

COASTAL CONSERVANCY

Staff Recommendation
December 4, 2008

INTEGRATED WATERSHED RESTORATION PROGRAM PHASE 3

File No. 03-063-02
Project Manager: Kate Goodnight

RECOMMENDED ACTION: Authorization to disburse up to \$900,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to implement Phase 3 of the Integrated Watershed Restoration Program (IWRP), which has three components: 1) introduce IWRP in San Mateo and Monterey Counties; 2) establish a Rural Roads Erosion Control Technical Assistance Program in San Mateo and Monterey Counties; and 3) negotiate the renewal of the master permit agreements for the Permit Coordination Program in Santa Cruz County to continue the Program.

LOCATION: Coastal watersheds in San Mateo, Santa Cruz, and Monterey Counties (Exhibit 1)

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [IWRP Technical Advisory Committee members](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

1. "The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$900,000 (nine hundred thousand dollars) to the Resource Conservation District of Santa Cruz County (the "RCDSCC") to develop Phase 3 of the Integrated Watershed Restoration Program, as more particularly described in the accompanying staff recommendation, subject to the following condition that prior to the RCDSCC's commencement of work, the Executive Officer of the Conservancy shall approve in writing a work program, schedule of completion, project budget, and any contractors to be employed."

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 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, regarding integrated coastal and marine resources protection.
 3. The proposed project is consistent with applicable local watershed management plans and water quality control plans.”
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PROJECT SUMMARY:

Staff recommends authorization to disburse up to \$900,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to implement Phase 3 of the Integrated Watershed Restoration Program (IWRP) which has three components: 1) to work with local, state, and federal partners to introduce IWRP in San Mateo and Monterey Counties and provide technical and financial assistance to design and complete permit applications for 7-10 critical restoration projects in San Mateo, Santa Cruz, and Monterey Counties; 2) to establish the RCDSCC's Rural Roads Erosion Control Technical Assistance Program in San Mateo and Monterey Counties by conducting trainings and providing seed money to develop initial road assessments, as well as to design and complete the permit applications for 2-4 erosion control demonstration projects; and 3) to negotiate the renewal of the master permit agreements for the Permit Coordination Program in Santa Cruz County and continue the program as a key mechanism for permitting IWRP restoration projects.

Phase 1 of the Conservancy-funded IWRP focused on a voluntary, non-regulatory approach to watershed restoration by providing funds for project designs and permits and establishing an interagency technical advisory committee (TAC, see “Project History” section and Exhibit 2). As a result over \$11 million in construction funds have been obtained for implementation of 81 IWRP watershed restoration projects in Santa Cruz County. Under Phase 2 of IWRP, 67 projects have been implemented in the county between 2005 and 2008, and at least an additional 14 projects will be constructed by 2011. This fundraising success is due largely because the projects have been already vetted by the resource agencies through the IWRP design and permitting process by the time they are submitted to the funders.

Phase 3 of IWRP will maintain the momentum in Santa Cruz County on several remaining high priority projects, as well as introducing the IWRP model into neighboring San Mateo and Monterey Counties. Phase 3 will be more modest in scope than Phase 1, focusing on the parts of IWRP that are most easily transferable, overseeing a smaller number of design projects, and providing guidance and assistance to local watershed partners across all three counties. Both San Mateo and Monterey Counties have smaller Resource Conservation Districts (RCDs) with less available technical and financial resources and consequently fewer restoration projects have been completed. However, the California Department of Fish and Game (DFG), the National Marine Fisheries Service (NMFS), and the Regional Water Quality Control Board (RWQCB) are strongly encouraging an IWRP-type approach in these counties because of severe fishery declines and poor water quality due to excess sedimentation (see “Site Description” section). IWRP Phase 3 will span three years and include the components described below:

1) Introduce the IWRP model into San Mateo and Monterey Counties and provide financial and technical assistance to design and complete permit applications for 7-10 restoration projects in San Mateo, Santa Cruz, and Monterey Counties

