

**SOUTHERN CALIFORNIA WETLAND CLEARINGHOUSE
REPORT**

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PREFACE

Since the release of the Southern California Coastal Wetlands Clearinghouse report on July 5, 1996, several changes in emphasis have been made. These clarifications have been the result of several meetings with state and federal resource managers, environmentalists, and business groups. As you read through this revised report, you will notice several important areas where the emphasis of the Clearinghouse has changed. In addition, two new elements have been added: public participation and coastal watersheds. These additions and the changes in emphasis are summarized below.

The first change has been to the objective of the Southern California Wetlands Clearinghouse. In the earlier report, wetland restoration and enhancement and mitigation banking were given equal status. During discussions with resource managers, it was agreed that the emphasis of the Clearinghouse should be the **acquisition, restoration and enhancement** of Southern California's coastal wetlands and watersheds. Mitigation banking is now a secondary objective, a possible means toward the principal objective. It may be a tool that can be used at specific sites when deemed appropriate by the governing board.

Because it is unlikely that public money alone will be sufficient to restore the wetlands, and because permit-by-permit wetland mitigation projects are often ineffective and are fraught with difficulty for the development community, mitigation may be an important tool to reach that primary objective. If the creation of new habitat is used to compensate for other wetland losses, it will conform to agreed upon conditions.

These conditions are described in Section III of this report. The most obvious are that mitigation credits will only be used for offsetting losses from small fills and public infrastructure projects within the same hydrological unit (to the extent feasible) and for the same habitat type being lost. These projects will also be consistent with federal mitigation guidance and part of a larger restoration and enhancement effort in order to assure a net gain in wetland area.

This draft also affirms two aspects of the initial report: the management, policy-making, and restoration project decisions will be made by consensus among the members of the governing board (senior representatives of the state and federal resource and regulatory agencies); and the allocation among projects of the initial commitment of funds from the state (\$5 million in the Governor's proposed 1997-98 budget), as well as future state, federal, and (possibly) mitigation funds, will be made by this board following a science-based set of criteria and priorities (see Section II).

There are two new elements to this report: a public participation program (Section IV) and a Watershed Vision (Section V). These elements were added to encourage the involvement of the public, local governments, environmental groups, private sector, and wetlands scientists in the Clearinghouse's work and to indicate that the Clearinghouse may expand into coastal watersheds after a program for coastal wetlands has been put in place.

SECTION I: INTRODUCTION

What is the Clearinghouse?

The Southern California Wetlands Clearinghouse (the WRP) is a coordinated effort among Southern California's state and federal resource managers to chart a course for the acquisition, restoration, and enhancement of the region's coastal wetlands. Working with wetland scientists and local communities, they will articulate a vision for the future of Southern California's coastal wetlands, develop a plan for realizing that vision and prioritize and fund implementing projects.

Significant attention has been paid to wetland restoration along the Southern California coast for the last 25 years. But the number of sites that have seen actual restoration is disappointingly few; from a resource point of view, this lack of real progress is unacceptable. **The purpose of the Clearinghouse is to accelerate the pace, the extent and the effectiveness of coastal wetland restoration in the Southern California Bight.**

In the past, wetland projects, both development and restoration oriented, have been proposed and decided upon in the absence of a coherent, long-term plan for the regional wetland landscape. While staff from different agencies frequently collaborated on permit approvals and conditions, without commonly held, specific habitat objectives, it was difficult to prioritize among sites and types of projects. In addition, no single agency had the task -- and dedicated resources -- to monitor the cumulative effect of individual actions and to evaluate the changes in the distribution and quality of wetland habitats.

The Southern California Wetland Clearinghouse was conceived to address the need for a regional wetland conservation strategy. It would establish a governing board composed of senior representatives from the state and federal resource agencies with wetlands jurisdiction. The board would develop a regional plan and establish priorities for wetland protection, restoration, and enhancement. Funding would be directed towards plan preparation and construction and monitoring of projects, and these would be overseen by a designated agency or agencies.

What is the Goal of the Clearinghouse?

