

COASTAL CONSERVANCY

Staff Recommendation
September 20, 2007

LOWER EEL RIVER WATERSHED STREAM HABITAT RESTORATION

File No. 07-067
Project Manager: Su Corbaley

RECOMMENDED ACTION: Authorization to disburse up to \$193,000 to the Humboldt County Resource Conservation District to implement stream habitat restoration and protection projects along Howe Creek and Price Creek, to benefit fish habitat of the lower Eel River system.

LOCATION: Howe Creek Ranch and Price Creek Ranch located near the town of Rio Dell, Humboldt County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: [Project Location and Site Map](#)
 - Exhibit 2: [2005 Mitigated Negative Declaration](#)
 - Exhibit 3: [Mitigation, Monitoring and Reporting Program](#)
 - Exhibit 4: [1956 and 1965 Flood Photos](#)
 - Exhibit 5: [Letters of Support](#)
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RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one hundred ninety-three thousand dollars (\$193,000) to the Humboldt County Resource Conservation District (RCD) to implement stream habitat restoration and protection projects initiated during the 2007 construction season on Howe Creek and Price Creek, tributaries to the Lower Eel River watershed, subject to the condition that prior to the disbursement of any Conservancy funds, the RCD shall submit the following for review and approval of the Executive Officer:

1. A work program, including schedule and budget.
 2. The names of any contractors to be used for the activities under this authorization.
 3. Documentation that all permits necessary to this project have been issued.
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4. A written agreement for recording between the RCD and the owner of any privately-owned land on which the project is to be undertaken by which the landowner authorizes the project work and access to do the work and agrees to monitor and maintain the project work for a reasonable period.”

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 project is consistent with the purposes and criteria set forth in Chapter 6 of Division 21 (section 31251 - 31270) of the Public Resources Code, regarding resource enhancement of coastal resources.
2. The project areas identified for action are directly and adversely impacting coastal areas and resources identified in the certified local coastal programs for Humboldt County as requiring public action to resolve existing or potential resource protection problems.
3. The proposed authorization is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
4. The Conservancy has independently reviewed the Mitigated Negative Declaration and the Mitigation, Monitoring and Reporting Program prepared by the Department of Fish and Game (Exhibits 2 and 3) with respect to the implementation of the stream restoration projects on Howe Creek and Price Creeks, and the fencing project on Howe Creek. The Conservancy finds 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: The proposed authorization will enable the Humboldt County Resource Conservation District (“the RCD”) to implement habitat restoration and protection projects on two adjacent ranch properties, Howe Creek Ranch and Price Creek Ranch, located in the Lower Eel River Watershed.

In 2002 and 2005, respectively, the Conservancy authorized funds to acquire conservation easements on these properties, in part for the purposes of protecting natural resources associated with the watercourses and riparian habitat on both properties. The project would result in long-term benefits by improving salmonid spawning and rearing habitat on Howe Creek located on the Howe Creek Ranch, and on Muddy Creek and Grouse Tree reaches of Price Creek on the Price Creek Ranch. Both ranches have historically been used for cattle grazing and timber harvest. Severe past flooding in 1956 and 1965 (see Exhibit 4), seismic activity in the early 1990s and back-to-back 50-year storm events in 1994 and 1996 have combined to cause catastrophic mass wasting and mudflows of topsoil, and removal of riparian vegetation. These events have resulted in the reduction of suitable spawning and rearing habitat available to threatened salmonid species, including coho and Chinook salmon and steelhead trout.

In 1999, the California Department of Fish and Game conducted stream inventories on Howe Creek and Price Creek. The recommendations from these inventories state that the creeks should be managed as an anadromous, natural production stream and, where feasible, pool enhancement

structures should be installed to increase the number of pools or deepen existing pools. Further, the recommendations for Howe Creek include the placement of fencing to control livestock movement at critical locations. Consistent with those recommendations in the California Department of Fish and Game's Recovery Strategy for California Coho Salmon (2004) and Steelhead Restoration and Management Plan for California (1996), Conservancy funds will be used for the installation of approximately 80 large wood and boulder in-stream structures to provide cover, scour pools and protect stream banks from erosion. Approximately 42 structures will be installed in Howe Creek, and another approximately 44 structures in Price Creek. Additional work on Howe Creek will include installation of cattle-exclusion fencing. These actions are expected to improve the habitat for steelhead trout, and coho and Chinook salmon.

