

COASTAL CONSERVANCY

Staff Recommendation
May 24, 2012

**RUSSIAN RIVER FLOODPLAIN RESTORATION: HANSON WINDSOR PONDS
FEASIBILITY STUDY AND CONCEPTUAL DESIGN**

Project No. 12-007-01
Project Manager: Michael Bowen

RECOMMENDED ACTION: Authorization to disburse up to \$300,000 to the Endangered Habitats Conservancy for the preparation of a feasibility study and conceptual design for the restoration of the 357-acre Hanson Aggregates property located in the Russian River floodplain near the City of Windsor.

LOCATION: City of Windsor, County of Sonoma

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

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

Exhibit 2: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31111 and 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to three hundred thousand dollars (\$300,000) to the Endangered Habitats Conservancy (“EHC”) to complete a feasibility study and the conceptual design of a floodplain restoration project for the Hanson Aggregates property on the Russian River near Windsor.

Prior to the Conservancy’s disbursement of funds, EHC shall provide for the approval of the Executive Officer of the Coastal Conservancy (“the executive officer”) evidence that all needed matching funds have been received, the names of contractors that will work on the project, and written site-access permission from the property owner.

EHC shall use its best efforts to have the results of the feasibility study and design incorporated into the reclamation plan for the property under the Surface Mining and Reclamation Act, California Public Resources Code Section 2710 et seq. Then, if deemed appropriate, at the request of the executive officer, EHC shall exercise its option to acquire the fee interest in the Hanson Aggregates property and shall work with the Conservancy to ensure that the ecological and recreational values of the property, once transferred, will be permanently restricted.”

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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 Project Selection Criteria and Guidelines adopted by the Conservancy on November 10, 2011.
2. The proposed authorization is consistent with Sections 31111 and 31251-31270 (Chapter 6 of Division 21) of the Public Resources Code, regarding feasibility studies and coastal resource enhancement.
3. The Endangered Habitats Conservancy is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Service, and whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

Staff recommends the disbursement of up to three hundred thousand dollars (\$300,000) to the Endangered Habitats Conservancy (EHC) to complete a feasibility study for and the conceptual design of a floodplain restoration project at the Hanson Windsor Ponds on the Russian River near Windsor, Sonoma County. EHC will utilize these funds to complete data gathering and conceptual design to guide the development of an improved reclamation plan for a 357-acre gravel quarry site known as the Hanson Aggregates Windsor Ponds (Ponds) property.

If a feasible plan can be developed, the project, located on an abandoned gravel quarry owned by Hanson Aggregates, could lead to the restoration of 357 acres of riparian forest and off-channel, salmonid-rearing habitat. Other aquatic, riparian, and upland species will benefit from this kind of landscape-level restoration strategy. The ideal design will establish a self-sustaining off-channel wetland complex that can evolve naturally within the fluctuations and dynamics of the river system. Such an outcome would require minimal long-term active management, with the exception of tracking and responding to non-native invasive plant and animal related issues. A public access component of the plan will include a kayak take-out and public access trails.

In order to develop the feasibility study and conceptual design of a floodplain restoration project, EHC proposes to engage US Geological Survey experts in close coordination with National Marine Fisheries Service and other experts, to conduct hydrogeomorphic modeling to ultimately develop the conceptual design for the project. The work will advise the design and seasonal durations of the reconnection(s) and address sediment transport, flooding and the biological implications of implementing the project.

EHC holds an option agreement with Hanson Aggregates on the property. The option stipulates that if agreement can be reached on the restoration design and reclamation plan, Hanson Aggregates will donate the fee interest in the property to EHC. An appraisal completed by Hanson Aggregates in 2010 estimated the value at \$1.5 million. By helping EHC to develop a feasible reclamation plan for the site, the proposed authorization will ensure that EHC will be

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able to exercise its option with Hanson Aggregates in exchange for EHC assuming the remaining reclamation obligations. EHC will work with the Conservancy to ensure that the ecological and recreational values of the property, once transferred, will be permanently restricted. One scenario for future disposition of the site now under discussion is to convey the acquired property to Sonoma County Parks after the restoration is complete. The project would then be managed as a component of the existing Riverfront Regional Park.

