

COASTAL CONSERVANCY

Staff Recommendation
September 15, 2004

Bay Area
Watershed Management/Habitat Protection and Restoration Plan
File No. 04-067
Project Manager: Jeff Melby

RECOMMENDED ACTION: Authorization to disburse up to \$300,000 of Conservancy funds for preparation of a Watershed Management/Habitat Protection and Restoration Plan for the San Francisco Bay Area region.

LOCATION: San Francisco Bay Watershed, including the nine counties of the San Francisco Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) or portions thereof.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 – 31164 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed three hundred thousand dollars (\$300,000) for preparation of a Watershed Management/Habitat Protection and Restoration Plan for the San Francisco Bay Area region.”

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 Division 21 of the Public Resources Code (Sections 31160 *et seq.*), regarding the Conservancy’s mandate to address the resource and recreational goals of the San Francisco Bay Area.
 2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy Board on January 24, 2001.”
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Bay Area Watershed Management/Habitat Protection and Restoration Plan

PROJECT SUMMARY:

This authorization would enable the Conservancy to develop a Watershed Management/Habitat Protection and Restoration Plan (WMHPRP), in cooperation with the Association of Bay Area Governments (ABAG) and others, for the San Francisco Bay Area region. The WMHPRP would include a compilation and assessment of existing information about sub-watersheds and wetland habitats in the region; identify challenges to their management, protection and restoration in relation to water quality, water supply and flood protection issues; and, identify and prioritize multi-objective projects for implementation using Proposition 50 and other funding sources. The WMHPRP would be a stand alone document that will assist the Conservancy in meeting the San Francisco Bay Area Conservancy Program requirements to identify long-term resource goals and guide future funding of projects that protect, restore, and enhance natural habitats and watersheds. It will be further used as the watershed and habitat component of a Bay Area Integrated Regional Water Management Plan (IRWMP).

The Conservancy is preparing a detailed scope of work for the WMHPRP which will be finalized with input from interested parties. The Conservancy will then contract with ABAG and environmental consultants to prepare separate elements. Existing information from various sources, including the *Baylands Ecosystem Habitat Goals* report, watershed/habitat assessments and planning efforts, and new information as it is developed, such as from the Bay Area Open Space Council's forthcoming Uplands Habitat Goals report, will be incorporated. The level of specificity will vary by sub-watershed and county, and the report will identify data and analytical gaps that should be addressed in an updated, more detailed version. Finally, the WMHPRP would identify and prioritize multi-objective priority projects in need of funding that have one of more of the following objectives:

- protection and improvement of water quality
- removal of invasive non-native plants to reduce the negative impacts of these species on water quality, water supply, or ecosystem health
- creation and enhancement of wetlands
- acquisition, protection, and restoration of open space and watershed lands
- watershed management planning and implementation
- environmental and habitat protection and improvement
- fish passage improvements
- recreation and public access: acquisition and development of facilities to promote public access to and participation in the conservation of land, water, and wildlife resources
- training and research facilities for watershed protection and water conservation activities conducted by nonprofit organizations

ABAG is a Joint Powers Agency of the cities and counties in the Bay Area and as such will provide a direct link with these policy bodies to obtain endorsement of the WMHPRP and the IRWMP. ABAG also maintains a computerized geographical information system (GIS) that can be upgraded with existing and newly developed regional data related to watersheds, water quality, groundwater, habitats, watershed and regulatory plans, proposed water resource development projects, and growth projections.

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The Conservancy will assist other public agencies in integrating the WMHPRP findings and recommendations into the larger IRWMP. Ten Bay Area public agencies (Alameda County Water District, Association of Bay Area Governments, Bay Area Clean Water Agencies, Bay Area Water Supply and Conservation Agency, Contra Costa Water District, East Bay Municipal Utility District, San Francisco Public Utilities Commission, Santa Clara Valley Water District, Sonoma County Water Agency, Zone 7 Water Agency) have signed a Letter of Mutual Understandings with respect to their joint efforts towards developing an IRWMP. Other entities, such as environmental groups, and state agencies, such as the Bay Area Regional Water Quality Control Board and the California Bay-Delta Authority, will also be invited to participate.

