COASTAL CONSERVANCY

Staff Recommendation
March 25, 2021

OCEAN RANCH RESTORATION PROJECT

Project No. 12-025-02
Project Manager: Michael Bowen

RECOMMENDED ACTION: Authorization to disburse up to $4,547,520 comprised of $750,000 dollars in Conservancy funds, $1,821,938 from the US Fish and Wildlife Service National Coastal Wetlands Grant Program funds, and $1,975,582 from the California Department of Fish and Wildlife's Wetlands Restoration for Greenhouse Gas Reduction Grant Program, to Ducks Unlimited, and for the Conservancy to retain environmental consultants to conduct the Ocean Ranch Restoration Project near Loleta, Humboldt County, and adoption of findings under the California Environmental Quality Act.

LOCATION: Ocean Ranch Unit, Eel River Wildlife Area, near Loleta, Humboldt County

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EXHIBITS

Exhibit 1: Project Location Map

Exhibit 2: Staff Recommendation: June 20, 2013

Exhibit 3: Ocean Ranch Environmental Impact Report and Mitigation Monitoring and Reporting Program at: Ocean Ranch Restoration Project – California State Coastal Conservancy

Exhibit 4: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings:

Resolution:

The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed four million five hundred forty seven thousand five hundred twenty dollars ($4,547,520) comprised of seven hundred fifty thousand dollars ($750,000) of Conservancy funds, one million eight hundred twenty-one thousand nine hundred thirty-eight dollars ($1,821,938) from the US Fish and Wildlife Service's National Coastal Wetlands Conservation Grant Program, and one million nine hundred seventy-five thousand five hundred eighty-two dollars ($1,975,582)

from the California Department of Fish and Wildlife's Wetlands Restoration for Greenhouse Gas Reduction Grant Program, to Ducks Unlimited and for the Conservancy to retain environmental consultants to implement the Ocean Ranch Restoration Project at the Ocean Ranch Unit of the Eel River Wildlife Area near Loleta, Humboldt County.

Prior to commencement of the project, Ducks Unlimited shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding, Proposition 1 funding and other funding sources for the project.
4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that Ducks Unlimited has entered into agreements sufficient to ensure that the project will be implemented, operated, and maintained.
6. Evidence that Ducks Unlimited has entered into and recorded an agreement pursuant to Public Resources Code 31116(d) sufficient to protect the public interest in the improvements.
7. In addition, to the extent appropriate, Ducks Unlimited shall incorporate the guidelines of the Conservancy's "Standards and Recommendations for Accessway Location and Development" into the public access component of the project.

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 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources projects.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. Ducks Unlimited is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.
4. The Conservancy has independently reviewed and considered the Ocean Ranch Restoration Project Environmental Impact Report (EIR) adopted by the California Department of Fish and Wildlife on February 19, 2021 pursuant to the California Environmental Quality Act ("CEQA") and attached to the accompanying staff recommendation as Exhibit 3. As described in greater detail in the accompanying staff recommendation, the Conservancy finds that the proposed project (identified as Alternative 2 in the EIR) as designed and mitigated, the measures of which are outlined in the mitigation monitoring and reporting program (MMRP, Exhibit 3) avoids, reduces, or mitigates the potentially significant environmental effects to a less-than-significant level, and that there is no substantial

evidence based on the record as a whole that the proposed project may have a significant effect on the environment, as defined in 14 Cal. Code Regulations Section 15382.

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of up to $4,547,520 to Ducks Unlimited and for the Conservancy to retain environmental consultants to implement the Ocean Ranch Restoration Project (project), an 850-acre tidal marsh and coastal dune restoration project on the northern edge of the mouth of the Eel River. The project's restoration goal is to restore full tidal exchange to the northern half of the Eel River Delta, thereby restoring a resilient complex of wetlands, wetland-upland transition zone, and dunes at Ocean Ranch. The project also improves public access to the site with an improved parking area, an access road, a new trail network and a non-motorized boat launch facility. Project details are shown in Exhibit 1. A small portion of the amount authorized for disbursement may be used by the Conservancy as needed or as identified in grant agreements with outside funders to retain project-related environmental consultants in support of Ducks Unlimited and to meet grantor requirements.

