

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
FEBRUARY 17, 2015**

ITEM 2

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO COMMIT UP TO \$1,830,000 OF PROPOSITION 40 INTEGRATED WATERSHED MANAGEMENT PROGRAM GRANT FUNDS FOR THE ANTELOPE CREEK FISH PASSAGE IMPROVEMENT PROJECT AND RESCIND RESOLUTION NO. 2013-0006

DISCUSSION

In March 2002, California voters passed the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40). Approximately \$175 million from Proposition 40 was appropriated to the State Water Resources Control Board (State Water Board) to administer through eight funding programs, including \$47.5 million for the Integrated Watershed Management Program (IWMP). The IWMP is a program for integrated watershed management to improve water quality, protect and restore habitat and fisheries, reduce flooding, control erosion and sedimentation, and improve local water supply reliability through better groundwater monitoring, river corridor recreation, forest land and fuel management, and hydropower management (Public Resources Code [PRC] §30945).¹

The State Water Board administered the IWMP and five other grant programs as part of the 2005-06 Consolidated Grants Program. In January 2006, the State Water Board adopted the *2005-06 Consolidated Grants Program Guidelines* (Guidelines) establishing the evaluation criteria and the review and selection process for the 2005-06 Consolidated Grants Program. The State Water Board solicited and awarded all of the available IWMP funds in accordance with the Guidelines. Due to the bond freeze and projects that were completed under budget or declined the funds, the State Water Board has residual IWMP funds.

IWMP funds may be used to award grants to public agencies and nonprofit organizations for the development of local watershed management plans and for the implementation of watershed protection and water management projects. State Water Board staff has identified the need to conduct instream flow studies and implement related eligible watershed projects as a high priority for the IWMP funds. The Guidelines are out of date and the solicitation and selection process is inefficient for allocating residual IWMP funds. Therefore, staff recommends that the State Water Board waive the Guidelines and use a directed-action process to award IWMP funds.

The Tehama County Resource Conservation District (Tehama RCD) is a public agency that requested Proposition 40 IWMP funding for the Antelope Creek Fish Passage Improvement Project (Project). The proposed Project consists of: (1) an instream flow study in the lower Antelope Creek watershed to determine fish passage flow needs; and (2) design and

¹ In accordance with PRC §30946, a memorandum of understanding was developed between the California Environmental Project Agency and the Resources Agency to coordinate the IWMP with other programs administered by the agencies.

implementation of retrofits to diversions operated by the Edward's Ranch and Los Molinos Mutual Water Company. The retrofit design would combine the two diversions and include a siphon to deliver water to Edward's Ranch. The design would also include a new fish screen and bypass pipe to return juvenile Central Valley spring-run and fall-run Chinook salmon, as well as California Central Valley Steelhead trout, to Antelope Creek.

Antelope Creek is identified as a priority stream (Group 1) in the State Water Board's *Instream Studies for the Protection of Public Trust Resources: A Prioritized Schedule and Estimated Costs 2010*, based on the presence of: Central Valley spring-run Chinook salmon; Central Valley steelhead trout; foothill Yellow-Legged frog; California Red-Legged frog; and Western Pond Turtle. The aquatic habitat of Antelope Creek is relatively unaltered upstream of the Sacramento Valley floor. However, lack of adequate flows connecting the Sacramento River to the upstream habitat of Antelope Creek significantly impacts use by anadromous fish during crucial migratory periods. The lower portion of Antelope Creek splits into a series of braided channels upon entering the Sacramento Valley floor; this complex stream morphology is a significant contributing factor to the lack of adequate flows. Approximately six miles of the Sacramento River receives water from Antelope Creek through this series of braided channels, which branch off the mainstem Antelope Creek and flow directly into the Sacramento River. These channels include: New Creek; Craig Creek; Butler Slough; and Antelope Creek.

