

COASTAL CONSERVANCY

Staff Recommendation
June 7, 2021

SAN LORENZO VALLEY WATER DISTRICT WILDFIRE RESILIENCE

Project No.21-021-01
Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$200,0000 to San Lorenzo Valley Water District for vegetation management to reduce fire risk to critical infrastructure on land owned and operated by the San Lorenzo Valley Water District.

LOCATION: Unincorporated Santa Cruz County

EXHIBITS

Exhibit 1: [Location Map](#)

Exhibit 2: [Project Maps](#)

RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed two hundred thousand dollars (\$200,000) to San Lorenzo Valley Water District (“the grantee”) for vegetation management to protect critical infrastructure at and near water distribution facilities owned and operated by the District.

1. Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:
 - a. A detailed work program, schedule, and budget.
 - b. Evidence that all permits and approvals required to implement the project have been obtained.
2. If the grantee uses the grant funds to purchase equipment costing \$5,000 or more, the grantee shall use such equipment for wildfire-related purposes for the duration of the useful life of the equipment.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code, regarding the Climate Ready Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.

STAFF RECOMMENDATION

PROJECT SUMMARY:

The San Lorenzo Valley Water District (District) seeks to protect its critical water-supply infrastructure from future wildfires by undertaking a variety of fuel reduction activities associated with its system. The District supplies water to eight communities in the Santa Cruz Mountains (Exhibit 1,2). The District has been preparing a Post-Fire Recovery, Critical Asset Hardening, Vegetation, and Fuels Management Plan (Plan) that is expected to be adopted by the Board of Directors on June 3, 2021. The CZU Lighting Complex of August 2020 burned 80 percent of the District's properties and destroyed or damaged 50 percent of the critical water infrastructure which interrupted supply of water to customers and substantial repair costs. Due to funding limitations, only a small portion of planned vegetation treatments have been conducted. The proposed grant would help the District implement the Plan.

The highest priority fuel-reduction work is on land containing water tanks, pump houses, access roads, and other critical water infrastructure such as treatment plants and intakes. Treatments will be conducted up to 100 feet around critical water infrastructure and/or District-maintained roads (Exhibit 2). Fuel reduction activities will take place on up to 35 acres of land and will consist primarily of manual and mechanical treatments such as hand thinning, chipping, mastication. These efforts will thin the understory and dead vegetation, leaving mature, healthy trees. Herbicide use is not permitted on District-owned land and the project will be required to adhere to standard best management practices (e.g., California Forest Practice Rules) for avoidance of environmental impacts.

Site Description: The District supplies water to eight communities within the Santa Cruz Mountains through a network of over 185 miles of distribution lines, pump stations and reservoirs (Exhibit 2) . There are more than 7,900 connections that serve approximately 26,000 customers throughout its service area. Several of the communities located within the District's service area have been identified by the California Office of the State Fire Marshall as communities at risk to wildfire, including Boulder Creek that borders the District's Ben Lomond Watershed Property. The CZU Lighting Complex of August 2020 burned 80 percent of District-owned properties and destroyed or damaged 50 percent of the critical water infrastructure, resulting in an interrupted supply of water to customers and substantial repair costs. Service has been restored, although most of the surface water supply remains offline.

Grant Applicant Qualifications:

The District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District manages approximately 2,300 acres of land and approximately \$35 million worth of infrastructure. The District has recently managed or is currently managing several state and federal grants and other funding, including from the Federal Emergency Management Agency for post-disaster relief and Proposition 50 funding now referred to as Community Power Resiliency Allocation Program.

PROJECT FINANCING

Coastal Conservancy	\$200,000
San Lorenzo Valley Water District	\$60,000
Project Total	\$260,000

The anticipated source of funding is a Fiscal Year 2020-21 special appropriation from the General Fund to the Conservancy. This appropriation was part of a package of funding for the purpose of urgent wildfire risk reduction. The proposed project is consistent with the anticipated funding source.

Unless specifically labelled “Required Match” the other sources of funding listed above are provided as estimates. The Coastal Conservancy does not typically require matching funds nor does it require documentation of expenditures from other funders. Typical grant conditions require Grantees to provide any funds needed to complete the project. The District estimates that it will expend approximately \$50,000 in consultant fees and \$10,000 in staff costs to undertake the proposed project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The recommended project would be undertaken pursuant to Section 31113 of Chapter 3 of Division 21 of the Public Resources Code, which authorizes the Conservancy to address the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction (Section 31113(a)).

