

COASTAL CONSERVANCY

Staff Recommendation
September 29, 2016

SMITH RIVER ESTUARY RESTORATION PLAN

Project No. 16-037-01
Project Manager: Peter Jarausch

RECOMMENDED ACTION: Authorization to disburse up to \$134,123 to the Smith River Alliance to identify restoration opportunities and design at least two salmonid habitat restoration projects for the Smith River Estuary in Del Norte County.

LOCATION: Del Norte County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251 et seq. of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to one hundred thirty-four thousand one hundred and twenty three dollars (\$134,123) to the Smith River Alliance to prepare the Smith River Estuary Restoration Plan. Smith River Alliance will work with stakeholders and local landowners to identify and prioritize potential restoration projects and develop plans for at least two restoration projects near the estuary of the Smith River in Del Norte County. This authorization is subject to the condition that prior to the disbursement of funds, Smith River Alliance shall submit for review and approval by the executive officer of the Conservancy a work program for the project, including a schedule and budget, and any contractors to be retained for 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 authorization is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding coastal resource enhancement projects.

2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. Smith River Alliance is a nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

Staff recommends the disbursement of up to \$134,123 to the Smith River Alliance to prepare the Smith River Estuary Restoration Plan which will evaluate the state of the Smith River Estuary and create a roadmap for future restoration activities. This authorization will allow the Smith River Alliance to work with stakeholders and local landowners to identify and prioritize potential restoration projects and develop salmonid habitat restoration plans for at least two project locations near the estuary of the Smith River in Del Norte County (Exhibit 1).

The Smith River is the largest river system in California. It flows freely along its entire course and according to the 2011 California Salmon Stronghold Initiative prepared for the California Department of Fish and Game, is considered one of the premier “Salmon Strongholds” along the Pacific Coast. Furthermore, the Smith River is one of two watersheds in California described as “irreplaceable” with regards to the number and biodiversity of the salmon. While much of the upper Smith River basin is relatively unimpaired, most of the land adjacent to the estuary is under private ownership and is a working landscape. The historic extent of the estuary has shrunk, as extensive levees, tidegates, and rip-rap were constructed to improve agricultural lands. This has resulted in a large reduction in the available habitat in the estuary with remaining habitats also severely degraded. The impaired condition of the estuary has been identified as the most significant threat to salmonids for the Smith River.

The proposed project includes evaluation of the possibilities for restoration in the estuary taking into account the available scientific literature and the level of landowner support. Smith River Alliance will conduct outreach to the landowners and involved public agencies to determine areas of concern and identify potential restoration project locations. Because the majority of the estuary is in private hands it is critical to have the time to develop a collaborative relationship with the private landowners before any work can take place. Once the restoration project locations have been identified and an overall assessment of the estuary is complete, a plan will be written which can guide future work. Plans and 90% designs for at least two salmonid habitat restoration projects will be completed so that they could be ready for construction during the summer of 2018.

Smith River Alliance is well qualified to undertake this project. They have worked on restoration and public access in the Smith River Basin for several decades. This includes being an active partner with the Conservancy, the Wildlife Conservation Board, and Save the Redwoods League on multiple salmon restoration projects in the 25,000-acre Mill Creek property. They also work directly on issues of local concern such as planning for better public access to the Crescent City Harbor. Smith River Alliance is well versed in working with multiple state and federal agencies as well as accomplishing projects in partnership with the local community.

Site Description:

The Smith River is the California Coast's northernmost and the state's only major undammed river. The 719 square mile watershed extends north into Oregon and flows predominantly through federal and state protected lands including the Smith River National Recreation Area, Six Rivers National Forest, and the Redwood National and State Parks. These protections have left the river with abundantly clear, cool water and fewer anthropomorphic impacts on salmonids than elsewhere in California.