Previous funding from the United States Fish and Wildlife (USFWS) Service's Anadromous Fish Restoration Program (AFRP) in the amount of \$294,301 allowed the Tehama RCD to investigate the hydrology, channel hydraulics and morphology, water temperature, and salmonid habitat in the mainstem Antelope Creek and associated channels to identify potential migration barriers along with opportunities for fish passage improvement. Preliminary results of the AFRP work suggest that the Craig Creek channel offers the best conditions for salmonid migration. In the February 2011 *Draft Assessment of Hydrology and Geomorphology Related to Fish Passage in Lower Antelope Creek*, published by Stillwater Sciences and the Tehama RCD, the minimum instream flow needed to maintain suitable water depths for successful passage during migration periods was found to be a critical data gap.

In August of 2014, Tehama RCD submitted a funding application for \$180,920 to the California Department of Fish and Wildlife's (CDFW) Fisheries Restoration Grant Program (FRGP) in order to complete those phases of the Antelope Creek Fish Passage Improvement Project related to the engineering of diversion retrofits and preparation of related construction drawings. Tehama RCD's proposal is currently under review by CDFW. Tehama RCD is also in the process of developing a grant proposal requesting \$223,007 in USFWS Anadromous Fish Screen Program (AFSP) 2015 funds for the design and installation of fish screen infrastructure. The CDFW and USFWS funds are not yet secure. Up to \$403,927 in IWMP funds will be encumbered in the Grant Agreement if Tehama RCD applies for the applicable FRGP and AFSP grants and the applicable grant funds are not awarded.

Tehama RCD would use the Proposition 40 IWMP funds to conduct an instream flow study in the lower Antelope Creek watershed (Sacramento River valley floor portion of the watershed). The instream flow would be designed to fill the data gap identified in the February 2011 draft assessment completed by Stillwater Sciences and the Tehama RCD. It is anticipated that the instream flow study would be conducted in accordance with the California Department of Fish and Wildlife's *Standard Operating Procedure for Critical Riffle Analysis for Fish Passage in California* (2012) (Critical Riffle Analysis). The instream flow study will primarily be used to determine fish passage flow needed in the stream channels in the lower Antelope Creek watershed, with a focus on the Craig Creek and Antelope Creek migratory route. In areas

where a Critical Riffle Analysis is considered inadequate, Tehama RCD would use an alternative or supplemental method such as: qualitative and/or quantitative characterization of conditions; cross-section surveys to assess hydraulic conditions; or analysis of specific barriers to determine minimum flow needs.

Results from the Critical Riffle Analysis and alternative assessment method (if necessary) will be used to provide the information needed to develop minimum instream flow recommendations to improve adult and juvenile salmonid passage in the lower Antelope Creek watershed. The instream flow study will identify flows needed in the stream channels in the lower Antelope Creek watershed, with a focus on the Craig Creek and Antelope Creek migratory route, to hydraulically connect the Sacramento River to the upper Antelope Creek watershed during salmonid migration. Additionally, the retrofit of the diversions will improve passage conditions by allowing the diverters, Edward's Ranch and Los Molinos Mutual Water Company, to efficiently provide the identified passage flows, improving passage conditions through the existing fish ladder at Edward's Ranch diversion dam, and installing a new fish screen and bypass pipe to improve survival rates of out-migrating juvenile salmonids. Edward's Ranch and Los Molinos Mutual Water Company hold pre-1914 appropriate water rights and therefore will not be required to file petitions for change of the points of diversion for this Project.

Tehama RCD's proposed Project qualifies for Proposition 40 IWMP funds because it provides for native fisheries enhancement and the restoration of other threatened species (PRC § 30947(a)(11)).

State Water Board staff anticipates the in-stream flow study and planning/design elements of the Project qualify for a Class 6 [Class 6: Basic data collection, research, experimental management, and resource evaluation activities] categorical exemption from California Environmental Quality Act (CEQA) requirements and will not result in any significant adverse environmental impacts. Appropriate CEQA documentation will also be developed for the implementation components of the Project. Tehama RCD will be the lead agency should the State Water Board approve the Project.