The flagship component of IWRP Phase 1 has been the creation of an interagency process to identify, design, and permit high priority water quality, fish passage, and wetland restoration projects. In Phase 3, the IWRP team will work with the San Mateo and Monterey RCDs, land trusts, County departments, Monterey Bay National Marine Sanctuary, Agriculture Water Quality Association, the California Department of Parks and Recreation (DPR), and other watershed partners - in addition to the existing IWRP TAC members - to adapt the IWRP TAC to cover San Mateo and Monterey Counties. The intent is to share lessons learned and help establish relationships so that the TAC and the local partners in each county can modify the IWRP model to suit their needs and local restoration priorities.

Funding will be provided to design and complete permit applications for 7-10 restoration projects across the three counties as selected by the TAC (or sub-TACs) based on a) resource priority; b) agency support; c) presence of a viable project lead; d) whether it can be designed and permitted within the timeframe of the grant; e) landowner support/participation; and f) whether it has a reasonable expectation that implementation funding can be secured. Because of the precipitous decline of the Coho and steelhead fisheries in this region, it is anticipated that many of the selected projects will be related to fish restoration in close collaboration with DFG and NMFS, but there will also be a large focus on sediment reduction.

This component also includes expanding the role of the IWRP Project Coordinator to cover all three counties in order to continue to serve as the single point-of-contact between agency staff and project leads, and to provide technical guidance and advice on designs, permitting, and project management. The RCDSCC will use the experience developed in Phase 1 to establish the working group of watershed partners and TAC members, to provide fiscal administration of the grant, and to provide training to the San Mateo and Monterey RCDs and other project leads on IWRP-related processes including selection of consultants, contracting, invoicing, landowner outreach and negotiation, and guidance on writing successful implementation grants.

2) Establish a Rural Roads Erosion Control Technical Assistance Program in San Mateo and Monterey Counties, provide trainings, conduct initial road assessments, and design and complete permit applications for 1-2 erosion control demonstration projects in each county.

Over the last several years, the RCDSCC has developed the highly effective Rural Roads Erosion Control Technical Assistance Program in Santa Cruz County that has focused on erosion-prone, non-county rural roads. It has been funded by the Conservancy IWRP Phase 1 grant and the Central Coast RWQCB. It is overseen by an IWRP Roads TAC composed of staff from the County of Santa Cruz, RWQCB, DFG, the Natural Resources Conservation Service (NRCS), certified professional erosion and sediment control specialists, a water quality specialist, a fisheries specialist, and a roads engineer. More than 101 miles of assessments have been completed to-date in Santa Cruz County through this program and 41 sediment control projects have been designed. Project permitting has been covered by the Permit Coordination Program (see below) or the project was exempt under CEQA. So far, 21 sediment reduction

projects have been implemented, with 14 more planned for the future.

By capitalizing on the experience the RCDSCC has developed, the Roads program can easily be transferred to the RCDs in San Mateo and Monterey Counties. While sediment control is a high priority in both counties due to water quality and fishery habitat concerns, the widespread fires that occurred last summer in Big Sur in Monterey County will lead to excessive erosion and major deterioration of habitat in those coastal watersheds. Already a number of private landowners have urgently requested assistance from the Monterey RCD and the Big Sur Land Trust, but neither currently has the capacity nor funding to help. As emergency repairs are being put in place, the Roads program will provide local assistance to make sure the modifications are done using best management practices. This will ensure the effectiveness of the repairs while at the same time providing benefit to adjacent riparian and fisheries habitat.