The Surface Mining and Reclamation Act (“SMARA,” California Public Resources Code Section 2710 et seq.) establishes reclamation standards that mining interests must adhere to when preparing to vacate a mining operation. But the law requires neither improved habitat nor public access as part of the site reclamation. Indeed the currently proposed reclamation plan for the site proposes merely that the ponds remain separated from the river via the construction of revetments and levees, and it includes neither habitat enhancement nor public access components. Since research demonstrates that re-establishing a periodic connection of the floodplain to the river can reduce flood risk downstream and provide significant benefits to fish and wildlife, as well as public access opportunities, an improved reclamation plan is highly desirable.

The County of Sonoma Planning and Resource Management Department (PRMD) is the lead agency for ensuring the implementation of the reclamation plan for the Hanson property and for other mining operations on the Middle Reach of the Russian River. The county has a longstanding interest in seeing a reclamation plan for the Hanson property implemented, but would like to see reclamation efforts that significantly exceed the minimum requirements of SMARA. With respect to the Hanson property, EHC proposes to replace the proposed reclamation plan with a conceptual design that provides habitat enhancements and public access provisions.

EHC is a nonprofit organization established under Internal Revenue Code Section 501(c)(3) and dedicated to ecosystem protection and sustainable land use. Although its focus is on the protection and enhancement of natural habitat in Southern California, its staff works cooperatively with a variety of regional planners to achieve lasting conservation.

Site Description: The 357-acre site, a former floodplain gravel quarry, is located along Eastside Road immediately west of the City of Windsor, Sonoma County, and along the banks of the Russian River. The site, owned by Hanson Aggregates, presently includes four groundwater-fed ponds - former terrace mining sites - comprising approximately 220-acres of open water and 130-acres of highly disturbed upland.

The property’s four ponds – Mariani, Piombo, Richardson and Vimark - range in size from 30 to 110 acres. Average pond depths are ~30 feet; slopes are generally 2:1. Adjacent properties are owned by Syar Industries, an aggregate company, and privately-owned vineyards. The ponds are separated from each other and the Russian River by a relatively narrow unreinforced earthen levee. A passive backflow channel has developed between the largest (Richardson) pit and the river and between the Mariani and Piombo pits. Periods of backflow from the river into the Richardson pit occur approximately every 1 to 1.5 years.

A retired gravel mining site, the majority of the property is disturbed habitat with the exception of areas along the shoreline that have been planted with native vegetation in compliance with the reclamation plan. Pond configuration does not generally support emergent wetland, shoal habitat, or complex riparian edge.

Project History: Kaiser Sand and Gravel began mining operations at the site in the early 1960s. Hanson Aggregates purchased the site from Kaiser in 1999 and continued operations until 2002 when mining ceased. Upon cessation of gravel mining, Hanson developed the existing reclamation plan for the site, consistent with SMARA.

EHC, a San Diego-based nonprofit organization, became involved with the Russian River Restoration Project while working with Hanson Aggregates on an acquisition and restoration project on the San Diego River. The 2009 state bond freeze left EHC short of the approved appraised value (and purchase price) by \$909,750. Hanson agreed to allow EHC to acquire the San Diego River property without the balance of \$909,750 if EHC agreed to enter into an option agreement for the Russian River property and assume remaining reclamation obligations. EHC saw this as an opportunity to significantly increase the fish and wildlife benefits on the Russian River property. And, if EHC exercises its option on the property, the property will be transferred for \$1 even though a Hanson-commissioned appraisal valued the property at ~\$1.5 million. As result, EHC will have saved over \$2 million in acquisition costs for the Russian River and San Diego properties.

The property is currently subject to a reclamation plan that must be implemented and approved by Sonoma County and the Department of Conservation Office of Mining Reclamation to comply with the Surface Mining and Reclamation Act or SMARA. Hanson has completed many of the requirements, but one key task remains that requires revetment of the berm between the river and the Richardson pond. New scientific studies indicate that it would be much more beneficial to allow periodic flooding of a restored floodplain rather than maintaining a separation. EHC and other participants would like to assume the remaining reclamation plan tasks by converting it into a much larger landscape restoration project that would re-connect the river to its floodplain and restore riparian and wetland habitat.