The IRWMP will be divided into four major components: 1) water supply/water quality; 2) wastewater/recycled water; 3) stormwater management/flood control; and 4) watershed management/habitat protection and restoration. A technical coordinating committee, composed of members preparing each of the four components, including the Conservancy, has been formed to compile the four components into a single, integrated IRWMP.

When completed the IRWMP would include 1) an assessment of regional water management needs; 2) identification of opportunities for regional coordination and collaboration among various entities that have not historically been partners; and 3) recommendations for priority multi-objective projects encompassing water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.

The WMHPRP and the IRWMP would each result in well reasoned, publicly supported recommendations for priority projects that, when implemented, will assist the region in meeting state and federal environmental laws and regional plans related to protection and restoration of habitat for special status and other species, and in improving water quality. The IRWMP would also improve regional competitiveness for State and federal grant funding, as representatives of state resource agencies and state legislators have suggested that state grants and other funding criteria will increasingly involve integrated regional water management planning.

Project History:

The WMHPRP is an obvious outgrowth of other significant regional habitat and watershed planning efforts such as the *Baylands Ecosystem Habitat Goals*, the Regional Water Quality Control Board's *Basin Plan*, the Bay Conservation Development Commission's *San Francisco Bay Plan*, the *Santa Clara Basin Watershed Management Initiative*, and others. These plans share some common objectives and geographic focus, but also distinctive differences in scope and level of detail. Recent legislation and grant programs have identified the need for, and required or encouraged, integrated regional water management planning. For example:

- The Integrated Regional Water Management Act of 2002 (SB 1672, Costa) was designed to facilitate the development of integrated regional water management plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by

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providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies.

- In November 2002, California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. The IRWM grant program implements Chapter 8 of Proposition 50 (Integrated Regional Water Management projects), California Water Code (CWC) Section 79560 *et seq.* The intent of Chapter 8 of the Proposition 50 is to provide funding for competitive grants for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. DWR and SWRCB have issued draft guidelines for preparation and evaluation of IRWMPs that place great emphasis on identifying projects that integrate multiple objectives.
- The Watershed, Clean Beaches, and Water Quality Act (Division 20.4, section 30901 *et seq.* and Division 21, Chapter 5.5, section 31220 of the Public Resources Code) established the Integrated Watershed Management Program to coordinate and integrate statewide watershed, funding, projects, and programs.

In response to the State's emerging emphasis on integrated regional water management planning, Bay Area public agencies involved with water resource management agreed to develop an IRWMP for the Bay Area. Given the Conservancy's and its partner's integral roles in watershed management, habitat protection and restoration in the Bay Area, Conservancy staff believe it is critical for the Conservancy to participate in development of the Bay Area IRWMP.

PROJECT FINANCING:

WMHPRC

| | |
|---------------------|-----------|
| Coastal Conservancy | \$300,000 |
|---------------------|-----------|

Other components of IRWMP

| | |
|---------------------------|--------------------|
| Other sources (estimated) | <u>\$700,000</u> |
| Total Project Cost | \$1,000,000 |

The anticipated source of Conservancy funds is the fiscal year 2003-2004 appropriation to the Conservancy from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002 (Proposition 50). Proposition 50 authorizes the use of these funds for the purpose of protecting coastal watersheds through projects to acquire, protect and restore land and water resources that are undertaken pursuant to the Conservancy's enabling legislation. Funds may be used for planning associated with protection, acquisition, and restoration activities (Water Code Section 79570). The proposed project will accomplish these purposes by developing a regional habitat and watershed plan and assisting in the development of an IRWMP for the Bay Area that will identify multi-objective priority projects, including protection, acquisition, and restoration activities, in need of funding.

As also required by Proposition 50, the proposed project is consistent with local and regional watershed plans (Water Code Section 79507). Indeed, the entire thrust of the proposed project is

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to develop a document that will not only be used as a planning tool for project development by the Conservancy and its partners, but as the basis for a critical component of an IRWMP that will be adopted by local entities with jurisdiction over public water resources within the San Francisco Bay watershed.

