

## COASTAL CONSERVANCY

Staff Recommendation  
December 4, 2014

### **WATERSHED RESTORATION DESIGN & PERMIT TECHNICAL ASSISTANCE**

Project No. 08-071-01  
Project Manager: Trish Chapman

**RECOMMENDED ACTION:** Authorization to disburse an additional \$50,000 to Alnus Ecological, Inc. to continue to provide environmental services to the Conservancy to guide development of watershed restoration projects that meet resource goals and achieve full compliance with all applicable environmental regulations. Consistent with the funding source, this augmentation is specifically targeted to steelhead recovery projects in the Carmel River watershed.

**LOCATION:** Carmel River watershed

**PROGRAM CATEGORY:** Integrated Coastal and Marine Resources Protection

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#### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31111 and 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes an amount not to exceed fifty thousand dollars (\$50,000) to Alnus Ecological, Inc. to augment the existing contract providing environmental services to the Conservancy to guide development of watershed restoration projects that meet resource goals and achieve full compliance with all applicable environmental regulations. Use of this additional funding is limited to projects that promote recovery of steelhead in the Carmel River watershed. This authorization is subject to the condition that prior to commencement of work utilizing the augmented funding, the Executive Officer of the Conservancy shall approve in writing a work authorization, including scope of work, schedule of completion, budget, and any subcontractors 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 authorization is consistent with the purposes and objectives of Sections 31111 and 31220 of Division 21 of the Public Resources Code, regarding, respectively, project planning and development and integrated coastal and marine resources protection.”
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**PROJECT SUMMARY:**

Staff recommends authorization to disburse an additional \$50,000 to Alnus Ecological, Inc. (Alnus) to continue to provide environmental services to the Conservancy to guide development of watershed restoration projects so that the projects meet resource goals and achieve full compliance with all applicable environmental regulations. This augmentation would be funded with monies from the Carmel River Settlement Account and would be specifically targeted to projects in the Carmel River watershed that promote recovery of steelhead trout.

In 2009, NOAA Fisheries and California American Water (CAW) entered into a settlement agreement that required CAW to pay a total of \$11.2 million to the California Department of Fish and Wildlife (CDFW) for projects to help mitigate the impacts on steelhead in the Carmel River from CAW's water withdrawals from the river in excess of their water right. CAW was required to pay CDFW an initial \$3.5 million in 2009, and then \$1.1 million more every July through 2016. CAW paid CDFW a total of \$7.9 million through 2013. Due to legal constraints that made it difficult for CDFW to fund priority projects, the settlement agreement was modified in 2014 to make the State Coastal Conservancy the recipient and manager of the funds. In 2014, CDFW transferred a total of \$6,739,643.26 to the Conservancy. In addition, the Conservancy received the 2014 payment of \$1.1 million from CAW on July 8, 2014. The funds were deposited into the Carmel River Settlement subaccount of the Coastal Trust Fund Account.

Under the terms of the settlement agreement, the Conservancy may use a portion of the funds for administration of the funds and project management. The Conservancy intends to use a portion of these management funds to augment the Watershed Restoration Design & Permit Technical Assistance contract with Alnus to provide technical assistance that is beyond the capacity of Conservancy staff. The Conservancy has found that providing technical assistance early in development and permitting of a project can save both time and money in getting a project designed, permitted and constructed. Knowing at the beginning of the project development the environmental permitting requirements that may exist and tailoring the project to meet those requirements (such as identification of needed mitigation measures) saves both time and money and leads to better projects.

Alnus is an Oakland-based consulting company that specializes in guiding project leads through the complex territory of environmental regulation and developing a process for the design of restoration projects that leads to successful permit approvals. Jim Robins, principle of Alnus, serves as a liaison with federal, state, and local regulators to get their input early on in the design process and to coordinate the permit application submittals. This has led to effective projects that meet their resource goals and efficiently move into project implementation.