The goal of the Clearinghouse is to develop and implement a regional prioritization plan for the acquisition, restoration, and enhancement of Southern California's coastal wetlands and watersheds, which will result in an increase in the quantity and quality of the region's wetlands.

How will this Goal be Implemented?

In order to achieve this goal, the Clearinghouse will:

- set formal objectives for the acquisition, restoration and enhancement of coastal wetlands and their associated watersheds, which will create a 20-year, regional vision for the future functioning of the wetland mosaic;
- establish priorities among those objectives with a flexible 5-year regional restoration program that will be evaluated and published annually.

- secure and pool funding from federal, state, local and private sources to implement the objectives;
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- identify an agency(ies) to plan, undertake and coordinate the construction and monitoring of projects in cooperation with non-profit organizations; and
- measure, track, and publicly report on the progress toward meeting these objectives.

SECTION II: ORGANIZATION AND STRUCTURE

The Clearinghouse will be carried out by a governing, policy-making board composed of the directors (or their designees) of the state and federal resource agencies having responsibility for coastal wetlands in Southern California. Membership will be voluntary and will in no way diminish the regulatory responsibilities or authority of any participating agency. Participation will be formalized through a Working Agreement, drafted by the Coastal Conservancy, that expresses the willingness of each Agency to engage in the Clearinghouse and to become a member of its governing board. The Working Agreement will make explicit the Clearinghouse's organization and structure, its specific goals and objectives, the board's composition and responsibilities, and operating rules. The Coastal Conservancy will serve as the board's paid staff, accomplishing administrative, project development, and construction tasks as directed by the board.

Meetings of the governing board will be convened by the Coastal Conservancy and chaired by the California Secretary for Resources. Decisions will be made by consensus. A quorum (the number of board members who must be present in order to take formal action) will be 1 more than half of the membership and include at least two federal agencies. The public will be notified in advance of all meetings and be given opportunity at meetings to comment (see Section IV for a full description of the public participation process).

SECTION III: OPERATION

What will the Clearinghouse do?

In order to carry out the primary objective of acquiring, restoring, and enhancing Southern California coastal wetlands and watersheds, the Clearinghouse will undertake a 5-part program, outlined in the preceding section.

This program will include:

- setting formal objectives for the acquisition, restoration and enhancement of coastal wetlands and associated watersheds, which will create a 20-year, regional vision for the future functioning of the wetland mosaic. These objectives might include a commitment to expand the amount of existing wetlands by a certain percentage or acreage figure, to acquire all privately owned wetlands, to identify the habitat relationships among wetlands, to agree on the principal species whose

- habitats should be emphasized, and to coordinate the management and monitoring of existing wetlands to assure that these wetlands are enhanced over time.
- establishing priorities among those objectives with a flexible 5-year regional restoration program that will be evaluated and published annually. These priorities will consider the habitat needs of the region and the restoration potential of each site, opportunities for creating more habitat value and diversity, the presence or possible reintroduction of rare or endangered species, the existence of historic wetlands, the cost and speed at which restoration could be accomplished, and the willingness of landowners to participate in a wetland restoration program. The program will identify specific restoration projects, estimate the cost of each project, and schedule the planning, design and construction.
 - securing and pooling funding from state, federal, local and private sectors to implement the objectives. A special deposit account will be created at the Coastal Conservancy for the purpose of implementing the regional wetland restoration program developed and approved by the governing board. This implementation program will include funding the operation, maintenance, and monitoring of completed projects.
 - identifying an agency(ies) to plan, undertake and coordinate the construction and monitoring of projects in cooperation with nonprofit organizations or appropriate private sector entities. The preparation of conceptual plans, final plans and environmental documents, engineering plans and specifications, obtaining state and federal permits, managing project construction and post-project monitoring and maintenance may involve more than one government agency, local government, special district, nonprofit organization, or other entity. It will be the Coastal Conservancy's job to recommend the right project partner for each phase of each wetland restoration project.
 - measuring, tracking, and publicly reporting on the progress of the Clearinghouse toward meeting these objectives. The Coastal Conservancy will be responsible for preparing reports on both the Clearinghouse's progress and on the effectiveness of individual wetland restoration projects at meeting their stated goals and objectives. Reports may include status reports on non-Clearinghouse wetland restoration projects which enhance Southern California wetlands.

