

COASTAL CONSERVANCY

Staff Recommendation
March 8, 2007

SALMON CREEK RANCH ENHANCEMENT PLAN IMPLEMENTATION

File No. 06-102
Project Manager: Deborah Hirst

RECOMMENDED ACTION: Authorization to disburse up to \$610,000 to the Gold Ridge Resource Conservation District for the implementation of ranch resource enhancement plans to address sources of sedimentation and improve steelhead and historic coho riparian habitat in the Salmon Creek Watershed in western Sonoma County and adoption of the mitigation monitoring and reporting program for the project.

LOCATION: Salmon Creek Watershed, 3 miles north of Bodega Bay, Sonoma County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS:

Exhibit 1: Salmon Creek Ranch Project Location Map

Exhibit 2: Salmon Creek Ranch Project Sites Map

Exhibit 3: Ranch Erosion Examples

Exhibit 4: Letters of Support

Exhibit 5: Salmon Creek Ranch Restoration Program
Mitigated Negative Declaration

Exhibit 6: Mitigation Monitoring and Reporting Program

RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed six hundred and ten thousand dollars (\$610,000) to Gold Ridge Resource Conservation District (the grantee) to implement ranch resource enhancement plans to

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

address sources of sedimentation and improve steelhead and historic coho riparian habitat in the Salmon Creek Watershed in western Sonoma County. The Conservancy also adopts the mitigation monitoring and reporting program for the project, attached as Exhibit 6 to the accompanying staff recommendation. This authorization is subject to the following conditions:

1. Prior to the disbursement of funds, Gold Ridge Resource Conservation District shall submit for the written approval of the Conservancy's Executive Officer a work program, including schedule and budget, the names of any contractors it intends to employ for the project and a signage plan acknowledging the Conservancy funding.
2. Prior to commencement of work on any ranch property, the grantee shall submit for the written approval of the Conservancy's Executive Officer:
 - a. Documentation that the grantee has obtained all required permits and approvals for the work.
 - b. Documentation that the grantee has entered into and recorded an agreement, satisfactory to the Executive Officer, with the landowner of the project site for the provision of access to the property and for monitoring and maintenance of the project for a period of at least 20 years.
3. In carrying out the project, the grantee shall comply with all applicable mitigation and monitoring measures that are identified in the Salmon Creek Ranch Restoration Program Mitigated Negative Declaration adopted by the grantee on August 17, 2006, attached to the accompanying staff recommendation as Exhibit 5, with the mitigation monitoring and reporting program, attached to the accompanying staff recommendation as Exhibit 6, and with all measures that are required by any permit or approval for 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 the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code (Sections 31251- 31270).
2. The proposed authorization is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The project area has been identified in the Sonoma County Local Coastal Program as requiring public action to resolve existing or potential resource protection problems.
4. The Conservancy has independently reviewed and considered the Salmon Creek Ranch Restoration Program Mitigated Negative Declaration, attached to the

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

accompanying staff recommendation as Exhibit 5 and finds that the project, as mitigated, avoids, reduces or mitigates the possible significant environmental effects and that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.”

PROJECT SUMMARY:

Staff recommends the Conservancy authorize the disbursement of up to \$610,000 to the Gold Ridge RCD (GRRCD) for the implementation of ranch resource enhancement plans in the Salmon Creek Watershed in western Sonoma County (Exhibit 1), and also adopt the mitigation monitoring and reporting program for the project (Exhibit 6). The proposed project will remedy sources of erosion, restore healthy creek functioning and improve water quality for the benefit of salmonid habitat on nine agricultural and ranching properties along Salmon Creek and its tributaries (Exhibit 2). The GRRCD developed specific plans for each property working with the property owners and a consulting firm to design and engineer solutions for high sedimentation risk sites identified through the Salmon Creek Ranch Enhancement Plan project, funded in part by the Coastal Conservancy. GRRCD is prepared to implement the road crossing improvements, gully stabilization, energy dissipation, native plant revegetation and other treatment solutions to counter erosion and reduce sediment flowing into Salmon Creek as soon as pending permits are secured (Exhibit 3). The proposed project will build on the previous planning and enhancement investments made by the Conservancy, the California Department of Fish and Game (DFG), the State Water Resources Control Board and members of the public involved with the Salmon Creek Watershed Council in this important western Sonoma watershed.

