

COASTAL CONSERVANCY

Staff Recommendation
January 29, 2004

DUTCH SLOUGH RESTORATION PLANNING

File No. 02-066
Project Manager: Mary Small

RECOMMENDED ACTION: Authorization to disburse up to \$300,000 of California Bay Delta Authority grant funds to the Natural Heritage Institute for restoration planning activities as part of the Dutch Slough Project in Contra Costa County.

LOCATION: The Dutch Slough site is located on the south shore of the Sacramento–San Joaquin Delta in the city of Oakley, in eastern Contra Costa County (Exhibit 1).

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Location and Site Map

Exhibit 2: October 31, 2002 Staff Recommendation

RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby authorizes disbursement of up to \$300,000 to the Natural Heritage Institute (“NHI”) for restoration planning for the Dutch Slough Project, as described in the accompanying staff recommendation, subject to the condition that prior to disbursement of any funds, the NHI shall submit for review and approval by the Executive Officer of the Conservancy a work program, schedule and budget, and the names and qualifications of any contractors to be employed in the project.”

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 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 and with the authority of the Conservancy under Section 31104 to apply for and accept funding from public and private sources;

2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
 3. The Natural Heritage Institute is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the California Public Resources Code.”
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PROJECT SUMMARY:

On October 31, 2002, the Conservancy authorized acceptance of a grant from the California Bay Delta Authority (CBDA) to fund technical studies and restoration planning for the Dutch Slough Restoration Project (Exhibit 2). The currently proposed action would authorize disbursement of up to \$300,000 of the CBDA grant funds to the Natural Heritage Institute (NHI) to implement elements of the restoration planning.

The Department of Water Resources (DWR) completed acquisition of the 1,166-acre Dutch Slough property in October of this year. The Conservancy is continuing to coordinate the restoration planning in cooperation with DWR and CBDA. A scientific advisory committee and a stakeholder committee have been established. Restoration planning is anticipated to take approximately two years. NHI has been an important partner providing technical input into the restoration planning.

The proposed authorization would grant a portion of the CBDA funding to the Natural Heritage Institute to conduct technical studies, obtain scientific input, and coordinate stakeholder involvement in the restoration planning. In awarding the grant for restoration planning, CBDA’s selection panel emphasized the need to have independent scientific review of the project, to implement the project in an adaptive management framework, to continue to have active stakeholder involvement, and to coordinate with other researchers who could use this site for their studies in the fields of restoration ecology. This authorization would provide CBDA funds to NHI to implement these elements of the restoration planning.

The Natural Heritage Institute is a nonprofit organization that uses its technical expertise to develop innovative solutions to environmental problems. NHI was an original signatory to the Bay Delta Accord in 1997, which eventually resulted in the creation of the California Bay Delta Authority. NHI has worked on numerous projects to improve scientific foundation of habitat restoration through adaptive management and to improve the ecological health of the Bay Delta system. NHI has been involved in the Dutch Slough project since its inception. NHI was a co-applicant with the Conservancy for this grant and has played a critical role in identifying other project partners.

Site Description: The Dutch Slough restoration site covers 1,166 acres on three adjacent properties (Exhibit 1). It is located in the city of Oakley, in eastern Contra Costa County. The site is bounded on the north by Dutch Slough, on the south by the Contra Costa Canal, on the east by Jersey Island Road, and on the west by Marsh Creek. The restoration project will be adjacent to and planned cooperatively with a 55-acre regional recreational facility that will be owned by the City of Oakley. The site is immediately east of the East Bay Regional Park District’s Big Break Regional Shoreline.

Over 97 percent of the estimated 350,000 acres of historic tidal marsh in the Sacramento-San Joaquin Delta has been eliminated and the Dutch Slough site represents an opportunity to recreate a large area of tidal marsh in the western delta. Habitat restoration in the western delta is important because it is in the critical transition area between freshwater and saltwater habitats and numerous native fish congregate or migrate in this area. The site is unusual in the delta because it is not deeply subsided and it has diverse topography. Topographic and soil diversity creates opportunities to restore a variety of habitat types, including tidal wetland, low marsh, high marsh, riparian habitat, and inland dune scrub habitat.

Project History: In September 2001, the Conservancy, in cooperation with the Natural Heritage Institute, applied to the California Bay Delta Authority Ecosystem Restoration Program for a grant to fund acquisition and restoration planning for the Dutch Slough Restoration Project. The Conservancy and its project partners have worked with the City and other stakeholders to build support for the project. In October 2002, the Conservancy authorized acceptance of the CBDA grant to fund planning for the restoration of the Dutch Slough restoration project (see Exhibit 2).