Finally, Conservancy funding for the proposed project is matched by substantial anticipated funding from the ten other involved public entities that will be dedicated to development of other components of the regional water management planning effort.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31164, to address resource goals in the Bay Area.

Public Resources Code Section 31162 authorizes the Conservancy to undertake projects and award grants in the nine-county San Francisco Bay Area that meet specified goals. Under §31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The proposed project would achieve this objective by identifying multi-objective, priority projects in need of funding, involving protection, restoration, and enhancement of natural habitats and connecting corridors, watersheds, and open space.

Consistent with the goals specified in §31162(c), development of the WMHPRP and IRWMP would implement the policies and programs of the *San Francisco Bay Plan*, as described in the "Consistency with the San Francisco Bay Plan" section of this staff recommendation.

Likewise, under §31162(d), the Conservancy may act to promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes. This project would provide a plan for acquisition and protection of open space resources for recreational purposes.

The project is also consistent with §§31163(a) and (b), that direct the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area for the purpose of implementing long-term resources and outdoor recreational goals.

Finally, the project satisfies all of the criteria for determining project priority under §31163(c), as follows: (1) is supported by adopted regional plans (*San Francisco Bay Plan*, *San Francisco Baylands Ecosystem Habitat Goals Report*, and the *Water Quality Control Plan* for the San Francisco Bay Basin); (2) is multi-jurisdictional (spanning nine counties) and serves a regional constituency; (3) can be implemented in a timely way (preparation of the WMHPRP and the IRWMP are expected to take less than two years); (4) provides opportunities for benefits that could be lost if the project is not quickly implemented (integrated, long-term planning is necessary to leverage funds and achieve watershed and habitat goals in a timely manner); and (5) includes matching funds (described under Project Financing).

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

Consistent with **Goal 9 Objective A** of the Conservancy's Strategic Plan, the proposed project would help the Conservancy maintain an updated list of identified high-priority areas for the Bay

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Program.

Consistent with **Goal 10, Objective B**, the proposed project would develop a plan for all watersheds draining to the San Francisco Bay.

**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:** This project is supported by ABAG, representing cities and counties of the Bay Area and nearly all of the region's population.
4. **Location:** The plan addresses the nine-county San Francisco Bay Area, all within the jurisdiction of the San Francisco Bay Area Conservancy Program.
5. **Need:** The financial support and participation of the Conservancy are critical for development of the WMHPRP because no other funding sources for this effort have been identified.
6. **Greater-than-local interest:** The IRWMP will facilitate coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area.

Additional Criteria

7. **Urgency:** Grants awarded to eligible projects through the Proposition 50 IRWM grant program are required to be consistent with an adopted IRWMP. The Bay Area does not currently have an IRWMP. Consequently, completion of a Bay Area IRWMP would facilitate funding eligibility for water-related projects in the Bay Area to be implemented by the Conservancy or its partners.
8. **Resolution of more than one issue:** The IRWMP would identify multi-objective projects for implementation (e.g., habitat restoration, water quality improvement, flood control, and enhanced recreational opportunities).
9. **Leverage:** See the "Project Financing" section above.
10. **Conflict resolution:** The IRWMP would facilitate coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area, and thereby enhance resolution of water-related conflicts.

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11. **Innovation:** Development of a Bay Area IRWMP would initiate a new paradigm for coordinating efforts to protect and enhance water resources and facilitate identification and implementation of critical multi-objective, multi-agency projects.
12. **Readiness:** The Conservancy is ready to proceed immediately with development of the WMHPRP. Development of the other components of the IRWMP is already in progress.
13. **Realization of prior Conservancy goals:** This project builds on the Conservancy's participation in the development of the *San Francisco Baylands Habitat Goals Report*, which has goals, objectives, and recommendations for restoration in the San Francisco Baylands.
15. **Cooperation:** The Conservancy and its partners will work closely with various Bay Area entities (e.g., agencies, nongovernmental organizations) in developing the IRWMP.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The project is consistent with the following policies of BCDC's San Francisco Bay Plan:

Part III

Water Quality

1. Bay water pollution should be prevented to the greatest extent feasible. The Bay's tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water quality. Fresh water inflow into the Bay should be maintained at a level adequate to protect Bay resources and beneficial uses.
2. Water quality in all parts of the Bay should be maintained at a level that will support and promote the beneficial uses of the Bay as identified in the San Francisco Bay Regional Water Quality Control Board's *Water Quality Control Plan, San Francisco Bay Basin* and should be protected from all harmful or potentially harmful pollutants.