The Ranch restoration projects will provide treatment for multiple issues on nine properties assessed and evaluated through the GRRCD’s Salmon Creek Resource Enhancement and Design project. Common elements to be addressed include eroding stream banks and lateral scour, incised roads leading to deepening gullies, aging culverts near the point of failing and hundreds of feet of gully walls eroding into the creeks of the watershed. In addition, a number of ranches have need for cattle control in the riparian area, improvement in storm flow management and work to restore healthy creek meandering and complexity. The techniques designed to meet these needs include replacement of culverts, addition of rolling dips and swales, construction of water dissipating features, bank restoration through installation of bio-engineering and rock structures, revegetation with native plants and channel reconfiguration work to add complexity to the riparian habitat. The plans include installation of cattle exclusion fencing, improved cattle crossings and use of ranch stewardship components drawing on land use Best Management Practices. A detailed description of the seven ranch projects (SC1, SC3, SC4, SC5, SC6, SC7, and SC9) is provided as an attachment to the “Salmon Creek Ranch Restoration Program Mitigated Negative Declaration”, Exhibit 5 to this staff recommendation. The remaining 2 ranch projects involve minor grading, revegetation with native species and installation of bio-engineering structures (SC2), and the installation of cattle exclusion fencing set back 50 feet from each bank of the creek and revegetation with native trees, shrubs and grasses (SC10).

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

Matching funds for the proposed project have been secured through the federal EQIP program and ranch owners will contribute in-kind with labor, use of heavy machinery and supply of road rock to assist with access for the improvements. The GRRCD and partnering ranch owners are prepared to move forward with the plans included in the proposed Ranch Enhancement Plan Implementation project as soon as pending permits are secured.

Since it was established in 1941, the Gold Ridge Resource Conservation District has coordinated with local property owners and funding partners including the Conservancy, DFG, U.S. Fish and Wildlife Service and the U.S. Department of Agriculture to implement resource enhancement and restoration projects across the 134,000-acre western Sonoma County region. The Conservancy has had a long and successful relationship with the GRRCD. In addition to the planning and design work for the Ranch Enhancement Plans on Salmon Creek, the GRRCD has conducted road improvement and riparian habitat restoration work on multiple projects in the Estero Americano, Dutch Bill Creek and similar areas in western Sonoma County with Conservancy support.

Site Description:

The Salmon Creek watershed covers approximately 35 square miles and includes 23 tributaries to the main stem of Salmon Creek. The Creek runs south from its highest point at 797 feet of elevation above the town of Occidental, down to the west through Freestone and out to the Sonoma Coast 3 miles north of Bodega Bay. The watershed ultimately drains through the Salmon Creek Estuary into waters just north of the Cordell Banks National Marine Sanctuary and the Bodega Marine Life Refuge Critical Coastal Area. The Salmon Creek Watershed is characterized by steep topography, erosive soils, mixed coniferous and deciduous forests and grasslands.

DFG's Coho Recovery Plan identifies Salmon Creek as a priority watershed for steelhead and potential return of historic coho runs for the state. At the same time, a 2002 habitat typing study conducted by DFG found high sediment yield to be a significant problem in the main stem and tributaries of Salmon Creek Watershed. Similarly, the California Unified Watershed Assessment ranked the Bodega Bay Hydrologic Unit as a Category 1 Priority Watershed due to its high levels of sediment and nutrients. The Regional Water Quality Control Board Watershed Management Initiative and the Sonoma County Coastal Wetlands Enhancement Plan also identify these factors as high concerns for the area particularly in terms of confined animal facilities in the watershed. Diminished channel complexity, low summer stream flows and non-point source sediment delivery are pressing issues that need to be addressed to restore the potential for coho and ensure the health of steelhead spawning habitat in Salmon Creek. In addition, the project may benefit other threatened or endangered species which may be present in similar habitat including California freshwater shrimp, western pond turtle, California red-legged frog, tri-colored blackbird and red tree vole.