The focus in Phase 3 will be to provide a toolbox of resources to local partners to improve erosion control on rural roads. The RCDSCC will work with local partners to provide educational and outreach materials to landowners, including an adaptation of the *Private Roads Maintenance Guide for Santa Cruz County*, which provides technical information on design and implementation of road drainage best management practices, where to buy appropriate materials, and local technical resources for assistance. Workshops and trainings will be held for landowners, local road contractors, and agencies on effective maintenance practices that will stabilize roads and reduce sedimentation into waterways using the DFG's road assessment protocols (Chapter 9 of the California Salmonid Stream Habitat Restoration Manual). The IWRP Roads TAC will be modified to include the appropriate staff from the agencies' jurisdictions in the two counties and will focus on targeting initial assessments for an estimated 10 miles of roads and designs for 1-2 demonstration sediment reduction projects in the highest coastal priority areas in each county. Further expansion of the program and implementation of these projects will be funded by future grants and by private contributions and participation.

3) Negotiate the renewal of the master permit agreements for the Permit Coordination Program in Santa Cruz County and continue the program as a key mechanism for permitting IWRP restoration projects.

The last component of IWRP Phase 3 will be to continue the Permit Coordination Program of Santa Cruz County. The Conservancy funded the development of this permit coordination program, which was the first one of its kind to be countywide rather than single watershed-based, thereby increasing its usefulness. The program identifies a suite of restoration project types accepted by the regulatory agencies to be covered under negotiated master permits which greatly eases the permitting burden for private landowners. There are rigorous procedures governing RCDSCC and/or NRCS oversight of the selection, design and monitoring of qualifying projects. The original permits were approved for a five year period and it was expected that there would be approximately 3-5 projects covered under the program per year. The demand from private landowners has far exceeded expectations with 10 restoration projects completed in the first two years, 17 projects implemented in 2007, and 20 projects constructed this year alone.

The original 5-year agreement expires at the end of 2009 but based on the program's success, the regulatory agencies are agreeing to consider a renewal that would last 10 years. The IWRP Phase 3 funds would cover re-negotiating the permit agreements with each agency and making some

minor modifications to the program. The funds would also be used to identify, screen, design and approve 2-4 projects to go under the existing permit coordination program for 2009 and 2010. Additional projects will be included under the program using matching funds.

The RCDSCC has successfully managed a number of Conservancy grants including the extremely complex IWRP Phase 1 grant which required dozens of subcontracts and hundreds of invoices for multiple projects, the grant to develop the Permit Coordination Program, and the Tucker Ford Fish Passage Implementation grant, among others. It has demonstrated sound fiscal responsibility as well as advanced expertise in project management, road assessments, landowner outreach, and partner collaboration, and is well suited to carry out Phase 3 of IWRP.

Site Description: The project area for IWRP Phase 3 stretches from the northernmost coastal steelhead watershed in San Mateo County - the San Pedro Creek watershed - to the rugged coastal drainages of the Santa Lucia Mountains along the Big Sur coast of Monterey County. The three-county project area is home to a wealth of aquatic and riparian special status species including federally- and state-listed frogs (California red-legged and foothill yellow-legged), salamanders (Santa Cruz long-toed and California tiger), snakes (San Francisco garter), and birds (marbled murrelet, among others), plus a wide variety of other flora and fauna. The project area supports the state- and federally-endangered Central California Coast Coho Salmon Evolutionarily Significant Unit (ESU) and both the federally threatened Central California Coast (CCC) and South-Central California Coast (SCCC) Steelhead Distinct Population Segment (DPS).

Within San Mateo County, coastal streams descend from the steep, highly erodible Montara and Santa Cruz Mountain ranges and drain into small coastal lagoons and/or directly into the Pacific Ocean. Land use along the San Mateo County coast includes urban development in the incorporated towns of Pacifica and Half Moon Bay, irrigated agriculture along the coastal terraces and bluffs, and grazing and forestry in the grasslands and woodlands. San Mateo County Department of Public Works, the San Mateo County RCD, and various other nonprofit organizations and governmental agencies have identified stream crossings, erosion from aging road networks and historic land use, and loss of riparian habitat and woody debris from stream channels as key limiting factors to salmonids and other aquatic and riparian species. In addition, Pescadero, Butano, and San Gregorio Creeks are all listed by the Regional Water Quality Control Board as impaired for sediment and have Total Maximum Daily Load (TMDL) planning processes underway.

