

CALIFORNIA COASTAL COMMISSION

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**W5a**

February 11, 2014

TO: Coastal Commissioners and Interested Parties

FROM: Charles Lester, Executive Director

SUBJECT: Executive Director's Report, February, 2014

Significant reporting items for the last month. [Strategic Plan](#) (SP) reference provided where applicable:

Update: the Drought Emergency and Background on Commission Water Policy

- Governor Brown declared a drought emergency on January 17, including directing all state agencies to conserve water in daily operations. The Commission is receiving weekly updates from the Natural Resources Agency on the status of the drought and related critical actions (see, memo attached). The Commission or local governments in the coastal zone may receive requests to develop emergency water supplies, especially emergency groundwater wells. Currently Commission staff is aware of one effort underway in the community of Cambria in San Luis Obispo County. Any emergency permits issued by the Commission will be reported to the Commission at the next open session.

The Commission plays an important role in assuring reliable, environmentally-sustainable long-term water supplies in the coastal zone, including consideration of potential future drought conditions.¹ Over the years the Commission has implemented the Coastal Act through LCP planning and direct permitting to assure both that new development is supported by water services and that sensitive resources are protected in relation to water supply projects such as individual and community groundwater wells and instream withdrawals. Most of this effort has occurred along the Central Coast (Santa Barbara to Sonoma) where water supplies are typically more limited by local groundwater and stream conditions than either the North Coast watersheds, or the South Coast, which is highly urbanized and supported by larger water supply projects like the State Water Project. In North Monterey County, for example, the certified LCP (1988) sets clear limits on the residential build-out of the Elkhorn Slough watershed, partly out of concern for limited groundwater and saltwater intrusion. Many of the Commission's LCP policies and permit conditions serve to reduce water usage and facilitate aquifer recharge, including those

¹ The Coastal Act requires that new development be supported by adequate services, including water supply, wastewater capacity, and adequate road circulation (PRC 30250). The Act also requires that public services not be overbuilt so as to induce growth and development adverse to sensitive coastal resources, such as wetlands and anadromous fish streams (30254). It specifically requires that groundwater basins not be depleted (30231). The Commission also seeks to assure that where water supplies are limited, that water is reserved for coastal priority uses, including visitor-serving development and agriculture (30254).

pertaining to use of native vegetation, clustering development and reducing cleared and paved impervious areas.

On a project level, the Commission has been involved with permitting for proposed desalination plants to provide increased water supply, including approving the plant now under construction in Carlsbad, a plant in Sand City, and other small test projects. In general, the Commission has supported desal projects when appropriately sited and designed to avoid or minimize adverse environmental impacts, such as entrainment and impingement of marine life. The Commission has also approved water recycling projects, such as the City of Watsonville's tertiary wastewater treatment plant expansion that both supports urban development and surrounding agriculture; and the Commission approved the Los Osos wastewater treatment plant with a requirement to maximize water reclamation and reuse to prevent groundwater overdraft and seawater intrusion. Finally, the Commission has issued many permits for new groundwater wells over the years. Typically the Commission works to streamline new wells for agriculture if there are no coastal resource impact concerns.

Coastal Resource Impacts *In Lieu* Fees Update (SP 1.2.2)

- Commission staff have prepared a preliminary summary of existing in lieu fees required, collected, and available for mitigation projects (see attached memo). Staff estimates that more than \$37,000,000 in in lieu fees, including interest, has been paid by applicants since 1977 to mitigate various coastal resource impacts, including loss of lower cost visitor-serving overnight accommodations and impacts to public access, sand supply, and sensitive habitats. Approximately half of this amount remains available to spend on mitigation projects. Examples of mitigation projects funded include construction of the 260 bed Santa Monica Hostel; rehabilitation of the Crystal Cove (Orange County) visitor cottages; construction of 32 Sonoma Coast State Park campsites and day use facilities; and construction of 161 campsites at San Onofre State Beach (San Diego County). Strategic Plan Action 1.2.2 addresses the need to work with the State Coastal Conservancy, State Parks, and other state and local partners to identify, plan for, and provide new public access and recreational opportunities and lower-cost visitor-serving accommodations through effective allocation of existing and potential future in-lieu fees.