The once historic salmon fishery of the Eel River has been reduced due to extensive diking and agricultural activities leading to 90% loss of the former floodplain. The project site, particularly, is currently degraded by a limited tidal prism, aging infrastructure, and the widespread invasion of non-native grasses, notably *Spartina* and *Ammophila.* A restored coastal tidal wetland and bordering dunes will dramatically increase carbon sequestration, increase healthy habitat for fish and wildlife species, increase resilience to storm events and sea level rise, and support a more diverse native species assemblage.

The primary objective of the project is to restore the natural tidal prism and improve connectivity of tidal and freshwater habitats within 571 acres of Ocean Ranch. This objective will be achieved through levee lowering and breaching of former managed wetland units, slough channel excavation and ditch blocks to guide sinuous tidal channel formation, high marsh and transition zone creation through use of on-site excavated soils, and placement of large wood elements to improve aquatic habitat complexity.

The project will allow for greater carbon storage capacity, habitat connectivity, increased wetland capacity to persist under a broad array of environmental conditions including sea level rise, as well as improved community access to coastal and marine resources.

The project will restore approximately 10 acres of salt marsh through levee lowering and breaching to connect Areas A-E to McNulty Slough. In addition, approximately 111 acres of managed muted tidal marsh (Areas B-D) will be restored from muted tidal to full tidal salt marsh and area E will be maintained as a muted tidal marsh. The remaining 450 acres (Area A and fringe marsh) will be enhanced by increased tidal prism, greater connectivity to North Bay, and removal of invasive *Spartina*.

CDFW will expand recreational opportunities by improving the existing parking area and access road, constructing a .75 mile ADA accessible trail network and installing a new non-motorized boat launch.

Long-term management and maintenance activities are the responsibility of CDFW and this area will continue to be managed as part of the Eel River Wildlife Area.

Site Description: The 850-acre Ocean Ranch Unit is owned and managed by CDFW as part of the Eel River Wildlife Area (ERWA). Just south of Humboldt Bay, the approximately 2,600 acre ERWA contains salt marsh, pasture, wet meadow, brackish marsh, and coastal scrub. It also includes one of the largest riparian forests remaining on California's north coast. The area is regularly used by raptors, and tundra swans, waterfowl, and shorebirds also occur on the area. The Ocean Ranch Unit of the ERWA is situated at the mouth of the Eel River, California's third largest river system and one of California's largest coastal estuaries. The project is located within the Eel River floodplain, near Loleta, in Humboldt County. It is immediately across the Eel River channel from the Riverside Ranch restoration site, part of the Salt River Ecosystem Restoration Project. The unit will continue to be managed by CDFW for at least the next 50 years after project construction. The CDFW Land Program is actively involved in project planning.

Grantee Qualifications: Ducks Unlimited is well-qualified to undertake the project, having demonstrated competency and ability to design, fund and implement projects like this throughout the nation. Their work in the San Francisco Bay, particularly in the Sonoma Marsh, is highly regarded. Ducks Unlimited also served as construction manager at the 444-acre Riverside Ranch, part of the Salt River Ecosystem Restoration Project in Humboldt County.

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, below.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section, below.
3. **Promotion and implementation of state plans and policies:**
    a. The Project is consistent with the recommendations for planning, acquisition and habitat enhancement made in the report Natural Resources of the Eel River Delta, published by the California Department of Fish and Game in November 1974. The report recommended higher levels of protection for the Delta's natural resources, restoration, and floodplain enhancement efforts and acquisitions that will help advance ecosystem restoration –though they didn't

use that expression—as a "highest and best use" of the Delta. This specific site is identified in that plan as a high priority for acquisition and enhancement within the Eel River Delta.

b. While it doesn't specifically address the Eel Delta, the Steelhead Restoration and Management Plan for California of February 1996 features the Eel River and underscores the importance of reversing watershed disturbance through restoration activities. 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." This is certainly true in the highly reclaimed Delta where opportunities abound to support the growth and survival of juvenile salmonids and other marine and freshwater species.

