



DATE: May 17, 2016

CATEGORY: New Business

DEPT.: Public Works

TITLE: **South Bay Salt Pond Restoration Project – Phase 2, Final Environmental Impact Statement/Report Comments**

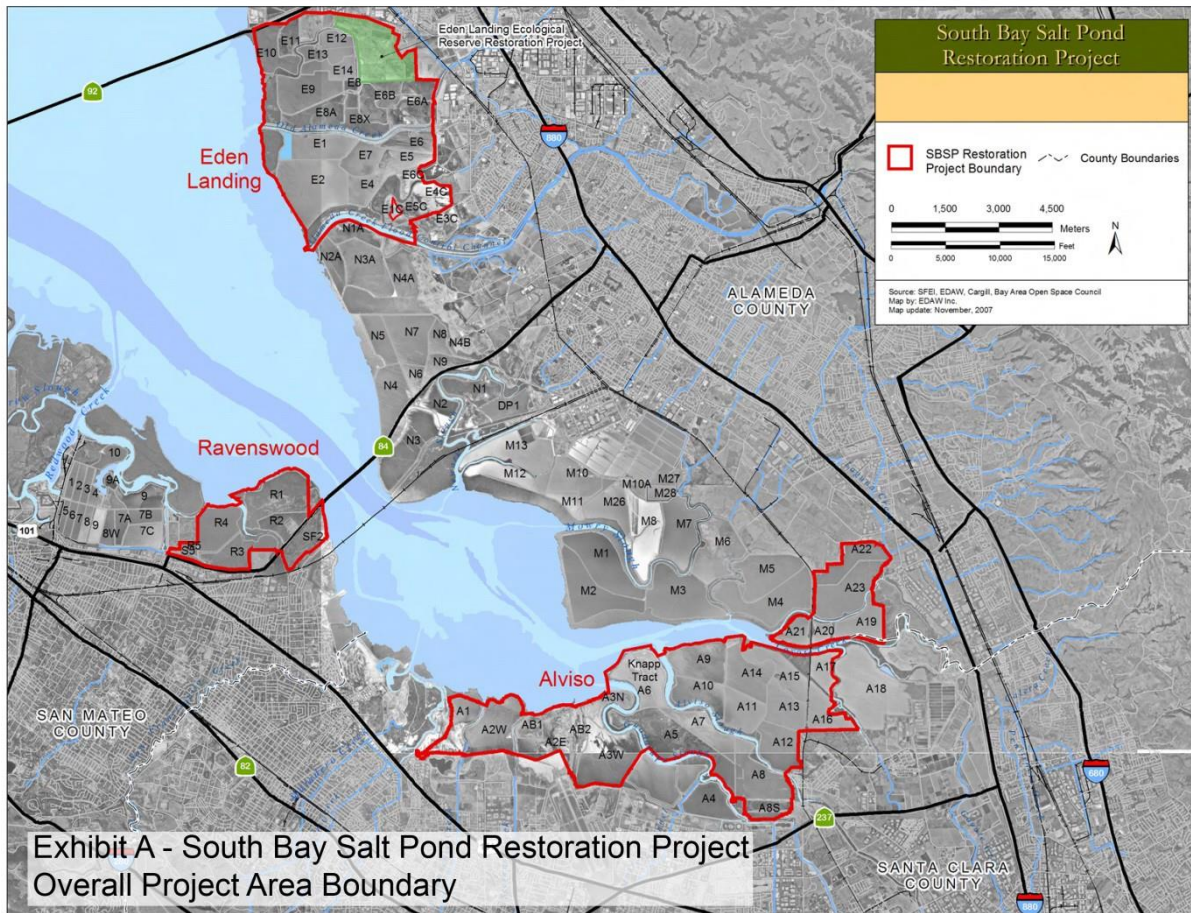
RECOMMENDATION

1. Endorse Alternative B of the Environmental Impact Statement/Report (EIS/EIR), which proposes to improve Ponds A1 and A2W, but does not include Charleston Slough.
2. Authorize the Vice Mayor to submit the proposed City staff comments to the South Bay Salt Pond Restoration Project – Phase 2, Final EIS/EIR to the California State Coastal Conservancy.
3. Authorize the Vice Mayor to submit an endorsement letter to support the project.