Commission LCP Program Update (SP Goal 4)

- The Commission continues to work to prioritize LCP planning work, including increasing collaboration with local governments working on LCP amendments and LCP certification. With recent hires, additional staff time is now being allocated to LCP work. Staff is also increasing regular coordination meetings with local governments. Although data is still being assembled and analyzed, staff is confident that the emphasis on and allocation of additional resources to LCP planning is helping to both reduce the backlog of pending LCP amendments, and reduce the processing time for LCP amendments. Commission staff anticipates providing a more comprehensive analysis of LCP program implementation with the Strategic Plan implementation update in April.

Strategic Plan Implementation Update: Water Quality Program

- **SP Actions 2.4.2, 2.5.2, 7.2.5.** In support of strategic plan tasks to protect coastal waters, assess impacts of agriculture on coastal resources and conduct outreach on coastal stewardship Commission staff participated in the planning and implementation of the Monterey Bay Sanctuary's *Conference on Water Quality* on February 5, 2014. (see <http://montereybay.noaa.gov/new/2014/140205waterquality.pdf>). The event brought together 150 water quality professionals, academics, local agencies, students and the interested public to hear talks on status of coastal water quality on the Central Coast, developing methods to assess those impacts and the implementation of management practices in urban and agricultural areas to mitigate adverse impacts. More than 100 people participated in the 90 minute Resources Fair at the end of the day, which was organized by Commission water quality staff. In total, 21 NGOs, organizations, agencies, and groups, two Pajaro Valley High School groups, and members of the public all presented information on water quality, including residential and rural landowner/operator support and resource materials for the public and Conference goers.

The resource fair and staff participation were funded by a grant from the USEPA Urban Waters Small Grants program to the Coastal Commission for water quality outreach in the Watsonville area. Over the next year there will be three additional water quality resource fairs hosted by CCC staff and Commission student interns from Pajaro Valley High School, in a number of economically disadvantaged communities surrounding the Watsonville Sloughs watershed. These fairs will have a bilingual focus, providing outreach materials and connecting residents to resources for alternative water quality protection strategies; targeting both home owners who can implement water quality BMPs on their land, and renters and more transient residents, who can more easily modify daily behavior than build rain gardens.

Resource Fair Participants



SAVE THE WHALES.org
Ecology Action
SAN LORENZO RIVER ALLIANCE
A PROJECT OF THE COASTAL WATERSHED COUNCIL
SURFRIDER FOUNDATION
seas
DSCVR
RESERVE DISTRICT OF SANTA CRUZ COUNTY
Friends of Pinto Lake
RCO/MC
2NDNATURE
ecosystem science + design
NRCS
PVMWA
RCAC
NATIONAL MARINE SANCTUARIES
MONTEREY BAY
CALIFORNIA COASTAL COMMISSION
CCWG
CENTRAL COAST WETLANDS GROUP

Monterey Bay National Marine Sanctuary's Water Quality Protection Program Committee

California Coastal Commission
Central Coast Wetlands Group at Moss Landing Marine Labs
Central Coast Long-term Environmental Assessment Network (CCLEAN)
City of Watsonville
Elkhorn Slough Foundation
US Environmental Protection Agency
Monterey County Water Resources Agency
USDA Natural Resource Conservation Service
Central Coast Regional Water Quality Control Board
Santa Cruz County Department of Environmental Health
Santa Cruz Chapter of the Surfriders
Trout Unlimited

Monterey Bay Conference for Water Quality - Impacts and Solutions -

Wednesday, February 5, 2014
Speaker Presentations 1-5:30pm with Resource Fair 5:30-7pm
Civic Plaza, 275 Main St, Top Floor, Watsonville, CA
To view the presentations after the conference, go to:
<https://sites.google.com/site/mbconferencewaterquality2014/>



City of Watsonville
NATIONAL MARINE SANCTUARY
MONTEREY BAY
CCWG
CENTRAL COAST WETLANDS GROUP
CALIFORNIA COASTAL COMMISSION
COASTAL WATERSHED COUNCIL
MONTEREY BAY
SURFRIDER FOUNDATION
NRCS