COMPLIANCE WITH CEQA:

As a planning activity for possible future actions that have not been approved, adopted, or funded, this project is categorically exempt from California Environmental Quality Act (CEQA) review under 14 California Code of Regulations Section 15262. Similarly, the project is statutorily exempt from CEQA review under Section 15306, which exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Upon Conservancy approval of the proposed project, staff will file a Notice of Exemption.

COASTAL CONSERVANCY

Staff Recommendation
March 2, 2006

**Watershed and Flood Protection/Stormwater Management Components of the Bay Area
Integrated Regional Water Management Plan**

File No. 04-067
Project Manager: Jeff Melby

RECOMMENDED ACTION: Authorization to enter into agreements for a grant to the Conservancy of \$451,230 by the California Department of Water Resources and to disburse up to \$200,000 of additional Conservancy funds for developing and integrating the Watershed Management/Habitat Protection and Restoration and Flood Protection/Stormwater Management components of the Bay Area Integrated Regional Water Management Plan, and authorization to enter a Memorandum of Understanding related to the Bay Area Water Forum and to receive and disburse funds donated by entities participating in the Forum for strategic planning and facilitation support.

LOCATION: San Francisco Bay Watershed, including the nine counties of the San Francisco Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) or portions thereof.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location

Exhibit 2: September 15, 2004 Staff Recommendation

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 – 31164 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes:

1. The Conservancy to enter into and the Executive Officer to execute all agreements required for a grant to the Conservancy of four hundred fifty-one thousand, two hundred thirty dollars (\$451,230) from the California Department of Water Resources for the development and preparation of the Watershed Management/Habitat Protection and Restoration and the Flood Protection and Stormwater Management components of the Bay Area Integrated Regional Water Management Plan and to integrate those components into the Plan.

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2. Disbursement of additional Conservancy funds in an amount not to exceed two hundred thousand dollars (\$200,000) to further the development and integration of the Watershed Management/Habitat Protection and Restoration and the Flood Protection and Stormwater Management components of the Bay Area Integrated Regional Water Management Plan.
3. The Conservancy to enter into and the Executive Officer to execute a Memorandum of Understanding by which the Conservancy would participate in the Bay Area Water Forum, and the Conservancy to receive and disburse funds donated by other public agencies participating in the Forum for strategic planning and facilitation support.

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 authorizations are consistent with Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160 *et seq.*), regarding the Conservancy’s mandate to address the resource and recreational goals of the San Francisco Bay Area.
2. The proposed authorizations are consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy Board on January 24, 2001.”

PROJECT SUMMARY:

This authorization would enable the Conservancy to finalize the development of the Watershed Management and Habitat Protection and Restoration Plan (Watershed Plan or WMHPRP) and the Flood Protection and Stormwater Management (Flood/Stormwater) components of the Integrated Regional Water Management Plan (IRWMP) for the San Francisco Bay Area region and to integrate those components into the IRWMP. Completion of the Bay Area IRWMP will enable the Conservancy to ensure that habitat and watershed resources are a priority consideration and to allow the Bay Region to be eligible for IRWMP project implementation funding.

IRWMPs are intended to provide a new model for water resources management in California. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (“Proposition 50”), found at Water Code Section 79560 *et seq.*, passed by California voters in November 2002, authorized the issuance of general obligation bonds in the amount of \$3.4 billion to fund a variety of specified water and wetlands projects. It set aside \$380 million for IRWMP related grants, which has lead to similar planning efforts throughout the state. The intent of the Integrated Regional Water Management (IRWM) grant program, administered jointly by the California Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB), is to encourage integrated regional strategies for management of water resources and to provide funding, through competitive grants, for projects that utilize multiple strategies resulting in multiple benefits. These include, improved water supply reliability, long-term attainment and maintenance of water quality standards, eliminated or reduced pollution in

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impaired water and sensitive habitat areas, planning and implementation of multipurpose flood control programs, and drinking water and water quality projects that serve disadvantaged communities.

