



Consideration of California Environmental Quality Act (CEQA) Responsible Agency Findings and Award of a Proposition 1 Ecosystem Restoration and Climate Adaptation Program Grant for the Ulatis Creek Habitat Restoration Project

Staff Recommendation

This agenda item presents for Board consideration a recommendation to award Proposition 1 Grant Program funding for the Ulatis Creek Habitat Restoration Project.

PROJECT OVERVIEW

Applicant	Solano Resource Conservation District
Project ID	2208
Project Type	Implementation
County	Solano
Funding Request	\$359,639
Total Project Cost	\$452,888
Funding Recommendation	\$359,639
Score	91/100

PROJECT SUMMARY

The proposed Ulatis Creek Habitat Restoration Project will result in the installation of 20 acres of riparian woodland habitat along the north bank of Ulatis Creek in Solano County. A total of 1,880 native trees/shrubs and 25,000 forb/sedge plugs will be planted, 100 pounds of wildflowers will be seeded, and invasive plants (including *Arundo donax*) will be controlled throughout the project site. The proposed project will add 20 acres of habitat adjacent to a former project site, creating more continuous riparian habitat that provides valuable resources for wildlife, shades the waterline along Ulatis Creek, and showcase effective conservation efforts on working lands. The landowner is working with the United States Natural Resources Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP), Fibershed, and Point Blue Conservation Science as part of a larger effort to implement climate resilient activities at the project site.

RECOMMENDATION

Conservancy staff recommends that the Board consider the Final Initial Study and Mitigated Negative Declaration for the Ulatis Creek Habitat Restoration Project prepared by Solano Resource Conservation District as the Lead Agency in accordance with the California Environmental Quality Act, and adopt Resolution 2022-01 that makes Responsible Agency Findings that all necessary mitigation measures have been included in the project to eliminate any significant effects on the environment, and that no additional mitigation measures within the Board’s authority are necessary.

Contingent upon the Board's adoption of Resolution 2022-01, Conservancy staff recommends that the Board approve up to \$359,639 in Proposition one grant funds for the Ulatis Creek Habitat Restoration Project proposed by the Solano Resource Conservation District conditional upon the applicant receiving a Delta Plan Certification of Consistency for the project and verification of water rights of the landowner.

Contingent upon the Board's approval of grant funding for the Ulatis Creek Habitat Restoration Project, Conservancy staff recommends that the Board approve the applicant and landowners request to waive recording the landowner access agreement against the deed of the property.

Staff prepared the text below based on staff's best understanding of the information provided in the application. Conservancy staff and the Professional Review Panel consisting of the following agencies: California Department of Fish and Wildlife, Delta Protection Commission, Delta Stewardship Council, California Department of Food and Agriculture, California Department of Water Resources and the United States Fish and Wildlife Service scored this proposal against the established criteria. Conservancy staff contacted local governments and districts, water agencies, and tribes via the local notification process to receive comments and ensure project support. Prior to entering into a grant agreement, staff will work with the applicant to further refine the project's scope of work.

ENVIRONMENTAL COMPLIANCE

This implementation effort is considered a project under the California Environmental Quality Act (CEQA). On October 20, 2021, Solano Resource Conservation District, as the Lead Agency under CEQA, submitted a Notice of Determination based on the results of an Initial Study that found potential significant project impacts on biological resources, cultural resources, and hydrology and water quality; determined all of the identified impacts can be reduced to insignificant levels through implementation of Mitigation Measures outlined in the Initial Study; and prepared a Mitigated Negative Declaration for the project to satisfy the requirements of CEQA. Conservancy staff, in fulfilling the Conservancy's role as a Responsible Agency, have reviewed these documents and findings, and staff recommends that the Board make Responsible Agency Findings concluding that all necessary mitigation measures have been included in the project to eliminate significant effects on the environment.

COST SHARE

The cost share amount is 20 percent of the project budget. The applicant will provide \$6,000 as in-kind services through staff time to assist in regional and watershed conservation efforts. The landowner will provide \$62,000 in federal match from a grant with the United States Natural Resources Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP) and \$3,150 in-kind services through labor on managed grazing and project planning. Fibershed, a non-profit third party certifier of Climate Beneficial Wool, will provide \$12,099 in-kind match through labor for planting of native vegetation and \$10,000 to fund avian surveys and purchase of planting supplies.

ALIGNMENT WITH STATE PRIORITIES

The project is consistent with and directly and specifically links to multiple actions and priorities identified in the Conservancy's governing statute, the Conservancy's strategic plan, the Delta Plan, and other state and regional plans. Considerations are made to promote wildlife conservation, ecosystem,

and economic restoration, enhance flood plain habitat (with carbon sequestration benefits), and to help to improve water quality.

LONG TERM VIABILITY

The proposal describes long-term management that will cover the required 15-year duration. The applicant will commit to working with the NRCS through 2041 (19 years), to ensure project establishment and long-term success. Site visits by staff from the District will ensure continued communication with the landowners, visual assessment of plant establishment, and the opportunity to evaluate new management challenges that require updated approaches over the long-term.