The lower 7 miles of the Smith River forms the Smith River coastal plain (see Exhibit 1) and in contrast to the upper reaches is largely in private hands with land use dominated by agricultural activities. The plain is approximately twelve square miles with about 5,000 acres in agricultural production and contains approximately 40 miles of anadromous streams utilized by coho salmon, Chinook salmon, steelhead trout, coastal cutthroat trout, and pacific lamprey. Agricultural activities include lily and flower production, beef and dairy ranching and some hay production. The coastal plain includes a number of sloughs and tributaries including Tillas Slough, Islas Slough, Yontocket Slough, Delilah Slough, Ritmar Creek, Rowdy Creek, Morrison Creek, Tryon Creek and two unnamed tributaries. Rowdy Creek, the largest tributary in the estuary, is blocked by a fish hatchery weir.

The California Department of Fish and Wildlife has done extensive work documenting the presence of salmonids throughout the estuary (Parish and Garwood 2015). They found salmonids rearing in seasonal habitats during the summer and winter months, especially juvenile Coho Salmon, a listed species under the state and federal endangered species legislation. The findings are encouraging, but also indicate that many habitats are functioning at a reduced scale.

Project History:

This project was developed out of the recognition that while there have been many years of work in the Smith River Watershed including designation of the River as Wild and Scenic in 1981, and the protection of the 25,000-acre Mill Creek property in 2002, many opportunities still exist for restoration in the Smith River coastal plain that could benefit the river's salmonid populations. There has been little attempt to collate and catalog the full extent of restoration needs. Some excellent baseline work has been started, but it does not yet address the entire estuary. In addition, and very important to this effort there has also been a slowly growing interest in restoration on the part of the local Resource Conservation District (RCD). RCD membership is made up of the majority of agricultural landowners in the estuary.

The proposed project draws on a considerable history of Conservancy involvement in planning and funding salmonid habitat and watershed restoration goals in Mill Creek, one of the Smith River's most productive watersheds for salmonids which is just upstream from the estuary. In 2002 the Conservancy contributed \$5,000,000 towards Save-the-Redwoods League's \$60,000,000 acquisition of the 25,000-acre Mill Creek property, and authorized \$100,000 for development of the Mill Creek Property Interim Management Recommendations. The property was subsequently transferred to the California Department of Parks and Recreation (CDPR), and is managed as the Mill Creek Unit of the Redwood National and State Park. In 2006 the Conservancy granted \$1,000,000 to Smith River Alliance for restoration work in the Mill Creek Unit. Those funds were used to install large wood in streams for improved fish habitat, improve

stream crossings to allow for fish passage, replace damaged culverts with ones sufficiently sized to withstand 100-year storm events, and to support a rainy season Storm Patrol which prevented drainage ditches and culverts from being blocked by debris and failing. In 2015 the Conservancy awarded a \$326,000 grant to the Smith River Alliance so that they could work with CDPR and remove a fish passage barrier on Hamilton Creek. In the first winter after that barrier was removed fish were already using the previously inaccessible area for spawning.

At the time of the acquisition, the Mill Creek Advisory Committee, with representatives from the Save-the-Redwood League, the Conservancy, Wildlife Conservation Board, California Fish and Wildlife, and the County of Del Norte was formed to help guide the restoration efforts and assist with identifying and securing funding from a variety of sources. Significant financial support has already been secured and expended for other restoration activities on the property from the following sources:

- California Department of Fish and Wildlife - \$1.25 million to decommission high-priority failing logging roads and \$200,000 for salmonid monitoring;
- Wildlife Conservation Board - \$3.5 million for erosion control, reforestation, instream restoration and habitat enhancement;
- California Department of Parks and Recreation - \$1 million for a full road inventory and erosion-risk prioritization,
- Regional Water Quality Control Board - \$550,000 for road decommissioning and heavy equipment operator training,
- Save the Redwoods League - \$350,000 for forest management and \$70,000 for road decommissioning; and
- California Conservation Corps - \$25,000 for forest fuel reduction and forest management.

Restoring salmonid habitat in the Smith River estuary directly supports the work that that the Conservancy and other agencies and organizations have funded in Mill Creek. A better functioning estuary would provide refuge for juvenile salmon from high flows in the winter and will increase overall survival rates.