BACKGROUND

The South Bay Salt Pond (SBSP) Restoration Project is the largest tidal wetland restoration project on the West Coast and seeks to restore 15,100 acres of industrial salt ponds to tidal wetlands and other habitats. In 2003, 15,100 acres of former salt ponds were acquired from Cargill Incorporated with funding from Federal and State resource agencies and private foundations. This acquisition is part of a larger campaign by the State and Federal governments to restore 40,000 acres of lost tidal wetlands to San Francisco Bay.

The lands acquired from Cargill are divided into three pond complexes as shown in Exhibit A. Two of the ponds in the Alviso Pond complex – Ponds A1 and A2W – border the City of Mountain View's Shoreline at Mountain View Regional Park (Shoreline Regional Park).



SOURCE: South Bay Salt Pond Restoration Project, Final EIS/EIR, December 2007

Exhibit A – South Bay Salt Pond Restoration Project Area Boundary

The California State Coastal Conservancy (CSCC) completed Phase 1 of the pond restoration project in 2014, including restoration of 10 ponds in the Eden Landing, Alviso, and Ravenswood Pond complexes. The project also added several trails, interpretive features, and other recreational access points.

Planning and environmental review of Phase 2 are now under way, with the goal of restoring or enhancing 2,400 acres of former salt ponds, including Ponds A1 and A2W adjacent to Mountain View, as shown in Exhibit B.