PREVIOUS PROPOSAL

On March 19, 2013, the State Water Board adopted [Resolution No. 2013-0006](#) committing up to \$1,000,000 of Proposition 40 IWMP grant funds for the Antelope Creek Fish Passage Improvement Project. The original project included an implementation component to develop a structure at the Antelope/Craig Creeks split to ensure adequate flow enters Craig Creek from the mainstem of Antelope Creek. Implementation of this component was determined to be infeasible using Proposition 40 IWMP grant funds. An equally important implementation project to improve fish passage conditions was identified, which meets the goals and objectives of the original project. This item would rescind Resolution No. 2013-0006.

POLICY ISSUE

Should the State Water Board:

1. Approve up to \$1,830,000 in grant funds from the Proposition 40 IWMP for Tehama RCD's Project?
2. Authorize the Deputy Director of the Division of Financial Assistance to issue grants and any amendments necessary to implement the Project?

3. Waive the Guidelines for this Project?
4. Condition \$403,927 of the IWMP funds such that the funds will only be encumbered in the grant agreement if Tehama RCD applies for the applicable FRGP and AFSP grants and the applicable grant funds are not awarded?
5. Rescind Resolution No. 2013-0006?

FISCAL IMPACT

This Project will be funded with up to \$1,830,000 of Proposition 40 IWMP funds that were not used by projects awarded funds in previous solicitations and have been re-appropriated.

REGIONAL BOARD IMPACT

The Project will affect the Central Valley Regional Water Quality Control Board (Central Valley Water Board). The implementation portion of the Project may require a water quality certification from the Central Valley Water Board.

STAFF RECOMMENDATION

The State Water Board should adopt the proposed Resolution.

State Water Board action on this item will assist the Water Boards in reaching Goal 3 of the Strategic Plan Update 2008-2012 to increase sustainable local water supplies available for meeting existing and future beneficial uses by 1,725,000 acre-feet per year, in excess of 2002 levels, by 2015, and ensure adequate flows for fish and wildlife habitat. In particular, approval of this item will assist in fulfilling Objective 3.3 to ensure that adequate stream flows are available for the protection of fish and wildlife habitat while meeting the need for diversions of water for other uses.

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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

TO COMMIT UP TO \$1,830,000 OF PROPOSITION 40 INTEGRATED WATERSHED MANAGEMENT PROGRAM GRANT FUNDS FOR THE ANTELOPE CREEK FISH PASSAGE IMPROVEMENT PROJECT AND RESCIND RESOLUTION NO. 2013-0006

WHEREAS:

1. In March 2002, the voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40). Approximately \$175 million in Proposition 40 was appropriated to the State Water Resources Control Board (State Water Board) to administer through eight different programs, including \$47.5 million for the Integrated Watershed Management Program (IWMP);
2. The purpose of the IWMP is to establish a program for integrated watershed management, to improve water quality, protect and restore habitat and fisheries, reduce flooding, control erosion and sedimentation, and improve local water supply reliability through better groundwater monitoring, river corridor recreation, forest land and fuel management, and hydropower management (Public Resources Code [PRC], Section 30945-30949);
3. The State Water Board is authorized to administer Proposition 40 IWMP funds to public agencies and nonprofit organizations for the development of local watershed management plans and implementation of watershed protection and water management projects;
4. In accordance with the provisions of Proposition 40, a Memorandum of Understanding (MOU) was developed between the California Environmental Protection Agency and the Resources Agency to coordinate of the IWMP with other programs administered by the agencies;
5. In 2006, the State Water Board adopted the *2005-06 Consolidated Grants Program Guidelines* (Guidelines) establishing the evaluation criteria and the review and selection process for the 2005-06 Consolidated Grants Program, which included the IWMP and five other grant programs;
6. The State Water Board awarded the IWMP funds in accordance with the Guidelines, but residual funds are available from projects that were completed under budget or declined funds;
7. The Guidelines are out-of-date and it is more efficient to waive the Guidelines and use a directed action process to award residual IWMP funds;