San Cruz County consists of seven primary watersheds and a number of smaller, but high priority, watersheds. The seven large watersheds include: Waddell Creek, Scotts Creek, San Lorenzo River, Soquel Creek, Aptos Creek, and Lower Pajaro River tributaries (including Corralitos Creek). The largest of these is the San Lorenzo River watershed which encompasses 138 square miles. Smaller coastal watersheds, especially in the northern portion of the county, are considered high priorities for restoration due to their value in maintaining Coho populations and the lack of urban impacts. All of these coastal streams descend from the steep Santa Cruz Mountains to drain into the Monterey Bay National Marine Sanctuary. The urban centers of the cities of Santa Cruz, Capitola, and Watsonville are located on the San Lorenzo River, Soquel Creek, and Lower Pajaro River tributaries and Watsonville Sloughs respectively, and have

channelized the streams to varying degrees. Other land uses in the watersheds include orchards and row crops, timber harvest, rural residential, extensive road infrastructure, cattle grazing, and parks and recreation. The San Lorenzo River and Pajaro River have approved TDMLs for sediment. IWRP projects will look to address sediment issues in TDML watersheds as they relate to fisheries restoration.

Unlike San Mateo and Santa Cruz County, the majority of Monterey County drains through one watershed, the 4,600 square mile Salinas River watershed. Although this watershed drains both San Luis Obispo and Monterey Counties, IWRP Phase 3 will focus on the Monterey County portion of the watershed. The Salinas River flows northwesterly along the 10 mile wide and 155 mile long Salinas valley into the Monterey Bay National Marine Sanctuary. The valley lies in the Coast Range and is defined to the west by the Sierra de Salinas and east by the Gabilan Range. The Salinas River watershed (along with the Pajaro River watershed) supports the inland sub-populations of SCCC Steelhead, a major recovery priority for NMFS and DFG. In addition to the Salinas River, Monterey County contains the Carmel River watershed, which also drains into the Marine Sanctuary, and is the current site of extensive fisheries restoration efforts with the proposed removal of San Clemente dam. Monterey County also contains a number of coastal watersheds along the Big Sur coast. These include the Big Sur River, and numerous other coastal drainages. The Big Sur coastal watersheds drain the steep rocky Santa Lucia Mountains. While the Salinas River watershed, and the Carmel River watershed to a lesser extent, is dominated by agricultural land-uses and private lands, the Big Sur coastal watersheds have large DPR and United States Forest Service (USFS) holdings.

Project History: Between 1998 and 2003, the Conservancy, DFG, and RWQCB funded over 15 fish passage and erosion risk assessments and watershed restoration plans for seven watersheds in Santa Cruz County. Staff from the Conservancy, DFG, RCDSCC, the County and City of Santa Cruz, and the Coastal Watershed Council recognized that implementing the recommendations of these assessments and plans would be best accomplished by bringing together federal, state, and local resource and permitting agencies to identify the highest priority projects and assist with locating funding sources, providing technical assistance, and facilitating permitting. This led to the creation of the Integrated Watershed Restoration Program for Santa Cruz County. The mission of IWRP is to facilitate and coordinate projects to improve fish and wildlife habitat and water quality in Santa Cruz County watersheds using a voluntary, non-regulatory approach. Typical IWRP restoration projects include sediment reduction, fish passage improvement, and wetland and lagoon restoration.