Project History:

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

The Conservancy has taken an active interest in the Salmon Creek Watershed and provided support for the recently completed Salmon Creek Estuary Report. Findings of the Estuary Report include recognition of collaborative efforts by community partners, property owners and funding agencies to address sedimentation, diminished channel complexity and use factors with impact on seasonal stream flows. Current restoration efforts are necessary to address the impacts of historical land use practices such as timber harvesting and also to take advantage of the potential for improvement in current agricultural and ranching practices. As 95% of the Salmon Creek watershed is held in private ownership, the partnership with GRCD and the positive working relationships it has developed provide an excellent opportunity to promote use of stewardship Best Management Practices and complete restoration work to benefit salmonids as well as other fish and wildlife dependant on the health of this habitat. As mentioned in the project summary, the Conservancy also funded the preparation of the ranch enhancement plans recommended for implementation.

PROJECT FINANCING:

Coastal Conservancy	\$610,000
DFG	\$ 89,500
State Water Resources Control Board	\$ 75,000
EQIP (Federal grants to property owners)	\$ 33,000
Gold Ridge RCD (in-kind or other source)	<u>\$ 77,805</u>
Total Project Cost	\$885,305

Conservancy funds for this project are expected to derive from the Conservancy’s FY2004 appropriation from Proposition 50 (the “Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002”). Proposition 50 authorizes the use of these funds for the purpose of protecting coastal watersheds through projects undertaken pursuant to the Conservancy’s enabling legislation (Division 21 of the Public Resources Code) to acquire, restore or protect water and land resources (Water Code Section 79570). The proposed project will provide for the improvement of watershed land and water resources through restoration and enhancement of stream banks, stream crossings and cattle management improvements on nine rural ranches along Salmon Creek and its tributaries. The project is also entirely consistent with the Conservancy’s enabling legislation, as discussed below.

In addition, under Proposition 50, any watershed protection activities financed with Proposition 50 funds must be “consistent with the applicable adopted local watershed management plan and the applicable regional water quality control plan adopted by the regional water quality control board” (Water Code Section 79507). As discussed under the “Project Description” section, above, the proposed ranch projects which will serve to reduce sedimentation of Salmon Creek and to address the most significant watershed concern, as identified in watershed-specific planning by DFG, the North Coast Regional Water Quality Control Board and Sonoma County.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

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

Sections 31251 and 31251.2 (a) authorize the Conservancy to award grants to public agencies for the purpose of enhancement of coastal resources, including watershed resources that lie partially outside the coastal zone. The proposed grant to the RCD, a public agency, which involves projects both within and outside of the coastal zone, will meet these goals by achieving sedimentation reduction and improving habitat for anadromous fish, which utilize the entire stream system of the Salmon Creek coastal draining watershed of Sonoma County. As also required by §31251.2(a), the proposed project has been developed in consultation with and approved by the Department of Fish and Game.

Consistent with Section 31252, the proposed project will address existing problems in one of the special resources areas identified in the Sonoma County Local Coastal Program (LCP). Priority policies in the LCP include protection of biological productivity and quality of coastal waters, streams, wetlands, and estuaries; special protection for species of biological or economic importance; the maintenance of marine resources and the protection and restoration of riparian areas. The proposed project will implement restoration measures to enhance and restore anadromous fish habitat, reduce sediment and protect water quality in the coastal draining watershed of Salmon Creek.

Pursuant to Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. The RCD and its partners are providing a match of over 30% for this project. In determining the amount of Conservancy funding for this project, the factors identified in §31253 have been considered and applied, as described in detail below, under the heading "Consistency With Conservancy's Project Selection Criteria & Guidelines."

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOALS & OBJECTIVES:

Consistent with **Goal 5 - Objective A and B**, the proposed project will provide for the restoration and enhancement of riparian habitat in the steelhead bearing and historic coho salmon spawning watershed of Salmon Creek.

Consistent with **Goal 6 - Objective A, B and C**, the proposed project will limit creek bank sedimentation and improve land resource functioning and, thereby, provide for the enhancement of water quality and the salmonid habitat value of this coastal watershed.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

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:** There is support for the project from the community and elected officials including Assemblymember Patty Berg and Supervisor Mike Reilly. Letters of support are included in Exhibit 4.
4. **Location:** The proposed project sites are in the coastal draining Salmon Creek watershed of western Sonoma County and all of the ranch enhancements will benefit anadromous fish spawning habitat throughout the watershed.
5. **Need:** The Conservancy has invested in the design and permitting of the ranch improvement plans for this watershed to benefit steelhead runs and coho recovery; partner agency funding would not be sufficient to realize implementation of the Salmon Creek ranch plans without Conservancy participation.
6. **Greater-than-local interest:** The Salmon Creek Ranch Implementation project is of state-wide interest due to the importance of Salmon Creek for the recovery of coho salmon and the continued presence of steelhead trout.

