project, the SCVWD board will consider authorizing the contribution of funds to the Conservancy at its September board meeting. In addition to SCVWD's funding contribution, it is anticipated that the SCVWD will contribute nearly \$1.1 million in in-kind contributions in fiscal years 2004 and 2005.

The SCVWD's funds are proposed to be used for technical and planning tasks, such as hydrodynamic modeling, associated with development and analysis of flood management, restoration, and public access alternatives. The funds will be used for work directly pertaining to the 15,100 acres of salt ponds acquired in March of 2003, as well as for related work analyzing flood impacts and flood management techniques for the Santa Clara County shoreline between San Francisquito Creek in Palo Alto and the Alviso Ponds in Mountain View. While this area was not part of the salt pond acquisition, joint development of a flood management plan for the South Bay Salt Ponds and this immediately adjacent area will be more effective and efficient than developing separate plans.

The SCVWD is particularly interested in contributing to the development of a Feasibility Study for the South San Francisco Bay Shoreline with the U.S. Army Corps of Engineers ("Corps") that will be supported by the local communities and can be authorized for construction by Congress. The Corps has been authorized by Congress to conduct a Feasibility Study for the shoreline in San Mateo, Santa Clara, and Alameda Counties to determine if there is a federal interest in tidal and fluvial flood damage reduction, environmental restoration and protection, and related purposes. The Conservancy, FWS, DFG, SCVWD, and Alameda County Flood Control District are working with the Corps to determine whether there is a federal interest in cost-sharing the South Bay Salt Pond Restoration Project or components of the project. At

present, the geographic definition of the South San Francisco Bay Shoreline Study includes the South Bay Salt Pond Restoration Project area, as well as the Santa Clara County shoreline between the ponds and San Francisquito Creek, and the Alameda Shoreline that is still being used by Cargill for salt production (the Mowry and Newark ponds).

The continued participation of SCVWD in the South Bay Salt Pond Restoration Project and its contribution of in-kind services and funds will help to ensure that flood management in Santa Clara County is well integrated into the project and that the project is well positioned for potential Corps cost-sharing. As the one non-federal agency participating in the project with jurisdiction in the entire project area, it is anticipated that the Conservancy will enter into the Feasibility Cost-Sharing Agreement with the Corps. If entering into this agreement requires the authorization of additional funds, staff will return to the Conservancy for authorization.

**Site Description:** The entire South Bay salt pond complex is spread over an area of approximately 26,000 acres. Salt ponds surround nearly the entire San Francisco Bay south of the San Mateo Bridge (Exhibit 1), on lands that were formerly tidal marsh. An estimated 85 percent of the historic tidal marshes in the San Francisco Bay-Delta Estuary have been filled or significantly altered over the past two centuries for urban development, agriculture, and salt production. Although dramatically different than 150 years ago, the South Bay's wetland habitats, including the salt ponds, tidal marshes, sloughs, mudflats, and open bay, are used by large populations of waterfowl and shorebirds, by harbor seals, and by a number of threatened and endangered species, including the California clapper rail, California black rail, California brown pelican, California least tern, western snowy plover, salt marsh harvest mouse, and steelhead trout.

**Project History:** In October of 2000, Cargill Salt proposed to consolidate its operations and sell lands and salt production rights on 61 percent of its South Bay operation area. Negotiations headed by Senator Dianne Feinstein led to the acquisition in March of 2003 of 16,500 acres of salt ponds and adjacent habitats (15,100 acres in the South Bay and 1,400 acres along the Napa River) for \$100 million, funded with \$72 million from the Wildlife Conservation Board ("WCB"), \$8 million from FWS, and \$20 million from the Goldman Fund, Hewlett Foundation, Moore Foundation, and Packard Foundation.