PROJECT FINANCING

Coastal Conservancy	\$300,000
County of Sonoma Planning and Resource Management Dept.	<u>\$60,000</u>
Total Project Costs	\$360,000

The anticipated source of the Conservancy's own funds will be the fiscal year 2010/2011 appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) for projects in Ocean Draining watersheds of the San Francisco Bay Area Program. The project is appropriate for funding under this source as these funds are available for the acquisition, enhancement, restoration, protection and development of coastal resource in accordance with the Conservancy's enabling legislation. Projects that restore natural resources are given priority if they meet one or more of the criteria specified in Pub. Resources Code § 75071. The proposed restoration project satisfies the

following specified criteria: (a) landscape/habitat linkages- the project will restore and help sustain a complex riparian system which supports numerous threatened and endangered species, including Coho salmon; (b) watershed protection – the project will contribute to long-term protection of and improvement to the water and biological quality of the Russian River and the near shore area of the Pacific Ocean; and (e) non-state matching funds, notably those from the County of Sonoma. In light of the County’s longstanding interest in the reclamation plan, and their desire to be involved in the development of an alternative approach, the County of Sonoma’s Planning and Resource Management Department is contributing \$60,000 from the Mining Bank Stabilization Fund to cover costs associated with data gathering for input into the modeling process.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to § 31111 and Chapter 6 of the Conservancy’s enabling legislation, Public Resource Code §§ 31251-31270, as follows:

Pursuant to § 31111, the Conservancy may, in implementing Division 21, fund and undertake plans and feasibility studies, and may award grants to public agencies and nonprofit organizations for these purposes. EHC is a nonprofit organization established under Internal Revenue Code Section 501(c)(3) and dedicated to ecosystem protection and sustainable land use.

Pursuant to § 31251, the Conservancy may award grants to nonprofit organizations to enhance coastal resources that, because of indiscriminate dredging or filling, improper location of improvements, natural or human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. This project, sited in an abandoned gravel quarry, will facilitate the restoration of floodplain ecology, native riparian habitat, and the connectivity between a coastal watershed and its floodplain. Planning activities developed under this grant, if implemented, will benefit a variety of aquatic resources, including Pacific salmon, that reside partly within and partly outside the coastal zone (Pub. Res. Code § 31251.2).

Pursuant to § 31252, the proposed project is consistent with the County of Sonoma’s Local Coastal Program, which includes policies in favor of public action to resolve resource protection problems as described in the “Consistency with Local Coastal Program Policies” section below.

Consistent with § 31253, the amount of funding recommended for the proposed project is based on the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant and its project partners, and the urgency of the project relative to other eligible coastal resource enhancement projects.

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

Consistent with **Goal 1, Objective E** of the Conservancy’s 2007 Strategic Plan, the project will help design several miles of river parkway trail along the Russian River to expand recreational opportunities.

Consistent with **Goal 2, Objective 2A**, of the Conservancy's 2007 Strategic Plan, the project will develop a plan to create a riverfront park in an area that provides very few public access opportunities, although it is a short distance from Santa Rosa, Sonoma County's largest city.

Consistent with **Goal 6, Objective A**, of the Conservancy's 2007 Strategic Plan, the project will develop a plan to restore the floodplain habitat of a coastal river while creating a river parkway.

**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 November 10, 2011, 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:** Project supporters include the Sonoma County Water Agency, Sonoma County Parks, Sonoma County Agricultural Preservation and Open Space District, Russian Riverkeeper, Redwood Empire Trout Unlimited, Sierra Club, NOAA Fisheries, California Department of Fish and Game. A working group consisting of resource agencies will include NMFS, DFG, and the Coastal Conservancy. See Exhibit 2 for letters of support.
4. **Location:** The proposed project is located entirely outside of the coastal zone. However, a key goal of the project is to improve habitat conditions for populations of anadromous fish, such as Coho and Chinook salmon and steelhead trout, that spend part of their life inside and part of their life outside of the coastal zone. Thus, development of the project will have a significant benefit for coastal resources by increasing anadromous fish populations from their currently depressed levels.
5. **Need:** Unlike most funding sources, the Conservancy has traditionally demonstrated a willingness to fund the project development necessary to launch an ambitious enhancement project such as this. The Coastal Conservancy's timely dedication of funding for modeling and outreach will allow EHC and others to identify a restoration alternative that will restore riparian processes and functions to the Russian River while pursuing grants for permitting, engineering, construction and monitoring.
6. **Greater-than-local interest:** If a satisfactory remediation plan for the site is developed, the public will likely see developed a project that combines significant habitat restoration with public access opportunities in an area that offers little of both.
7. **Sea level rise vulnerability:** The proposed project is sufficiently far from the coast to be impervious to any sea level rise impacts.