For the last several years, Alnus has been retained by the Conservancy to provide environmental services for technical, design, and environmental permitting assistance for complex watershed projects undertaken directly by the Conservancy or using Conservancy funding. To-date, the Alnus environmental services contract has included projects as diverse and complex as assessing water right issues on the Sand Hill Bluffs property in Santa Cruz County to address both agricultural and environmental concerns, providing technical support for the restoration planning process on Watsonville Sloughs Farms that meets environmental regulations and allows for compatible agriculture, and working with the Elkhorn Slough National Estuarine Research Reserve to develop projects that restore Elkhorn Slough and improve water quality.

## WATERSHED RESTORATION DESIGN & PERMIT TECHNICAL ASSISTANCE

In addition to successfully providing the environmental services described above, Jim Robins also serves as the Project Coordinator for the Integrated Watershed Restoration Program (IWRP) for San Mateo, Santa Cruz, and Monterey Counties, and is a large part of why that program has been so successful. His unique skill set of technical, regulatory, and project management expertise fulfill a much needed niche that has resulted in scores of restoration projects being successfully implemented.

**Site Description:** The environmental services provided under this authorization will be limited to projects in the Carmel River watershed. The Carmel River is located in Monterey County along California's central coast. The river has its headwaters in Los Padres National Forest and its 255-square mile watershed drains the north side of the Santa Lucia Mountains. For the last 15 miles, the river flows across the relatively flat Carmel Valley floor to the Pacific Ocean. The upper watershed is primarily public and private forest, grazing and agricultural lands. The lower valley contains considerable residential development along the riverbanks and in the floodplain, beginning at the Carmel Valley Village 12 miles upstream and continuing toward the ocean. The river provides essential habitat for many important species, including steelhead trout and California red-legged frog (CRLF), both listed as threatened under the Federal Endangered Species Act.

**Project History:** In 2008, Conservancy staff determined that there was sufficient need for an environmental services retainer contract to assist with developing complex watershed restoration projects. Under the environmental services solicitation process in Government Code Section 4525, et seq., Conservancy staff reviewed Statements of Qualifications from consultants who had expertise in the fields of environmental regulation and watershed design and planning. The Conservancy made it known at that time that the resultant contract was subject to future extension and increase, in the event additional funding were available. Three firms were interviewed, with Alnus being selected as the one with the most relevant experience and qualifications. The \$100,000 original contract was authorized by the Executive Officer in accordance with the authority delegated to him by the Conservancy on September 25, 2001 to enter into contracts under \$200,000 for technical and other services needed to develop and implement Conservancy projects. This was augmented by \$160,000 and extended in 2011 with Conservancy approval, and augmented an additional \$24,000 in 2014 with Executive Officer delegated authority.

### PROJECT FINANCING

Coastal Conservancy (this authorization)	\$50,000
Coastal Conservancy (previously authorized)	\$284,000
<b>Total Project Costs</b>	<b>\$334,000</b>

The proposed source of Conservancy funds for this authorization is the Carmel River Settlement subaccount of the Coastal Trust Fund. These funds may be used for projects to help mitigate the impacts on steelhead in the Carmel River from CAW's water withdrawals from the river in excess of their water right.

**CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:**

This environmental services contract would be undertaken pursuant to Section 31111 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, which provides that the Conservancy may fund and undertake plans and feasibility studies in order to carry out the purposes of the division. In particular, this environmental services contract would assist the Conservancy in developing watershed restoration projects consistent with Chapter 5.5 (Section 31220) regarding Integrated Coastal and Marine Resources Protection, including assistance with projects that will restore fish habitat within coastal watersheds and reduce the threats to coastal anadromous fish by identifying and designing projects that will modify fish passage barriers, restore instream and riparian habitat, and take other actions to enhance steelhead recovery.

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

Consistent with **Goal 5, Objective 5C** of the Conservancy's 2013 Strategic Plan, the proposed environmental services will assist the Conservancy in producing 4-7 plans to preserve and enhance coastal watersheds

**COMPLIANCE WITH CEQA:**

The funding of an environmental services contract is not considered a "project" under California Environmental Quality Act (CEQA) because this activity alone does not have the potential for having a physical effect on the environment as defined under 14 Cal Code of Regulations Section 15378.

Even if a "project" for purposes of CEQA, the work to be undertaken under the Alnus contract, consisting of review and assessment of and assistance with development of engineering designs and preparation of permit applications for watershed restoration projects, is nonetheless 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.

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