Sea Level Rise Guidance Update (SP 3.1.1)

- The public comment period for the Draft SLR Policy Guidance will close at 5:00 pm PST on February 14, 2014. The public can comment in person at the February hearing (12th and 13th). The Commission currently anticipates having a Commission hearing in May, 2014, in Marin County, to consider the comments and any revisions to the guidance. The document is available at <http://www.coastal.ca.gov/climate/SLRguidance.html>. Comments can be submitted by email to SLRGuidanceDocument@coastal.ca.gov or in writing to:

California Coastal Commission
c/o Sea-Level Rise Working Group
45 Fremont Street, Suite 2000
San Francisco, CA 94105

Commission Budget Update

- See <http://www.ebudget.ca.gov/2014-15/StateAgencyBudgets/3000/3720/department.html>; and <http://www.ebudget.ca.gov/2014-15/pdf/GovernorsBudget/3000/3720.pdf>. Additional background materials are available in the December, 2013 [Executive Director's Report](#).

Meetings, Presentations, and Outreach

- On January 16, 2014, the Executive Director presented testimony, along with other state agencies, to the [Assembly Select Committee on Sea Level Rise and the California Economy](#) in Sacramento. The Powerpoint presentation and video clip are available on the Commission's website: <http://www.coastal.ca.gov/climate/SLR-Outreach-Presentations.html>.
- On January 29, 2014, the Executive Director gave a presentation at the annual retreat of the San Diego Association of Governments (SANDAG) in Lakeside, CA.
- In late November 2013, the Coastal Commission staff hosted 17 members of the Indonesian delegation, along with staff from BCDC and NOAA's National Marine Sanctuary and Sea Grant programs. The purpose of this meeting was to provide information to Indonesian delegate members who are working to revise Indonesia's current coastal law known as the National Coastal and Small Islands Management Act, so-called Law 27/2007. This original law, which was developed with assistance under the USAID Indonesia Coastal Resources Management Program, is based in part on the US Coastal Zone Management Act. Coastal Commission and BCDC staff presented an overview of the California Coastal Management Program (as administered under the Coastal Zone Management Act) including presentations on their respective agency laws, permitting and planning programs. The Coastal Commission's federal consistency review process and Coastal Act enforceable policies were of particular interest to the delegation. Commission staff received great appreciation from NOAA for their efforts to pull together a successful meeting.



Weekly Drought Brief Monday February 10, 2014

CURRENT CONDITIONS

Recent Precipitation: Northern California received its largest rainstorm in 14 months over the weekend. This warm, wet storm originated to the far west in the Pacific Ocean and brought a highly-concentrated band of moisture to California. Over three inches of rain fell in several places in Northern California and more than three feet of snow fell in areas of the Sierra Nevada Mountains. Southern California received almost no precipitation.

This storm has improved surface flows in California rivers and in the Sacramento-San Joaquin Delta, and has improved supplies slightly in several reservoirs. However, considering that as of last week, over 20 inches of rain was needed to reach average precipitation levels by the end of the wet season, this storm only put a small dent in California's drought conditions.

Precipitation totals (in inches) from Monday, February 3 through Sunday, February 9::

- | | |
|---------------------------------|------------------------|
| • Folsom Dam: 4.49" | • Pollack Pines: 3.90" |
| • Fresno: 0.92" | • Redding: 4.08" |
| • Hetch Hetchy Reservoir: 2.47" | • Sacramento: 2.78" |
| • Los Angeles: 0.14" | • Shasta Dam: 4.44" |
| • Modesto: 0.75" | • Willits: 8.20" |
| • Oroville: 5.24" | |

Near-term Outlook for Precipitation: Rain and snowstorms will continue in Northern California through part of Monday and will cease by Tuesday morning. New storms are forecasted to reach California on Wednesday and may continue into the weekend. It is not yet clear how much additional precipitation these storms will bring.

**** Heavy rain and snow would have to fall throughout California very frequently from now until May to reach average annual rain and snowfall. Even with such precipitation, California would remain in drought conditions, due to low supplies from the two previous dry years. ****

Snow survey: The most recent [snowpack survey](#), conducted on January 30, shows California snow pack at 12% of normal.