c. More recently, and more specifically, the project is consistent with the California Fish and Game issued Recovery Strategy For California Coho Salmon of February 2004 in that the highest priority recommendation of that plan relating to the Eel Delta is to "(e)ncourage the Salt River Local Implementation Plan to incorporate coho salmon-friendly measures, in cooperation with the agencies." McNulty Slough, opposite the Salt River, is the second largest tidal slough, and comparable to the Salt River in biological importance. Its enhancement advances the goals and objectives of the Recovery Strategy within the Eel Delta. Ducks Unlimited and its partners have developed the Project in a way that benefits from experiences gained at the nearby Salt River Ecosystem Restoration Project and is likely to leverage those ecological benefits significantly. Additionally, the plan recommends that "(i)n cooperation with agencies and landowners, plan to re-establish estuarine function, restore and maintain historical tidal areas, backwater channels and salt marsh" (ER-HU-12 pg. 8.27).

d. The project is consistent with the Final Recovery Plan for the Southern Oregon/Northern California Coast Evolutionarily Significant Unit of Coho Salmon (Oncorhynchus kisutch) (National Marine Fisheries Service 2014). That report highlights the statewide importance of the Eel River population of Coho salmon and adds that "(t)he tributaries and estuary located within this population may serve as essential non-natal rearing habitats for all populations in the Eel River watershed" (SONCC 26-7). The report states that "(i)n the estuary, salt marsh was drained and riparian vegetation cleared to convert tidelands to pasture...Tideland reclamation and the construction of dikes and levees have changed the function of the estuary considerably. Slough and creek channels that once meandered throughout the delta are confined by levees, sufficiently slowing flow to a point that many have become filled with sediment. Remnant slough channels are visible throughout the delta. The estuary and tidal prism have been reduced by over half of their original size (CDFG 2010b)." (SONCC p. 26-4). Top recommendations from the report include: 1)

setback or remove dikes and levees; 2) restore salt marsh and tidal sloughs, and; 3) reconnect tidal channels and wetlands.

e. The project is consistent with the 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. 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, include two particular to this project that the Conservancy can help 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) and 7) Increase flood protection (encourage flood projects that plan for climate change and achieve multiple benefits).

f. The California State Wildlife Action Plan 2015 Update (SWAP 2015 Update) points out that the North Coast Klamath Mountain Province is known for its extensive river systems and the anadromous fish populations they support. These rivers, according to CDFW, support one-third of the state's Chinook salmon, most of the state's coho salmon and steelhead, and all of the coastal cutthroat trout. These populations have suffered significant declines. That is why one of the fourteen conservation targets for the Province is the "native aquatic species assemblages/communities of coastal watersheds." Restoring lost rearing habitat in former salt marsh is a proven strategy for protecting and enhancing populations of these native aquatic species assemblages, as well as a host of other aquatic and terrestrial species.

g. Finally, California @ 50 Million: The Environmental Goals and Policy Report (2013 Draft) Key Action #3 for the "Preserve and Steward State Lands and Natural Resources" section calls for building resilience in natural systems and specifically points out that wetlands "provide important carbon sequestration opportunities for the state."

4. **Support of the public:** The project is supported by Senator Mike McGuire, Assemblyman Jim Wood, the U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, California Department of Fish and Wildlife, North Coast Regional Water Quality Control Board, Bureau of Land Management, Wiyot Tribe, Humboldt County Resource Conservation District, California Trout, Redwood Region Audubon Society, and others. (See Exhibit 4).

5. **Location:** The project is located within the coastal zone of Humboldt County, at the mouth of the Eel River.

6. **Need:** Approximately 85 percent of the tidal marsh in Humboldt Bay and the Eel River Delta has been lost since the Gold Rush, leading to dramatic losses of fish and wildlife, decreased water quality and increased turbidity in the Bay, and changes to physical processes as the size of the Estuary shrank. The need is established for restoration of tidal marsh in Humboldt Bay and the Eel River Delta to aid in the recovery of at-risk species and improve water quality.