Once the initial 5-year restoration program has been approved, the governing board will direct the Coastal Conservancy to prepare conceptual restoration and enhancement plans for public review and board discussion for those projects to be undertaken in the first year. These plans will describe existing conditions, constraints and opportunities at each site, and outline restoration and enhancement options. After the selection of one of these options, a budget, implementation schedule and initial study will be developed. If new habitat can be created and sold for mitigation, this too will be described in the conceptual restoration plan for board consideration.

The point of preparing these restoration and enhancement plans is to define a specific project for each site and to allocate (and pool) funds to implement these plans. In addition

to securing board support and funding, these plans must also comply with all state and federal environmental laws and obtain all the necessary permits prior to construction.

Overseeing (and in some cases undertaking) project construction, monitoring (minimum 10 years), and maintenance, would be the responsibility of the Coastal Conservancy and its subcontractors.

What is the difference between the Clearinghouse and the Wetland Inventory?

The work of the Southern California Wetlands Inventory will serve as the foundation on which this 5-part program is based. The Inventory is a cooperative effort of the Coastal Conservancy, Coastal Commission, and U.S. Fish and Wildlife Service. It contains a summary of existing information on 41 of the most important coastal wetlands in Southern California (Point Conception to the International border with Mexico). This information is available on the Internet (www.ceres.ca.gov/wetlands/geo_info/so_cal.html) and is presented in narrative form and on two maps.

The narrative or wetland profile contains information on wetland location and contacts, land ownership, habitat type and acreage, on-site and historic uses, tidal influence, water quality and flows, soil type and salinity, animal use, special status species, enhancement status, and lists the sources of information used to compile the profile. This information was summarized by the Coastal Conservancy staff and peer reviewed by resource managers and wetlands scientists. It has also been reviewed by affected property owners.

The maps show existing vegetation communities and the historic wetland boundary taken from U.S. Coast and Geodetic survey map prepared in the late 1800s. The historic maps were prepared by the Coastal Commission staff. The vegetation maps were prepared by U.S. Fish and Wildlife Service staff (Carlsbad Office) using the most recent habitat maps available and limited ground-truthing when there were significant differences between these maps. Collectively, these profiles and maps tell us a great deal about Southern California's coastal wetlands including which wetlands have been restored, are in the process of restoration, are privately owned, or are in immediate need of restoration and enhancement. This information, and the information gathered from public meetings and in collaboration with wetlands scientists, will provide the foundation for the Clearinghouse in developing its vision for the region and prioritizing wetland projects for additional investigation and possible implementation.

What are the boundaries of the Clearinghouse?

The Clearinghouse will concentrate on coastal zone wetlands between Point Conception in Northern Santa Barbara County to the International border with Mexico (Exhibit 1: Boundary Map). As mentioned earlier, many of these wetlands have been inventoried and mapped as part of the Southern California Wetlands Inventory Project, which had the same geographic scope as the Clearinghouse. The Clearinghouse will consider the entire U.S. portion of the Southern California Bight, from Point Conception to Tijuana Estuary, and will at some later date, extend into coastal watersheds.

Who will pay for this work and how will funds be allocated?

Within the Coastal Conservancy there will be established a Southern California Wetlands Clearinghouse special deposit account which can only be used to fulfill the purposes of the Clearinghouse. Funds from participating public agencies, foundations, and other entities (such as mitigation funds) will be deposited into this interest-bearing account upon the approval of the Coastal Conservancy Board. These deposits will be accounted for separately and any restrictions placed on these funds (i.e. for a particular project, component of a project, land acquisition, etc.) by the funding source will govern their use.