Resource Conservation Districts are public agency "special districts" organized under the state Public Resources Code, Division 9 to address a wide variety of conservation issues including wildlife habitat restoration. Therefore the Humboldt County RCD is qualified to carry out the proposed project.

Due to the short construction seasons (from mid-July to approximately mid-October), and the need to expend funds from the California Department of Fish and Game prior to the culmination of the 2008 construction season, the RCD and its contractor may find it necessary to initiate work prior to Conservancy authorization of funds for the project. In that event, if project work proceeds before the Conservancy authorizes funds for the project, the grantee and its contractor will carry out that work at their own risk. Reimbursement for that work from Conservancy funds may occur subsequently, but only if and after the Conservancy approves the proposed authorization, a written grant agreement is entered into with the Humboldt County RCD and the work has been done in a manner consistent with the Conservancy authorization and the grant agreement.

Site Description: Howe Creek and Price Creek Ranches are adjacent to one another and are located between three and seven miles west of Rio Dell and five miles southwest of Fortuna in Humboldt County (Exhibit 1). Price Creek Ranch is 1,280-acres of Douglas fir forest, and open grazing land, and contains approximately 9 miles of perennial streams including two miles of Price Creek salmonid spawning habitat, including the Muddy Creek and Grouse Tree reaches. Price Creek is a tributary to the Eel River system and supports steelhead trout and Chinook salmon. Historically, coho salmon were known to inhabit Price Creek, and, according to Department of Fish and Game, habitat exists in Price Creek that would support coho. Additionally, Muddy Creek provides steelhead-spawning grounds. Howe Creek Ranch is 3,640-acres of redwood and Douglas fir forests, grazing lands and coastal scrub. Streams on Howe Creek Ranch drain into the Eel River near its transition from the lower main stem to the coastal floodplain within 16 river miles of the ocean. The property contains approximately 13 miles of pristine, high-quality stream, including portions of Price and Howe Creeks. These Eel River tributaries provide important habitat for Chinook and Coho salmon, as well as steelhead trout.

Steelhead, coho and Chinook are all listed by the federal government as threatened in their northern range.

Project History: The Conservancy has actively worked to protect the natural resources on these properties and the proposed projects are consistent with and would further the Conservancy's previous actions to protect and improve the salmonid habitat and natural resources on the ranches. On June 27, 2002 the Conservancy authorized the acquisition of a conservation

easement on the 3,640-acre Howe Creek Ranch to protect salmonid habitat, riparian forest, redwood and Douglas fir forests, and grasslands, and approved the Howe Creek Ranch Conservation Plan. Specific owner-objectives for the Howe Creek Ranch in the Conservation Plan include, among other natural resource goals, creating, protecting, and enhancing a system of riparian corridors and maintenance and enhancement of the salmonid fishery present on the property. Prior to, and since the acquisition of the Howe Creek conservation easement, the property owner has conducted a significant amount of upslope and in-stream projects to restore and expand the suitable salmonid habitat available on Howe Creek including road restoration to reduce sediment loads and the installation of in-stream structures. The proposed project would be the culmination of in-stream habitat work in Howe Creek.

On December 8, 2005 the Conservancy authorized the acquisition of a conservation easement on the 1280-acre Price Creek Ranch. In addition to protecting against subdivision and managing for sustainable forest growth and harvest, the easement provides for protection of riparian corridors and habitat, particularly salmonid habitat. Prior to the acquisition of the conservation easement, the Price Creek Ranch property owner had conducted restoration projects on the ranch such as culvert replacements and the installation of in-stream habitat structures in the lower reaches of Price Creek.

In 2005, the ranch owners applied for, and were awarded, funds from the California Department of Fish and Game. through its Fishery Restoration Grants Program, to carry out fish habitat restoration projects on their properties. Since that time, additional matching funds from the Natural Resource Conservation Services program of the U.S. Department of Agriculture have been secured for the Howe Creek Ranch projects. The owners recently also approached the California Department of Forestry and Fire Protection for additional funds through its California Forest Improvement Program, a program aimed at improving the economic value and environmental quality of forestlands, but were informed there aren't funds in the budget for additional projects this year.

