

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR REGULAR MEETING OF JULY 10, 2009

Prepared on June 1, 2009

ITEM NUMBER: 14

SUBJECT: Resolution to Allocate Guadalupe Settlement Funding for Special Projects, including: \$950,000 to the American Land Conservancy for the Wild Cherry Canyon Conservation Project; Balance of Settlement Funds to Water Board Watershed Protection Projects

SUMMARY

Water Board staff recommends that the Water Board record their decision to fund the Wild Cherry Canyon Conservation Project near Avila Beach with Guadalupe Settlement funds in a resolution, and recommends that the Water Board reserve the balance of Guadalupe Settlement funds for Water Board staff developed watershed protection projects (and include that in the resolution as well). Attachment 1 is draft Resolution R3-2009-0048, which allocates \$950,000 from the Guadalupe settlement fund to the American Land Conservancy to help fund the Wild Cherry Canyon Conservation Project near Avila Beach, and allocates the balance of the settlement fund to high priority watershed protection projects in the Central Coast Region.

At its May 8, 2009 meeting, the Water Board directed staff to make available \$950,000 from the Water Board's Guadalupe settlement fund for the Wild Cherry Canyon Conservation Project. This project would purchase the 190-year lease on about 2,400 acres of coastal watersheds, and transfer management of the land to State Parks. The total project cost is \$24 million, and the American Land Conservancy has commitments for most of the necessary funding from state agencies and private donors.

The Water Board's Guadalupe settlement fund has approximately \$2 million available for allocation to projects. The Water Board's approval of the Wild Cherry Canyon proposal and allocation of \$950,000 would leave about \$1 million remaining in the Guadalupe settlement account. Water Board staff recommends reserving the remaining Guadalupe settlement funds for the Regional Board's top priority watershed protection projects and our long-term, large-scale efforts to protect healthy watersheds on a regional scale.

DISCUSSION

Wild Cherry Canyon Conservation Project

On May 8, 2009, the Water Board approved the American Land Conservancy's request for \$950,000 to help fund the acquisition and preservation of the 2,400 acre Wild Cherry

Canyon property, located in the Irish Hills near Avila Beach. The Water Board conditioned its approval on the American Land Conservancy's ability to obtain all other necessary funds for the acquisition by June 2010. Resolution R3-2009-0048 includes findings allocating the funds for the Wild Cherry Canyon Preservation Project.

Watershed Protection Projects

The Central Coast Water Board is implementing a progressive, stepwise process to achieve healthy watersheds, as follows:

1. **Basic Permit Requirements:** These requirements include the basics such as education and outreach, elimination of illicit discharges, street sweeping, etc.
2. **Low Impact Development Requirements:** This step requires municipalities to incorporate Low Impact Development (LID) principles into their stormwater management plans.
3. **Hydromodification Requirements:** This step requires municipalities to incorporate hydromodification criteria into their stormwater management plans and to utilize LID design principles to achieve those criteria.
4. **Planning and Design for Healthy Watersheds Requirements:** This step requires municipalities to coordinate with other entities in their watershed and to design for future growth, including green infrastructure, to ensure healthy watersheds over the long term.

The Central Coast Water Board has moved affirmatively through the initial tasks in this process and is now engaged in step three with the municipalities in the Central Coast Region. In this step, the Water Board established the Central Coast LID Center to provide specific services to aid the implementation of LID design principles and hydromodification controls. Hydromodification control is a critical, complex step toward achieving healthy watersheds, water quality, and beneficial uses for future generations. It targets the individual site's hydrologic response to development to limit the effects of hydromodification in urbanizing watersheds. While emphasizing the physical changes in stream channels resulting from an altered flow and/or sediment regime, LID also promotes other desired conditions of healthy watersheds, including groundwater recharge, habitat protection, and stormwater quality. However, hydromodification controls and LID focus on physical conditions at the individual site level, and while valuable in the context of achieving overall watershed health, do not in and of themselves ensure healthy watersheds.

Water Board staff recognizes that the effects of an urban-modified hydrograph demand a more integrative approach to hydrology, geomorphology, biology, engineering, and land use in urbanizing areas – an approach that goes beyond the site scale and embraces the watershed scale. Whole watershed protection aims to preserve and protect stream channels, riparian areas, wetlands and aquatic habitats, and groundwater resources while a variety of land uses, including urban development, continue in the watershed. Such watershed-scale protection requires integration and incorporation of multiple control measures that support healthy watersheds into all aspects of land use planning and development.

This final step in the above process therefore requires municipalities and entities that

possess principle land use authority, to plan and coordinate with other entities in their watershed and to design for future growth to ensure healthy watersheds over the long term. Critically, these entities must identify strategies for conducting watershed-based planning that yield control measures beyond the site-specific or individual project scale. Watershed-based planning may indicate, for example, that development should be restricted within areas close to streams to protect identified sensitive habitat, take advantage of high value stream recharge zones, or prevent potential downstream hydrologic impacts.

In the coming fiscal year, Water Board staff will begin evaluating approaches and options to adjust our regulations to attain the goals of healthy watersheds and will bring preferred strategies to the Water Board for consideration. We are assuming that the strategies will be most effective and provide us with clear authority if approved as new requirements in Waste Discharge Requirements or Stormwater Management Plans, and/or as new Basin Plan policies, beneficial uses, water quality objectives and/or implementation strategies applicable to all watershed land uses. Staff is planning to develop the recommendations following four major phases: Problem Definition; Identification of Gaps in Current Approach; Tool Identification and Analysis (new or adjustments to existing policies and regulations); and Tool Selection. Water Board staff anticipates needing support from outside experts, consultants, and practitioners in completing these phases. An example of the kind of support staff may need is the approach the San Francisco Bay and North Coast Regional Boards took in developing a Basin Plan amendment for a new stream and wetland systems protection policy. Using U.S. Environmental Protection Agency grant funding, these Regional Boards hired two full-time equivalent consultants to develop draft policy language and conduct the public involvement for the new policy. Similar opportunities for assistance to the Central Coast Water Board's watershed protection work would greatly accelerate the pace of that work. Therefore, we are requesting access to the remaining Guadalupe settlement funds to support developing the recommendation and to support its implementation. The attached resolution includes findings in support of this request.

CONCLUSION

Water Board staff recommends adoption of Resolution R3-2009-0048. The resolution allocates \$950,000 to help fund the acquisition and preservation of the 2,400-acre Wild Cherry Canyon property, located in the Irish Hills near Avila Beach. The resolution includes the condition that the American Land Conservancy obtains all other necessary funds for the acquisition by June 2010. Water Board staff also recommends reserving the remaining Guadalupe settlement funds for the Water Board's top priority projects and work on our long-term, large-scale efforts to protect healthy watersheds on a regional scale.

ATTACHMENTS

1. Resolution No. Resolution No. R3-2009-0048