Withdrawal of special deposit funds will only occur upon the approval of the governing board and the Coastal Conservancy Board. All withdrawals will have to be consistent with any restrictions placed on the use of these funds by the funding source. Quarterly financial reports will be made available that show the total fund balance (receipts and deposits), interest accruals, balances of any subaccounts (i.e. for project plans, engineering and design, construction, monitoring, and maintenance), and payments made from each funding source within the Clearinghouse special deposit account.

A big part of the success of the Clearinghouse will rely upon the willingness of public and private agencies to pool funds to implement the regional wetland restoration program. State funds have been identified, but not yet approved, and additional state funds will be requested as part of a multi-year funding program. But these funds will be inadequate to carry out a program that covers at least 41 wetlands in five counties.

Partner federal agencies will try to find funds to match the State's commitment to the Clearinghouse and funds from development projects, which require mitigation, may prove to be important to the success of the Clearinghouse.

When will wetland mitigation be used?

The primary goal of the Clearinghouse is the acquisition, restoration and enhancement of Southern California coastal wetlands and watersheds. One of the many potential means of contributing to this goal is the inclusion of new wetland habitat created as mitigation for wetland losses occurring throughout the region. The use of mitigation funds is not the central purpose or function of the Clearinghouse, and will be used only with the express consent of the governing board, following the respective federal, state and local public hearings. In addition, consideration of whether to incorporate a mitigation bank into Clearinghouse activities would include an assessment of mitigation credit demand, both to gauge its feasibility and to avoid competition with private mitigation banks. Several of the potential advantages offered by incorporating mitigation and mitigation banking into the Clearinghouse's wetland restoration strategy are listed below:

- the location and design of mitigation projects would be selected by resource managers within the context of an overall regional wetlands needs assessment and implementation program;
- implementation of mitigation projects would be undertaken by resource managers who are committed to preservation and enhancement of the region's wetlands and

- are skilled at designing the right kind of wetland restoration project at the right location;
- small mitigation projects would be consolidated or integrated into larger restoration and enhancement efforts to maximize habitat values and diversity;
 - resource managers would make a long-term commitment to the management, maintenance, and monitoring of completed wetland mitigation projects which has been a reoccurring problem at privately funded mitigation sites;
 - these mitigation projects could only be used to compensate for development impacts if agreed to by the Clearinghouse Board, and if they have satisfied state and federal requirements to avoid, minimize, and mitigate and have been approved as appropriate mitigation by state and federal regulatory agencies;
 - mitigation projects would function prior to or concurrent with the construction of the project requiring credits;
 - developers who have secured regulatory approval for a project that involves mitigation will not be required to undertake the effort and delay of obtaining a separate permit for the mitigation project; and
 - mitigation projects related to port development will include a marine fisheries component sufficient in size to offset marine fishery losses caused by proposed port development.

In short, the pace and effectiveness of mitigation projects will be improved. The agents of unavoidable impacts of coastal wetlands will still be required to provide for mitigation of those impacts. But the execution of mitigation projects will be orchestrated and implemented by the Clearinghouse, a body whose members all have an ongoing commitment to improving wetland quality and quantity in the region and are dedicated to serving the public good. Not only will projects undertaken by the Clearinghouse be carried out in the sites with the highest likelihood of success, but they will also be forwarding the objectives of a long-term vision for the region's coastal wetland.

However, the environmental benefits of wetland mitigation and mitigation banking can only be realized if certain conditions are met. Principal among them is the avoidance of wetland impacts and the need for mitigation in the first place. It is essential that regulatory agencies do everything possible to avoid the destruction of functioning wetlands. Where that is impossible, the effect of necessary development upon wetlands must be absolutely minimized, and subsequent mitigation projects must be carefully planned and implemented on-site whenever that is the most desirable outcome from a habitat perspective.

The determination of when and where mitigation projects might be consistent with the Clearinghouse's objectives will be based on a regional assessment of habitat restoration opportunities. If a particular site were unsuitable for mitigation, then it would be used exclusively for habitat restoration and enhancement. However, in those areas where habitat creation is possible (i.e. filled but historic wetlands), resource managers may want to use these sites to compensate for small fills or other losses as part of an overall regional wetland restoration plan.