Therefore, in July 2007, the property owners contacted the Humboldt County Resource Conservation District for assistance to manage the projects and to seek the needed additional funds. The RCD has a long history in Humboldt County with ranch management and habitat restoration projects on private lands. The Conservancy has funded RCDs in the state for similar projects, an example of which is \$600,000 awarded in June 2004 to the Marin County RCD for habitat projects in the Tomales Bay watershed on Walker Creek. Conservancy funding to the Humboldt County RCD would allow it to assist the property owners to carry out the projects and would result in the culmination of several years of in stream habitat restoration on Howe Creek, and to carry out the complete projects scheduled for the Muddy Creek and Grouse Tree reaches of Price Creek.

PROJECT FINANCING:

Coastal Conservancy	\$193,000
California Department of Fish and Game	253,027
Natural Resource Conservation Services	110,327
Landowner Match	<u>24,995</u>
Total Project Cost	\$581,349

The anticipated source of Conservancy funds is the fiscal year 2005-2006 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.

The proposed project will accomplish these purposes by restoring riparian habitat through the placement of in-stream structures to improve fish habitat for coho and Chinook salmon and steelhead trout.

As also required by Proposition 50, the proposed project is consistent with local and regional watershed plans (Water Code Section 79507) as described in detail in the "Consistency With Local Watershed Management Plan/State Water Quality Control Plan" section below.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 6 (sections 31251-31270) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code.

Section 31251 authorizes the Conservancy to award grants to public agencies for measures to enhance coastal resources that have suffered loss of natural value because of natural or human-induced events. **Section 31251.2** allows the Conservancy to award grants to enhance watershed resources, which are partly outside the coastal zone, in order to enhance coastal resources within the coastal zone. The proposed action is consistent with these sections. Howe Creek and Price Creek drain into the Eel River which is partly within the coastal zone and empties into the Pacific Ocean. The Eel River watershed was once one of the premier salmon and steelhead drainages and streams on the Property provide spawning and migration habitat for Eel River salmonid species.

Section 31252 requires that areas proposed for resource enhancement be identified in a certified local coastal plan or program as requiring public action to resolve existing or potential resource problems. In Humboldt County's certified local coastal program for the Eel River Area, the river is identified as the principal coastal resource within the planning area. Coastal rivers and streams are designated environmentally sensitive habitats requiring the application of specific policies within the LCP to protect and enhance them. Howe Creek Ranch and Price Creek Ranch are located within the coastal watershed of the Eel River. The proposed project is consistent with the Humboldt County Eel River Area Local Coastal Program as described in the Consistency with Local Coastal Program Policies below.

Under Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Consistent with this section, the level of Conservancy funding for this project has been determined through consideration of the total amount of funding available for coastal resource enhancement projects and the relative urgency of the project.

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

Consistent with **Goal 6, Objective A**, the proposed project will assist in providing improved habitat for anadromous fish through the protection of riparian corridors critical to anadromous salmonids in the Lower Eel River watershed. Adult salmonids utilize Price Creek and Howe Creek for spawning. Juvenile salmonids rear in the stream during summer and winter before returning to the coastal waters.

**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:** The project is supported the Department of Fish and Game, Assemblywoman Patty Berg, Senator Pat Wiggins, and County Supervisor Jimmy Smith. See Exhibit 5 for letters of support.
4. **Location:** The proposed project will enhance natural resources (the Eel River, its water quality and the endangered fish inhabiting it) within the coastal zone of Humboldt County. Howe Creek drains to the coastal zone of the Eel River while Price Creek discharges to the Eel River at a point less than one-half mile from the coastal zone. Therefore the quality of fish habitat of Howe Creek and Price Creek has a direct impact to the habitat quality of the Eel River estuary within the coastal zone. In addition, the habitat improvements on Price Creek also directly affect the health of the coastal salmon that use the Eel River and its tributaries for spawning.
5. **Need:** Conservancy funds are needed in order to provide approximately one-quarter of the cost of the project. The property owners had sought California Department of Forestry and Fire Protection for additional funds through its California Forest Improvement Program, but were informed there aren't funds in the budget for additional projects this year.
6. **Greater-than-local interest:** The Eel River is one of the premier salmon and steelhead rivers in the state. Howe Creek and Price Creek and its tributaries provide important spawning habitat for these species. Therefore the project is compatible with statewide efforts to restore salmonid populations.