The IRWMP will build on the Watershed Plan which is being developed through Conservancy funding authorized on September 15, 2004 (attached as Exhibit 2). Under that authorization, the Conservancy entered into contracts with a consulting team and the Association of Bay Area Governments/San Francisco Estuary Project (ABAG/SFEP) to initiate development of the Watershed Plan. The Watershed Plan, when completed, will:

- include an inventory of existing information about watersheds and wetland habitats in the region;
- identify challenges to their management, protection and restoration in relation to water quality, water supply and flood protection issues; and
- identify and prioritize multi-objective projects for implementation using Proposition 50 and other funding sources.

The Watershed Plan will be a stand alone document that will assist the Conservancy in meeting the San Francisco Bay Area Conservancy Program requirements to identify long-term resource goals and guide future funding of projects that protect, restore, and enhance natural habitats and watersheds. It will be further used as the watershed and habitat component of a Bay Area IRWMP.

The Bay Area IRWMP is a multi-stakeholder, nine-county effort to coordinate a strategic approach to regional water management. The Plan will build on water resources needs and planning strategies identified throughout the Bay Area, leveraging regional cooperation to more effectively address the needs identified. The Bay Area IRWMP must be adopted by January 1, 2007 in order to be eligible for project implementation grant funding under the IRWMP (Proposition 50, chapter 8) grant program.

The proposed authorization would enable the Conservancy to execute an agreement for a grant of \$451,230 from DWR for preparation of the Watershed Plan and Flood/Stormwater components of the Bay Area IRWMP and for the integration of these components into the IRWMP. The Conservancy submitted an application to DWR and to SWRCB to obtain an Integrated Regional Water Management Planning Grant pursuant to Proposition 50. Zone 7 Water Agency (Zone 7) submitted a parallel application for a grant of \$387,000 to prepare and integrate the two remaining components of the Bay Area IRWMP - the Water Supply/Water Quality and Wastewater/Recycled Water (Water/Wastewater) components. Through a competitive selection process, the grant applications of the Conservancy and Zone 7 were selected for funding by DWR. Although the Conservancy and Zone 7 separately applied for and were awarded a grant, both parties and DWR subsequently agreed that a combined and comprehensive IRWMP planning effort would best meet the intent of the Proposition 50. Thus, the three parties have agreed to the consolidation of the separate awards to Zone 7 and the Conservancy for the purpose of completing a single IRWMP, and have determined that Zone 7 shall serve as the lead for the purpose of administering the consolidated grant agreement, including contracting for the joint work and receiving grant disbursements from DWR. Although Zone 7 will take on all administrative tasks and receive and disburse all grant funding, the Conservancy must, however,

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remain a party to the grant agreement and will remain responsible for completion of the Watershed Plan and Flood/Stormwater components of the IRWMP under the agreement. Under a separate agreement with Zone 7, the Conservancy will be directly involved in oversight, development, review and approval of the Water Plan and Flood/Stormwater components.

The separate work plans contained in the grant applications of the Conservancy and Zone 7 have been combined into a single, integrated scope of work. This work plan is currently being implemented by a consulting team, the Center for Collaborative Policy and San Francisco Estuary Institute (SFEI, under contract with Zone 7, and with oversight by Conservancy staff and the Bay Area IRWMP Technical Coordinating Committee). ABAG/SFEP, under contract with the Conservancy also participates as part of the consulting team. ABAG is a Joint Powers Agency of the cities and counties in the Bay Area and as such will provide a direct link with these policy bodies to obtain endorsement of the Watershed Plan and the IRWMP.