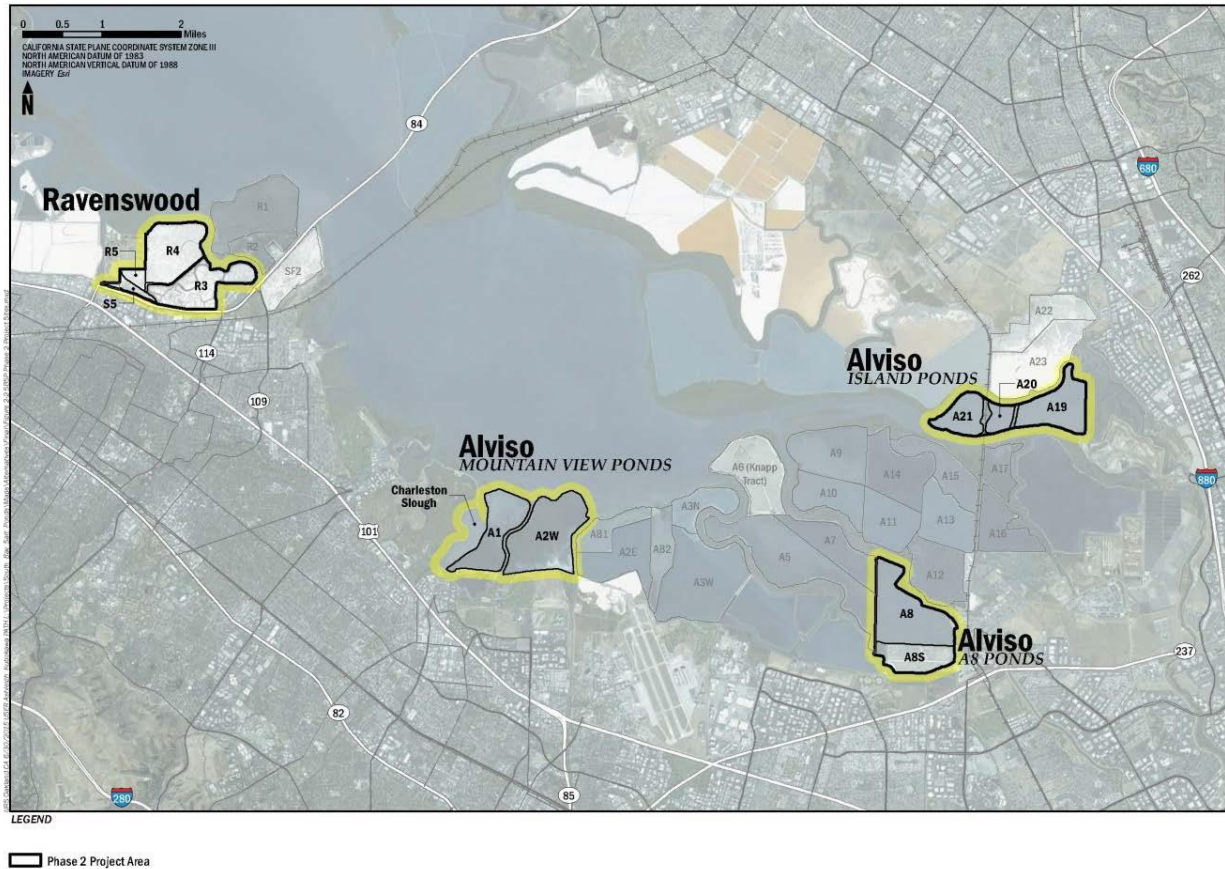


Exhibit B – South Bay Salt Pond Restoration Project, Phase 2 Area Boundary
(Source: South Bay Salt Pond Restoration Project – Phase 2, EIS/EIR)

To coordinate the planning and environmental review for the Mountain View ponds, the CSCC and City staff held a series of stakeholder coordination meetings to discuss potential project impacts to the City and to identify collaboration opportunities. The collaboration process is formally articulated in a Memorandum of Understanding for Phase 2 of the South Bay Salt Pond Restoration Project (MOU). This MOU is an agreement among the signatories to acknowledge the intentions of the project and to provide for cooperative action regarding planning and implementation of Phase 2 as well as other future project actions. The City is one of the signatories, with limited participation, rights, and responsibilities. The City signed the MOU in November 2014.

Environmental Review

The United States Fish and Wildlife Service (USFWS) and CSCC released the draft Phase 2 EIS/EIR in July 2015 for public review. The EIS/EIR considered three restoration alternatives for the Mountain View Ponds. Alternative A is a “no action”

alternative with no changes to the ponds. Alternative B includes restoration of Ponds A1 and A2W to tidal marsh. Alternative C includes restoration of Ponds A1 and A2W, plus integration of Inner Charleston Slough as a part of the tidal marsh network.

Phase 2 EIS/EIR Alternatives

Alternative	Elements
A	No Action Maintain Ponds A1 and A2W
B	Restore Ponds A1 and A2W
C	Restore Ponds A1 and A2W and Integrate Inner Charleston Slough

Project Description

The portion of the project adjacent to the City has two major components: restoration of Ponds A1 and A2W and integration of Inner Charleston Slough. Each is described below.

Ponds A1 and A2W Restoration

Phase 2 includes restoration of the ponds adjacent to Shoreline Regional Park from open-water ponds enclosed by levees to tidal marsh by allowing silt to settle in the pond so marsh plants can establish. To allow tidal flow into the ponds, the levees adjacent to Permanente Creek and Stevens Creek will be breached though the outboard levees facing the San Francisco Bay will remain intact. Habitat complexity will be increased by adding islands and a “habitat transition zone” from the open water to the levee.

The habitat transition zone is a gradual slope of soil fill along the southern edge of the pond that will accelerate the establishment of the vegetated tidal marsh, provide a range of habitats at the fringe of the ponds, and provide coastal flood risk reduction by dampening the waves against the City’s shoreline. Recreational improvements include constructing or improving walking trails and elevated boardwalks and installing interpretive features and viewing platforms.

Because the levee breaches effectively bring the Bay closer to the shore, the project includes raising, improving, and adding new levees, as needed, to maintain current levels of flood protection. Where they coincide, the project also includes components of

the City's sea level rise program. The City will be responsible for funding improvements beyond those needed to maintain current levels of flood protection. Staff anticipates that a cost-sharing agreement will be prepared for Council consideration to establish the financial responsibilities of each agency.

Inner Charleston Slough Integration Actions:

Inner Charleston Slough is located north of Shoreline Regional Park between Pond A1 and the Palo Alto Flood Basin (see Exhibit C). The City owns the slough and is required to restore the 53-acre area to vegetated tidal marsh as mitigation for earlier City projects. The City installed and maintains tide gates to control tidal flow into the marsh. City staff monitors the slow establishment of the marsh and reports progress to the San Francisco Bay Conservation and Development Commission (BCDC) as required by the City's permit from BCDC. The restoration goals and timelines established in the City's permit have been challenging to meet, and the City is exploring options with BCDC to meet these goals.