Additional Criteria

9. **Leverage:** See the "Project Financing" section above.

12. **Readiness:** All of the necessary permits are in place and all other funds have been secured. Therefore the project is ready to proceed without delay.

13. **Realization of prior Conservancy goals:** See “Project History” above.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

Section 3.41 of the Humboldt County Eel River Area Local Coastal Plan, certified on January 13, 1983, identifies rivers, creeks and associated riparian habitats and rare or endangered species listed on state or federal lists as environmentally sensitive habitats. Section 3.41 specifically addresses the Eel River. Section 1(a)(1) of Section 3.41 states that “all projects in and out of the coastal zone which may have a significant impact on . . . coastal resources, shall overall, maintain . . . beneficial uses of water, where feasible enhance in stream beneficial uses of water, and prevent significant adverse effects to coastal resources.”

The State-listed Steelhead trout, and the State and federally listed Chinook salmon, inhabit creeks on the property. Historically, Price Creek has supported Coho Salmon, which is listed as threatened under both State and federal endangered species act listings. The proposed project will serve to reduce adverse effect to these coastal resources by enhancing and increasing habitat for listed salmonids.

Work sites will be located on properties located partially outside of the coastal zone. However, the aquatic resources and habitat quality of stream channels within and outside of the coastal zone boundaries are inextricably linked. Degraded fish spawning habitat affects coastal resources regardless of the location within the watershed. The anadromous fish populations that spend part of their life history within the coastal zone reside for extended periods outside of the coastal zone, and therefore depend upon high quality habitat within a watershed throughout their life history.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

Section 2.5 of the North Coast Regional Watershed Initiative Chapter (North Coast Regional Water Quality Control Board *Feb. 2005*) of the State Water Planning Strategic Plan, discusses the Eel River Watershed and lists four watershed management goals and activities, including, as Goal 1, the protection and enhancement of salmonid habitat. It specifically addresses the issue of sedimentation, stating that “the cold water fishery, specifically trout, steelhead, and salmon, is of concern regarding sedimentation and other potential impacts to habitat and water quality.” The Chapter recommends the following action be taken to address protection and enhancement of salmonid habitat: promote enhancement of riparian areas through grant funding, public education and outreach, and coordination and assistance to other agencies and groups; improve habitat conditions for anadromous fishes by assisting and coordinating with C[alifornia] D[eartment] of F[ish] and G[ame] and local agencies and groups...for stream rehabilitation; and increase coordination with Resource Conservation Districts...to deal with ...erosion, bank erosion... Table 6 of Appendix E of the Chapter lists projects and project types that can help to achieve water quality objectives and includes as a north coast region region-wide approach employing large woody debris (LWD) recruitment and placement, and protection of LWD recruitment areas to create fish habitat.

The projects on Howe Creek and Price Creek are thus consistent with the North Coast Regional Watershed Initiative Chapter.

COMPLIANCE WITH CEQA:

The proposed authorization involves improvements to the health and function of the Lower Eel River watershed to benefit its coastal resources critical to threatened and endangered salmonid species. Specifically, the proposed Conservancy project will include installation of in-stream structures and fencing on Howe Creek Ranch and in-stream structures on Price Creek Ranch.

On June 19, 2005, the California Department of Fish and Game (the “DFG”) adopted a Mitigated Negative Declaration (“MND,” Exhibit 3) for its “2005 Fishery Restoration Grants Program. . .” for which DFG is the CEQA lead agency, and filed a Notice of Determination. DFG’s fishery restoration grants program covers 14 counties including Humboldt, and the stated purpose is to restore salmon and steelhead habitat in coastal streams and watersheds. The DFG Restoration Program includes 111 habitat restoration items addressed in the MND, as well as 74 additional items that DFG finds to be exempt from CEQA, and ten items that DFG finds cannot adversely affect the environment. The Conservancy is acting as a responsible agency under CEQA with respect to these activities.

Appendix A to the MND identifies categories of activities, and includes under “Major Action Items” (Table A-3) the items corresponding to the Conservancy’s proposed project (Fish and Game projects number 228 and 229, Lower Eel Howe HU and Lower Eel Price HU, respectively). Appendix B to the MND constitutes mitigation measures and a CEQA monitoring and reporting program for the DFG Restoration Program.