Pursuant to Section 31113(b), the Conservancy is authorized to award grants to nonprofit organizations and public agencies to undertake projects that include reducing greenhouse gas emissions, and addressing extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources.

Pursuant to Section 31113(c), the Conservancy must prioritize grants for projects that maximize public benefits and have one of several purposes, including reducing emissions of greenhouse gases.

Consistent with these sections, the proposed project maximizes public benefits and is a priority because it facilitates the reduction of greenhouse gas emissions from increased wildfires due to climate change. Besides reducing greenhouse gas emissions, the public benefits include

improvement of forest health and protection of life, property, public health, water quality, and natural resources.

The proposed project addresses resources within the Conservancy's jurisdiction by improving forest health and reducing the risks of wildfire that would adversely impact water quality and habitat in a coastal watershed (Chapter 5.5 of Division 21 of the Public Resources Code).

CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#) GOAL(S) & OBJECTIV(S):

Consistent with **Goal 8, Objective C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will implement projects to increase resilience to climate change impacts using nature-based solutions and other multi-benefit strategies.

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 will help implement:

- [California's Wildfire and Forest Resilience Action Plan](#) (Governor's Forest Management Task Force, January 2021), which calls for activities such as fuels reduction, forest thinning, vegetation management, prescribed fire, shaded fuel breaks, defensible space, and enhancement of fire-prone habitats to reduce fire risk.
- The [California Forest Carbon Plan](#) (CNRA, 2018), which calls for restoration of natural fire regime and forest composition through a multitude of approaches including thinning, prescribed burns, invasive vegetation management, and shaded fuel breaks.
- The [Community Wildfire Prevention & Mitigation Report](#) (Cal Fire, 2019), which urges state and local agencies to implement the goals of the Carbon Forest Plan and lays out recommendations to agencies to increase the scale and pace of management and mitigation actions to improve forest health and resiliency.

- The Forests and Rangelands Companion Plan, California State Wildlife Action Plan Update (CDFW 2015), which encourages projects that seek to create a healthier and more resilient forest ecosystem.
 - The Environmental Goals and Policy Report “A Strategy for California @ 50 Million, Supporting California’s Climate Change Goals” (OPR, 2015), Goal 6 of the Steward and Protect Natural and Working Landscapes section, which calls on the State to “Build resilience into natural systems and prioritize natural and green infrastructure solutions”.
4. **Support of the public:** There is enormous public support for wildfire risk reduction. A statewide poll last fall found that 74% of surveyed voters believe that wildfire threat is greater now than in the past.
 5. **Location:** The proposed project is located within the Coastal Conservancy’s jurisdiction.
 6. **Need:** California is facing unprecedented fire risk due to climate change and a growing populace. The proposed funding was approved to accelerate fire risk reduction projects in advance of next year’s fire season. This funding is needed to initiate this work as soon as possible.
 7. **Greater-than-local interest:** Minimizing wildfire risk is of statewide significance.
 8. **Sea level rise vulnerability:** The subject land is situated well above current and projected Year 2100 sea levels.

Additional Criteria

9. **Urgency:** California is facing unprecedented fire risk due to climate change and a growing populace. The 2020 fire season broke numerous records. The proposed project is urgently needed to reduce fire risk in advance of the upcoming fire season.
10. **Resolution of more than one issue:** This project addresses three major issues: it seeks to reduce wildfire risk, improve forest health, and will be focused on areas where homes and communities are most at risk, the wildland-urban interface (WUI).
11. **Readiness:** The project is ready to begin work immediately.
12. **Vulnerability from climate change impacts other than sea level rise:** The project will address fire resiliency in the context of anticipated climate change. Fire resilience is a critical issue due to increased average temperatures, reduced marine fog and longer and more severe droughts.
13. **Minimization of greenhouse gas emissions:** This project seeks to mitigate GHG emissions from catastrophic wildfires by lessening the fire risk, improving resilience to fire, and improving carbon sequestration.

CEQA COMPLIANCE:

All components of the proposed project are categorically and] statutorily exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines at California Code of Regulations, Title 14, Sections 15304 and 15269.

Section 15304 (Minor Alterations) exempts projects that consist of minor alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes.

Section 15269 (Emergency Projects) exempts emergency projects, including: emergency repairs to serviced facilities necessary to maintain service essential to the public health, safety, or welfare, including those repairs that require a reasonable amount of planning to address and anticipated emergency; and specific actions necessary to prevent or mitigate an emergency.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.