

COASTAL CONSERVANCY

Staff Recommendation

January 20, 2011

**SOUTH SAN FRANCISCO BAY SALT PONDS RESTORATION:
PHASE I IMPLEMENTATION**

File No. 02-070-02

Project Manager: Brenda Buxton

RECOMMENDED ACTION: Modify the June 4, 2009 authorization to accept and disburse funds from the National Oceanic and Atmospheric Administration for projects under the South Bay Salt Ponds Restoration Project by allowing any funds not needed for the construction of wetland restoration projects to be used for adaptive management and applied scientific studies, engineering and environmental services, and project management and related activities for Phase I of the South San Francisco Bay Salt Ponds Restoration Project.

LOCATION: San Francisco Bay, South of the San Mateo Bridge, in Alameda, San Mateo, and Santa Clara Counties.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

- Exhibit 1: [November 6, 2008 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.](#)
- Exhibit 2: [June 4, 2009 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.](#)
- Exhibit 3: [September 24, 2009 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.](#)
- Exhibit 4: [May 27, 2010 South Bay Salt Ponds Restoration: Phase I Implementation staff recommendation.](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

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“The Conservancy hereby modifies its June 4, 2009 authorization to accept and disburse funds from the National Oceanic and Atmospheric Administration for implementation of projects under the South Bay Salt Ponds Restoration Project by authorizing the redirection of any American Recovery and Reinvestment Act of 2009 funds (“ARRA grant funds”) designated for construction of three wetland restoration projects where those funds are no longer needed to complete the projects, to be disbursed for adaptive management activities and applied scientific studies, engineering and environmental services, and project management and related activities, including up to \$300,000 to the Resources Legacy Fund and \$300,000 to Ducks Unlimited, Inc. for fish-related applied studies, associated with implementation of Phase I of the South San Francisco Bay Salt Pond (SBSP) Restoration. Prior to the disbursement by the Conservancy of any funds, grantees shall submit for the review and approval of the Conservancy’s Executive Officer a work program for the project, including schedule and budget, and the names of any subcontractors it intends to use to complete 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 project is consistent with the current Project Selection Criteria and Guidelines, last updated by the Conservancy on June 4, 2009.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy’s mandate to address the resource and recreational goals of San Francisco Bay Area.
3. Resources Legacy Fund and Ducks Unlimited, Inc. are nonprofit organizations existing under Section 501(c)(3) of the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

This authorization would enable the Conservancy to use funds saved on the South Bay Salt Pond Restoration Project’s Phase I wetland restoration projects to fund other activities that would support implementation of the South Bay Salt Pond Restoration Project, including the fish studies previously identified as a high priority for the South Bay Salt Pond Restoration Project’s applied studies program in the May 27, 2010 staff recommendation (Exhibit 4). In the May 27, 2010 staff recommendation, it was anticipated that these adaptive management applied studies, focusing on fish resources, would be funded with up to \$300,000 of remaining ARRA grant funds and an additional \$300,000 from NOAA. Although it is no longer anticipated that additional funds will be awarded, the Conservancy has more than sufficient remaining funds to fund the proposed studies due to much lower construction costs than estimated on the Pond A8 and Pond A6 projects. Staff currently estimates that there could be \$800,000 saved from the three construction projects, or possibly even more, if construction conditions are favorable. This authorization would allow staff to negotiate with NOAA to find appropriate projects and studies for the remaining funds that would meet both NOAA’s and the