The Conservancy will assist other entities in integrating the Watershed Plan findings and recommendations into the larger IRWMP. The Conservancy and seventeen other Bay Area entities have signed a Letter of Mutual Understandings (LOMU) with respect to their joint efforts towards developing an IRWMP. The seventeen entities are:

- Alameda County Water District
- ABAG
- Bay Area Clean Water Agencies
- Bay Area Water Supply and Conservation Agency
- City of Napa
- City of Palo Alto
- Contra Costa County Flood Control and Water Conservation District
- Contra Costa Water District
- East Bay Municipal Utility District
- Marin Municipal Water District
- North Bay Watershed Association
- San Francisco Public Utilities Commission
- Santa Clara Basin Watershed Management Initiative
- Santa Clara Valley Water District
- Solano County Water Agency
- Sonoma County Water Agency
- Zone 7 Water Agency

Other entities, such as environmental groups, and state agencies, including the Bay Area Regional Water Quality Control Board and the California Bay-Delta Authority, will also be invited to participate. In order to be eligible for grants for project implementation pursuant to the Proposition 50, Chapter 8 IRWM grant program, the IRWMP must be adopted by the LOMU signatories no later than January 1, 2007.

The IRWMP will have four major components: 1) water supply/water quality; 2) wastewater/recycled water; 3) stormwater management/flood control; and 4) watershed management/habitat protection and restoration. A technical coordinating committee, composed of members preparing each of the four components, including the Conservancy, has been formed to compile the four components into a single, integrated IRWMP.

When completed, the IRWMP would include 1) an assessment of regional water management needs; 2) identification of opportunities for regional coordination and collaboration among various entities that have not historically been partners; and 3) recommendations for priority

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multi-objective projects encompassing water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.

The Watershed Plan and the IRWMP would each result in well reasoned, publicly supported recommendations for priority projects that, when implemented, will assist the region in meeting state and federal environmental laws and regional plans related to protection and restoration of habitat for special status and other species, and in improving water quality. The IRWMP would also improve regional competitiveness for State and federal grant funding, as representatives of state resource agencies and state legislators have suggested that state grants and other funding criteria will increasingly involve integrated regional water management planning.

DWR grant funding, Zone 7 and others contributions, and earlier Conservancy contributions will provide the bulk of funding for the preparation of the final IRWMP. The additional Conservancy funding of \$200,000 under this proposed authorization would serve two purposes.

First, the funds will be used, if necessary, to advance payments to Zone 7, so that it can pay contractors who are currently undertaking work on the Watershed Plan and Flood/Stormwater components of the IRWMP. The work of these contractors will eventually be paid through disbursement of grant funds by DWR. However, for a variety of reasons, the process of finalizing the grant agreement with DWR has taken far longer than anticipated. In order to complete the IRWMP within the time required, work had to begin prior to the finalization of the DWR grant agreement. It is expected that the DWR grant agreement will be finalized soon. It is also anticipated (but not guaranteed) that under the grant agreement, Zone 7 will be reimbursed for all work done to date. Neither Zone 7 nor its contractors are capable of awaiting reimbursement until the grant agreement is finalized. Zone 7 is advancing its own funds to pay the contractors, and has asked that the Conservancy assist it in advancing funds, if needed to pay the contractors until the DWR grant agreement is in place. Once the DWR grant agreement is finalized and assuming, as expected, that it covers work done before the date the agreement is executed, upon disbursement of the grant funds, Zone 7 would repay the Conservancy for all the funds the Conservancy had advanced.

Second, the additional Conservancy funds will be used to supplement the work under the DWR grant. These funds would be disbursed to the Conservancy's consultant(s) that are currently working on the Watershed Plan effort. The funds will be used to obtain additional necessary input from local governments and other stakeholders regarding integration of watershed/flood/stormwater and other water resource elements to identify multi-benefit projects for implementation. This funding may also be used to fill critical data gaps and to evaluate the effectiveness of the project selection process in identifying and prioritizing such multi-benefit projects, and to provide any applicable improvements to the selection process.

Beyond authorizing a grant from DWR and providing additional Conservancy funding for the IRWMP, the proposed authorization would enable the Conservancy to participate with the Bay Area Water Forum by executing a Memorandum of Understanding which formalizes the Forum participation and to receive funds donated by participating agencies and to disburse those funds

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for strategic planning and facilitation support to the Forum. The Bay Area Water Forum (BAWF) provides a venue for all stakeholders in the Bay region including water, wastewater and stormwater agencies, local governments, environmental and business groups, good government and civic organizations, among others, to work cooperatively in support of the IRWMP process and related topics and other water resources planning and management issues on an ongoing basis.