The Clearinghouse will not in anyway supersede federal and state authority or responsibility regarding wetlands. Its role is not to determine when mitigation should be required, but rather it may choose under certain conditions, to develop projects that could provide mitigation credits. Any mitigation credits the Clearinghouse develops will be used only for projects already permitted by the appropriate regulatory agencies. Specific decisions on when and where a mitigation project will be undertaken by the Clearinghouse will be made by the governing board on a case-by-case basis. In situations where the governing board has deemed it appropriate for a Clearinghouse project to provide mitigation, the following conditions will apply:

- mitigation credits will be used to compensate for coastal or water dependent uses or for projects which could be carried out pursuant to Division 21 of the Public Resources Code;
- mitigation projects will compensate for wetland losses in the same region or hydrologic unit to the extent feasible;
- mitigation projects will comply with state and federal requirements;
- mitigation projects will be part of a wetland restoration or enhancement plan; and
- a percentage of all newly created habitat will be set aside, and not used for mitigation, to ensure a net increase in wetland acreage in the region.

How will annual progress be reported?

To ensure accountability and to allow for periodic evaluation of the Clearinghouse's progress, two types of annual reports will be made:

1. results of monitoring completed wetland enhancement projects undertaken by the Clearinghouse. These report will describe changes to the wetland since construction, identify any additional work that may be needed (i.e. adaptive management and any necessary remediation work), and estimate how closely the wetland is meeting the goals and objectives specified in the wetland enhancement plan; and
2. reports on the Clearinghouse's progress in meeting its 20-year vision and 5-year rolling regional restoration program. This will include a projection of available funds, in essence, a report card produced for widespread public distribution.

These reports will be made widely available and the public will be invited to comment on these annual audits. The governing board may also want to consider changes in the Clearinghouse work program based on these annual reviews and public comment. Information will be made available through CERES (California Environmental Resources Evaluation System) on both the Wetlands Information System and the Coastal Conservancy Homepage allowing greater access to the public regarding wetlands.

SECTION IV: PUBLIC PARTICIPATION

What is the public participation process?

The Coastal Conservancy, as it works with its partners to develop the Southern California Wetland Clearinghouse, is committed to public involvement. There is a limit to how much the Clearinghouse can do without the support of local government, the private sector, environmental groups and the public at large. The implementation of a 20 year, five- county, regional wetland restoration program will require a sustained effort-both political and financial-to be successful. The Clearinghouse's public participation process is aimed at creating visibility, interest and support for wetland conservation in Southern California. It is intended to cover the entire region through small group discussions and workshops at a subregional level.

Still in development, the public participation program will initially consist of a series of facilitated small group meetings throughout the region. Tentatively, at least three meetings are planned in Ventura/Santa Barbara Counties, Los Angeles/Orange Counties, and San Diego County. The purpose of these meetings will be to bring together key players in the region (i.e. ports, environmental groups, business leaders, local governments, etc.) to discuss the Clearinghouse, its purposes, and proposed work plan. Participants will also be given an opportunity to fully discuss, among themselves, any issues or concerns that arise over the Clearinghouse concept including the desirability of regional wetland planning, the project selection process, and level of public involvement. The substance of these discussions will be recorded and communicated to the governing board to assist in developing additional public involvement opportunities.

As a follow-up to these small discussion groups, workshops will be convened in each of the three sub-regions to introduce the Clearinghouse to the public, to invite public discussion, and to address the issues and concerns raised at the previous meetings. State and federal legislative members and their staffs will also be invited to these workshops and if they cannot attend, separate briefings will be provided. In addition, public comment will be encouraged at all governing board meetings to maintain an ongoing dialogue between the public and state and federal resource managers.

What role will wetland scientists have?