   Ducks Unlimited and the Coastal Conservancy have worked closely together to implement the project promptly. Having attracted nearly half the project implementation funding through outside grants, the Coastal Conservancy may now provide the additional financial support essential to construct the project quickly and provide substantial environmental benefits immediately.

7. **Greater-than-local interest:** Restoration of the Eel River Delta, one of California's largest coastal estuaries, is of national significance, as indicated by the substantial federal support for the project. It will result in 850 acres of restored or enhanced tidal wetland and extensive dune enhancement that will provide benefits to many species, including anadromous salmonids, migratory waterfowl and shorebirds, and aid in the recovery of several threatened or endangered species. In addition, the project will provide exciting recreational opportunities for the public to enjoy.

8. **Sea level rise vulnerability:** Due to their location, all tidal wetland restoration projects can be vulnerable to sea-level rise impacts. This project site is somewhat protected from such effects as the dune network on the north spit of the Eel River is naturally aggrading. In addition, sediment accretion in the Eel Delta is high, due to the high suspended sediment load. Nonetheless, as a low-lying coastal floodplain, the area is highly vulnerable.

   Conservancy staff has analyzed how sea level rise may impact Eel Delta project sites due to flooding and erosion; identified the longevity and durability of Project components; and evaluated the impacts of the project on agricultural resources, coastal habitats, and public access in light of sea level rise. This analysis found that the project area is predicted to be affected by sea level rise sooner and more extensively than other areas in the Humboldt region and on the north coast due to subsidence in the area. According to the "Humboldt Bay: Sea Level Rise Hydrodynamic Modeling, and Inundation Vulnerability Mapping" report by Northern Hydrology and Engineering (2015), the closest site to the Project area (Hookton Slough in southern Humboldt Bay) has the highest rate of subsidence (VLM of -3.56 mm/yr) and thus the highest relative sea-level rise rate, 5.84 mm/yr, relative to other study sites in the Humboldt region and north coast.

   The project is designed to protect coastal resources from sea level rise and address the area's vulnerability to sea level rise. The project incorporates elements designed to increase the lifespan of the area, including: 1) Placed fill with sloping side-slopes capable of promoting vegetative shifts across the landscape, 2) dune enhancements intended to protect the area from wave overwash, and 3) sediment management techniques that

provide elevation increases to accommodate shifting habitat types in the context of sea level rise. Although high sea level rise rates are predicted, the Eel Delta is an excellent place to accommodate sea level rise; The sedimentation and sediment accumulation rates are very high –second only to the Yangtze River. Once the marsh plain of a restored wetland is colonized by vegetation, the marsh plain becomes an efficient sediment trap, contributing to aggradation and elevation increases. With the exception of the dunes, the longevity of the Project is expected to exceed twenty years due in large part to the Project's use of fill and current elevations.

Additional Criteria

9. **Urgency:** CDFW is unified in its ambition to abandon the artificial freshwater impoundments currently at the ERWA, and to restore the area to its historic status as salt marsh. Their generous support and commitment of staff resources to restore this remarkable State wildlife area presents an excellent opportunity that should be supported immediately.
10. **Resolution of more than one issue**: In addition to expanding natural resource restoration in the Eel Delta, the project significantly reduces CDFW management obligations at the site and eliminates the longstanding internal debate at CDFW over whether the site should be restored to its historic condition (saltwater marsh) or managed at significant difficulty in an artificial condition (freshwater marsh).
11. **Leverage**: See the "Project Financing" section below.
12. **Readiness**: Ducks Unlimited has completed designs, attracted some funding and is prepared to have permits in hand by early summer 2021. They indicate a continuing expectation to go to bid in summer 2021 in order to launch the 2021 construction season successfully.
13. **Realization of prior Conservancy goals**: The Conservancy has been a pioneer in the restoration of the Eel River Delta. Launching the Salt River Ecosystem Restoration Project nearly thirty years ago, the Conservancy and its partners have restored more than 1,000-acres of valuable habitat in the Eel. The project is a natural extension of the Conservancy's efforts and will mirror on the north side of the Eel the progress and success achieved along the south side at the Salt River Project.
14. **Cooperation**: CDFW has led an extensive stakeholder process over many years in which numerous agencies, tribal representatives and private citizens have had the opportunity to weigh in on project design. In the end, few substantive comments were received on the Draft Environmental Impact Report.
15. **Vulnerability from climate change impacts other than sea level rise:** Though vulnerable to sea level rise, the project's lack of built structures ensures that it is not particularly vulnerable from other climate change impacts such as increased frequency or magnitude of flood events.
16. **Minimization of greenhouse gas emissions:** The project would result in a temporary increase in greenhouse gas (GHG) emissions during project construction, including exhaust emissions from on-road haul trucks, worker commute vehicles, and off-road heavy

