

**STATE COASTAL CONSERVANCY  
PUBLIC MEETING MINUTES**

Baldwin Hills-Scenic Overlook  
6300 Hetzler Rd.  
Culver City, CA  
1:00 pm

**MEMBERS PRESENT**

Douglas Bosco (Public Member), Chair  
Mary Shallenberger, Chair, Coastal Commission  
Bryan Cash (Designated Representative, Natural Resources Agency)  
Karen Finn (Designated Representative, Department of Finance)  
Ann Notthoff, Public Member  
Marisa Moret, Public Member

**OVERSIGHT MEMBERS PRESENT**

Assembly Member Luis Alejo

**OTHERS PRESENT**

Sam Schuchat, Executive Officer  
Elena Eger, Legal Counsel

**1. ROLL CALL**

**2. APPROVAL OF November 10, 2011 Board Meeting Minutes**

**3. CONSENT ITEMS**

**A. WATSONVILLE SLOUGH**

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to \$156,000 (one hundred fifty-six thousand dollars) of funds from the U.S. Fish and Wildlife Service to the Land Trust of Santa Cruz County (Land Trust) for the purpose of restoration planning in Watsonville Slough, Santa Cruz County. This authorization is subject to the conditions of the November 6, 2008 and May 27, 2010 authorizations and to the following condition that prior to the Land Trust’s commencement of work, the Conservancy’s Executive Officer shall approve in writing a work program, schedule of completion, project budget, and any contractors to be employed.”

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Findings:

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

1. The proposed authorization remains consistent with the findings made in the Conservancy’s November 6, 2008 and May 27, 2010 authorizations.”

**B. GOLETA SLOUGH MANAGEMENT PLAN**

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of fifty thousand dollars (\$50,000) to the City of Santa Barbara to update to the Goleta Slough Management Plan with a sea level rise vulnerability assessment, subject to the following condition that prior to the disbursement of funds, the Executive Officer of the Conservancy shall approve in writing a work program, budget, schedule and any contractors to be employed for these tasks and evidence that the City shall provide all remaining funds needed to complete the study.”

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220), regarding integrated coastal and marine resources protection.
3. Goleta Slough has been identified in the Certified Local Coastal Program of the City of Santa Barbara as a resource requiring protection.”

**C. BORDESSA RANCH**

Resolution:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed \$650,000 (six hundred fifty thousand dollars) to Sonoma County Agricultural Preservation and Open Space District (“SCAPOS”) for the purpose of acquiring ~~conservation and public access easements~~ easement interests over the 495-acre Bordessa Ranch Property (Sonoma County Assessor’s Parcel No. 026-030-011). The State Coastal Conservancy further authorizes disbursement of an amount not to exceed \$50,000 (fifty thousand dollars) to Sonoma County Regional Parks Department (“SCRPD”) to conduct

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resource assessment studies and prepare a public access plan for the Bordessa Ranch Property. This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for acquisition, SCAPOSD shall submit for review and approval of the Executive Officer of the Conservancy (the "Executive Officer"):
  - a. All relevant acquisition documents, including, without limitation, appraisals, environmental assessments, title reports, purchase agreements, ~~conservation easement, public access easement~~ easements, escrow instructions and documents of title.
  - b. A Baseline Conditions Report and a Monitoring and Reporting Plan.
  - c. Documentation that all other funds necessary to the acquisition have been obtained.
2. The purchase price of the ~~conservation and public access easements~~ easements funded by the Conservancy shall not exceed fair market value, as established in appraisals approved by the Executive Officer.
3. The easement interests acquired ~~under this authorization~~ with Conservancy funding shall be managed and operated in a manner consistent with the purposes of natural resource protection, public access, open space preservation and limited agricultural use.
4. SCRPD shall develop a public access plan within two years of SCAPOSD acquiring the ~~conservation and access easements~~ easement interests. Prior to the disbursement of funds to the SCRPD for planning and resource assessment, the Executive Officer shall approve in writing a work plan, including budget and schedule, and any contractors proposed to be used.
5. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign, the design and placement of which has been reviewed and approved by the Executive Officer."

**D. MONTEREY BAY SANCTUARY FOUNDATION**

Resolution:

"The State Coastal Conservancy hereby authorizes the disbursement of up to one hundred thousand dollars (\$100,000) to the Monterey Bay Sanctuary Foundation (MBSF) for preparation of a study to assess the vulnerability of Monterey Bay communities from potential future impacts of sea level rise, subject to the condition that prior to disbursement of funds, the MBSF shall submit the following for the review and approval of the Executive Officer of the Conservancy (Executive Officer):

1. A work program, including budget and schedule;

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2. Evidence that MBSF has secured all of the remaining funds needed to complete the study.”

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 current Project Selection Criteria and Guidelines.
2. The proposed project is consistent with the purposes and objectives set forth in Chapter 5.5 of Division 21 the Public Resources Code (Section 31220) regarding enhancement of coastal resources.
3. Monterey Bay Sanctuary Foundation is a non-profit 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.”

**E. SEARS POINT WETLANDS**

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred eighty-five thousand dollars (\$285,000) to the Sonoma Land Trust to complete final design and permitting for the restoration of the 2,327-acre Sears Point property in Sonoma County subject to the condition that no Conservancy funds shall be disbursed until the Executive Officer has reviewed and approved in writing:

1. Any contractors to be hired for the project; and
2. A final work program for the project, including a detailed schedule and budget.”

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy’s mandate to address the resource and recreational goals of San Francisco Bay Area.
3. Sonoma Land Trust is a nonprofit organizations existing under Section 501(c)(3) of

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the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code.”

**F. HUMBOLDT BAY**

Resolution:

“The State Coastal Conservancy hereby authorizes disbursement of up to eighty-five thousand dollars (\$85,000.00) to the Humboldt Bay Harbor, Recreation and Conservation District (“Harbor District”) to study the feasibility of utilizing dredged materials for tidal marsh restoration and climate change adaptation projects in Humboldt Bay, subject to the condition that prior to disbursement of Conservancy funds, the Harbor District shall submit for the review and written approval of the Executive Officer of the Conservancy a final work program, including budget and schedule, and the names of any contractors to be employed.”

Findings:

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

1. The proposed project is consistent with Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220).
2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.”

Moved and seconded. Consent items approved by a vote of 6-0.

