

COASTAL CONSERVANCY

Staff Recommendation
May 19, 2011

**INTEGRATED WATERSHED RESTORATION PROGRAM PHASE 3
AUGMENTATION**

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

RECOMMENDED ACTION: Authorization to disburse up to \$600,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to augment the grant awarded on December 4, 2008 for Phase 3 of the Integrated Watershed Restoration Program (IWRP) to design and permit 8-10 additional watershed restoration projects in San Mateo, Santa Cruz, and Monterey Counties.

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

PROGRAM CATEGORY: Integrated Coastal and Marine Resources Protection

EXHIBITS

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

Exhibit 2: [December 4, 2008 Staff Recommendation](#)

RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby amends its December 4, 2008 authorization to authorize the disbursement of up to an additional six hundred thousand dollars (\$600,000) to the Resource Conservation District of Santa Cruz County (RCDSCC) to design and permit 8-10 critical watershed restoration projects, subject to the condition that, prior to the disbursement of these additional funds, the RCDSCC shall submit for the review and written approval of the Executive Officer of the Conservancy revised work programs, including scopes of work, budgets and schedules.”

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 remains consistent with the current Project Selection Criteria and Guidelines.
 2. The proposed authorization remains consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding Coastal and Marine Resource Protection and with the resolutions, findings and discussion of the accompanying the Conservancy authorization of December 4, 2008, attached as Exhibit 2.”
-

PROJECT SUMMARY:

Staff recommends authorization to disburse up to \$600,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to augment the \$900,000 grant awarded on December 4, 2008 to continue to implement Phase 3 of the Integrated Watershed Restoration Program (IWRP). This augmentation will allow design and permitting of an additional 8-10 critical watershed 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). 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, nearly 80 projects have been implemented in the county between 2005 and 2010, with another 6-10 projects slated for construction in 2011. This fundraising success is due largely to the fact that 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.

The original Phase 3 grant was to: 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 (TAC) 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. The original grant was expected to last three years; with this augmentation, that timeframe would be extended to five years.

To-date, all of the project components are successfully underway. The original IWRP TAC formed for Santa Cruz County expanded with new staff from federal, state, and local resource and regulatory agencies to cover the additional jurisdictions of San Mateo and Monterey Counties. On January 13, 2010, a forum was held for both original and new TAC members to discuss the future of IWRP, goals and priorities of the various resource agencies, and how to use the county-specific TACs to identify and select critical watershed restoration projects. Staff at the Resource Conservation Districts (RCDs) of San Mateo and Monterey Counties have been trained in the IWRP process and have stepped up as the leaders of the TACs in their counties. The IWRP Project Coordinator has continued to play a pivotal role in providing technical and

permitting expertise to the project leads and serving as a single point-of-contact with the resource and regulatory agencies to facilitate the design and permitting process.

Through the effectiveness of the IWRP process, a number of priority projects were initiated with little funding from the Conservancy, as local partners found other sources of money or ways to pool resources to get them done quickly and efficiently. The same is true for finding construction monies for the projects. As a result of being vetted by the IWRP TAC, most projects already have implementation funding identified from sources other than the Conservancy, or have been moved to the top of the funding priority list for their respective Integrated Regional Watershed Management Programs. For those design projects using Conservancy IWRP funding, six have been put under contract to begin the design process with one already completed. However, because the process is working so well and the TACs have identified a number of additional critical projects, there has been a request to increase the amount of funding from the Conservancy to complete more designs and permits than originally anticipated. This augmentation would increase the original goal of 7-10 design projects to 15-20 across the three counties.

The RCDSCC's highly effective Rural Roads Erosion Control Technical Assistance Program, which focuses on erosion-prone, non-county rural roads, has been initiated in both San Mateo and Monterey Counties through the respective RCDs. Road-specific TACs have been formed to advise on identifying and selecting priority roads in need of erosion control to protect natural resources. Several workshops have been held for road association members and contractors on best management practices. Initial steps have been taken to perform select road assessments to recommend and design solutions to reduce sedimentation. Plans are underway in San Mateo and Monterey Counties to adapt the RCDSCC's *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. By augmenting and extending Phase 3, both of these new Roads Programs can be more firmly established in the two counties.