equipment. Comparatively, construction related GHG emissions expected to occur under the project would be less than the estimated emissions from the initially proposed project because there would be a reduction in the amount of earthwork. The project would not exceed emission thresholds or conflict with an applicable GHG plan, policy, or regulation. In addition, the DEIR identifies a number of project design and construction methods that will help avoid or minimize greenhouse gas emissions to the extent feasible and consistent with the project objectives.

PROJECT FINANCING

Coastal Conservancy	**$750,000**
U.S. Fish and Wildlife Service (To SCC NCWC Phase I)	$979,996
U.S. Fish and Wildlife Service (To SCC NCWC Phase II)	$841,942
Cal Dept. of Fish and Wildlife (To SCC Wetlands for GHG)	$1,975,582
NOAA-NMFS	$1,419,424
Wildlife Conservation Board	$900,000
Project Total	**$6,866,944**

The expected source of Conservancy funds for this project is an 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(a) identifies specific purposes of Chapter 6 and includes: (1) protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow; (4) Protect and restore aquatic, wetland, and migratory bird ecosystems, including fish and wildlife corridors and the acquisition of water rights for instream flow; (6) Remove barriers to fish passage; (10) Protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems, and; (12) Assist in the recovery of endangered, threatened, or migratory species by improving watershed health, instream flows, fish passage, coastal or inland wetland restoration, or other means, such as natural community conservation plan and habitat conservation plan implementation.

As required by Proposition 1, the project provides multiple benefits. By restoring hydrologic and biologic connectivity within the restored salt marsh, the project, when implemented, will restore historic access to juvenile salmonid rearing habitat and help restore a healthy estuarine habitat that benefits many marine, freshwater and terrestrial species. The project would also improve water quality in a coastal watershed by providing the important filtering function that healthy estuarine zones fulfill.

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.

In addition to Conservancy funds, staff seeks authorization to disburse funds from three separate grants. The first grant is the U.S. Fish and Wildlife Service's National Coastal Wetlands Grant for Ocean Ranch Phase I, which focuses on the restoration of ERWA Area A. This $1 million grant was awarded in 2020. The budget provides for the Conservancy to utilize $20,004 for grant management purposes. The second grant is the U.S. Fish and Wildlife Service's National Coastal Wetlands Grant for Ocean Ranch Phase II, which focuses on the restoration of areas B-E. Activities in all areas are similar. This grant was previously awarded for $1 million in 2017 to the Coastal Conservancy for the Eel River Estuary and Centerville Slough Enhancement Project. Because that landowner withdrew from that project, the Fish and Wildlife Service agreed to accept an application from the Conservancy to transfer the grant funds to Ocean Ranch. Staff re-applied, and the Ocean Ranch Restoration Project ranked higher in the USFWS ranking process than the prior project; the Service then approved the transfer of funds. No project management funds remain under that grant. The third grant source is the CDFW Wetlands for Greenhouse Gas Reductions Grant Program award of $1,997,933 to the Conservancy for the Ocean Ranch Project. The budget for this grant allows the Conservancy to bill up to $22,351 for grant management purposes. In total, staff has secured $3,797,520 in outside funds to support the project, and $42,355 in staff support to administer the project.