Snow water content: [Current update](#) shows 16% of normal as of February 7, 2014.

Reservoir Levels (% capacity): [Reservoir Levels](#) as of Sunday February 9 are still very low:: Don Pedro 52%; Exchequer 21%; Folsom Lake 22%; Lake Oroville 37%; Millerton Lake 36%; New Melones 43%; Pine Flat 18%; San Luis 30%; Shasta 37%; and Trinity Lake 47%.

Vulnerable Water Systems: The California Department of Public Health has identified several communities with potential drinking water shortages in the coming months. The Department is providing technical and funding assistance to these communities to ensure continued drinking

water availability, and continues to monitor across the state to determine where it can provide support. Updated information can be found at the [CDPH Drinking Water Program](#) website.

Fire Danger: 487 fires have been reported across the state so far in 2014, burning over 1,131 acres. CALFIRE reports that current fire activity is well above the year-to-date figure for 2013 (2 fires burning 301 acres), as well as the annual year-to-date average (84 fires burning 143 acres). There has been a 480% increase in fire activity over an average year and a 690% increase in acres burned.

KEY ACTION ITEMS FROM LAST WEEK

Federal Government

- **USDA support to farmers:** Agriculture Secretary Tom Vilsack announced last Monday that [\\$20 million will be made immediately available](#) to California farmers to enable cover crops, protection of grazing lands, and irrigation efficiency projects. Interested farmers have until March 3 to apply for funds.
- **Bureau of Reclamation expands coordination with the State:** USBR Commissioner Mike Connor traveled to California on Wednesday to meet with federal and state agencies responding to the drought through water management. He [detailed drought-related operations at the federal water project and current coordination](#) with state counterparts to conserve water and protect the state and federal water systems.
- **Water management funding announced:** The Natural Resources Conservation Service, a program of USDA, made an additional [\\$14 million in funding](#) available on Wednesday to water districts and farmers for projects that improve water management in California.
- **FERC :** The Federal Energy Regulatory Commission wrote to California hydropower generators advising them to work with state and federal agencies to consider variances from their FERC licenses that would allow them to conserve water behind their dams.
- **Davis selected as Regional Climate Hub:** The USDA announced the selection of seven regional centers to address climate change-related risks to agriculture including invasive pests, floods, and regional droughts. Davis, California was selected as the hub of the southwest region. This center will translate science and research into practical information for farmers, ranchers, and forest landowners on ways to adapt and adjust resource management to shifting conditions.
- **Federal Emergency Designations:** The U.S. Department of Agriculture [has issued Emergency Declarations](#) in 53 California counties, with contiguous designations for a total of 57 counties. Emergency declarations have been established by the [U.S. Small Business Administration](#) that cover 57 counties. Imperial County is the only county not declared by either agency.

State Government

- **Conservation Campaign:** State government continues to amplify the Governor's call for 20% water use reduction through its [Save our Water](#) campaign. Radio advertising across the state is in its third week.
- **State and federal agencies open Delta Cross Channel gates:** Last week, the U.S. Bureau of Reclamation, the California Department of Water Resources, and other state federal agencies began open and closing the Delta Cross Channel gates on a dynamic basis to protect freshwater supplies in the Delta while ensuring environmental protections.