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Conservancy's goals of recovering tidal wetlands. This authorization remains consistent with the original June 4, 2009 staff recommendation for expenditure of ARRA funds and the modification proposed in the May 27, 2010 staff recommendation regarding re-direction of remaining ARRA funds. However, this staff recommendation changes those authorizations to acknowledge a larger amount of funding may be re-directed and to broaden the purposes of the projects or activities to be funded to all those consistent with implementation of the Phase I of the South Bay Salt Pond Restoration Project. These activities would include, but are not limited to, fish studies that will assess the effects of wetland restoration actions on fish species and communities within the SBSP Restoration Project area. These studies will support the SBSP Restoration Project's Adaptive Management Program by documenting the fish communities populating newly restored ponds and adjacent salt marsh habitat. These studies will also assess the health of a representative fish species in the project area. This information will help SBSP program managers assess to what extent tidal habitats increase survival, growth, and reproduction of fish populations which is a key uncertainty identified in the Applied Study Questions table in the Adaptive Management Plan (Applied Study No. 10 in the Adaptive Management Plan, pp.75-80 of Appendix D of the EIS/R). Resources Legacy Fund (RLF) is recommended as the grantee because the Conservancy and RLF are currently funding a fish study under the SBSP's science program (see Exhibit 1 November 6, 2008 staff recommendation) and the additional ARRA-NOAA funds would add an estimated two years to the study, improving its utility. Ducks Unlimited, Inc. (DU) is recommended as the grantee for the other fish study which would be a telemetry study focusing on fish (primarily salmonids and sturgeon) use of the SBSP project area, another key uncertainty for the project. DU has undertaken a similar study in the North Bay.

Site Description: A general description of the SBSP Restoration Project area is contained in the attached November 6, 2008 staff recommendation (Exhibit 1).

Project History: See attached November 6, 2008 staff recommendation (Exhibit 1) for a general project history.

PROJECT FINANCING:

Total NOAA Coastal Restoration Grant Funds **\$ 5,753,214**

The anticipated source of the funds for adaptive management studies or other activities funded to implement the South Bay Salt Ponds Restoration Project will be the federal American Recovery and Reinvestment Act of 2009 funds that have been made available through NOAA's Coastal and Marine Restoration Grant Program. Through this grant program NOAA may provide funds for projects to restore coastal and bay habitats that have strong on-the-ground habitat restoration components with long-term ecological habitat improvements and provide social and economic benefits for people and their communities.

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CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION, 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AND PROJECT SELECTION CRITERIA & GUIDELINES, AND WITH THE SAN FRANCISCO BAY PLAN:

The proposed authorization does not alter the project descriptions and other aspects of the project detailed in the November 6, 2008, June 4, 2009, September 24, 2009, and May 27, 2010 staff recommendations (Exhibits 1, 2, 3, and 4 respectively). This authorization would redirect awarded ARRA funds not needed to implement the tidal wetland restoration projects to fund studies and projects supporting the project's Adaptive Management goals. For the same reasons specified in the attached staff recommendations, the proposed authorization remains consistent with the Conservancy's enabling legislation, 2007 Strategic Plan Goal(s) & Objective(s), and Project Selection Criteria & Guidelines and with the San Francisco Bay Conservation and Development Commission San Francisco Bay Plan.

COMPLIANCE WITH CEQA:

As noted above, the proposed authorization does not alter the physical descriptions of the South Bay Salt Pond Restoration Phase I projects described in the attached staff recommendations. This funding change will not change the manner in which the project will be undertaken; the environmental effects of the project or of all the Phase implementation projects; or any project changes or feasible mitigations measures or alternatives that might avoid or reduce those effects. These studies are consistent with Adaptive Management strategy to undertake applied studies that will enable the project to avoid what could be potentially significant impacts. The information gained from studies about fish or other Bay resources will better quantify the benefits of restoration, help prevent and manage potential impacts, advance the science of wetland restoration, and help better design future phases.

Under the November 6, 2008 and June 4, 2009 staff recommendations, the project impacts, mitigation measures and environmental documentation, including the Environmental Impact Statement/Environmental Impact Report for Phase I of the South Bay Salt Pond Restoration Project, were fully presented and discussed. Based on its review of that information, the Conservancy adopted all findings required under CEQA for the funded South Bay Salt Pond Phase I projects. Since the proposed authorization does not alter the project in any way that would change the environmental effects or any required mitigation, no further findings are required under CEQA.