Most of the funds will be granted to Ducks Unlimited, and a small portion may be disbursed as Conservancy contracts for environmental consulting services.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The project will be undertaken pursuant to Chapter 5.5 of the Conservancy's enabling legislation, Public Resource Code sections 31220, as follows:

Pursuant to section 31220(a) and (b), the Conservancy may award grants to nonprofit organizations in order to improve and protect coastal and marine water quality and habitat, including for projects that protect and restore floodplains and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas (31220(b)(6)). Staff has consulted with the State Water Resources Control Board, as well as the Division of Water Rights and the North Coast Regional Water Quality Control Board about the project. All parties consulted concur that the project will protect and restore floodplains and a sensitive watershed. The parties have also established that the project will help enhance the beneficial uses, such as coldwater fisheries, identified in the basin plan for the Eel River.

The project has a monitoring and evaluation component subsumed in both the MMRP and in the various permit conditions. The project is consistent with the Water Quality Control Plan for the North Coast Region as described in the Consistency with Local Watershed Management Plan/State Water Quality Control Plan section below.

CONSISTENCY WITH CONSERVANCY'S 2018-2022 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 2, Objective D** of the Conservancy's 2018-2022 Strategic Plan the project will construct a new coastal recreational facility.

Consistent with **Goal 6, Objective B** of the Conservancy's 2018-2022 Strategic Plan, the project will restore and enhance 850 acres of coastal habitats, including coastal wetlands and intertidal areas, stream corridors, dunes, coastal sage scrub, coastal terraces, forests, and coastal prairie.

Consistent with **Goal 6, Objective G,** the project will implement a project to improve water quality to benefit coastal and ocean resources.

Consistent with **Goal 16, Objective A**, the project is located in and will benefit a disadvantaged community.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/STATE WATER QUALITY CONTROL PLAN:

The project is located in the Ferndale Hydrological Subarea of the Lower Eel Hydrologic Unit, identified as Area 111.11 of the Water Quality Control Plan ("Basin Plan") for the North Coast Region.

The Basin Plan defines estuaries as the "tidal portions of rivers located at the mouths of streams, which are sometimes temporarily separated from the ocean by sandbars. Estuarine waters extend from a bay or the open ocean to a point upstream where the freshwater of the river mixes with the saline ocean water. Estuarine coastal waters provide protective habitat for marine life (MAR), including shellfish, and support the migration (MIGR) of aquatic organisms including anadromous salmonids. These waters are also used extensively for Water Contact and Non-Contact Water Recreation (REC-1, REC-2), Navigation (NAV), and Commercial and Sport Fishing (COMM), among others."

Beneficial uses for this hydrological unit are numerous, but the project specifically addresses and seeks to enhance those characteristics identified in the plan under §2.5.1.3 Estuaries. The project will support and enhance these beneficial uses directly, and indirectly benefit beneficial uses elsewhere, such as cold freshwater habitat (COLD) by providing estuarine habitat for marine species, and for aquatic species that migrate between the estuary and upstream locations.

CEQA COMPLIANCE:

The California Department of Fish and Wildlife ("Lead Agency") prepared and circulated the Ocean Ranch Restoration Project Draft Environmental Impact Report ("DEIR"), circulated for 47 days, from September 17, 2020 to November 2, 2020, to allow interested individuals and public agencies time to review and comment on the document. At the end of the public review period, written responses were prepared for all substantive comments received on the Draft EIR during

the circulation period. The comments and responses were then added to the DEIR to form the Final EIR and were considered by CDFW prior to certifying the Final EIR, and approving the project, on February 26, 2021. CDFW filed a Notice of Determination with the State Clearinghouse on March 1, 2021.

The Final EIR, after analyzing several alternatives, concluded that Alternative Two ("project") is the environmentally superior alternative. As described below, CDFW selected Alternative 2 in order to avoid significant and unavoidable impacts in the area of Hydrology. Ultimately, the Final EIR identified fifteen (15) potentially significant effects of Alternative 2 that, with mitigation, were reduced to less-than-significant levels. The potentially significant impacts of the project were found in Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality and Tribal Cultural Resources. For Alternative Two, all impacts can be mitigated with mitigation measures that reduce the identified impacts to less than significant levels.

