

COASTAL CONSERVANCY

Staff Recommendation

October 3, 2013

**INTEGRATED WATERSHED RESTORATION PROGRAM PHASE 3  
AUGMENTATION**

Project No. 03-063-02

Project Manager: Kate Goodnight

**RECOMMENDED ACTION:** Augmentation of the Conservancy's May 19, 2011 authorization for additional funds to the Resource Conservation District of Santa Cruz County for the Integrated Watershed Restoration Program 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

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**EXHIBITS**

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

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

Exhibit 3: [May 19, 2011 Staff Recommendation](#)

Exhibit 4: [IWRP Overview and Accomplishments](#)

Exhibit 5: [Status of current IWRP Phase 3 projects and proposed new projects](#)

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**RESOLUTION AND FINDINGS:**

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

“The State Coastal Conservancy augments its May 19, 2011 authorization to disburse additional funds of up to seven hundred seventy-five thousand dollars (\$775,000) to the Resource Conservation District of Santa Cruz County (RCDSCC) to design and prepare permit documentation for 25-30 more critical watershed restoration projects to implement the Integrated Watershed Restoration Program. Prior to disbursement of additional funds, the RCDSCC shall submit for the review and written approval of the Conservancy's Executive Officer revised work programs, including scopes of work, budgets and schedules for the program.”

Staff further recommends that the Conservancy adopt the following findings:

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“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 remains consistent with the Conservancy’s May 19, 2011 findings regarding the program’s compliance with the Conservancy’s enabling legislation (Chapter 5.5 of Division 21 of the Public Resources Code), the applicable local coastal programs, and local watershed management and State Water Quality Control Plans.(See Exhibits 2 and 3).”
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**PROJECT SUMMARY:**

Staff recommends augmentation of funding of up to \$775,000 to the Resource Conservation District of Santa Cruz County (RCDSCC) to add to the \$1,725,000 previously authorized by the Conservancy to implement Phase 3 of the Integrated Watershed Restoration Program (IWRP) (See Exhibits 2 and 3). This augmentation will provide design and permitting assistance for an additional 25-30 critical watershed restoration projects supporting the recovery of several listed species and improvement of water quality in San Mateo, Santa Cruz, and Monterey Counties.

Now in its tenth year, IWRP is proven to be a highly effective process for implementing restoration projects in the Central Coast. IWRP brings federal, state, and local resource agencies and conservation partners together to identify high priority watershed restoration projects in San Mateo, Santa Cruz, and Monterey Counties, and to provide technical oversight of the preparation of designs and environmental compliance documents. The Conservancy’s \$6.5M investment in the design phases (Phases 1 and 3) of IWRP has resulted in the raising of an additional \$14.5M to construct 153 restoration projects to-date (Phase 2, which is ongoing). In addition, the Conservancy’s investment has provided a forum to coordinate recovery actions for the Central and South-Central California Coast steelhead, Central California Coast Coho salmon, Santa Cruz long toed salamander (SCLTS), California red legged frog (CRLF), and other listed species in the three counties. IWRP has also evolved into a respected approach to resolve long-standing resource conflicts through the development of mutually-agreeable projects, as well serving as a cutting edge laboratory for testing new methods of providing permitting assistance and other incentives to encourage higher landowner participation in restoration. IWRP staff also work with landowners and forestry agencies to maintain beneficial woody material in salmonid streams and find solutions to address water rights and conservation projects to balance agricultural needs with improving fishery habitat. The high volume of restoration projects constructed has benefitted the local economies by providing numerous jobs and focusing attention on the community benefits of preserving natural resources. Please see Exhibit 4 for a more detailed overview of IWRP accomplishments and recognition.

With Conservancy funding support in December 2008 (Exhibit 2), supplemented by a subsequent augmentation in May 2011 (Exhibit 3) and a funding augmentation under the Conservancy’s Executive Officer’s delegated authority in June 2013, IWRP Phase 3 has resulted in the expansion of IWRP from its origins in Santa Cruz County. Phase 3 now includes the adjacent San Mateo and Monterey Counties, where it supports and coordinates the IWRP multiagency technical advisory committee (TAC); an increase in the size and types of projects

covered under the countywide Santa Cruz County Partners in Restoration permit coordination program and renewal of the master agreements for an additional 10 years; and the expansion of the Rural Roads Sediment Reduction Technical Assistance Program into San Mateo and Monterey Counties to improve water quality and fish habitat by working with private road associations to control erosion. In addition to the projects resulting from the permit coordination and roads programs, Phase 3 has also funded the design and permitting of 26 TAC-selected priority watershed restoration projects, nearly all of which have been constructed or are slated for construction due to the high success rate of raising implementation funds (See Exhibit 5).

There are a number of efforts underway by IWRP partners to develop long-term funding mechanisms to sustain IWRP into the future (See Exhibit 4). Because these funding streams are not yet established, the IWRP TAC agencies and partners are requesting an additional augmentation to the existing Phase 3 grant to bridge the gap and maintain the momentum of the listed species recovery actions. The IWRP partners agree that continued funding for the design and development of permitting documentation for projects is the highest priority for Conservancy funds, and this assistance can be successfully leveraged to secure implementation funding for the IWRP projects. The augmentation will enable the design and preparation of permit documentation for an additional 25-30 projects, selected by the IWRP TAC.. A list of anticipated projects is included in Exhibit 5.

The RCDSCC has successfully managed a number of Conservancy grants including the extremely complex IWRP Phase 1 and current Phase 3 grants, which required dozens of subcontracts and hundreds of invoices for multiple projects; the grant to develop the original countywide Partners in Restoration 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

<b>Coastal Conservancy</b> (this authorization)	775,000
July 26, 2013 Executive Officer authorization	225,000
May 19, 2011 Conservancy authorization	600,000
December 4, 2008 Conservancy authorization	900,000
<b>Subtotal Coastal Conservancy</b>	<b>\$2,500,000</b>
<b>Others Funders</b>	
NRCS, Prop 50 IRWM, local match	\$150,000*
<b>Total Project Costs</b>	<b>\$2,650,000</b>

\* While there is only a minimal match contribution for the design portion of the projects, the intent is for the project proponents to use this funding to leverage implementation monies. To-

date, this has worked out to be greater than a 2:1 match (\$14.5M raised to match the \$6.5M in Conservancy Phase 1 and 3 design grants).

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 and May 19, 2011 staff recommendations (Exhibits 2 and 3).

**CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 5, Objectives D, E, and G** of the Conservancy’s 2013-2018 Strategic Plan, the proposed project will produce designs and permits as part of the implementation of 25-30 restoration projects selected by the IWRP TAC that will enhance coastal watersheds and floodplains, remove barriers to fish passage, ensure sufficient instream flow and provide in stream habitat for fisheries, and improve water quality to benefit coastal and ocean resources (Exhibit 5).

**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 and May 19, 2011 staff recommendation (Exhibit 2 and 3).

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The proposed project remains consistent with the local coastal program policies as described in the December 4, 2008 and May 19, 2011 staff recommendations (Exhibits 2 and 3).

**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 and May 19, 2011 staff recommendations (Exhibits 2 and 3).

**COMPLIANCE WITH CEQA:**

The proposed project to augment funding for the IWRP to prepare designs and permit applications for 25-30 additional projects is statutorily exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regs. Section 15262 as it involves only planning for future actions which have not yet been approved and the planning will consider environmental factors. Staff will file a Notice of Exemption upon approval.