Phase 1 of IWRP began in 2003 with a \$4.5 million Conservancy grant to the RCDSCC to coordinate local, federal and state watershed partners to prioritize and implement the recommendations of the 15 watershed assessments and plans, and to provide funding and design guidance for restoration projects. Among several other components, Phase 1 established an interagency IWRP TAC to identify priority fish passage, sediment reduction, and wetland restoration projects, and to provide early feedback into designs and permitting requirements. Altogether under Phase 1 of IWRP 81 projects have been fully designed and permitted including 34 under the IWRP Design & Permitting component and 47 under the Permit Coordination Program (PCP) and Rural Roads Erosion Control Technical Assistance Program components. This success is largely due to the level of trust that has been established between the resource and regulatory agencies, the RCDSCC, and the local project leads. A key factor in building this

trust was to designate an IWRP Project Coordinator to serve as a single point-of-contact between the agencies and the project leads. This greatly improved communication and oversight. IWRP recently won a 2008 Riparian Challenge Award from the American Fisheries Society for its innovative approach to fisheries restoration.

Phase 2 of IWRP is devoted to implementation of the projects selected and designed in Phase 1. To-date, over \$11 million in construction funds have been raised. Of the 81 fully designed and permitted projects, 67 have been implemented as of October 2008 and at least 14 additional projects will be constructed by 2011. The implementation funds secured include awards from the State Water Resources Control Board's Consolidated Grant and Integrated Regional Watershed Management (IRWM) programs, as well as from the Conservancy to modify four fish passage barriers in Shingle Mill Gulch and Valencia Creek. An additional \$1,250,000 has been contributed by various funders including the NRCS Wildlife Habitat Incentives Program, the DFG Fisheries Restoration Grants Program, the RWQCB Special Environmental Projects Funds, the County Fish and Game Commission, American Rivers/NOAA, and local partner match.

Phase 1	81 restoration projects designed and permitted
Phase 2	Over \$11 million raised for implementation
	67 projects constructed 2005-2008
	At least 14 additional projects planned for construction by 2011

The Conservancy has also undertaken several watershed restoration projects in San Mateo and Monterey Counties to-date, including individual projects in San Pedro Creek, Pilarcitos Creek, the Carmel River, and Garrapata Creek, among others. By expanding the IWRP model to include these two counties through Phase 3, the Conservancy hopes to provide a forum for resource and funding agencies and local watershed partners to discuss and coordinate project priorities for the future.

PROJECT FINANCING:

<u>IWRP 3-County TAC and Prepare Restoration Designs</u>	
Coastal Conservancy	\$675,000
NRCS, Prop 50 IRWM, local match	150,000
<u>Rural Roads Erosion Control Technical Assistance Program</u>	
Coastal Conservancy	\$175,000
NRCS, San Mateo & Monterey Counties, DPR in-kind	50,000
<u>Permit Coordination Program for Santa Cruz County</u>	
Coastal Conservancy	\$50,000
NRCS in-kind, Prop 50 IRWM	<u>25,000</u>
Total Coastal Conservancy	\$900,000
Total Other Sources	<u>225,000</u>
Total Project Cost	\$1,125,000

The expected source of Conservancy funds is an appropriation to the Conservancy from the “Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002” (Proposition 50). Proposition 50 authorizes the Conservancy’s use of these funds for the purposes of coastal watershed protection as describe in Section 79570. All of the proposed project components will serve to protect and restore coastal watersheds through coordination of restoration planning efforts, assessing and identifying erosion control projects, supporting a permit coordination program that targets watershed restoration projects, and preparing designs and permits for projects that protect or restore fish and wildlife habitat within coastal watersheds or reduce unnatural erosion and sedimentation of coastal watersheds.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 5.5 (Section 31220) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resources Protection. Section 31220(a) authorizes the Conservancy to undertake and award grants for projects that meet one or more of the criteria of Section 31220(b). Consistent with §31220(b)(2),(3), (4), and (6), the project will restore fish habitat within coastal watersheds, reduce the threats to coastal anadromous fish, reduce unnatural erosion, and restore riparian areas and other sensitive watershed lands by identifying and designing projects that will modify fish passage barriers, reduce excessive sedimentation from poorly maintained rural roads, and extend the agreement terms of the Permit Coordination Program for Santa Cruz County to cover additional future riparian and watershed restoration projects.