**4. EXECUTIVE OFFICER REPORT**

- A. Mary Small of the Coastal Conservancy gave an update on the Conservancy’s Strategic Plan (memo distributed to Conservancy members is attached at end of minutes)

**SOUTH COAST**

**5. BALLONA WETLANDS ECOLOGICAL RESERVE**

Mary Small of the Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: David Kay, Southern California Edison; Lisa Fimiani, Friends of Ballona Wetlands; Liz Crosson, Santa Monica Baykeeper; Barbara Romero, MCRA; Bobbi Gold and Jim Lamm, Ballona Creek Renaissance; James Alamillo, Heal the Bay; Terri Stewart, California Dept. of Fish and Game; Joe Geever, Surfrider Foundation; Walter Lamb, Ballona Wetlands Land Trust;; Pam Emerson; Ruth Galanter

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Speaking in opposition of the Staff Recommendation: John Davis; Robert van de Hoek, Wetlands Defense Fund; Marcia Hanscom, Sierra Club-Ballona Restoration Committee; John Ulloth and Jonathan Coffin, Ballona Institute; Kathy Knight, Southern California Airport Marina Group and Ballona Ecosystem Education Project and Assessments Coalition; Rex Frankel, Ballona Ecosystem Education Project; Myla Reson (submitted speaker form but did not speak due to time constraints according to Ms. Reson's note also submitted).

Resolution:

"The State Coastal Conservancy hereby authorizes an amount not to exceed six million, two hundred and fifty thousand dollars (\$6,250,000) for the completion of technical studies, engineering and public access design, hydrologic and project management to support the environmental impact analysis and permit applications for the restoration of the Ballona Wetlands Ecological Reserve, in Los Angeles County.

The State Coastal Conservancy further authorizes an amount not to exceed two hundred and forty thousand dollars (\$240,000) to the Santa Monica Bay Restoration Foundation for data collection, technical review and agency coordination to support environmental impact analysis and permit applications for the restoration of the Ballona Wetlands Ecological Reserve in Los Angeles County."

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 9 Public Resources Code Sections 31400 *et seq.* regarding a system of Public Accessways; Chapter 6 Public Resources Code Sections 31251-31270, regarding the enhancement of natural resources; and with Public Resources Code Section 31111, regarding plans and studies.
3. The project serves greater than local need.
4. The Santa Monica Bay Restoration Foundation is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code and which purposes are consistent with Division 21 of the Public Resources Code."

Moved and seconded. Approved by a vote of 6-0.

## **6. RAINWATER HARVESTING**

David Hayes of the Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: Shelley Luce, Santa Monica Bay Restoration Commission; James Alamillo, Heal the Bay; Wing Tam, City of Los Angeles – Sanitation.

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Resolution:

“The State Coastal Conservancy hereby authorizes disbursement of up to seven hundred fourteen thousand six hundred dollars (\$714,600) to The River Project to develop the Los Angeles Rainwater Harvesting Project, for water quality and conservation purposes subject to the condition that prior to disbursement of funds The River Project shall submit the following for the review and approval of the Executive Officer of the Conservancy:

1. A work program, including budget and schedule;
2. Evidence that The River Project has secured all of the remaining funds, or staff time commitments needed to complete the project.”

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapters 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection.
3. The River Project is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose principal charitable purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 6-0.

**SAN FRANCISCO BAY AREA**

**7. SOUTH BAY SALT PONDS RESTORATION PROJECT – PHASE I**

Amy Hutzel of the Coastal Conservancy presented the Staff Recommendation.

Resolution:

“The State Coastal Conservancy hereby disburses up to two million five hundred fifty-seven thousand five hundred eighty-one dollars (\$2,557,581) as follows:

1. Disbursement of up to \$2,522,581 (two million five hundred twenty-two thousand five hundred eighty-one dollars) to the United States Fish and Wildlife Service (FWS) for construction of managed pond and tidal wetland habitats at Ponds A16 and A17 (A16/17), of which one million one hundred ninety-seven thousand five hundred dollars

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(\$1,197,500) will be reimbursed by the California Department of Water Resources (DWR) through the Bay Area Clean Water Agencies (BACWA) and seven hundred thousand eighty-one dollars (\$700,081) will be reimbursed by the United States Environmental Protection Agency (EPA), subject to the following conditions:

- a. Prior to the disbursement of any Conservancy funds for the project, the FWS shall submit for the review and approval of the Conservancy's Executive Officer a work program for the project, including schedule and budget, the names of any contractors it intends to use to complete the project, and a sign plan to acknowledge Conservancy funding for the project.
  - b. In carrying out the project, FWS shall comply with all applicable mitigation and monitoring measures that are identified in the South Bay Salt Pond (SBSP) Restoration Project Environmental Impact Statement and Environmental Impact Report (EIS/R) that was certified with findings by the California Department of Fish and Game (DFG) on March 11, 2008.
2. Disbursement of up to \$35,000 (thirty-five thousand dollars) for project management services to oversee and coordinate implementation of the project to be reimbursed by the California Department of Water Resources (DWR) through the BACWA.”

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy's mandate to address the resource and recreational goals of the San Francisco Bay Area.
3. The Conservancy has independently reviewed and considered the information contained in the EIS/R that was certified with findings by the DFG on March 11, 2008 in order to comply with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).
4. The EIS/R identifies potential significant effects from implementation of Phase I projects of the SBSP Restoration Project, including the projects proposed in this authorization, in the areas of Water Quality, Cultural, Traffic, Noise, Air Quality and Cumulative Impacts. With regard to these impacts, the Conservancy finds that the Ponds A16/17 project, as modified by incorporation of the mitigation measures identified in the EIS/R, avoids, reduces or mitigates all of the possible significant environmental effects of the project, except for the Cumulative Impacts identified in Finding 5, below.
5. Construction of the Ponds A16/17 project may result in “significant and unavoidable” Cumulative Impacts in the areas of Water Quality, Biological Resources, Cultural

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Resources, Socioeconomics and Environmental Justice, Traffic, Noise, and Air Quality. Specific environmental and other benefits of the project described in the accompanying staff recommendation and detailed in the EIS/R outweigh and render acceptable these unavoidable adverse environmental effects because the project will result in the long-term environmental benefits of restoring native habitat for the endangered salt marsh harvest mouse and California clapper rail, for threatened steelhead trout, and for other plant and animal species that otherwise would be threatened by loss of critical habitat, in addition to the other benefits of tidal restoration.