The last component of IWRP Phase 3 is to renegotiate the master permits and extend the Permit Coordination Program of Santa Cruz County for another 10 years. The Conservancy funded the original 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 the following year, and 20 projects in the fourth year.

Most of the negotiations for master permit renewals have been finalized but there are still some additional steps to secure the final permits. It is anticipated that the permits will all be secured later this year.

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 continue to carry out Phase 3 of IWRP.

Site Description: See Exhibit 2.

Project History: See Exhibit 2.

PROJECT FINANCING

Coastal Conservancy (this authorization)	600,000
Coastal Conservancy (December 4, 2008 authorization)	900,000
Subtotal Coastal Conservancy	\$1,500,000
Others Funders	
NRCS, Prop 50 IRWM, local match	\$150,000
Total Project Costs	\$1,650,000

The proposed source of Conservancy funds for this authorization is an appropriation to the Conservancy from Proposition 84, “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.” These funds are allocated to the Conservancy for development, restoration and protection of land and water resources, and promotion of access to and enjoyment of coastal resources. Section 75060(e) of the Public Resources Code specifically allocates Conservancy funding for Monterey Bay and its watersheds, which is defined in Section 75072.5 to include the Carmel River watershed. A portion of the funding for this project will come from funds specifically allocated to Monterey Bay. 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. The proposed project is consistent with the Conservancy’s enabling legislation, as discussed in the “Consistency with Conservancy’s enabling legislation” section below. The proposed authorization is thus consistent with the funding requirements of Proposition 84.

Proposition 84 also requires that for potential projects that include acquisition or restoration for the purpose of natural resources protection, the Conservancy give priority to potential projects that meet one or more of the criteria specified in Section 75071. The proposed project satisfies the following specified criterion: Section 75071(b) regarding watershed protection in that the design projects are watershed restoration projects selected by the IWRP TAC to contribute to the long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the three counties by reducing erosion, restoring natural floodplains, removing barriers to fish passage, re-establishing native vegetation, and other watershed protection measures.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy's Enabling Legislation as described in the December 4, 2008 staff recommendation (Exhibit 2).

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

The proposed project remains consistent with the Conservancy's Strategic Plan goals and objectives as described in the December 4, 2008 staff recommendation (Exhibit 2).

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project remains consistent with the Conservancy's Project Selection Criteria & Guidelines as described in the December 4, 2008 staff recommendation (Exhibit 2). In addition, it is consistent with the following criteria adopted on June 4, 2009, in the following respects:

Required Criteria

7. **Sea level rise vulnerability:** One of the IWRP TAC selection criteria for design projects is that the project promotes ecosystem resilience – providing safe corridors for wildlife to move and retreat from sea level rise and other climate change impacts, restoring natural processes like functioning floodplains, and focusing away from single-species conservation and more on environmental heterogeneity and health.

Additional Criteria

17. **Vulnerability from climate change impacts other than sea level rise:** See 7. Sea level rise vulnerability above.
18. **Minimization of greenhouse gas emissions:** The design projects will incorporate construction techniques and maintenance practices to reduce greenhouse gas emissions, such as using hand labor when possible and reducing earth moving distances to on-site on nearby locations. In addition, the projects will strive to use local materials and labor during construction. With regard to the IWRP TAC meetings and coordination, these will be held via conference call and email in most cases to reduce staff travel.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project remains consistent with the local coastal program policies as described in the December 4, 2008 staff recommendation (Exhibit 2).

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

The proposed project remains consistent with the local watershed management plan and State Water Quality Control Plan as described in the December 4, 2008 staff recommendation (Exhibit 2).

COMPLIANCE WITH CEQA:

The proposed project is an augmentation of funding only and does not involve the expansion or any changes to the project as described in the December 4, 2008 staff recommendation. Thus, the augmentation of funding remains consistent with the environmental analysis discussion of the project under this section in the December 4, 2008 staff recommendation. See Exhibit 2.