Consistent with §31220(a), staff has consulted with State Water Resources Control Board (“SWRCB”) in the development of the project to ensure consistency with Chapter 3 (commencing with §30915) [Clean Beaches Program] of Division 20.4 of the Public Resources Code.

Consistent with §31220(c), the project is consistent with local watershed management plans. (*see* “Consistency With Local Watershed Management Plan/State Water Quality Control Plan,” section below). The project does not include a monitoring component per §31220(c) because the project does not include construction.

CONSISTENCY WITH CONSERVANCY’S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 6, Objectives A, C, and E** of the Conservancy’s 2007 Strategic Plan, the proposed project will produce 11-18 plans and designs for projects that will restore watersheds and river parkways, improve water quality, and remove barriers to fish as identified by the IWRP Technical Advisory Committees.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, 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:** Assemblymembers John Laird, Gene Mullin, and Anna Caballerro; State Senator Joe Simitian; Congressman Sam Farr, Congresswoman Jackie Speier, and Congresswoman Anna Eshoo; National Marine Fisheries Service; NOAA Restoration Center; USDA Natural Resources Conservation Service; US Bureau of Land Management; US Army Corps of Engineers; Monterey Bay National Marine Sanctuary; California Department of Fish and Game; Regional Water Quality Control Board; California Department of Parks and Recreation; Cal Fire; San Mateo County Supervisor Rich Gordon; San Mateo County Parks Department; San Mateo Resource Conservation District; County of Santa Cruz; City of Santa Cruz; City of Watsonville; Monterey County Resource Conservation District; FishNet 4C; Santa Cruz Port District; Scotts Creek Watershed Council; Arana Gulch Watershed Alliance; Watsonville Wetlands Watch; Land Trust Santa Cruz County; CalPoly Swanton; Peninsula Open Space Trust; Pilarcitos Creek Advisory Council; Big Sur Land Trust; road associations; and landowners (Exhibit 3).
4. **Location:** This project is located across multiple coastal-draining watersheds in San Mateo, Santa Cruz, and Monterey Counties. The watersheds in each of these counties are partly in and partly out of the coastal zone. Through coordinated planning and preparation of project designs, IWRP Phase 3 will lay the groundwork for removing fish migration barriers and improving water quality, which will in turn benefit anadromous fish species and a suite of aquatic, riparian, wetland, and marine species currently affected by poor water quality and habitat degradation.
5. **Need:** The precipitous declines in the Coho and steelhead fisheries in San Mateo, Santa Cruz, and Monterey Counties require an interagency approach to remove barriers and restore habitat quality. The success of the IWRP approach in Santa Cruz County, which is a voluntary, collaborative interagency effort, has led to the request by NMFS and DFG to establish a similar model in San Mateo and Monterey Counties. The RCDSCC can provide expertise to the neighboring RCDs to establish their own IWRP working with their local watershed partners.
6. **Greater-than-local interest:** By improving fish passage and controlling erosion, the project will serve to protect and enhance aquatic species throughout the three counties, the Monterey Bay National Marine Sanctuary, and the myriad coastal lagoons, as well as contributing to state and federal goals of restoring listed salmonids. When IWRP Phase 1 began, the promise was to build a process or model that could be replicated elsewhere in the state. Phase 3 brings this promise to reality by expanding the process, relationships, capacity-building, and

momentum to San Mateo and Monterey Counties, with the potential to replicate it in other areas as appropriate.

