

COASTAL CONSERVANCY

Staff Recommendation
September 23, 2021

ELKHORN SLOUGH TIDAL MARSH RESTORATION – PHASE 2 AUGMENTATION

Project No. 12-014-02
Project Manager: Rachel Couch

RECOMMENDED ACTION: Authorization to disburse up to \$980,000 awarded to the Conservancy by the U.S. Fish and Wildlife Service under its National Coastal Wetlands Conservation Grant Program to the Elkhorn Slough Foundation to augment a Conservancy grant authorized on December 19, 2019 to complete Phase 2 of the Elkhorn Slough Tidal Marsh Restoration Project in Elkhorn Slough, Monterey County.

LOCATION: Elkhorn Slough, Monterey County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Figures and Photos](#)

Exhibit 3: [December 19, 2019 Staff Recommendation](#)

RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed nine hundred eighty thousand dollars (\$980,000) of funds awarded to the Conservancy by the U.S. Fish and Wildlife Service under its National Coastal Wetlands Conservation Grant Program to augment a Conservancy grant authorized on December 19, 2019 to the Elkhorn Slough Foundation to construct Phase 2 of the Elkhorn Slough Tidal Marsh Restoration Project in Elkhorn Slough, Monterey County subject to the conditions of the December 19, 2019 authorization.

Findings:

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

1. The proposed authorization remains consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources.
 2. The proposed project remains consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. Elkhorn Slough is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize disbursement of \$980,000 in funds awarded to the Conservancy by the U.S. Fish and Wildlife Service under its National Coastal Wetlands Conservation Grant Program to the Elkhorn Slough Foundation (ESF) to augment the grant authorized by the Conservancy on December 19, 2019 to complete Phase 2 of the Elkhorn Slough Tidal Marsh Restoration Project (TMR or project) (Exhibit 1). On December 2, 2015, the Conservancy authorized disbursement of \$1 million for Phase 1 of the project. On December 19, 2019, the Conservancy authorized disbursement of \$1.48 million for Phase 2 of the project (Exhibit 3). ESF has completed restoration of the Minhoto-Hester component of Phase 2 but requires additional funding to complete restoration of the Seal Bend sub-area.

The Elkhorn Slough estuary, containing California’s second largest tract of salt marsh, is currently facing unprecedented rates of tidal wetland loss and degradation. Fifty percent of the tidal salt marsh in Elkhorn Slough has been lost in the past 150 years. This habitat loss is a result of diking and draining, increased tidal flooding, which “drowns” vegetation, and bank erosion, which causes the marsh to collapse into the channel. It is predicted that the dramatic rates of tidal wetland loss and degradation in Elkhorn Slough will continue in the near future if no management actions are taken.

To address the loss of tidal marsh in the slough, ESF, in partnership with the California Department of Fish and Wildlife (“CDFW”) and the Elkhorn Slough National Estuarine Research Reserve (“ESNERR”) developed the Tidal Marsh Restoration project with the goal of restoring 147 acres of vegetated tidal salt marsh, edge habitat, and ruderal grassland. The TMR covers the Minhoto-Hester Marsh and Seal Bend areas of Elkhorn Slough, located on the south side of the main channel (Exhibit 1). Phase 1 of the TMR occurred within eastern Minhoto-Hester Marsh and resulted in approximately 61 acres of restored tidal marsh and 5 acres of adjacent grassland habitat (Exhibit 2). As part of Phase 2, ESF raised the elevation of 29 acres of degraded marsh to restore it to tidal wetland habitat within western Minhoto-Hester Marsh and created approximately 3 acres of new marsh created in the soil borrow area.

The remaining work of Phase 2 of the project consists of restoring an additional 30 acres of marsh at Seal Bend and an additional 5 acres of adjacent grassland habitat in the soil borrow area. The degraded marsh will be restored by adding sediment to subsided areas of degraded marsh and mudflat. Because sediment addition wetland restoration projects are still relatively rare in California, this project is considered a pilot project that can inform strategic planning for

this system as well as other wetland ecosystems in California, especially given existing need at Elkhorn Slough and projections of future impacts from sea level rise.

In the end Phases 1 and 2 of the project will result in a total of 120 acres of restored marsh and 8 acres of grassland, as shown in Exhibit 2. This equates to an 8-10 percent increase in tidal marsh in the estuary. If extended to other parts of the estuary, this approach could increase the extent of marsh by 50 percent over existing acreage, approaching the historic extent of tidal salt marsh in Elkhorn Slough.

Site Description: See Exhibit 3.

Grantee Qualifications: See Exhibit 3.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:

The project remains consistent with the Conservancy’s Project Selection Criteria and Guidelines, as described in the December 19, 2019, staff recommendation (Exhibit 3).

PROJECT FINANCING

This Authorization – Phase 2 Augmentation

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| U.S. Fish and Wildlife Service (via grant to the Conservancy) | \$980,000 |
| Ocean Protection Council | \$815,568 |
| CA Department of Fish and Wildlife | \$993,189 |

Previous Authorizations Phase 1 and Phase 2

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|---|--------------------|
| Coastal Conservancy | \$500,000 |
| U.S. Fish and Wildlife Service (via grant to the Conservancy) | \$1,960,000 |
| Other funding | \$7,593,897 |

Project Total **\$12,842,654**

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.

In 2020, the Conservancy was awarded a third \$1,000,000 in USFWS National Coastal Wetland Conservation Program funds for the restoration of the Seal Bend area. \$980,000 is recommended for disbursement. \$20,000 will be retained for Conservancy staff costs.

In-kind contributions to the project will be provided by ESF, CDFW, Drexel University and the National Oceanic and Atmospheric Administration (NOAA). Each organization will provide approximately \$10,000 worth of in-kind services, representing an additional \$40,000 contribution to the project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy's enabling legislation as described in the December 19, 2019, staff recommendation (Exhibit 3).

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

The project remains consistent with the Conservancy's strategic plan goals as described in the December 19, 2019, staff recommendation (Exhibit 3).

CEQA COMPLIANCE:

The authorization to disburse additional funds for Phase 2 of the project remains consistent with the Conservancy's findings under the California Environmental Quality Act (CEQA) as set forth in the December 2019 staff recommendation (Exhibit 3), which discusses the *Elkhorn Slough Tidal Marsh Restoration Mitigated Negative Declaration* (MND) adopted by CDFW on August 27, 2015, the Addendum to the MND prepared by CDFW in September 2017, and the Addendum to the MND prepared by CDFW dated October 21, 2019 (Second Addendum). There have been no substantial changes to the project since December 2019, no changes in circumstances under which the project will be undertaken, and no new information, that would trigger the need for a subsequent or supplemental mitigated negative declaration pursuant to the CEQA Guidelines at California Code of Regulations Title 14, Section 15162. Accordingly, no further actions under CEQA are required.

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