Additional Criteria

8. **Urgency:** EHC’s option for the property expires on September 30, 2012 and the exercise of this option will depend on progress toward the development of an acceptable alternative to the existing reclamation plan. Hanson Aggregates has already granted a 9-month option extension and additional extensions are not guaranteed. If EHC does not exercise its option, the site will be reclaimed to meet Surface Mining and Reclamation Act (SMARA) reclamation standards that provide minimal benefits for fish and wildlife and none for recreation. Thus, it is urgent that the grantee make progress in identifying a suitable remediation plan.
9. **Resolution of more than one issue:** The proposed project will provide a remediation plan superior to that required under SMARA, while also helping to increase public access along the Russian and helping to achieve coastal salmon enhancement targets set by the National Marine Fisheries Service, Department of Fish and Game, and others.
10. **Leverage:** See the “Project Financing” section above.
11. **Conflict resolution:** The appropriate remediation of gravel mines in Sonoma County has long been a controversial topic, as has the level of development suitable within the floodplain of the Russian River. The proposed project enjoys broad support for its effort to plan the remediation of the gravel mine in a way that improves access, enhances habitat, and takes a property well beyond the minimal requirements of SMARA.
12. **Innovation:** The reconnection of rivers to floodplains is an extremely important and increasingly popular habitat restoration approach. It demonstrably improves riparian habitat, increases growth rates and productivity of juvenile salmonids, and provides highly valuable habitat for a variety of aquatic and terrestrial species.
13. **Readiness:** EHC has organized the participants and is ready to launch the conceptual design process for the project.
14. **Return to Conservancy:** NA.
15. **Cooperation:** EHC proposes to facilitate stakeholder engagement to encourage input and support from local conservation organizations (Russian Riverkeeper, Redwood Empire Trout Unlimited, Sierra Club, etc), as well as landowners, agencies and interested citizens. A working group consisting of resource agency partners – Sonoma County Water Agency, Sonoma County Parks, Department of Fish and Game, Coastal Conservancy, Sonoma County Agricultural Preservation and Open Space District – will provide regular review of the restoration planning. Baseline monitoring data will be developed as part of the modeling phase of the project and establish parameters for tracking sediment transport, target fish populations, and overall biotic functions. NMFS Resource Management staff will develop a monitoring and research program associated with this project to be carried out jointly by NMFS, DFG and EHC.
16. **Vulnerability from climate change impacts other than sea level rise:** The conceptual design process will take into consideration current predictions for changing weather patterns, which could impact the long term viability of the project.

17. Minimization of greenhouse gas emissions: The proposed project consists of the development of a conceptual plan, and thus will have negligible greenhouse gas emissions.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the Sonoma County Local Coastal Program, certified in 1981 and revised in 1999, specifically Section III Environmental Resources. Consistent with Section III, Recommendation Numbers 9, 10, 12 and 71, the project will enhance riparian corridor and fish habitats that were degraded by mining operations begun in the early 1960 and lasting until 2003. The project will help design necessary stream bank stabilization and riparian improvements consistent with the soil conservation and water quality policies Sonoma County's General Plan Resource Conservation Element (Sections 2.0-2.2 and 3.0). In addition, the project will incorporate design elements that enhance habitat for salmonids and utilize native plants for revegetation consistent with policies calling for the protection of biotic resources, endangered species and marine fishery resources (Sections 5.1, 5.2 and 6.0-2).

COMPLIANCE WITH CEQA:

Preparation of the feasibility study and conceptual design involves only data gathering, planning, and feasibility analyses for possible future actions and is thus statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15262. The planning and design effort does not have a legally binding effect on future activities or authorizations, which would be subject to further CEQA review.

The authorization is also categorically exempt under § 15306 as an information gathering and resource evaluation activity.

Staff will file a Notice of Exemption upon approval.