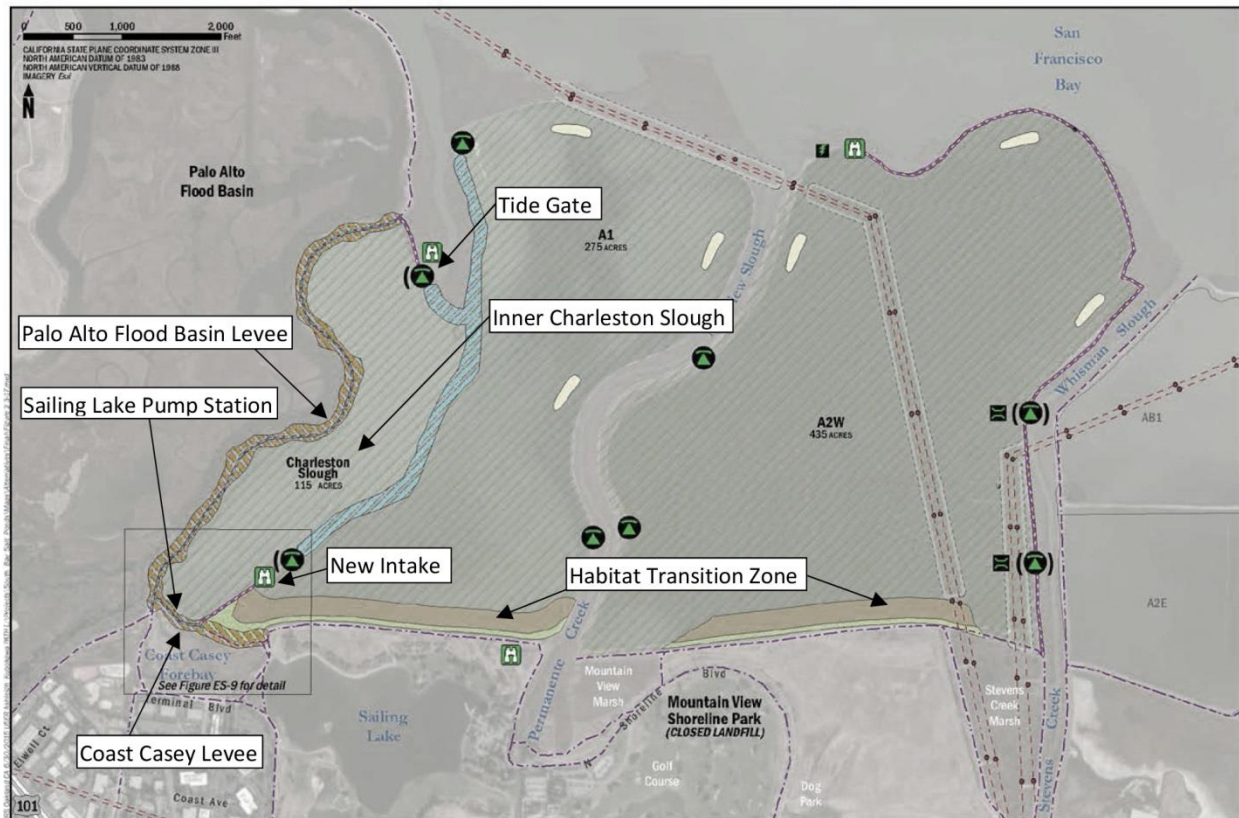
The CSCC approached the City several years ago proposing to integrate Inner Charleston Slough with Pond A1 because the restoration goals are the same for each, and this integration is included in Alternative C. The City indicated that as long as integration of Inner Charleston Slough does not negatively impact the City's restoration obligations to BCDC or the water supply to Shoreline Sailing Lake, the City would consider the idea.

The additional tidal connection would enhance sediment accretion in Inner Charleston Slough and increase the chance of successful vegetated tidal marsh restoration. The City pumps water from the southerly tip of Inner Charleston Slough into Shoreline Sailing Lake to maintain lake quality. Maintaining an open channel through the slough to the lake supply pump has been a concern of the City for many years.

Based on the preliminary hydrodynamic analysis prepared as part of the SBSP project, it appears that integrating the slough with Pond A1 will have no negative impacts on the water supply for the lake with the proposed new intake and existing pump station improvements. However, this issue would have to be further evaluated during design.

To integrate Inner Charleston Slough with Pond A1, the tidal gate and levee would be breached to allow for full tidal exchange. Because the Bay would effectively extend into Inner Charleston Slough, the levee between the Palo Alto Flood Basin and Inner Charleston Slough will need to be raised and improved.