- **Water Curtailments:** The Water Resources Control Board prepared curtailments of certain junior water right holders in the Sacramento and San Joaquin River systems, as announced on January 31. These curtailments will be made when available water supplies do not meet current water demand. Current, up-to-date information on water curtailments is provided on the [State Water Board's website](#).
- **State Water Board working with FERC to conserve water in reservoirs:** The [State Water Board and FERC announced on Friday that they are working together](#) to identify certain rivers that can modify river flows for conservation purposes by working with FERC-licensed hydropower generators to adjust river flows typically required under the generators' licenses.
- **Fish and Game Commission Adopts Emergency Regulations-** The California Fish and Game Commission [adopted emergency regulations](#) to close many rivers to sport fishing. This Commission action follows [administrative closures](#) of other smaller rivers and streams made by the Department Fish and Wildlife the week prior.
- **State agencies reduce water usage:** California state governmental agencies and departments detailed [immediate actions](#) to curb water use at their facilities, including a moratorium on new landscaping projects and outdoor watering of non-permanent landscaping.
- **CDFA Drought Web Page:** The California Department of Food and Agriculture augmented its [drought resources website](#) with full Spanish language translation. The site provides a one-stop information to farmers, ranchers and farmworkers about the drought and currently available support to them.
- **UC reports California water near decade low:** Researchers at UC-Irvine last week announced that the water storage in the Sacramento and San Joaquin River basins are near [decade lows](#). Researchers used satellite data from NASA to establish their findings.
- **California Tribes consulted on drought response:** State officials held teleconference briefing with the Southern California Tribal Chairs Association (SCTCA) and the Northern California Tribal Chairs Association (NCTCA) to update tribal leaders on state and federal programs, and assistance to support local communities' response to the drought.
- **Cost Data:** Cal OES is working with state agencies and local governments to gather drought-related costs, which is reported weekly to the Drought Task Force.
- **Governor's Drought Task Force:** The Task Force continues to meet daily to take actions that conserve water and coordinate state response to the drought.

Local Government

- **Water Agency Conservation Efforts:** [Local water agencies across the state](#) are implementing conservation programs, which include voluntary calls for reduced water use and conservation, and mandatory restrictions where water shortages are worst.
 - **Local Emergency Proclamations** (County, City, Tribal): A total of 13 local emergency Proclamations have been received to date from city, county or tribal governments:
 - **Counties:** Glenn County, Inyo County, Kern County, Kings County, Madera County, Mendocino County, Santa Barbara County, San Joaquin County, Tulare County, Tuolumne County
 - **Cities:** Brookside Township-Mendocino County, City of Willits in Mendocino County
 - **Tribes:** Hoopa Valley Tribe in Humboldt County, Yurok Tribe in Del Norte County
- Pending local proclamations include:** Amador County (February 11), Siskiyou County (February 11), Merced County (February 25).

DROUGHT RELATED WEBSITES FOR MORE INFORMATION

Governor's [Proclamation of Drought Emergency](#)
State's Water Conservation Campaign, [Save our Water](#)
California Department of Food and Agriculture, [Drought information](#)
California Department of Water Resources [Current Water Conditions](#)
California Data Exchange Center, [Snow Pack/Water Levels](#)
California State Water Resources Control Board, Water Rights, [Drought Info and Actions](#)
California Natural Resources Agency, [Drought Info and Actions](#)
California Department of Public Health, Drinking Water [CDPH Drinking Water Program](#)
California State Water Project, [Information](#)
USDA Drought Designations by County [CA County Designations](#)
USDA Disaster and Drought Assistance Information [USDA Programs](#)

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February 11, 2014

To: Coastal Commission and Interested Persons

From: Charles Lester, Executive Director

RE: In Lieu Fees Required by Commission Actions

This memo summarizes the preliminary results of recent staff efforts to inventory all past in lieu fees required and collected by the Coastal Commission and local governments through CDP actions. This builds on past efforts that inventoried in lieu fees related to protection of affordable overnight accommodations presented to the Commission in a report in May 2010 (See <http://documents.coastal.ca.gov/reports/2010/5/F14c-5-2010.pdf>). The effort to document all past in lieu fees is ongoing and dependent on availability of staff resources. As the Commission continues to require such mitigation or accounts gain interest, the inventory and fund amounts will necessarily change. Future projects with mitigation fees required are being tracked as part of the Commission's new Coastal Data Management System.

As of July 30, 2013, an estimated \$37,350,303 (including accrued interest) has been collected, of which approximately half (\$18,859,439) remains to fund mitigation projects (Table 1). **The Coastal Commission does not hold any of these available funds.** All funds are held by third parties with specific requirements that outline responsibility and authority for project development and funding (Table 2).