LOCAL SUPPORT

The proposal demonstrates local support and includes a resolution of support from the project's county Board of Supervisors. The proposal details an approach to inform and consult with affected parties and to avoid, reduce, and mitigate conflicts with existing and adjacent land uses. The applicant acquired letters of support from their cost sharing and cost leveraging partners, and formed close relationships with the Delta Stewardship Council, Solano County Water Agency, Point Blue Conservation Science, and several other local and federal organizations.

SCIENTIFIC MERIT

The proposal describes and references the scientific basis of the project and incorporates the best available science. The proposal demonstrates efforts to develop an adaptive management approach consistent with the Delta Plan's adaptive management framework and with sufficient capacity and resources to implement. The climate impacts/benefits are addressed, and the proposal provides a mechanism for incorporating climate change considerations into the project. An accurate estimate of the projects climate/carbon sequestration success will be evaluated over the 20 years post installation. Species richness surveys will be conducted pre and post installation to gather data on the project's outcome. The data will be made publicly available to help other researchers better understand similar reclamation projects.

ADDITIONAL CONSIDERATIONS

Prior to submitting their proposal, the applicant shared with Conservancy staff reluctance from the landowner to record the landowner access agreement against the property deed with Solano County. The applicant, on behalf of the landowner, submitted a request to waive the requirement of recording the landowner access agreement against the deed of the property. Based on the process and evaluation criteria outlined in Agenda item 8.2, Conservancy staff evaluated and responded to each of the following criteria:

Does the landowner have an incentive to retain or remove the project?

The landowner has incentive to retain the project. The landowner participates in a Carbon Farm Plan, enabling the land's production to be certified Climate-Beneficial Wool. Maintenance of the certification is contingent on continued implementation of practices that sequester carbon on the ranch. The proposed project supports practices that align with the Carbon Farm Plan and certification for Climate-Beneficial Wool.

What is the land development potential if it is sold?

The development potential of the land is minimal. The project site is part of a larger working ranch and neighboring properties are also agricultural working lands. If the landowner were to sell of the property, future landowners would likely continue similar operations on the property. The project site is rural and located several miles from traditional residential and commercial properties.

What is the likelihood that the project would be removed if the property were sold or developed?

The likelihood of the project being removed would be minimal. Rather, the proposed project would be an asset to a future landowner because of the reduction of the invasive plant species, creation of a riparian habitat buffer between the agricultural waterway and working lands, and consistency with the Carbon Farm Plan.

Does the project provide a net benefit to the landowner?

The project provides a net benefit to the landowner. The project does not remove any acreage from the working lands, creates a native riparian habitat, reduces invasive plant species on the property, supports the Carbon Farm Plan, and helps the landowner maintain their Climate-Beneficial Wool certification.

For how long has the land been under the same ownership?

The project site is located on a larger working ranch that has been owned by the same family for at least three generations.

If the project is not approved for funding, what is lost?

The project site is one of the only connected floodplains to Ulatis Creek drainage into the Delta. The project would create critical edge habitat in the agricultural waterway network within the Cache Slough Complex. If this project is not funded, 20 acres of restored historical riparian habitats would be lost.

Is the landowner a public entity or is the project in collaboration with a public entity?

The landowner is not a public entity. However, the landowner has worked, and is currently working, with several public entities including the Solano Resource Conservation District (the applicant), Solano County Water Agency, California Department of Water Resources, and the Delta Conservancy.

Does the landowner have other government contracts that the project relates to?

The landowner recently received an NRCS EQIP grant which also requires a 15-year contract. The applicant has at least one prior state agreement on the landowner's property. Between 2014 and 2020, the applicant participated in the Delta Conservancy and California Department of Water Resource's *Arundo donax* Control and Restoration Program on 15 acres of the landowner's property immediately adjacent to the proposed project site. Additionally, the applicant has one active Delta Conservancy agreement (P1-1804) on the landowner's property that covers planning for restoration project on Delta Working Waterways.

Has California Environmental Quality Act (CEQA) requirements/public comment occurred? What are the results?

Yes, CEQA requirements have been met and public comment has occurred. Refer to the Environmental Compliance section of this agenda item for results.

SUGGESTED MOTION LANGUAGE

Three separate motions are required.

Move to adopt Resolution 2022-01, which makes Responsible Agency Findings that all necessary mitigation measures have been included in the Ulatis Creek Habitat Restoration Project.

Move to award funding up to \$359,639 of Proposition one funds, to the Solano Resource Conservation District for Ulatis Creek Habitat Restoration Project conditional upon the applicant receiving a Delta Plan Certification of Consistency and verification of water rights of the landowner.

Move to approve the applicant's request to waive the requirement for recording the executed grant agreement against the deed of the property, conditional upon the Conservancy receiving and approving a landowner access agreement.

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FIGURE 9.6 ULATIS CREEK HABITAT RESTORATION PROJECT AREA