Additional Criteria

7. **Urgency:** The risk of continued sediment flow into Salmon Creek from the identified problem areas will pose risk for steelhead without restoration intervention.
8. **Resolution of more than one issue:** The project will work with private property owners to repair roads and enhance creek functioning to reduce sediment resulting in improved fish habitat and as well as watershed water quality.
9. **Leverage:** Funding for this project from the Conservancy will leverage state and federal funding for the watershed, see "Project Finance" above.
10. **Readiness:** The Gold Ridge RCD has experience working with local engineering contractors on restoration, has strong relationships with ranch owners in the project and is prepared to move forward immediately with the work included in

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

the proposed project as soon as pending permits are secured.

11. **Realization of prior Conservancy goals:** See “Project History” above.
12. **Cooperation:** The Gold Ridge RCD has collaborated with area partners to promote natural resource stewardship and has cooperative relationships with funding agencies, watershed partners and property owners in the western Sonoma County community.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the Sonoma County Local Coastal Program, certified in 1981 and revised in 1999, in respect to Section IV concerning resources for agriculture and land management. The project will improve agricultural viability, watershed conservation and correct current detrimental land use and operational practices. The project will complete stream bank stabilization and road improvements consistent with the soil conservation and water quality protection policies Sonoma County’s General Plan Resource Conservation Element (Section 2.0-2.2 and 3.0). In addition, the project will enhance habitat for salmonids and utilize native plants for revegetation consistent with policies calling for the protection of biotic resources, endangered species and the Sonoma County marine fishery (Sections 5.1, 5.2 and 6.1).

COMPLIANCE WITH CEQA:

Pursuant to the California Environmental Quality Act (CEQA), the Gold Ridge RCD developed the Salmon Creek Ranch Restoration Program Mitigated Negative Declaration (MND) for project activities on seven of the nine ranch property areas included in the proposed project (Exhibit 5). The remaining two ranch projects (SC2 and SC10) under this proposed authorization are categorically exempt from the provisions of CEQA by reason of the nature of the proposed activities. The restoration project planned for Ranch SC2 involves installation of bio-engineered structures (willow walls and willow mattresses) to protect banks from further erosion. Minor grading and planting with native vegetation will be completed on the upper banks of the site. The restoration for Ranch SC 10 consists of installation of cattle fencing approximately fifty feet from the creek and planting with native vegetation along the length of the viewshed. According to biological surveys, there are no known special status species located in any of the project sites on either ranch. The proposed improvements on the two ranches are categorically exempt from review under CEQA pursuant to Title 14 of the California Code of Regulations, Section 15304, since they consist of minor alterations to land, with the activities limited to minor grading, installation of willow structures and planting of native species for stream bank stabilization. Fencing to be added at one of the ranches (SC10) is considered exempt pursuant to Section 15303 (h) which allows for construction of fences as new accessory structures. In addition, activities on these two ranch projects are also categorically exempt pursuant to Section 15333 as small habitat restoration projects involving revegetation with native plants for bank stabilization, restoration carried out principally with hand labor and not mechanized equipment, or habitat improvement in

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

projects not exceeding 5 acres in size.

The activities proposed for the remaining seven ranches (SC1, SC3, SC4, SC5, SC6, SC7 and SC9) have been analyzed for their environmental effects under the MND. After completion and in the long-term, these proposed improvements will, improve the habitat at each of the ranch sites for the benefit of such threatened and endangered species as steelhead, California freshwater shrimp, western pond turtle, California red-legged frog, tri-colored blackbird and red tree vole which may occur at or near the project sites.

The GRRCD project will generally serve to stabilize areas of gully erosion, bank erosion and headcuts using grading and stabilization structures. A number of the sites will be stabilized with bioengineering techniques including willow walls and willow mattresses. Based on GRRCD's engineering analysis, a number of banks will require rock solutions where soils are highly erosive, gullies are large and where stream flow is causing serious bank scour. The methodologies cited for use in the project are included in the California Salmonid Stream Habitat Restoration Manual. Detailed descriptions of the activities on each ranch are provided in the appendix to the MND (Exhibit 5).