6. Alternatives to the Ponds A16/17 project analyzed in the EIS/R are infeasible in that they do not achieve the project objectives of habitat restoration, wildlife-oriented public access, and flood protection; will result in the same or greater environmental impact; and will not produce the same environmental benefit as the proposed project.”

Moved and seconded. Approved by a vote of 6-0.

## **8. RUTHERFORD REACH**

Betsy Wilson of the Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: Richard Thomasser, Napa County.

Resolution:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed one million dollars (\$1,000,000) to Napa County to restore one or more sections of “Reach 8” of the Rutherford Reach Restoration Project on the Napa River, subject to the following conditions.

1. No Conservancy funds shall be disbursed for the project until the Executive Officer of the Conservancy has reviewed and approved in writing:
  - a. A final work plan, including a budget and schedule.
  - b. The name and qualifications of any contractors that Napa County intends to retain to carry out the project.
  - c. A signage plan that acknowledges Conservancy funding.
  - d. A written agreement between Napa County and the owner of any property on which project work will occur, permitting the work to be undertaken, allowing for access to the property for the purposes of undertaking the work, and agreeing to subsequent monitoring and maintenance.
2. Napa County shall provide evidence that all permits and approvals necessary for each component of the project to be funded have been obtained.
3. Prior to the approval of the project as complete, and prior to the final disbursement of retained funds, Napa County shall provide evidence to the Executive Officer of the Conservancy that the County has implemented the Mitigation Monitoring and Reporting Plan attached to the accompanying staff recommendation as Exhibit 2.”

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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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165, regarding the San Francisco Bay Area Conservancy Program.
3. The Conservancy has independently reviewed the IS/MND for the “*Napa River Rutherford Reach Restoration Project*” and adopted by the Napa County Department of Public Works on November 20, 2008 (attached to the accompanying staff recommendation as Exhibit 3) with respect to the restoration of Reach 8. The Conservancy finds that the project as conditioned avoids, reduces, or mitigates the possible significant environmental effects to a level of insignificance and there is no substantial evidence that the project, as mitigated, will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.”

Moved and seconded. Approved by a vote of 6-0.

**9. OCEAN BEACH MASTER PLAN**

Amy Hutzel of the Coastal Conservancy presented the Staff Recommendation.

Speaking in favor of the Staff Recommendation: Ben Grant, San Francisco Planning and Urban Research Association

Resolution:

“The State Coastal Conservancy hereby authorizes disbursement of up to \$400,000 (four hundred thousand dollars) to the San Francisco Planning and Urban Research Association (SPUR) to pursue implementation of recommendations in the Ocean Beach Master Plan (Master Plan) by conducting a traffic circulation and access study, developing a joint coastal management framework, and developing a joint open space management agreement among the multiple management entities. This authorization is subject to the following conditions:

1. Prior to the disbursement of funds, SPUR shall submit for the review and approval of the Executive Officer of the Conservancy a final work program, schedule and budget; and the scopes of work and the roster of contractors to be employed in the project.

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2. SPUR shall develop the project in consultation with the Golden Gate National Recreation Area and the City and County of San Francisco.”

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 current Project Selection Criteria and Guidelines, last updated by the Conservancy on November 10, 2011.
2. The proposed authorization is consistent with the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code.
3. The San Francisco Planning and Urban Research Association is a non-profit organization existing under 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 6-0.

**NORTH COAST**

**10. TROUT UNLIMITED**

Michael Bowen of the Coastal Conservancy presented the Staff Recommendation.

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to seven hundred twenty-one thousand two hundred thirty-one dollars (\$721,231) to Trout Unlimited to enhance and protect Pacific salmon populations and other species by implementing a suite of water conservation projects on key coastal watersheds, subject to the condition that, prior to the disbursement of funds for each project, TU shall submit for review and approval by the Executive Officer of the Conservancy:

- a. A work program, including final design plans and specifications, schedule and budget for construction.
- b. All contractors to be employed for the project.
- c. Evidence that all necessary permits and approvals have been obtained.
- d. A signing plan for the project acknowledging Conservancy funding.
- e. A report demonstrating the predicted ecological efficacy of the proposed project and a plan for demonstrating its post-construction utility to the Conservancy.

Prior to the disbursement of funds for the Mattole River and Little Arthur Creek storage tank projects, TU, the landowners, and the Conservancy shall enter into recorded

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agreements, including operations and maintenance agreements, sufficient to protect the public interest in the projects, as required by Pub. Res. Code §31116(c).”

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 current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code, regarding coastal resource enhancement projects.
3. Trout Unlimited is a non-profit organization existing under section 501(c)(3) of the Internal Revenue Service code whose purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 6-0.

**11. FRESHWATER FARMS**

Michael Bowen of the Coastal Conservancy presented the Staff Recommendation.

Resolution:

“The State Coastal Conservancy hereby authorizes the disbursement of up to two hundred and twenty-three thousand six hundred dollars (\$223,600.00) to the Northcoast Regional Land Trust (“NRLT”) for the acquisition of the approximately 20-acre Freshwater Farms Nursery property (Humboldt County Assessor’s Parcel Number 402-241-009), as shown on Exhibit 1 to the accompanying staff recommendation, for the purposes of protecting and restoring habitat and agricultural land and expanding public access opportunities, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for acquisition, NRLT shall submit for review and approval by the Executive Officer:
  - a. All relevant acquisition documents, including, but not limited to, the appraisal, agreement(s) of purchase and sale, escrow instructions and documents of title.
  - b. Evidence that sufficient funds are available to complete the acquisition.
2. NRLT shall permanently dedicate the property for agricultural and open space preservation, habitat conservation and wetlands enhancement, and public access, in a

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manner acceptable to the Executive Officer, in accordance with Public Resources Code Section 31116(b).

3. NRLT shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property that has been reviewed and approved by the Executive Officer.”

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 current Project Selection Criteria and Guidelines.
2. The proposed project is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) regarding the enhancement of coastal resources.
3. NRLT is a non-profit organization existing under Section 501(c)(3) of the Internal Revenue Service Code whose purposes are consistent with Division 21 of the Public Resources Code.”

Moved and seconded. Approved by a vote of 6-0.

**12. CONSERVANCY MEMBER COMMENTS**

There were no Conservancy comments

**13. PUBLIC COMMENT ON NON-AGENDA ITEMS**

Marcia Hanscom, Wetlands Defense Fund, made comment about Malibu Lagoon.  
John Ulloth, made comment about public processes.