Project History:

On September 15, 2004, the Board authorized funding for development of the Bay Area Watershed Plan as an obvious outgrowth of other significant regional habitat and watershed planning efforts such as the *Baylands Ecosystem Habitat Goals*, the Regional Water Quality Control Board's *Basin Plan*, the Bay Conservation Development Commission's *San Francisco Bay Plan*, the *Santa Clara Basin Watershed Management Initiative*, and others. These plans share some common objectives and geographic focus, but also distinctive differences in scope and level of detail. Recent legislation and grant programs have identified the need for, and required or encouraged, integrated regional water management planning. For example:

- The Integrated Regional Water Management Act of 2002 (SB 1672, Costa) was designed to facilitate the development of integrated regional water management plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies.
- In November 2002, California voters passed Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. The IRWM grant program implements Chapter 8 of Proposition 50 (Integrated Regional Water Management projects), California Water Code Section 79560 *et seq.* The intent of Chapter 8 of the Proposition 50 is to provide funding for competitive grants for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. DWR and SWRCB have issued guidelines for preparation and evaluation of IRWMPs that place great emphasis on identifying projects that integrate multiple objectives.
- The Watershed, Clean Beaches, and Water Quality Act (Division 20.4, section 30901 *et seq.* and Division 21, Chapter 5.5, section 31220 of the Public Resources Code) established the Integrated Watershed Management Program to coordinate and integrate statewide watershed, funding, projects, and programs.

In response to the State's emerging emphasis on integrated regional water management planning, Bay Area public agencies involved with water resource management agreed to develop an IRWMP for the Bay Area. Given the Conservancy's and its partner's integral roles in watershed management, habitat protection and restoration in the Bay Area, the Conservancy was requested to apply for grant funding and participate in development of the Bay Area IRWMP.

BAY AREA INTEGRATED REGIONAL WATER MANAGEMENT PLAN

PROJECT FINANCING:Watershed & Flood/Stormwater Components of IRWMP

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|------------------------------|------------------|
| Coastal Conservancy | |
| Sept. 15, 2004 authorization | \$339,800 |
| Technical Services | \$150,000 |
| March 2, 2006 authorization | <u>\$200,000</u> |
| Total Conservancy | \$689,800 |
| | |
| DWR Grant to Conservancy | <u>\$451,200</u> |
| Total | \$1,141,000 |

Other components of IRWMP

| | |
|---------------------------|---------------------------|
| Other sources (estimated) | <u>\$1,200,000</u> |
| Total Project Cost | <u>\$2,341,000</u> |

The anticipated source of Conservancy funds is the fiscal year 2003-2004 appropriation to the Conservancy from the “California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002” (Proposition 40) for the San Francisco Bay Area Conservancy Program. This funding source may be used for the development and preservation of land and water resources in accordance with the provisions of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code. The proposed authorization is consistent with the funding source because it will support development of a regional habitat and watershed plan, which will identify, evaluate, record, document, and interpret resource information, through a cooperative approach with numerous interested parties, and will assist in the development of an IRWMP for the Bay Area that will identify multi-objective priority projects, including protection, acquisition, and restoration activities, in need of funding. Further, as discussed below, the project is consistent with Chapter 4.5 of Division 21.

Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds. Conservancy funding for the proposed project is matched by substantial funding from DWR and the other involved public entities that are dedicated to development of other components of the regional water management planning effort.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31164, to address resource goals in the Bay Area.

Public Resources Code Section 31162 authorizes the Conservancy to undertake projects and award grants in the nine-county San Francisco Bay Area that meet specified goals. Under §31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The proposed project would achieve this objective by identifying multi-objective, priority projects in need of

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funding, involving protection, restoration, and enhancement of natural habitats and connecting corridors, watersheds, and open space.

Consistent with the goals specified in §31162(c), development of the WMHPRP and IRWMP would implement the policies and programs of the *San Francisco Bay Plan*, as described in the “Consistency with the San Francisco Bay Plan” section of this staff recommendation.