Table 1: Preliminary Summary of In Lieu Fees Required by the Commission Since 1977¹

Purpose of Fee	Permits	In Lieu Fee Required	Amount Collected plus Interest	Amount Spent on Mitigation	Amount Still Available
Lower-cost Overnight Accommodations Total	37	\$28,433,947	\$19,718,988	\$10,722,023	\$8,996,965 ²
Public Access & Recreation Total	89+	\$7,992,269	\$7,619,886	\$2,361,151	\$5,258,735
Beach Nourishment Total	48	\$1,827,303	\$1,866,286	\$768,554	\$1,097,732
Transportation Total	27+	\$4,225,920	\$1,783,630	\$930,683	\$852,947
Habitats Total	29	\$2,051,891	\$1,731,665	\$1,078,605	\$653,060
Agriculture Total	8	\$3,946,684	\$4,177,000	\$2,177,000	\$2,000,000
Low Cost Boating Total	3	\$373,984	\$452,848	\$452,848	\$0
Affordable Housing Total ³					
TOTAL	241+	\$48,851,998	\$37,350,303	\$18,490,864	\$18,859,439

¹ As of July 30, 2013. All amounts reported in tables are rounded to the nearest dollar.

² Total includes \$21,395 in partial payments where condition compliance is not yet fulfilled.

³ Collection of information on the affordable housing in lieu fees has not yet been completed.

Table 2: Preliminary Summary of Parties Holding Unspent Fees as of July 30, 2013

Party Holding Unspent Mitigation Funds	Amounts	Purpose
STATE AGENCIES		
California Department of Parks & Recreation		
	\$ 10,000.00	Access
	\$ 384,555.00	Lower-Cost Accommodation
	\$ 700,000.00	Lower-Cost Accommodation
	\$ 18,900.00	Access
	\$ 25,181.00	Access
<i>Subtotal</i>	\$ 1,138,636.00	
State Coastal Conservancy		
	\$ 808,594.00	Lower-Cost Accommodation
	\$ 1,080,000.00	Lower-Cost Accommodation
	\$ 290,000.00	Access
	\$ 289,014.96	Access
<i>Subtotal</i>	\$ 2,467,608.96	
REGIONAL AGENCIES		
Monterey Regional Park District	\$ 2,225,240.98	Access
Port San Luis Harbor District	\$ 21,500.00	Access
Port San Luis Harbor District	\$ 4.32	Access
Port San Luis Harbor District	\$ 261,317.20	Transportation
SANDAG	\$ 1,097,732.45	Beach nourishment
<i>Subtotal</i>	\$ 3,605,794.95	
LOCAL GOVERNMENTS		
City of Santa Barbara	\$ 1,140,794.00	Lower-Cost Accommodation
City of Pismo Beach	\$ 97,020.00	Lower-Cost Accommodation
County of Los Angeles	\$ 99,353.00	Lower-Cost Accommodation
City of Morro Bay	\$ 11,000.00	Lower-Cost Accommodation
City of Morro Bay	\$ 10,395.00	Lower-Cost Accommodation
Santa Barbara County	\$ 1,395,000.00	Lower-Cost Accommodation
City of Capitola	\$ 9,786.00	Access
City of Capitola	\$ 39,438.00	Access
San Luis Obispo County	\$ 300,000.00	Access
Santa Barbara County	\$ 1,000,000.00	Access
City of San Diego	\$ 438,000.00	Transportation
County of Los Angeles	\$ 153,630.00	Transportation
<i>Subtotal</i>	\$ 4,694,416.00	
NON PROFITS: Hostelling International		
Hostelling International	\$ 837,415.00	

ATTACHMENT
Memo on In Lieu Fee Inventory
February 11, 2014

Party Holding Unspent Mitigation Funds	Amounts	Purpose
	\$ 787,270.00	
Subtotal	\$ 1,624,685.00	
NON PROFITS: OTHERS		
Crystal Cove Alliance	\$ 1,645,569.00	Lower-Cost Accommodation
The Land Conservancy Of San Luis Obispo County	\$ 191,741.60	Access
College of the Redwoods Foundation	\$ 2,000,000.00	Agriculture
LA Conservation Corps	\$ 500,000.00	Access
Subtotal	\$ 4,337,310.60	
OTHERS		
Mountains Recreation & Conservation Authority	\$ 337,928.00	
UC Davis' Wildlife Care Center	\$ 653,060.01	Habitat
All TOTAL	\$ 18,859,439.52	