**14. CLOSED SESSION**

There was no closed session.

**15. ADJOURNMENT**

Meeting was adjourned at 4:00 pm



# Memo

January 19, 2012

To: State Coastal Conservancy Board

From: Sam Schuchat, Executive Officer  
Mary Small, Deputy Executive Officer

CC: Oversight Members

RE: 2007 Strategic Plan Progress Report and Long-Term Financial Strategy

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## **2007 Strategic Plan Progress Report**

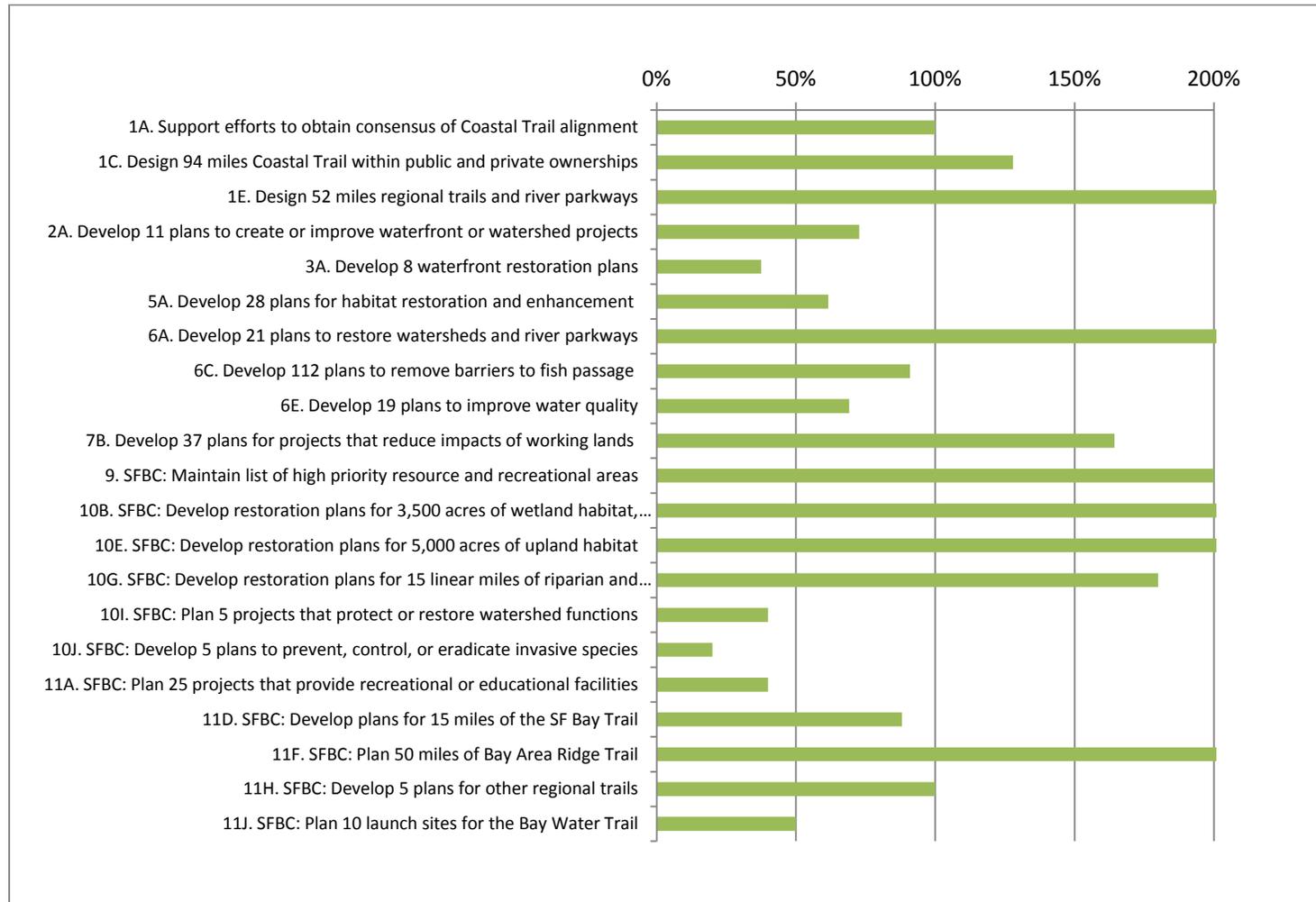
The Coastal Conservancy's Strategic Plan was adopted by the Conservancy on September 20, 2007. The Strategic Plan specifies goals and objectives for each of the Coastal Conservancy's program areas for a five year period. This progress report comes as we begin the final year implementing this plan, although the bond freeze essentially delayed most of the Conservancy's work for at least one year.

The Conservancy has made considerable progress implementing the 2007 Strategic Plan and on balance, we are in a good position to complete most of the objectives by 2012. However, progress implementing the objectives is uneven, as shown in the table below and the charts that follow. Many objectives have been completed (or exceeded) and about half of the objectives are partially complete. In a few instances, there has been very little progress.