The statements of work (collectively attached to the MND as “Exhibit A”) for the proposed projects, entitled Lower Eel Watershed HR 05 Howe and Lower Eel HU 05, are listed in Exhibit A-3 to the MND (major items). The enhancement activities to which the Conservancy will contribute will include the placement of large wood and boulders on both properties in order to create or deepen existing pools to provide habitat for spawning and rearing salmonids, or to stabilize banksides, and the construction of fencing on Howe Creek Ranch. The in stream structures will be secured in place with cables anchored into the stream bed or stream bank armament. The work will involve the use of heavy equipment to transport, arrange and anchor the structures. Fence installation work on Howe Creek Ranch involve the construction of wire and post exclusion fencing upslope from Howe Creek to control cattle movement through portions of the creek. The scope of work on Howe Creek entails installing 42 in stream structures and construction of 11,750 linear feet of electrified fencing along 4,500 feet of Howe Creek. The MND discusses potential environmental impacts that are “less-than-significant-with-mitigation-incorporated” for these types of projects. Impacts that are less-than-significant-with-mitigation-incorporated for these types of projects pertain to biological resources, cultural resources, and noise.

With respect to biological resources, potential impacts that are direct or arise through habitat modification were identified. However the in-stream work will not have a significant adverse effect because the projects have been mitigated both generally through the MND and specifically through requirements in the particular statements of work. For example, the permissible work window will be constrained to avoid nesting or breeding seasons of birds and terrestrial animals,

site-access points will be minimized, and other precautionary measures will be taken to avoid spreading of invasive species, trash, hazardous materials such as equipment lubricants, etc. In order to protect endangered salmonids, required mitigation includes: work must be performed only during the period from June 15 through November 1 or earlier, if significant rainfall; with notification to DFG of at least five days fish relocation and dewatering activities shall only occur between June 15 and November 1 of each year; the amount of wetted channel that is dewatered is restricted at each individual project site; electrofishing shall be performed by a qualified fisheries biologist and conducted according to the National Marine Fisheries Service Guidelines for Electrofishing Waters Containing Salmonids Listed Under the Endangered Species Act, June 2000; no heavy equipment shall operate in the live stream, except as may be necessary to construct coffer dams to divert stream flow and isolate the work site; work must be performed in isolation from the flowing stream; if it is necessary to divert flow around the work site, the suction end of the intake pipe shall be fitted with fish screens meeting DFG and NMFS criteria; turbid water pumped from the stream for dewatering shall be deposited to an upland location away from the stream; disturbed banks shall be fully restored upon completion of construction; and all work must be done in accordance with additional documents, including the California Salmonid Stream Restoration Manual, Third Edition, Vol. II 2004 and the Third Edition of the California Salmonid Stream Habitat Restoration Manual(See Exhibit 3, Appendix B to MND, and Statements of Work, Exhibit 2). If the mitigation measures intended to protect salmonid species can not be implemented, or the project actions can not be modified to prevent or avoid potential impacts to anadromous salmonids or their habitat, then activity at that work site will be discontinued.

With respect to cultural resources, the MND provides that sites with the potential to be impacted be surveyed, prior to any ground disturbing activities, and appropriate mitigation measures including fencing, on-site monitoring during site work, or redesign of project approach to be implemented, should cultural resources be discovered.

With respect to noise, potential problems were identified in the areas of temporary or periodic increases in ambient noise to levels in excess of standards established in local plans or ordinances or applicable standards of other agencies, and occasional generation of levels equal to or in excess of 85 decibels. The MND provides for the effects of noise to be mitigated by use by project workers of adequate hearing protection when operating or working near noisy equipment.

With the changes to the project and the required mitigation measures, DFG concluded, and staff believes, that the potentially significant effects have been avoided or reduced to a level of insignificance. The required mitigations will be monitored through DFG's mitigation, monitoring, and reporting program (Exhibit 3, Appendix B to MND), consistent with Public Resources Code Section 21081.6. Specifically, the reporting program requires that DFG ensure that all of the mitigation measures outlined in the MND are implemented, and prepare and submit a report on the progress of those measures to the National Marine Fisheries Service annually for the duration of the project.

Staff therefore recommends that the Conservancy find that the proposed authorization, as mitigated, will not have a significant effect on the environment.

Upon approval, staff will file a Notice of Determination.