The Conservancy, FWS, and DFG are charged with developing a long-term restoration, flood management, and public access plan that is scientifically sound, publicly supported, and that can begin to be implemented by 2008. In August of 2002, the Conservancy authorized \$500,000 in funding for this project; in January of 2003, the Conservancy authorized an additional \$2 million and in March of 2004, the Conservancy authorized the disbursement of \$3 million of WCB funds that had been granted to the Conservancy. These state funds are being matched with nearly \$6 million from the Hewlett, Packard, and Moore Foundations, as well as other matching funds and in-kind services being contributed by the SCVWD, the federal government and others.

**PROJECT FINANCING:**

Wildlife Conservation Board ( <i>previous authorization</i> )	\$3,000,000
<b>\$650,000 of these WCB funds to be granted to the Coastal Conservancy Association (<i>this authorization</i>)</b>	
<b>Santa Clara Valley Water District (<i>this authorization</i>)</b>	<b>500,000</b>
Coastal Conservancy ( <i>previous authorization</i> )	3,000,000
Resources Legacy Fund	5,898,600
Funding from Hewlett, Packard, and Moore Foundations	
U.S. Army Corps of Engineers ( <i>secured</i> )	100,000
U.S. Army Corps of Engineers ( <i>estimated/not yet secured</i> )	900,000
Other Sources ( <i>not yet secured</i> )	<u>601,400</u>
<b>Total Project Cost</b>	<b>\$14,000,000</b>

The Conservancy authorized disbursement of up to \$3,000,000 of Wildlife Conservation Board funds for the South Bay Salt Pond Restoration Project in March of 2004. It is anticipated that the grant to the Coastal Conservancy Association will come from these previously authorized funds that the WCB has provided to the Conservancy from the “Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002” (Proposition 50). The WCB funds can be used for coastal wetlands identified for acquisition, protection, and restoration in the *San Francisco Baylands Ecosystem Habitat Goals Report* within the nine-county San Francisco Bay area described in Public Resources Code Section 31162. The South Bay Salt Ponds are identified for acquisition, protection, and restoration in the *San Francisco Baylands Ecosystem Habitat Goals Report*, a local plan recognized in Proposition 50 as appropriate for selection of restoration projects in San Francisco Bay. Pursuant to Section 31162(b) of the Public Resources Code, this project furthers the San Francisco Bay Area Conservancy Program’s goal to protect, restore, and enhance natural habitats. The project is also consistent with the San Francisco Bay Regional Water Quality Control Board’s goal to protect beneficial resources, as described in the *Water Quality Control Plan* for the San Francisco Bay Basin (1995).

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:**

In its August 2002, January 2003, and March 2004 authorizations relating to the South Bay Salt Pond Restoration Project, the Conservancy found the project to be consistent with Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31163, with regard to goals in the San Francisco Bay Area.

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

Consistent with **Goal 10 Objective B, Goal 11 Objective A, and Goal 11 Objective B** of the Conservancy’s Strategic Plan, the proposed project would help the Conservancy develop plans for approximately 15,000 acres of wetlands in the Bay, increase the amount of land accessible to the public and provide recreational facilities, and complete segments of the San Francisco Bay Trail, respectively.

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

In its August 2002, January 2003, and March 2004 authorizations relating to the South Bay Salt Pond Restoration Project, the Conservancy found the project to be consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001.

**CONSISTENCY WITH SAN FRANCISCO BAY PLAN:**

The South Bay salt ponds are within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission ("BCDC"). The proposed project is considered project planning and exempt from permit requirements. In its August 2002, January 2003, and March 2004 authorizations relating to the South Bay Salt Pond Restoration Project, the Conservancy found the project to be consistent with the policies of BCDC's San Francisco Bay Plan.

**COMPLIANCE WITH CEQA:**

As a feasibility and planning activity, under 14 California Code of Regulations Section 15262, this project is categorically exempt from CEQA review. Similarly, 14 Cal. Code of Regulations Section 15306 exempts basic data collection, research, and resource-evaluation activities which do not result in a serious or major disturbance to an environmental resource.