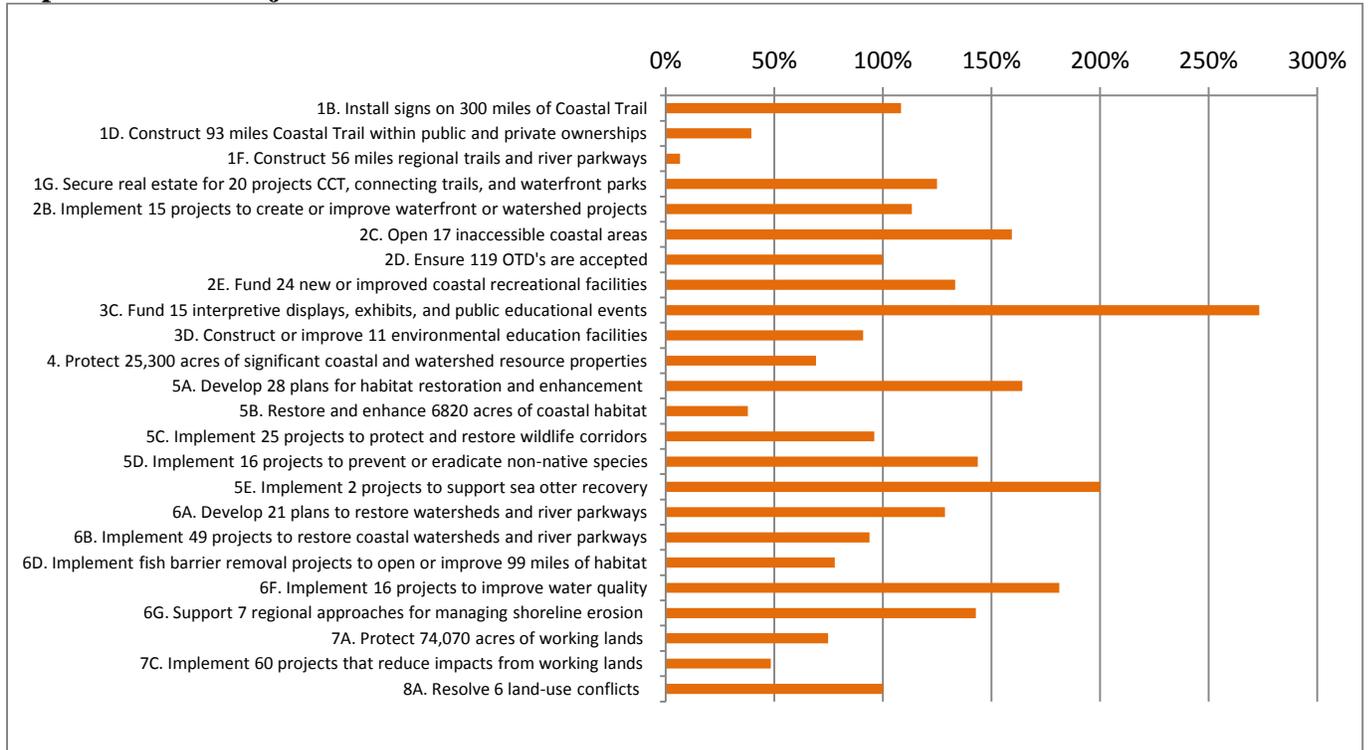
Status	No. of Objectives	Percent of Objectives
100% (or more) completed	30	44%
More than 50% completed	24	35%
Less than 50% completed	15	21%

The following tables show the status of each of the planning and implementation objectives.

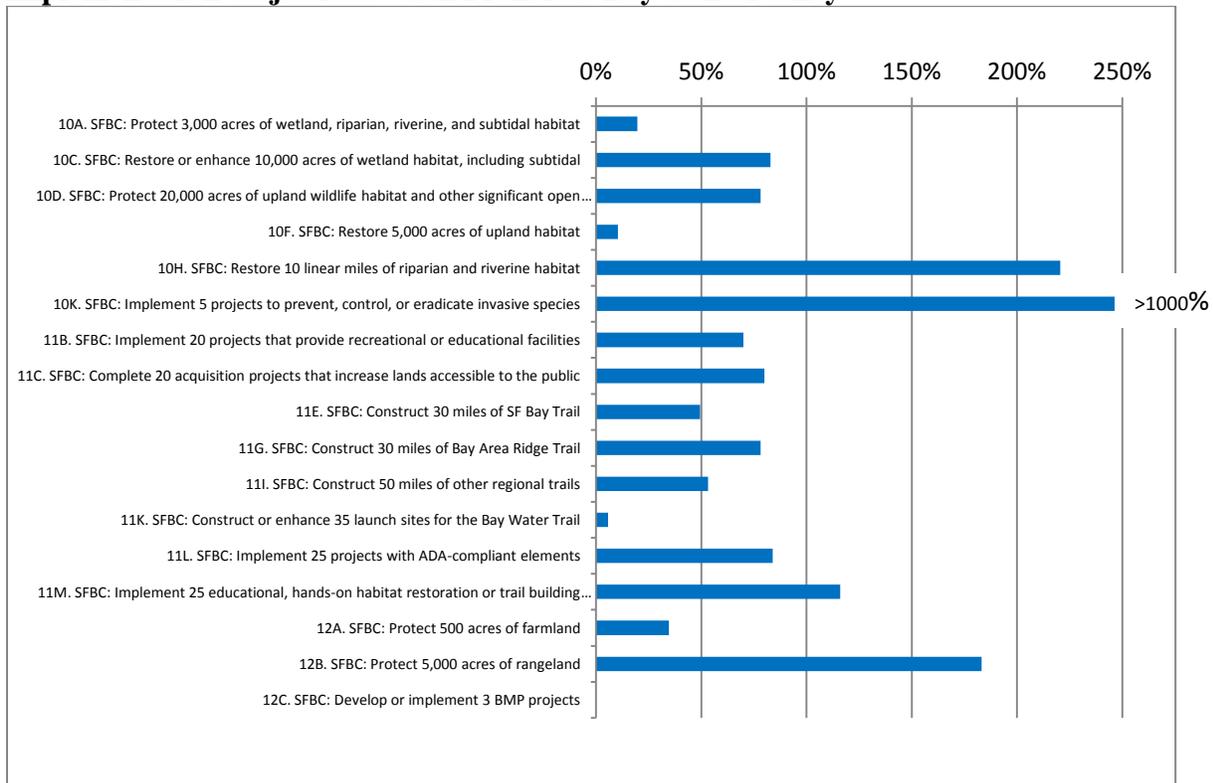
## Planning Objectives



## Implementation Objectives – Coast



## Implementation Objectives – San Francisco Bay Conservancy



### Public Access Goals

Significant progress has been made in the implementation of many of the public access goals. Coastal Trail signage has been installed along 217 miles of Coastal Trail in every county along the coast. Working with the Coastal Commission staff and many local partners, we have implemented 27 projects to open previously inaccessible coastal areas and 32 projects to fund new or improved coastal recreational facilities.

During the past year, the Conservancy awarded a number of grants to help implement the Coastal Trail, including a few acquisitions to secure future Coastal Trail future right of way, such as the 127-acre Point Arena Ranch project. The Conservancy also funded design of new trail segments, including the Devils Slide Segment near Pacifica, and construction of new trail in Eureka, Carmel and San Diego. We have also continued our work on urban waterfronts during the past year, funding the revitalization of Driscoll's Wharf in San Diego.

