

COASTAL CONSERVANCY

Staff Recommendation
December 1, 2016

**SOUTH BAY SALT POND RESTORATION:
ADAPTIVE MANAGEMENT STUDIES**

Project No. 02-070-04
Project Manager: Laura Cholodenko

RECOMMENDED ACTION: Authorization to disburse up to \$746,238, to be reimbursed by the Santa Clara Valley Water District, to undertake studies in support of the South Bay Salt Pond Restoration Project's Adaptive Management Program in Santa Clara County.

LOCATION: San Francisco Bay and adjacent shoreline, Santa Clara County.

PROGRAM CATEGORY: San Francisco Bay Area Conservancy Program

EXHIBITS

Exhibit 1: [December 4, 2014 Staff Recommendation](#)

Exhibit 2: [January 28, 2016 Staff Recommendation](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to seven hundred forty-six thousand two hundred thirty-eight dollars (\$746,238), to be reimbursed by the Santa Clara Valley Water District, to undertake applied studies associated with the implementation of the South Bay Salt Pond Restoration Project's Adaptive Management Studies, including all or a subset of the following:

1. By the United States Geological Survey (USGS), studies related to mercury bioaccumulation in bird eggs, sediment transport, and mercury mobilization in the Guadalupe River watershed and Pond A8 complex and studies related to water levels and wave heights in the Pond A8 complex.
2. By the University of California at Davis (UCD), studies related to mercury bioaccumulation in fish in the Guadalupe River watershed.

Prior to the disbursement of Conservancy funds for a study, the entity responsible for the study shall submit for the review and approval of the Conservancy's Executive Officer a work program for that study, including a schedule and budget."

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 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy's mandate to address the resource and recreational goals of the San Francisco Bay Area.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines."

PROJECT SUMMARY:

On December 4, 2014 (Exhibit 1) the Conservancy authorized disbursement of \$1,000,000 to be reimbursed by the Santa Clara Valley Water District (SCVWD) for high priority applied studies associated with the implementation of the South Bay Salt Pond (SBSP) Restoration Project, a multi-agency effort to restore 15,100 acres of former Cargill salt ponds in South San Francisco Bay. On January 28, 2016, the Conservancy authorized an additional \$750,000 from the Santa Clara Valley Water District and \$3,670 in Conservancy funding to fund an additional year of these applied studies (Exhibit 2). This authorization provides up to an additional \$746,238 from the Santa Clara Valley Water District to fund one more year of these applied studies. The SBSP Project Management Team is currently reviewing the 2017-18 study proposals. In the event that the proposals total more than the available funding, the highest priority studies will be selected. These studies will be conducted by a collaborative team of scientists, including scientists from USGS and UC Davis (UCD), who have been working on mercury and fish biosentinel studies since 2011.

As described in the December 4, 2014 staff recommendation, the purpose of these studies is to address the significant uncertainties that face the SBSP Restoration Project, particularly regarding methylation of mercury. The studies focusing on mercury have been on-going since 2010 and a detailed summary of mercury results to date is available at <http://www.southbayrestoration.org/science>.

Based on the 2013 and 2014 results, which showed significantly lower mercury levels in bird eggs and slough fish compared to 2011, on September 29, 2014 managers opened two more gates in Pond A8, for a total of five out of eight gates open. Those gates have been left open since. Although there have been fluctuations in mercury levels detected from year-to-year, the fluctuations are similar between restored ponds and reference areas, indicating that the variation cannot be attributed to Pond A8 operations. Studies proposed for 2017-18 would track mercury levels in bird eggs and fish with all eight gates open for the first time, in order to more fully assess the potential to restore Pond A8 without increasing biological impacts due to mercury exposure. Additional studies proposed include modeling mercury mobilization potential in

Alviso Slough resulting from different restoration scenarios, assessing the amount and type of mercury moving through the water column to help interpret the biological data, and assessing sediment flux and transport to further understand mercury mobilization potential.

This authorization could also fund studies to determine if opening more tide gates increases water levels and wave height in Pond A8, which may exacerbate ongoing erosion of the southern perimeter slope of the pond. The slope covers the edge of an adjacent closed landfill and there is concern that ongoing erosion, first identified in 2015, could eventually undermine the landfill liner. In 2015, an environmental services contractor began studying the effects of tide gate operation on Pond A8 waves and water levels to address the erosion concern. This authorization would allow contractors and USGS to continue those studies with all eight gates open and after SCVWD places soil to stabilize the slope. The studies would help manage an interim concern about erosion until a broad transitional upland slope that provides robust shoreline protection and wildlife habitat is established in Pond A8 during implementation of Phase 2 of the South Bay Salt Pond Restoration Project.

The site description and project history remain unchanged from the December 4, 2014 staff recommendation (Exhibit 1).

PROJECT FINANCING

Santa Clara Valley Water District	\$746,238
Project Total	\$746,238

The source of Conservancy funding for the reimbursable \$746,238 will be the Conservancy's fiscal year 2016 appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). This funding source may be used for the protection of bays and coastal waters, including projects to prevent contamination and degradation of coastal waters and watersheds, projects to protect and restore the natural habitat values of coastal waters and lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code. See Public Resources Code section 75060. "Protection" and "restoration" include the monitoring and reporting necessary to ensure successful implementation of the project objectives. See Public Resources Code section 75005, subsections (m) and (n). The proposed project protects coastal waters and restores natural habitat values by collecting scientific information that will be used to adaptively manage shallow water ponds in order to prevent undesired ecological outcomes and to design the future phases of project implementation. Finally, as discussed below, the project is consistent with Chapter 4.5 of Division 21.

Another requirement of Proposition 84 is that for projects that restore natural resources, the Conservancy give priority to projects that meet one or more of the criteria specified in Section 75071. The proposed studies support a restoration project that satisfies the following specified criteria: (b) Watershed Protection – the project will contribute to long-term protection of and improvement to the water and biological quality of the San Francisco Bay, (e) Matching Contribution – the studies are entirely funded by the SCVWD. When combined with previous

awards, total funding provided by the SCVWD for these South Bay adaptive management studies will be more than \$2,000,000.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION, CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES, and CONSISTENCY WITH SAN FRANCISCO BAY PLAN

This authorization remains consistent with the Conservancy’s enabling legislation and Selection Criteria & Guidelines, and with the San Francisco Bay Plan, as detailed in the “Consistency with Conservancy’s Enabling Legislation”, “Consistency with Conservancy’s Project Selection Criteria & Guidelines”, and “Consistency with San Francisco Bay Plan” sections of the December 4, 2014 authorization (Exhibit 1).

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

Consistent with **Goal 11, Objective C** of the Conservancy’s 2013-2018 Strategic Plan, the proposed studies will assist with the development of restoration plans for the 11,350 acres remaining in the project.

COMPLIANCE WITH CEQA:

14 California Code of Regulations Section 15262 sets forth a statutory exemption from CEQA for feasibility and planning studies for possible future actions that have not yet been approved or funded. Similarly, 14 Cal. Code of Regulations Section 15306 sets forth a categorical exemption for basic data collection, research, and resource-evaluation activities that will not result in a serious or major disturbance to an environmental resource. The proposed scientific studies will provide planning information, and will entail basic data collection and research without causing a major disturbance to the wetland resources of San Francisco Bay. Accordingly, funding of the proposed project is exempt from CEQA. Staff will file a Notice of Exemption upon approval of the project.