The MND identified potential significant effects of the project in the areas of aesthetics, biological resources, cultural resources and geology and soils. The MND concludes that most of the potential impacts to be mitigated for the project are short-term impacts associated with construction. The project will be self-mitigating for damage to the riparian corridor caused in the process of construction – any riparian areas that are damaged will be restored and re-planted. The project will avoid impacts to special status species through a number of measures including timing of work to avoid critical life cycle events, avoidance of critical habitat areas, direct protection of affected species by relocation of any red-legged frogs and prevention of fish entrapment by diversion structures for areas where dewatering diversions are necessary. Crews will be trained to recognize potentially significant cultural resources and construction will be halted for further investigation by a qualified archaeologist should any resources be found. Impact to tourism will be minimized by conducting work mid-week as opposed to weekends and parking construction equipment away from the scenic road of concern in one site.

All disturbed areas will be revegetated with site-appropriate, native vegetation. The planting plans will include *Juncus* in the channel bottom and big leaf maple, coast live oak, buckeye, willow, native blackberry, hazelnut, California wild rose and snowberry in the riparian area. Disturbed field areas will be reseeded with a mix of California brome, meadow barley, creeping wild rye, and blue wild rye.

GRRCD circulated the proposed MND for public comment between June 29 and July 25, 2006. The North Coast Regional Water Resources Control Board (NCRWQCB) commented on the proposed MND on July 27, 2006 (Exhibit 5). NCRWQCB made comments on the use of non-bioengineered stabilization techniques, temporal loss of habitat, and insufficient fencing in areas on working ranches. Prior to adoption of the MND, GRRCD staff responded in writing to each of the comments made by NCRWQCB. NCRWQCB was satisfied with the GRRCD's clarification and responses summarized below and no changes were made to the MND (Exhibit 5) subsequently

SALMON CREEK RANCH ENHACEMENT PLAN IMPLEMENTATION

considered by the GRRCD Board.

In its response, GRRCD staff explained that, in general, the plans were designed to minimize temporal habitat loss. In particular, GRCD noted that, even though there would be some temporary habitat loss during construction of the improvements to Ranch SC1, not installing the project for Ranch SC1 would likely lead to permanent loss of habitat through erosion and excessive sedimentation. The GRRCD also clarified that permanent fill will only occur adjacent to Salmon Creek, outside State waters, and that the gully replacement ratio on Ranch SC7 is 1:1 as required. Exclusionary fencing will be added to Ranch SC5 at the suggestion of the RWQCB; this addition is categorically exempt from CEQA provisions pursuant to Section 15303 (h). The NCRWQCB suggestion for fencing on Ranch SC1 was not considered necessary by the GRRCD as there is little grazing and no sign of over-grazing stress at this property. Finally, the GRRCD agreed with NCRWQCB that bioengineered solutions are generally preferable to hard structures. Thus, the overall project relies on partial rock solutions only for 6 of the 15 improvement sites planned for the seven ranches covered by the MND. Indeed, GRRCD worked with DFG and NCRWQCB field staff in designing the ranch plans to minimize hard structures and emphasize use of bioengineered techniques and native species plantings. The GRRCD (and the field staff of the other agencies) concluded that highly erosive soils, steep banks, large size gullies and high water force in particular project areas necessitate the use of rock features as bio-engineered solutions alone would be likely to fail in these areas.

The NCRWQCB was satisfied with the clarification and explanation provided by the GRRCD for the project. Accordingly, no substantial changes were made to the project or to the proposed MND following the public review period. The GRRCD Board adopted the MND on August 17, 2006.

The mitigation measures that were included in the project under the MND have not specifically been included in a mitigation monitoring and reporting program. Accordingly, a monitoring and reporting program should be adopted and undertaken to assure these mitigation measures are implemented and effective. The proposed mitigation monitoring and reporting program is attached as Exhibit 6.

Based on its review of the MND, Conservancy staff concurs with the GRRCD finding that the project, as mitigated, does not have a potential for a significant effect on the environment. Staff recommends that the Conservancy find that the Salmon Creek Ranch Enhancement Plan Implementation project does not have a potential for a significant effect on the environment as defined under 14 California Code of Regulations, Section 15382.

Upon Conservancy approval, staff will file a Notice of Determination for the Salmon Creek Ranch Enhancement Plan Implementation project.