PROJECT FINANCING

Coastal Conservancy	\$134,123
Project Total	\$134,123

The expected source of Conservancy funds for this project is the fiscal year 2015/16 appropriation to the Conservancy from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code § 79700 et seq.). Funds appropriated to the Conservancy derive from Chapter 6 (commencing with § 79730) and may be used “for multi-benefit water quality, water supply, and watershed protection and restoration projects for the watersheds of the state” (Section 79731). Section 79732 identifies specific purposes of Chapter 6 and includes: protect and restore aquatic, wetland and migratory bird ecosystems, including fish and wildlife corridors; protect and restore coastal watersheds, including, but not limited to

bays, marine estuaries, and nearshore ecosystems; and assist in the recovery of endangered, threatened or migratory species by improving watershed health, instream flows, fish passage and coastal or inland wetland restoration. The proposed project is consistent with these purposes.

As required by Proposition 1, the proposed project provides multiple benefits. The project will prioritize the restoration needs within the Smith River Estuary. This project will identify restoration opportunities that restore historic access to spawning and rearing habitat, improve water quality, and reduce the potential for flooding.

The proposed project was selected through a competitive grant process under the Conservancy's Proposition 1 Grant Program Guidelines adopted in June 2015 ("Prop 1 Guidelines"). (See § 79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further detail in this "Project Financing" section, the "Project Summary" section and in the "Consistency with Conservancy's Project Selection Criteria & Guidelines" section of this report.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed authorization is undertaken pursuant to Chapter 6 of Division 21 of the Public Resources Code, as follows:

Pursuant to section 31251, the Conservancy may award grants to local public agencies and nonprofit organizations for the purpose of enhancement of coastal resources which, because of human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. Consistent with this section, the proposed authorization provides funds to the Smith River Alliance, a nonprofit organization to enhance coastal fishery resources disturbed by incompatible land uses, such as the diking of tidal lands and the installation of inadequate tide gates which form a barrier to fish passage.

The project is also consistent with section 31252, which requires that all areas proposed for resource enhancement by a nonprofit organization be identified in a certified local coastal plan or program as requiring public action to resolve existing resource issues. As detailed in the "Consistency with Local Coastal Program Policies" section, below, the Smith River coastal estuary, which provides salmonid habitat, is specifically called out for protection by the Del Norte County Local Coastal Program (LCP), which was certified by the Coastal Commission; and Policy 8 of the LCP states that the County should seek funds and the cooperation of other agencies to undertake studies of significant coastal resources, including salmonid fisheries, for purposes that include enhancement.

Pursuant to section 31253, "[t]he Conservancy may provide up to the total of the cost of any coastal resource enhancement project . . .". Consistent with this section, staff has proposed the funding amount in light of the fiscal resources of the applicant, the urgency of the matter, and the

application of other factors relevant to project eligibility, as detailed in the “Consistency with Conservancy’s Project Selection Criteria & Guidelines” section, below.

**CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 5, Objective A** of the Conservancy’s 2013-2018 Strategic Plan, the proposed project develops plans for the restoration of coastal habitats.

**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 October 2, 2014, 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. **Promotion and implementation of state plans and policies:** The proposed project is will promote and implement the following state plans and policies concerning restoration of riparian habitat and increasing natural production of the coastal salmon populations that depend upon that habitat for certain life history stages.
 - a. *Steelhead Restoration and Management Plan for California* (California Department of Fish and Wildlife, 1996). The plan advises that “(h)abitat improvement projects should be focused on the many areas throughout the State where steelhead habitat is severely degraded and restoration work is sorely needed” (p. 74). The proposed project will evaluate the Smith River estuary for just this purpose and create a restoration plan and develop two projects to carry out his objective.
 - b. *2014 Final Recovery Plan for the Southern Oregon/Northern California Coast Evolutionarily Significant Unit of Coho Salmon (Oncorhynchus kisutch)*, U.S. National Marine Fisheries Service. This project will identify opportunities to address two of the highest ranked recovery actions for the Smith River under this Recovery Plan - the construction of off-channel habitats, alcoves, backwater habitat, and old stream oxbows, and the removal, setback, or reconfiguration of dikes and levees.
 - c. *Recovery Strategy for California Coho Salmon* (California Department of Fish and Wildlife, 2004). The proposed project will address two priorities under this Recovery Strategy: SR-HU-02 (assess, prioritize and treat barriers to fish passage and other impediments); and SR-HU-03 (develop and implement a plan to restore the effectiveness and use of off-channel areas, sloughs, and wetlands for Coho Salmon).