The Coast-Casey Detention Basin levee, the Sailing Lake Pump Station, and the adjacent viewing platform would be raised and improved. These projects are also recommended in the City's sea level rise Capital Improvement Program. The Sailing Lake Pump Station and the water intake will be improved, with a second water intake structure potentially added. BCDC approval would be required to integrate Inner Charleston Slough with Pond A1, as would a cooperative agreement between the City and CSCC. The improvements to Ponds A1 and A2W are shown in Exhibit C.



**Exhibit C – South Bay Salt Pond Restoration Project Phase 2, Mountain View Ponds
Proposed Actions for Alternative Mountain View C
(Source: South Bay Salt Pond Restoration Project – Phase 2, EIS/EIR)**

Draft EIS/EIR Comments

Staff reviewed the Draft EIS/EIR released in 2015 and highlighted several items to the CSCC:

- Potential change in groundwater level and its influence to the City's closed landfill operation.

- Potential need for erosion protection along the City's shoreline.
- Evaluate tradeoffs between a larger habitat transition zone and construction feasibility.
- Coordination with the City's Stevens Creek levee improvement project.
- Suggestions to construction truck traffic route to Ponds A2W.
- Potential impacts to birds as a result of Charleston Slough tidal marsh restoration.
- Provide detail evaluation on water supply to Sailing Lake Pump Station.
- Consider options for incremental levee improvements between Palo Alto Flood Basin and Charleston Slough to address uncertainty.

Staff prepared a comment letter that was approved by the City Council on September 8, 2015.

ANALYSIS

After several years of working with the CSCC on the possibility of integrating Inner Charleston Slough into Pond A1 (Alternative C), staff recommends that Council endorse Alternative B, which leaves the two water bodies separate. Staff's chief concern is a requirement from the National Marine Fisheries Service (NMFS) that, with Alternative C, the intake for the pumps that supply water to the Shoreline Sailing Lake must be fitted with screens to prevent fish from being drawn into the pump. NMFS is concerned that steelhead could migrate to Inner Charleston Slough from Stevens Creek through Ponds A1 and A2W. Steelhead is listed under the Endangered Species Act and must be protected.

Under current conditions and with Alternative B, Charleston Slough is not connected to Stevens Creek through Ponds A1 and A2W, so fish screens are likely not required. While installation of fish screens is feasible, the openings in the screens are so small (approximately 2 millimeters) that staff does not believe a reliable supply of water to Shoreline Sailing Lake can be maintained. With a heavy silt load and the growth of mussels and other aquatic life, the screens are likely to become fouled regularly and require an extraordinary amount of maintenance. The City would bear the costs for installing the fish screen and capital costs amount to over \$1 million.

If Council approves staff's recommendation to endorse Alternative B, CCSC staff will recommend Alternative B as the preferred alternative when the Final EIS/EIR is adopted.

Inner Charleston Slough Mitigation

If the Inner Charleston Slough is not integrated with Pond A1 (Alternative B), the City will continue to manage the establishment of tidal marsh at Charleston Slough to meet BCDC permit requirements. Staff met with BCDC on March 2, 2016 to discuss alternatives and the initial feedback from BCDC is encouraging. Staff proposed preparation of a feasibility study to evaluate options and develop a concept design for the mitigation action. The feasibility study is included in the City's proposed 2016-2017 Capital Improvement Program (CIP), entitled "Charleston Slough Improvements Feasibility Study." The study will evaluate Sailing Lake water quality and water intake requirements; Sailing Lake pump station and various levee improvement options; and the anticipated ecological, hydrodynamic, and morphodynamic evolution as a result of the mitigation actions. Staff believes that a solution can be developed that is less costly and less maintenance intensive than combining Charleston Slough with Pond A1 and installing fish screens.

Sea Level Rise Coordination

Staff is also coordinating with neighboring cities and agencies that are studying sea level rise and flood protection, including:

- The City of Palo Alto is preparing a long-range plan for the Palo Alto Flood Basin;
- A multi-jurisdictional plan called Strategy to Advance Flood protection, Ecosystems and Recreation along the Bay (SAFER BAY) is studying options from Redwood City to Palo Alto;
- The Santa Clara Valley Water District (SCVWD), in partnership with the U.S. Army Corps of Engineers, is studying the flood risk management and ecosystem restoration from Mountain View to San Jose in the San Francisco Bay Shoreline Study; and
- Participating in periodic meetings coordinated by Joint Venture Silicon Valley that are attended by Bayfront cities and SCVWD.