Incorporating science into the decision-making process is a fundamental principle of the Southern California Wetlands Clearinghouse. Funds have been set aside to establish collaboration between resource managers and wetland scientists. Resource managers will consist of federal and state wetland ecologists and biologists. A panel of wetland scientists will be convened with expertise in vegetation, birds, fish, invertebrates, water quality, coastal processes, hydrology and restoration and design of Southern California coastal wetlands. Additional areas of specialization can be included as required by the board. Invited scientists will include those who reviewed the Southern California Wetland Inventory, whose areas of expertise include vegetation, ecology, restoration and design, and fisheries of Southern California coastal systems. This panel will be asked to advise the board on regional goals, objectives, project criteria, and priorities.

All scientific panel meetings will be open to the public. However, decisions on habitat restoration and enhancement will be based on the best available science and criteria set forth by the scientific panel and resource managers. The agendas for these meetings will be prepared by the Coastal Conservancy based on direction from the governing board.

Broader participatory public forums will be held and advertised in advance to solicit public input and discuss the scientific and habitat restoration findings and goals.

SECTION V: WATERSHED VISION

The health of coastal wetlands will eventually require the Clearinghouse to extend its boundaries into coastal watersheds. The long-term health of coastal wetlands cannot be assured without a commitment to upstream watershed management and restoration. While the initial focus of the Clearinghouse is coastal wetlands, where much work remains to be done, a parallel investigation of coastal watersheds should be initiated. This investigation would summarize existing information on all the coastal watersheds, from the International border to Point Conception, much like the work of the Southern California Coastal Wetlands Inventory. The Clearinghouse's work on coastal wetlands will consider upstream processes, but additional information must be collected to understand and prioritize work on coastal watersheds which are now experiencing intense development pressures.

The work currently underway by the Coastal Conservancy and its partners on the Tijuana, Otay, San Luis Rey, and Santa Margarita Rivers, San Diego Creek, Santa Ana and Los Angeles Rivers, the Malibu Lagoon and Mugu Lagoon watersheds, and the Santa Clara, Ventura and Santa Ynez Rivers is a good start. To assist the Clearinghouse in prioritizing future coastal watershed efforts, information on these and other coastal watersheds should be summarized, evaluated and peer-reviewed. This will allow resource managers to develop a regional vision for our coastal watersheds, develop priorities based on regional comparisons, and prepare restoration and enhancement plans for priority sites similar those being proposed for coastal wetlands.

In furtherance of these general goals, the Coastal Conservancy staff, in collaboration with the Regional Water Quality Controls Boards with jurisdiction Southern California, will develop a watershed inventory project proposal, budget and schedule. The Conservancy will also aggressively seek funding for this project, including submitting an application to the U.S. Environmental Protection Agency, Region 9, under its State Wetland Demonstration Grant Program.

The watershed inventory application will be modeled after the work done on the Southern California Wetland Inventory. This inventory collected and summarized existing data on coastal wetlands, which was reviewed by resource managers and wetland scientists, before posting on the world wide web. The watershed funding application will apply a similar methodology to coastal watersheds and will also be peer reviewed and made available on the world wide web.

SECTION VI: NEXT STEPS

Over the next year the Clearinghouse will formalize its organizational structure, begin formulating regional wetland objectives, and secure funding for initial priority projects. Key milestones are identified below.

1.) First Clearinghouse Board meeting		August 1997
2.) Working Agreement Signed	The Clearinghouse Governing Board will sign a Memorandum of Agreement formalizing their commitment to work towards identifying, funding and implementing regional wetland restoration priorities.	September - December 1997
3.) Initiate Public Participation and Scientific Partnership Programs		October 1997
4.) Draft first year work plan	The first year work program will: identify the criteria and process used to determine wetland priorities, describe the overall planning and implementation strategy, and outline an approach for pooling public and private funds. It will also describe the public outreach, scientific partnership and project monitoring programs.	November 1997
5.) Develop criteria and select wetland priorities		October-December 1997
6.) Encumber funds for initial projects		January 1998
7.) Prepare restoration plans and contract documents for priority sites		January-June 1998
8.) Legislative and Governor approval of second-year funding in state budget		June 1998
9.) Finalize contracts for restoration project implementation		August 1998
10.) Report on Clearinghouse first year progress		January 1999