Staff of the Coastal Conservancy has independently reviewed the Final EIR (Exhibit 3), and the Mitigation Monitoring and Reporting Program (MMRP, Exhibit 3) certified by CDFW and concurs that there is no substantial evidence that the project will have a significant effect on the environment.

Air Quality
The air quality impacts of the project were determined to be less than significant with implementation of Mitigation Measure AQ-1, which complies with the best management practices (BMP) recommended by air districts to reduce construction related dust.

Biological Resources
The project's potential impacts to biological resources were exhaustively described. Potential impacts to aquatic species were addressed primarily in BIO-1a through standard avoidance and minimization measures such as limiting the in-water work window for construction, invasive plant management and maintenance activities to the dry-season (between June 15 and October 15). In addition, handling of and protocol associated with hazardous materials is addressed in measures HHM-2, HHM-4 and WQ-1 and 2. Construction activities are otherwise highly constrained, and multiple provisions for dewatering and species relocation as necessary are made.

As an avoidance measure for avian species, BIO-1b requires pre-construction nest surveys for ground nesting special-status and migratory avian species. Setbacks for nesting birds are presented to avoid conflicts between construction activities and nesting birds.

As an avoidance measure for Snowy Plover, BIO-1c requires project activities in Western Snowy Plover nesting habitat to occur if feasible between September 16 and March 15, outside of the generally accepted Western Snowy Plover nesting season, unless CDFW and USFWS approve a wider season treatment based on survey data and site-specific conditions.

As an avoidance measure for Red Legged Frog and Western Pond Turtle, BIO-1d requires, as feasible, that project construction, invasive plant management, or maintenance activities be limited to the period of the year between July 1 and October 30 to avoid disturbance to breeding Northern Red-legged Frogs. If found, provisions are made for relocation of these species.

Minimization or avoidance of project impacts to special status plant species is address in BIO-1e. In this case a qualified biologist shall stake out locations of special-status plant populations prior to construction. The qualified biologist shall also provide training to construction or plant management crews to ensure that they avoid and minimize impacts to these plants. No heavy equipment shall be used to carry out invasive plant management within 10 feet (3 meters) of dune mat habitat. Project-related access routes located in the dunes shall be marked and shall avoid dune mat habitat.

As alluded to above, under Biological Resources, measures HHM-2, WQ-1 and WQ-2 provide guidelines on how herbicide can be applied and who can apply them, and requirements for spill cleanup kits to be onsite in order to address accidental spills. With implementation of Mitigation Measures BIO-1e, HHM-2, WQ-1 and WQ-2 potential impacts to special-status plant species will be reduced to a less than significant level.

BIO-1f addresses potential impacts to special status plant species during prescribed burns. In order to minimize potential impacts to special-status plant species during a prescribed burn, the following measures will be implemented: Prescribed burns will occur between August 1 and March 15 (i.e., outside the nesting bird window,) which is after the primary blooming period for annual species known to the dunes. All prescribed burn treatments will be conducted in accordance with an approved burn plan coordinated with the California Department of Forestry and Fire Protection (CAL FIRE).

BIO-3 addresses construction-related impacts to aquatic resources. Implementation of Mitigation Measure BIO-3 will reduce the impact of project construction activities on aquatic resources to a less-than-significant level by isolating work areas; utilizing existing disturbed areas for access roads and staging as much as feasibly possible, and ensuring the contractor is aware of aquatic resources to be avoided.

Cultural Resources
Because project construction and maintenance activities could unearth unknown cultural resources, which would be a significant impact, the project includes standard inadvertent discovery provisions characterized in Mitigation Measures CR-1, CR-2, CR-3, CR-4, and CR-5. These practices and procedures would be applicable and implemented to reduce project impacts to a less-than-significant level.