The Conservancy has not completed its objectives related to construction of the Coastal Trail and regional trails. The primary reason for the shortfall is that planning, engineering and permitting has taken longer than anticipated. For the Santa Ana River Parkway, trail design has taken much longer than the project partners expected. We plan to recommend funding for construction of a few new Santa Ana River Parkway projects this year, but it is unlikely we will fully achieve this regional trail construction objective by the end of 2012.

### Coastal Resource Conservation Goals

Since 2007, the Conservancy has helped acquire more than 17,000 acres to protect coastal and watershed resources. In addition, the Conservancy has worked on projects to conserve nearly 54,000 acres of working lands. During the past year, we celebrated the completion of wetland restoration in South San Diego Bay and completed the acquisitions of the stunning Ten Mile Ranch Smith Tract and Usal Shady Dell Creek properties in Mendocino County, protecting estuarine, riparian, coastal prairie and forest habitats.. The Conservancy is working to ensure that construction for the San Clemente Dam removal project to begin this fall, a project that will improve 25 miles of fish habitat.

The Conservancy has exceeded its objective related to regional approaches for managing shoreline erosion. This objective has been of particular focus in recent years, as the Conservancy works with local partners to understand and prepare for the impacts of sea level rise. The Conservancy helped build the Surfer's Point Managed Retreat project in the City of San Buenaventura, the first managed retreat project constructed in California. There are two projects on the January 2012 agenda that involve working with local planners to improve understanding of sea level rise and coastal erosion.

The Conservancy has achieved its objectives related to planning and implementing projects to improve coastal water quality. The Riverdale Avenue Green Street demonstration project completed with the City of Los Angeles was a notable success that resulted in new green street construction standards for the entire city.

There are a few objectives that the Conservancy has not completed. We have restored or enhanced 2,420 acres of coastal habitat, which is only 35% of our target. The primary reason for

this shortfall is that we over estimated the number of projects that would be ready for implementation. We are also behind on projects to plans to reduce impacts from working lands, we have only completed 50% of that objective because other state and federal programs have been funding these types of projects so the Conservancy has prioritized other work.

#### *San Francisco Bay Area Conservancy Goals*

The San Francisco Bay Area Conservancy Program has made significant progress implementing the objectives related to restoration of wetland, riparian and subtidal habitat. During the past few years, the Conservancy funded projects to restore more than 8,000 acres of wetlands. A highlight of this work was implementation of over 3,500 acres of wetlands restoration and enhancement as part of Phase 1 of the South Bay Salt Ponds. We have met all of the objectives about planning for upland, wetland and subtidal habitat restoration, including the recently completed upland and subtidal goals reports. The Conservancy has helped protect more than 15,000 acres of uplands and more than 6,500 acres of rangeland. Among other accomplishments, last year, the Conservancy funded the acquisition of the 1,080 acre Bertagnoli Ranch adjacent to Mount Diablo State Park and the 1,500 acre Rockville Trails Estates property in Solano County. The Bertagnoli project had been a priority for State Parks and local conservationists for decades because it is biologically rich and at risk of development. The Conservancy has also helped protect 173.5 acres of irrigated farmland, which is about 35% of the 500-acre objective. We are working on two farmland easements projects within the Brentwood Agricultural Core in Contra Costa County, one of which we plan to bring to the Board in March. These two acquisitions will put us close to 100% of our 500 acre objective.

The Conservancy has also continued to support implementation of the San Francisco Bay Trail, the Bay Area Ridge Trail and the San Francisco Bay Water Trail. More than 15 miles of the Bay Trail and 23 miles of the Bay Area Ridge Trail have been funded by the Conservancy in the past few years. During the past year, 6 miles of new Bay Area Ridge Trail were opened and another 17.9 are under construction. Funds were also approved to construct new segments of the San Francisco Bay Trail in San Francisco and Oakland. In March 2011, the Conservancy certified the Final Environmental Impact Report (FEIR) for the Water Trail and awarded grant funds to plan and implement the trail. Completion of the FEIR put the entire project behind schedule, and the complexities of planning public access to both the shoreline and the Bay itself has continued to be a great challenge. All planning strategies are being carried out, a logo and website are being created, public implementation meetings are underway, and a total of five launch sites are now in the planning phase. Construction and enhancement goals lag, however, we have built two out of 35 sites.

The San Francisco Bay Conservancy has or is near completion of many of its objectives, but there are a few objectives that will be difficult to fully complete in the next year. The Conservancy has only restored 523 acres of uplands, which is about 10% of the 5,000-acre objective. The Bay Conservancy Program has invested more funds in upland acquisition projects during this period and less funding for restoration of uplands because acquisition was generally seen as a higher priority by many of our project partners.

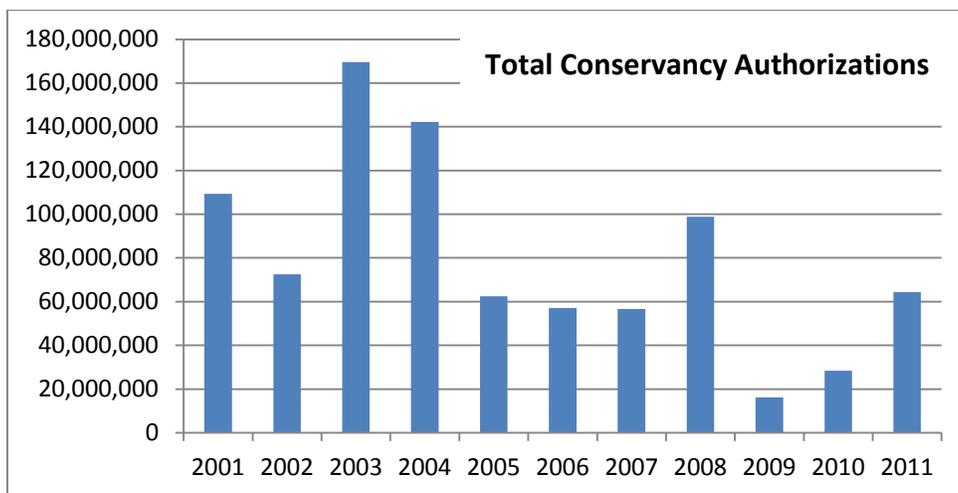
### Ocean Protection Council (OPC) Goals

Conservancy staff (working in our Ocean Program) continues to implement the projects identified under the OPC's Strategic Plan. During the past year, our staff has implemented a number of OPC projects and initiatives. In the area of fisheries management we have supported continued monitoring of the state's marine protected areas and development a California Sustainable Seafood Program. Staff led work by an interagency committee to develop guidance for incorporating sea-level rise projections into planning and decision making for state agencies. Our staff has also continued to work with USGS, NOAA and other partners to complete major mapping and data collection initiatives, including mapping the seafloor in California waters and collection digital elevation data for the entire California coast.