PROJECT FINANCING:

Coastal Conservancy	\$ 0
CBDA Grant Funds	<u>300,000</u>
Total Project Cost:	\$300,000

In October 2002, the Conservancy authorized acceptance of a CALFED Ecosystem Restoration Program grant to fund restoration planning at the Dutch Slough site. This project would grant \$300,000 of these funds to the Natural Heritage Institute.

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 31160-31163, to address resource and recreational goals in the San Francisco Bay Area. The Dutch Slough restoration site is located in Contra Costa County, consistent with §31162 of the Public Resources Code, which authorizes the Conservancy to undertake projects and award grants in the nine-county San Francisco Bay Area.

Under §31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and other open-space resources of regional significance. The restoration of the Dutch Slough site will protect and enhance nearly 1,200 acres of wetlands and open space along the south shore of the Delta. Despite the habitat potential at the site, a wetland delineation and biological surveys identified less than 50 acres of seasonal wetlands and no endangered or at risk species currently on the site. The project will provide habitat for several endangered species and contribute to the goals of CALFED's ecosystem restoration program.

The proposed project meets all five of the criteria for priority projects set forth in §31163(d), as follows: (1) the project supports the goals of CALFED's regional ecosystem restoration program and is consistent with the City of Oakley's General Plan; (2) the project will serve a regional constituency; (3) the project will be implemented in a timely way; (4) the project will create urgently needed habitat in the western Delta, where more than 97 percent of the historic wetlands have been destroyed; and (5) the project includes more than \$20,000,000 in matching funds.

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

Consistent with **Goal 10, Objective B** of the Conservancy's Strategic Plan, the proposed project will help develop plans for the enhancement of the 1,166-acre Dutch Slough site. This is a collaborative project that will enhance wetlands and adjacent habitats in the western delta.

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:** As described in the October 31, 2002 staff recommendation (Exhibit 2), this project is being implemented through a partnership between the Conservancy, California Bay Delta Authority, the California Department of Water Resources, the Natural Heritage Institute, the Conservation Fund and the City of Oakley. The project has many supporters, including Assemblyman Canciamilla, Senator Torlakson, Congressional Representatives Miller and Tauscher, the City of Oakley, the Contra Costa Board of Supervisors, the Ironhouse Sanitary District, and numerous other local organizations and individuals.
4. **Location:** The project is located on the southern shore of the Sacramento–San Joaquin Delta, in the city of Oakley, in eastern Contra Costa County, within the jurisdiction of the San Francisco Bay Area Conservancy Program.
5. **Need:** As stated above, the Dutch Slough site is one of the largest remaining sites at elevations and locations suitable for tidal wetland restoration. Given the significant loss of historic wetlands in the Delta and the decline of the species dependent on those wetlands, restoration of this site is an important priority.

The Conservancy was awarded the CBDA grant funds to implement the restoration planning because of its experience and involvement in other large-scale, multi-objective restoration projects.

6. **Greater-than-local interest:** The restoration of the Dutch Slough site will enhance nearly 1,200 acres of wetlands and open space along the shore of the Delta. The project will provide habitat for several endangered species and contribute to the goals of CBDA's ecosystem restoration program. The California Bay-Delta Authority is a state agency that was created in 2002. Its mission is to develop and implement a long-term comprehensive plan to restore ecological health and improve water management for the beneficial uses of the Bay-Delta. The project will create new opportunities for the public to access the Delta shoreline. Currently there are very few opportunities for the public to access the shoreline in this area.

Additional Criteria

8. **Resolution of more than one issue:** This is a multi-objective project that will create habitat for several endangered species and will also be designed to provide public access opportunities.
9. **Leverage:** See the “Project Financing” section above.
12. **Readiness:** If approved, the grantee is prepared to begin work immediately. The acquisition of the site is complete and restoration planning has been initiated. The proposed authorization would provide funding to NHI to implement complimentary elements of the restoration planning.
13. **Realization of prior Conservancy goals:** See the “Project History” section above.
14. **Return to Conservancy:** See the “Project Financing” section above.
15. **Cooperation:** This project is being implemented through a partnership between the Conservancy, CALFED, the California Department of Water Resources, the Natural Heritage Institute, the Conservation Fund, the landowners, and the City of Oakley.

COMPLIANCE WITH CEQA:

Planning activities are statutorily exempt from review under the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15262. Similarly, §15306 exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. Upon approval, staff will file a Notice of Exemption for this project.