Additional Criteria

7. **Urgency:** The precipitous decline in salmonid populations in this region (see “Site Description” section above) make restoration actions all the more urgent. Related to this, the large wildfires in Big Sur will result in massive amounts of sediment degrading some of the few remaining prime fishery habitats. While these fires and the resulting erosion can be considered part of the natural process, the lack of refuge watersheds elsewhere place more importance on selectively protecting and restoring the streams with remaining good habitat. Additionally, it is critical that repairs use best management practices that will benefit adjacent habitat.
8. **Resolution of more than one issue:** The project will resolve fish passage, erosion control, and water quality issues by providing designs for restoration projects. The project will also address education and outreach related to both the Rural Roads and the Design & Permit programs, continue and expand the IWRP model for agency and partner coordination, build capacity among local partners in San Mateo and Monterey Counties, and expedite permitting for small restoration projects on private property through the Permit Coordination Program. All of these components are critical to effective watershed restoration.
9. **Leverage:** As demonstrated by Phases 1 and 2 of IWRP which raised \$11 million in implementation funding as a result of submitting grant proposals for projects that were already vetted by resource agencies and designed and permitted, the IWRP model can be successfully used to leverage future funding.
10. **Conflict resolution:** The project’s approach of working voluntarily with landowners, local agencies, and state and federal resources agencies to resolve watershed resource issues provides an alternative to regulatory action. Phase 1 has a proven track record for establishing a process for resolving protracted resource conflicts and developing comprehensive and innovative solutions.
11. **Innovation:** IWRP and its components are a unique approach to providing comprehensive, coordinated watershed restoration and can be used as a model throughout the state. Phase 3 will build on the successes of Phase 1 and allow this model to expand and evolve. IWRP recently won a 2008 Riparian Challenge Award from the American Fisheries Society for its innovative approach to fisheries restoration.
12. **Readiness:** The grantee and project partners are ready to proceed immediately and complete the project to take advantage of upcoming implementation grant program solicitations.
13. **Realization of prior Conservancy goals:** “See “Project History” above.”
15. **Cooperation:** The fundamental principle behind IWRP is the cooperation of local, state, and federal partners. In Santa Cruz County, IWRP has provided a central communication point to coordinate this cooperative effort which has lead to significant success in developing and implementing high priority projects. This model is directly applicable to San Mateo and Monterey Counties due to a number of factors including: overlapping resource agencies staff and jurisdictions (in most cases); similar resource issues across county boundaries; recent

successes in local cooperative/collaborative restoration; and increasing awareness and capacity at local agencies.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project spans coastal watersheds in San Mateo, Santa Cruz, and Monterey Counties. By facilitating watershed restoration projects that will control erosion, improve water quality, improve riparian habitat, modify fish passage barriers, and coordinate resource agency watershed restoration efforts, the project will help to satisfy several of the priorities listed in the Local Coastal Program (LCP) policies described below:

San Mateo County's 1998 certified LCP designates coastal riparian corridors as "sensitive habitats requiring protection" (Section 7.8).

Santa Cruz County's 1994 certified General Plan and LCP provides direction to "preserve, protect and restore all riparian corridor and wetlands for the protection of wildlife and aquatic habitat, water quality, erosion control, open space, aesthetic and recreational values and the conveyance and storage of flood waters" (Objective 5.2).

The North County Land Use Plan serves as the 1982 (amended in 1987) certified LCP for the northern coastal portion of Monterey County targeted by the project. Key Policy 2.3.1 states that "the environmentally sensitive habitats of North County are unique, limited, and fragile resources of statewide significance, important to the enrichment of present and future generations of county residents and visitors; accordingly, they shall be protected, maintained, and, where possible, enhanced and restored."

The Carmel Area Land Use Plan serves as the 1983 certified LCP for the central coastal portion of Monterey County targeted by the project. Key Policy 2.3.2 states that "the environmentally sensitive habitats of the Carmel Coastal Segment are unique, limited and fragile resources of statewide significance, important to the enrichment of present and future generations of County residents- and visitors; accordingly, they shall be protected, maintained and, where possible, enhanced and restored. All categories of land use, both public and private shall be subordinate to the protection of these critical areas."