Geology and Soils
The Final EIR identified potentially significant impacts under Geology and Soils, primarily associated with the extensive earthmoving of the Project. Mitigation Measures HWQ-1, HWQ-

2, WQ-6, and GEO-1 will be applicable and implemented under Alternative 2 to reduce potential impacts to a less-than-significant level.

Hazards and Hazardous Materials

Due primarily to the proposed use of herbicides and other compounds planned for vegetation management, the Final EIR identified potentially significant impacts in the area of Hazards and Hazardous Materials. The project identifies standard handling procedures and precautions incorporated into mitigation measures HHM-1, HHM-2, HHM-3, HHM-4, HHM-5, and WQ-2. These precautions and measures will apply and be implemented during the project to reduce impacts to a less-than-significant level.

Hydrology and Water Quality

The Final EIR identified for the initially proposed project a significant and unavoidable impact in the area of Hydrology and Water Quality, specifically HWQ 3. HWQ-3 poses the question: Would the project "substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces in a manner which would result in substantial erosion or siltation on- or off-site?"

Under the initially proposed project, hydrology and water quality impacts were generally determined to be less than significant with implementation of mitigation measures, with the exception of the potential for the proposed project to increase velocity and shear stress in McNulty Slough, which could erode the eastern levee and potentially flood adjacent private agricultural lands, both potentially significant and unavoidable impacts (reference Section 3.9.5). The initially proposed project included four breaches (BR-1, BR-2, BR-3, BR-4) to the exterior levee on McNulty Slough, intended to increase tidal prism and habitat accessibility to the restored area.

Alternative 2, the environmentally superior alternative selected by CDFW, in contrast, proposes only two breaches to the McNulty Slough levee by eliminating breaches BR-2 and BR-3. Alternative 2 would cause tidal flow to enter and leave the project site through BR-1, the southernmost breach, as opposed to within McNulty Slough as would occur with the initially proposed project. Consequently, the elimination of the two exterior breaches to McNulty Slough under Alternative 2 reduces post-construction flow velocities and shear stress relative to the initially proposed project, such that they would resemble baseline conditions. As a result, the potential for increased erosion of the eastern levee of McNulty Slough (and potential for flooding of private lands) is avoided. The same mitigation measures for the proposed project (Mitigation Measures HWQ-1, HWQ2, HWQ-3, WQ-2, WQ-6, HHM-2, and HHM-4) will be applicable and implemented under Alternative 2, which in conjunction with the elimination of two exterior breaches, will reduce impacts to a less-than-significant level.

Since the very goal of the project is to restore tidal prism within the ORU, and since the potential exists for that increased tidal prism to increase scour beyond its boundaries, CDFW opted to find this potential impact of the initially proposed project to be significant and unavoidable, and concluded that Alternative 2 avoided this impact. CDFW revisited Alternative

2 and selected it as the environmentally superior alternative. By selecting Alternative 2, rather than the initially proposed project, CDFW eliminated the risk of increased velocities, scour and erosion, thereby rendering moot the subject of any significant and unavoidable impact, though at the expense of hydrologic and biological connectivity within the Ocean Ranch Unit.

SCC concurs with CDFW's findings on HWQ-3 and concurs with the project mitigation measures remaining. Mitigation Measures HWQ-1, HWQ2, HWQ-3, WQ-2, WQ-6, HHM-2, and HHM-4 will be applicable and implemented under the project, which in conjunction with the elimination of two exterior breaches, will reduce impacts to a less-than-significant level.

Tribal Cultural Resources
As with Cultural Resources, above, project construction and maintenance activities could still unearth unknown tribal cultural resources, which, if realized, could result in a significant impact. The same mitigation measures for the initially proposed project (Mitigation Measures TCR-1, CR-1, and CR-2) will be applicable and implemented to reduce impacts to a less-than-significant level.

Staff recommends that the Conservancy find that the project (Alternative 2 in the Final EIR) as mitigated avoids, reduces or mitigates the possible significant environmental effects to a level of less-than-significant and that there is no substantial evidence that the project will have a significant effect on the environment as that term is defined by 14 Cal. Code Regs. §15382.

Staff will file a Notice of Determination following approval of this authorization.