A major focus for the OPC over the past year has been developing a new five year strategic plan. The new plan will be considered for adoption at the February 17, 2012 OPC meeting. The Conservancy has continued to provide staffing for the OPC and to supports its administration by developing budget documents, funding the executive director position at the Resource Agency and supporting the OPC's science advisor. The Executive Officer has provided regular OPC updates at Conservancy meetings.

### Funding for Projects

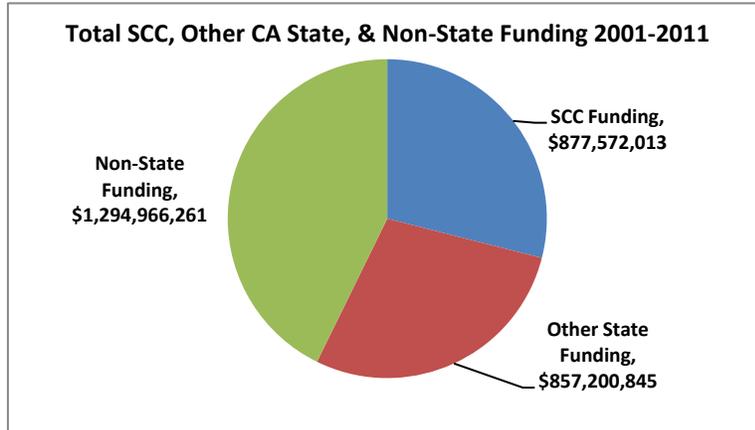
Given the bond freeze and the new process for getting approval to spend bond funds, Coastal Conservancy authorizations dropped off dramatically from almost \$99 million in 2008 to \$16 million in 2009. In 2011, the Conservancy authorized \$64.3 million for new projects. This was an increase from 2010, due to the fact that some long-term projects moved to construction and some large acquisition projects were approved.



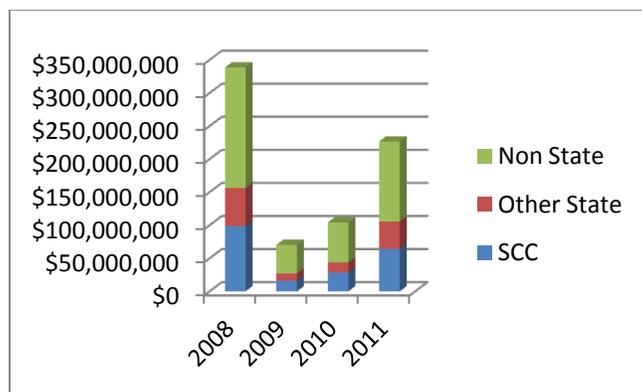
The Coastal Conservancy currently has about \$154 million appropriated to it. Most of these funds are from Proposition 84 and we expect that future appropriations will be much smaller as the majority of the available bond funds have already been appropriated. More than half of the funds appropriated to the Conservancy are geographically restricted, including funds for San Francisco Bay, Monterey Bay and San Diego Bay, and the Santa Ana River Trail.

Matching Funds and Leverage

The Coastal Conservancy has continued to leverage its funds with both non-state and other state funding. Over the past decade, every dollar of Coastal Conservancy funding has been matched by \$1.48 of non-state funding and by \$0.97 of other state funding. Since 2008, the Conservancy has increased the leverage of its funds, averaging \$1.96 of non-state money for every dollar provided by the Conservancy. The Conservancy continues work with federal and local partners to obtain matching funds for our projects. In 2011, more than \$120 million dollars were contributed to Conservancy projects by non-state partners.



Our staff also continues to apply for and receive competitive grants, in 2010, Conservancy projects were awarded five million dollars from the National Coastal Wetland Grant program, one quarter of all funds granted nationally and all of the funds awarded in California. In the future, as Conservancy spends down its remaining bond funds, we will increase our focus on obtaining non-state funds to support our projects.



Organizational and Operational Goals

The Strategic Plan has four objectives related to organizational and operational goals. We have made significant progress on a number of these objectives, though unlike the project objectives this work is on-going.

The first organizational objective is to maintain a competent, highly trained and motivated staff. Over the past five years, the Conservancy has lost several long-time staff members and with them years of experience and institutional knowledge. We have increased training and cross training to ensure that more than one staff person has critical knowledge or skills. The bond

freeze and the furloughs were hard on staff morale but we are continuing to identify ways to improve staff motivation and productivity through staff training, telecommuting, and some offsite meetings.

The Conservancy has implemented a number of steps to achieve the objective related to reducing our use of natural resources. The Conservancy completed an emission inventory report which was accepted by the California Climate Action Registry and the Conservancy was granted status as a Climate Action leader. We also funded an assessment of opportunities to reduce emission from our operations, this assessment recommended that focus on reducing travel and use of paper. Travel is essential to our work, however we have been able to eliminate some travel by using web meetings and prioritizing trips. We have also reduced costs and impacts by increasing carpooling when we do travel. This year, we are moving most of our internal forms into digital formats, creating a system for digital signatures and eliminating the need to print out these forms. This effort will improve efficiency and reduce paper. We are also going to email future board meeting agendas which will save paper and postage.

During the past four years we have continued to develop and increase our use of the project database. This database is now used to track information about all projects, including everything from strategic plan accomplishments to status of invoicing.

### **Funding Our Operations – Long-Term Financial Strategy**

The Coastal Conservancy has a support budget (salaries and wages, benefits, operating expenses and equipment) of about \$11.4 million for the current fiscal year (FY11/12). None of this is paid out of the State General Fund. It has always been the practice of the Conservancy to try to pay its support expenses from sources other than the State General Fund. Although General Funds have been appropriated to the Conservancy in the past when bond funds were limited or not available.

Since 1995, the Conservancy has had a Long-Term Financial Strategy that considers the agency's fund balances, current and projected work load and the programmatic needs to enable the agency to 1) meet the needs of the public within the limits of the foreseeable funding; and 2) provide for on-going Conservancy operation that would continue to make a significant contribution to the State's Coastal Management Program. The Conservancy initially developed the Long-Term Financial Strategy because it lacked a consistent source of support funding, a situation that remains true today. The Long-Term Financial Strategy is presented to the Conservancy at the first meeting of each year.