The Big Sur Coast Land Use Plan serves as the 1986 certified LCP for the southernmost coastal portion of Monterey County targeted by the project. The LCP identifies riparian corridors as environmentally sensitive habitat areas. Policy 3.3.1 states that "all practical efforts shall be made to maintain, restore, and if possible, enhance Big Sur's environmentally sensitive habitats."

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

The individual watershed projects will be identified by the IWRP Technical Advisory Committee based on recommendations in local watershed plans, including the Coho and steelhead recovery plans developed by DFG and NMFS, or otherwise supported by state or federal resource agencies or local watershed groups. A number of potential projects are also recommended in the

Integrated Regional Watershed Management Plans for Northern Santa Cruz County and the Pajaro River.

Because they will facilitate the restoration of fish and wildlife habitat in coastal watersheds and wetlands, including habitat for the state- and federally-listed anadromous Coho salmon and steelhead, the project components are also consistent with the Water Quality Control Plan for the Central Coastal Basin (adopted by the Regional Water Quality Control Board Central Coast Region in 1994 and reviewed every three years) and the San Mateo Coastal Basin Hydrologic Planning Unit (adopted by the Regional Water Quality Control Board San Francisco Bay Region in 1975 and reviewed every three years) in that they will further the following beneficial use objectives:

- Estuarine habitat
- Wildlife habitat
- Rare, Threatened, or Endangered Species
- Migration of Aquatic Organisms
- Spawning, Reproduction, and/or Early Development.

COMPLIANCE WITH CEQA:

The proposed project is divided into the following three parts: the IWRP Design and Permit component; the Rural Roads component; and the Permit Coordination Program for Santa Cruz County component.

The IWRP Design and Permit component will include establishing IWRP technical advisory committees in San Mateo and Monterey Counties and continuing the one in Santa Cruz, and to provide technical and financial assistance to design and complete permit applications for 7-10 high priority restoration in San Mateo, Santa Cruz, and Monterey Counties. The establishment of IWRP technical advisory committees is not considered a “project” under California Environmental Quality Act (CEQA) because these activities do not have the potential for having a physical effect on the environment as defined under 14 Cal Code of Regulations Section 15378. Identification of high priority restoration projects, as well as the development of engineering designs and preparation of permit applications for these projects, are statutorily exempt from review under CEQA pursuant to 14 Cal. Code of Regulations Section 15262, in that these actions involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. These activities are also exempt under Section 15306, which exempts basic data collection and resource evaluation activities.

The Rural Roads component will include trainings for local partners on road-related erosion control best management practices, production of road-related educational and outreach materials, road assessments and development of designs and engineering specifications for road-related erosion control projects. All of these Rural Roads component activities are statutorily exempt from review under the CEQA pursuant to 14 Cal. Code of Regulations Section 15262, in that they involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. This component is also exempt under Section 15306, which exempts

basic data collection and resource evaluation activities.

The Permit Coordination Program (PCP) for Santa Cruz County component will include both continuation of the existing PCP, which involves the identification, screening, designing, and approval of 2–4 qualifying PCP projects, as well as the negotiation and extension of the PCP’s master agreements. The identification, screening, designing, and approval of the PCP projects are statutorily exempt from review under CEQA pursuant to 14 Cal. Code of Regulations Section 15262, in that these actions involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. These activities are also exempt under Section 15306, which exempts basic data collection and resource evaluation activities. The PCP master agreement negotiation and extension is statutorily exempt from review under CEQA pursuant to 14 California Code of Regulations Section 15262, in that it would involve only planning studies and feasibility analyses for possible future actions which the agency has not approved, adopted, or funded. This component is also exempt under Section 15306, which exempts basic data collection and resource evaluation activities.

IWRP Phase 3 is not approving, adopting, or funding any implementation activities and therefore the Program is statutorily exempt from CEQA review as this phase of the project does not have the potential for a physical effect on environment as defined in Section 15378.

Staff will file a Notice of Exemption upon approval of the project.