Likewise, under §31162(d), the Conservancy may act to promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes. This project would provide a plan for acquisition and protection of open space resources for recreational purposes.

The project is also consistent with §§31163(a) and (b), that direct the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area for the purpose of implementing long-term resources and outdoor recreational goals.

Finally, the project satisfies all of the criteria for determining project priority under §31163(c), as follows: (1) is supported by adopted regional plans (*San Francisco Bay Plan*, *San Francisco Baylands Ecosystem Habitat Goals Report*, and the *Water Quality Control Plan* for the San Francisco Bay Basin); (2) is multi-jurisdictional (spanning nine counties) and serves a regional constituency; (3) can be implemented in a timely way (preparation of the WMHPRP and the IRWMP are expected to take less than two years); (4) provides opportunities for benefits that could be lost if the project is not quickly implemented (integrated, long-term planning is necessary to leverage funds and achieve watershed and habitat goals in a timely manner); and (5) includes matching funds (described under Project Financing).

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

Consistent with **Goal 9 Objective A** of the Conservancy's Strategic Plan, the proposed project would help the Conservancy maintain an updated list of identified high-priority areas for the Bay Program.

Consistent with **Goal 10, Objective B**, the proposed project would further develop a plan for all watersheds draining to the San Francisco Bay.

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.

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3. **Support of the public:** This project is supported by ABAG, representing cities and counties of the Bay Area and nearly all of the region's population.
4. **Location:** The plan addresses the nine-county San Francisco Bay Area, all within the jurisdiction of the San Francisco Bay Area Conservancy Program.
5. **Need:** The financial support and participation of the Conservancy are critical for further development of the Watershed Plan and its integration into the IRWMP because no other funding sources for this effort have been identified.
6. **Greater-than-local interest:** The IRWMP will facilitate coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area.

Additional Criteria

7. **Urgency:** Grants awarded to eligible projects through the Proposition 50 IRWM grant program are required to be consistent with an adopted IRWMP. The Bay Area does not currently have an IRWMP. Consequently, completion of a Bay Area IRWMP would facilitate funding eligibility for water-related projects in the Bay Area to be implemented by the Conservancy or its partners.
8. **Resolution of more than one issue:** The IRWMP would identify multi-objective projects for implementation (e.g., habitat restoration, water quality improvement, flood control, and enhanced recreational opportunities).
9. **Leverage:** See the "Project Financing" section above.
10. **Conflict resolution:** The IRWMP would facilitate coordination, collaboration and communication among various water resource related entities throughout the San Francisco Bay Area, and thereby enhance resolution of water-related conflicts.
11. **Innovation:** Development of a Bay Area IRWMP would initiate a new paradigm for coordinating efforts to protect and enhance water resources and facilitate identification and implementation of critical multi-objective, multi-agency projects.
12. **Readiness:** The Conservancy is ready to proceed immediately with development of the WMHPRP. Development of the other components of the IRWMP is already in progress.
15. **Cooperation:** The Conservancy and its partners will work closely with various Bay Area entities (e.g., agencies, nongovernmental organizations) in developing the IRWMP.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The project is consistent with the following policies of BCDC's San Francisco Bay Plan:

Part III

Water Quality

1. Bay water pollution should be prevented to the greatest extent feasible. The Bay's tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water

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quality. Fresh water inflow into the Bay should be maintained at a level adequate to protect Bay resources and beneficial uses.

2. Water quality in all parts of the Bay should be maintained at a level that will support and promote the beneficial uses of the Bay as identified in the San Francisco Bay Regional Water Quality Control Board's *Water Quality Control Plan, San Francisco Bay Basin* and should be protected from all harmful or potentially harmful pollutants.

COMPLIANCE WITH CEQA:

As a planning activity for possible future actions that have not been approved, adopted, or funded, this project is categorically exempt from California Environmental Quality Act (CEQA) review under 14 California Code of Regulations Section 15262. Similarly, the project is statutorily exempt from CEQA review under Section 15306, which exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Upon Conservancy approval of the proposed project, staff will file a Notice of Exemption.