Staff will continue to monitor and coordinate with the respective agencies on these efforts.

Final EIS/EIR Comments

The attached City EIS/EIR comments will provide input to the CSCC Board, and notes the City's support of the recommended Alternative B. CSCC's Board of Directors will consider the final EIS/EIR for approval on May 26, 2016. The EIS Notice of Availability will then be published in the *Federal Register*, to be followed by another comment period pursuant to the National Environmental Protection Act (NEPA). In addition to the formal commenting processes, as a partner on this project, City staff has been and will continue to collaborate with the South Bay Salt Pond restoration project team on project development and design.

Project Schedule

The current project schedule for the Phase 2 SBSP Restoration Project is as follows (*subject to funding appropriation schedule):

- 2016 May Final EIR Approval Under CEQA Process
- 2016 Summer Regulatory Permit Applications, Begin Design Work*
- 2016 Fall Final EIS Approval Under NEPA Process
- 2017 End of Year Complete Project Design*
- 2017 End of Year/2018 Construction Start*

FISCAL IMPACT

There is no fiscal impact related to the South Bay Salt Pond Restoration Project – Phase 2 EIS/EIR review, other than staff time.

Staff is working with CSCC staff to evaluate opportunities for including some of the City's planned sea level rise improvements into the SBSP project. When the scope and cost of such improvements are developed, staff will return to Council for consideration of funding and cooperative agreements between the two agencies.

NEXT STEPS

Staff proposes the following actions:

- Submit the attached City comment letter to the South Bay Salt Pond Restoration Project – Phase 2, Final EIS/EIR.
- Work with CSCC to address the City’s comments on the Final EIS/EIR.
- Discuss with CSCC on project cost sharing, project implementation schedule, and responsibilities.
- Negotiate possible easement agreement with USFWS to construct the habitat transition zone at the City property along the outboard of the Shoreline Regional Park.
- Coordinate with CSCC on the project design.
- Develop a planning and analytical framework to evaluate Charleston Slough mitigation actions to: (1) meet the BCDC permitting requirements; (2) allow sufficient water supply to the Sailing Lake; and (3) maintain necessary flood protection requirements.

CONCLUSION

The SBSP project is a major wetlands restoration project that includes the two salt ponds on the City’s Bay front. Although the current planning separates Inner Charleston Slough tidal marsh restoration from the project, the work would still provide significant ecological benefits. Staff recommends that Council:

1. Endorse Alternative B of the EIS/EIR which proposes to improve Ponds A1 and A2W, but does not include Charleston Slough.
2. Authorize the Vice Mayor to submit the proposed City staff comments to the South Bay Salt Pond Restoration Project – Phase 2, EIS/EIR to the California State Coastal Conservancy.
3. Authorize the Vice Mayor to submit an endorsement letter to support the project.

ALTERNATIVES

1. Direct staff to modify comments or make other recommendations.
2. Provide other direction on the South Bay Salt Pond Restoration Project preferred alternative.
3. Provide other direction.

PUBLIC NOTICING

In addition to standard agenda posting, on April 26, 2016, the CSCC sent e-mail notice to the public with the release of the Final EIS/EIR. In addition, during the draft EIS/EIR comment period, CSCC conducted two outreach meetings in the City of Mountain View Community Center on August 4, 2015. One meeting was held with stakeholders and a separate meeting was held with the public. The meetings were publicized on the City website as well as the South Bay Salt Pond Restoration Project website.

The Final EIS/EIR document is available online at:

<http://www.southbayrestoration.org/planning/phase2/FEISRdownload.html>

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RW-LA/TS/7/CAM
931-05-17-16CR-E

- Attachments:
1. South Bay Salt Pond Restoration Project – Phase 2, Final Environmental Impact Statement/Report, Executive Summary
 2. South Bay Salt Pond Restoration Project – Phase 2, Final Environmental Impact Statement/Report, Response to City of Mountain View Draft Environmental Impact Statement/Report Comments
 3. City of Mountain View Comment Letter to South Bay Salt Pond Restoration Project – Phase 2, Final Environmental Impact Statement/Report
 4. City of Mountain View Letter of Support for South Bay Salt Pond Restoration Project – Phase 2

cc: Mr. John Bourgeois – California State Coastal Conservancy

RM – Marchant, F/c