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8. The Tehama County Resource Conservation District (Tehama RCD), a public agency, proposes to conduct the Antelope Creek Fish Passage Improvement Project (Project). The Project consists of an instream flow study to assess fish passage in the lower Antelope Creek watershed, with a focus on the Craig Creek and Antelope Creek migratory route, as well as related implementation to enhance and protect fisheries. Implementation includes the design and retrofit of the Edward's Ranch and Los Molinos Mutual Water Company diversion structures to combine the diversions, add a new fish screen, and bypass pipe to return juvenile Central Valley spring-run and fall-run Chinook salmon and California Central Valley Steelhead trout to the stream. Edward's Ranch and Los Molinos Mutual Water Company hold pre-1914 appropriative water rights and therefore will not be required to file petitions for change of the points of diversion for this Project;
9. The Project meets the IWMP eligibility requirements outlined in Proposition 40, as the Project is a watershed protection and water management project that provides for native fisheries enhancement and the restoration of other threatened species (PRC §30947(a));
10. Other funds to support the project include the following: 1) United States Fish and Wildlife Service's (USFWS) Anadromous Fish Restoration Program (AFRP) funds in the amount of \$294,301, received by Tehama RCD to investigate hydrology, channel hydraulics and morphology, water temperature, and salmonid habitat in the mainstem Antelope Creek and associated channels to identify potential migration barriers along with opportunities for fish passage improvement; 2) California Department of Fish and Wildlife's (CDFW) Fisheries Restoration Grant Program (FRGP) funds in the amount of \$180,920 to complete planning and engineering of diversion retrofits; and 3) USFWS Anadromous Fish Screen Program (AFSP) funds in the amount of \$223,007 to design and install fish screen infrastructure. The CDFW and the USFWS funding listed in 2) and 3) are not yet secure. In the case that the CDFW FRGP and the USFWS AFSP funding sources cannot be secured, this Resolution provides backup funding for these funding sources;
11. Antelope Creek is identified as a priority stream (Group 1) in the State Water Board's *Instream Studies for the Protection of Public Trust Resources: A Prioritized Schedule and Estimated Costs 2010*, based on the presence of: Central Valley spring-run Chinook salmon; Central Valley steelhead trout; foothill Yellow-Legged frog; California Red-Legged frog; and Western Pond Turtle;
12. State Water Board anticipates the in-stream flow study and planning/design elements of the Project qualify for a Class 6 [Class 6: Basic data collection, research, experimental management, and resource evaluation activities] categorical exemption from California Environmental Quality Act (CEQA) requirements and will not result in any significant adverse environmental impacts. Tehama RCD will be lead agency for the planning and implementation components of the Project; and
13. On March 19, 2013 the State Water Board adopted [Resolution No. 2013-0006](#) to commit up to \$1,000,000 of Proposition 40 IWMP grant funds for the Antelope Creek Fish Passage Improvement Project. The original project included an implementation component to develop a structure at the Antelope/Craig Creeks split to ensure adequate flow enters Craig Creek from the mainstem of Antelope Creek. Implementation of this component was determined to be infeasible due to operation and maintenance, and insurance issues.

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THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$1,830,000 in grant funds from the Proposition 40 IWMP for Tehama RCD's Project;
2. Authorizes the Deputy Director of the Division of Financial Assistance to issue grants and any amendments necessary to implement the Project;
3. Waives the Guidelines for this Project;
4. Conditions \$403,927 of the IWMP funds such that the funds will only be encumbered in the grant agreement if Tehama RCD applies for the applicable FRGP and AFSP grants and the grant funds are not awarded. If not encumbered, these funds will revert to the IWMP for allocation to another eligible project; and
5. Rescinds Resolution No. 2013-0006.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on February 17, 2015.

Jeanine Townsend
Clerk to the Board