Over the past decade, the Conservancy has received substantial capital outlay funding from park and water bonds which have also included some funds for administering the bond funds. These funds have supported the staff and overhead costs of the agency. However, as we near the end of the existing bond appropriations, identifying sources of funds to pay for ongoing support of the agency has become a critical priority.

The attached table shows past actual, current and projected amounts of support funding to be provided from the various sources available to the Conservancy. The table shows the anticipated

funding sources to pay for support costs through FY 14/15. Over the next few years, we expect to decrease the support funding from Propositions 12, 40 and 50 and rely more heavily on Proposition 84. The Long-Term Financial Strategy assumes that the Conservancy will realize \$3,000,000 from the sale of the Victorine Ranch in Big Sur. The Strategy also assumes that staff work that is directly related to implementation of capital projects will be paid from Proposition 84 capital funds.

Given the unlikely prospects of new state bonds in the near future, we are working to 1) identify other funding sources for our support costs and 2) reduce our operating budget to the extent feasible. The Coastal Conservancy has already begun to identify and implement ideas to increase funding from other sources to pay for our support costs. We developed a timesheet database which tracks staff time by project and makes it easier for us to bill against incoming grants. This system is already paying off. In 2011, we collected \$183,000 from incoming grants for our support costs, a significant increase from the \$130,000 collected in 2010.

Over the past two years, the Conservancy has achieved about \$2 million per year in cost savings in its support budget. Most of these savings came from a reduction in staff hours worked. Both the furloughs and a baby-boom (resulting in unpaid leave by staff) have generated dramatic salary savings. In addition to salary savings we have reduced travel and other operating expenses.

Finally, the Conservancy has begun to downsize. Currently we have a staff of 77, down from the peak of 81 in 2009. Until we face a more positive financial outlook, we do not anticipate hiring any new staff to refill any new vacancies that are created at the Conservancy. While we hope to be able to continue to reduce our support budget, there are serious work load considerations to this downsizing. Many of our projects take years to reach completion. As a result we continue to have staff work associated with projects funded from earlier bonds. One measure of this workload is the total number of open contracts and grant agreements has continued to increase every year. In 2000 the Conservancy had 350 active agreements, in 2011 there were 1,094. Our staff is also facing increased reporting requirements and additional requests to participate on steering committees and advisory boards that address critical issues and set new policy direction. The staff time required for these activities is more difficult to quantify.

Last year, the Legislature directed the Conservancy to prepare a ten year plan to sustain the Conservancy and the Ocean Protection Council. This plan is due to the Legislature in January 2013 and will be a major focus for our management team over the coming year. We anticipate that the plan will build off of the existing Long-Term Financial Strategy and expand on the efforts to identify new funding opportunities while continuing to achieve cost savings described above.

**ATTACHMENT 1**  
**CONSERVANCY SUPPORT FUND CONDITION AND SUPPORT BUDGET PROJECTIONS**  
**JANUARY 13, 2012 UPDATE**

CONSERVANCY FUND RESOURCES	FY 10/11	FY 11/12	FY12/13	FY13/14	FY14/15	FY15/16
BEGINNING BALANCE: CONSERVANCY FUND (0565)	5,307	4,192	3,778	5,930	5,630	2,830
Land Sale Proceeds, Adj. etc.		400 d	3,400 a	1,000 c		
Miscellaneous Receipts	1,067	15				
<b>TOTAL CONSERVANCY FUND RESOURCES (0565)</b>	<b>6,374</b>	<b>4,607</b>	<b>7,178</b>	<b>6,930</b>	<b>5,630</b>	<b>2,830</b>
FUNDS USED FOR SUPPORT BUDGET (Fund#)						
Conservancy Conservancy Fund of 1976 (0565)	<b>2,182</b>	<b>829</b>	<b>1,248</b>	<b>1,300</b>	<b>2,800</b>	<b>2,830</b>
Environmental License Plate Fund (OPC)(since 08-09) (0140)	1,400 b	1,510 b	1,562 b	1,503 b	1,503 b	1,503 b
2000 Park Bond (Prop.12) for Support (0005)	1,462	1,495	2,009	1,750	222	
SFBay Area Program Acct. (0316)	-	434 e				-
2002 Park Bond (Prop.40) for Support (6029)	1,954	2,020	1,011	1,000	350	
2002 Water Bond (Prop.50) for Support (6031)	691	716	1,054	750	450	
2006 Water/Park Bond (Prop 84)for Support (6051)	1,145	<b>2,668</b>	<b>2,954</b>	<b>3,500</b>	4,400	3,017
2006 Water/Park Bond (Prop 84)for Support(OPC) (6076)	237	<b>1,080</b>	<b>590</b>	<b>634</b>	634	216
California Sea Otter Fund (8047)	158	156	140	150	150	150
Federal Funds (0890)	79	136	129	135	135	135
Reimbursements (0995)	94	372	376	374	374	374
<b>ESTIMATED TOTAL SUPPORT BUDGET</b>	<b>9,402</b>	<b>11,416</b>	<b>11,073</b>	<b>11,096</b>	<b>11,018</b>	<b>8,225</b>
<b>YEAR-END REMAINING CONSERVANCY FUND BAL. (0565)</b>	<b>4,192</b>	<b>3,778</b>	<b>5,930</b>	<b>5,630</b>	<b>2,830</b>	<b>-</b>
(Total 0565 Resources less Expenditure from 0565)						

**Notes:**

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|--|---|
| <p>a. S.O. Fds.for 12/13 FY dep.On sale of Victorine Ranch&amp;Caspar Rnch</p> <p>b. ELPF (0140) \$ is for positions and related Ocean Protection Council (OPC) program expenditures only.</p> <p>c. FY 13/14 Garcia Forest Revenues</p> | <p>d. Prior yr adj to 0565 for staff costs paid by 0316 for SFBay pjts</p> <p>e. SF Bay Area Cons. Pgm. Acct Fd Approp.\$470K (3 yr.avail.09/10-11/12)</p> <p>f. Adj.to main acct.to reflect Carlsbad Acct.approp.(\$2.3 mill)+ prior yr.adj.</p> |
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