- d. *California Water Action Plan*, a collaborative effort of the California Natural Resources Agency, the California Environmental Protection Agency, and the California Department of Food and Agriculture, issued in 2014. This plan was developed to meet three broad objectives: more reliable water supplies, the restoration of species and habitat, and a more resilient, sustainably managed water resources system. It lays out the state's challenges, goals and actions needed to put California's water resources on a safer, more sustainable path. The plan identifies ten overarching strategies to protect our resources, including one which this project will implement: "4) Protect and restore important ecosystems (restore coastal watersheds and strategic coastal estuaries to restore ecological health and nature system connectivity to benefit local water systems and help defend against sea level rise, eliminate barriers to fish migration)".
4. **Support of the public:** see Exhibit 2: Project Letters
 5. **Location:** The proposed project would be located within the coastal zone of Del Norte County.
 6. **Need:** Without this grant funding, Smith River Alliance could not proceed with the project.
 7. **Greater-than-local interest:** The project helps fulfill the objectives of state and federal species recovery plans, and is therefore of greater-than-local interest.
 8. **Sea level rise vulnerability:** A careful analysis of the impact of sea level rise on restoration opportunities in the Smith River Estuary will be part of the final report and guide future work.

Additional Criteria

9. **Readiness:** Smith River Alliance has a long record of completing projects in a timely manner.
10. **Cooperation:** The Del Norte County Resource Conservation District has expressed its support for the project (see Exhibit 2: Project Letters). Smith River Alliance will also be working closely with staff at the California Department of Fish and Wildlife who have conducted extensive fish surveys throughout the estuary and will bring their expertise to the analysis.
11. **Vulnerability from climate change impacts other than sea level rise:** This project is important in part because of the potential for impacts from climate change other than sea level rise. Located in the northwestern-most portion of California, the Smith River has not been affected to the same extent as the rest of the state by the current drought and therefore has the potential to be a stronghold for salmon even as other portions of California are projected to receive less rainfall.
12. **Minimization of greenhouse gas emissions:** The design and planning work will cause few greenhouse gas emissions.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The authorization is consistent with the relevant portions of the Del Norte County Local Coastal Program (LCP), which was certified by the Coastal Commission on October 12, 1983. It is due to the diversity in life history patterns of anadromous fish species that the Del Norte LCP acknowledges the importance of coastal streams and riparian vegetation systems as Sensitive Coastal Habitat, necessary to both the aquatic life and the quality of water courses. Under the LCP, Chapter VI of Marine and Water Resources, the following provisions are made:

The County shall maintain all existing species of fish, wildlife, and vegetation for their economic, intrinsic and ecological values as well as providing adequate protection of rare and endangered species.” (p. 55)

The County should establish riparian corridors along local streams, creeks, and sloughs to maintain their aesthetic appeal, wildlife habitat, control of erosion. . . . (p. 56)

The County encourages programs (e.g., fish hatcheries, habitat rehabilitation) designed to improve the quality of coastal fisheries and other marine resources. (p. 57)

All surface and subsurface waters shall be maintained at the highest level of quality to insure the safety of public health and the biological productivity of coastal waters. (p. 58)

In addition, the LCP identifies the tidal portions of the Smith River as an important biologically sensitive habitat, to which these policies specifically apply (p. 49).

The proposed project’s goal of improving anadromous fish habitat in the Smith River estuary by preparing a restoration plan and developing restoration projects would enhance the aquatic resources of the county, and, thus, is fully consistent with the LCP.

COMPLIANCE WITH CEQA:

The proposed project involves only data gathering, resource evaluation, planning, and feasibility analyses for possible future actions that have not yet been approved or funded. Thus, the proposed project is both statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15262 and categorically exempt pursuant to 14 California Code of Regulations § 15306. Section 15262 provides that feasibility and planning studies for future actions that have not yet been approved or funded are statutorily exempt from the requirement to prepare an EIR or negative declaration.

Section 15306 provides that basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource are categorically exempt from the provisions of CEQA.

Staff will file a notice of exemption upon project approval.