

DWR WAREHOUSE
Merced River Ranch Land Acquisition and Development
Merced County - 318 acres

I. Executive Summary

Applicant California Department of Fish and Game (DFG)
 Region 4
 1234 East Shaw Avenue
 Fresno, California 93710

Project Description and Primary Biological/Ecological Objectives

The property proposed for acquisition is known locally as the Merced River Ranch. The acquisition consists of one, 318-acre parcel. Protection, enhancement and restoration of the valuable riparian, wetland and aquatic habitats along the Merced River is the primary purpose of the acquisition. Restoration of the 318 acres would be implemented incrementally over approximately 15 years. The large deposits of gravel (dredger tailing) on the property would be used for the construction of chinook salmon restoration projects within the San Joaquin River basin. It is conservatively estimated that 1.2 to 1.6 million cubic yards of usable construction materials, valued at \$2 to \$3 million, exist on site. Mineral and riparian water rights are included with the acquisition and can be used to fulfill the project's objectives.

Approach/Tasks/Schedules

The DFG would acquire in full fee title, restore and manage the 318-acres parcel in perpetuity. The land would be purchased, a surface mining/reclamation plan developed and the necessary environmental documents prepared, adopted and certified within three years of the close of escrow. Funding necessary to implement the restoration plan will be developed and pursued simultaneous with adoption and certification of necessary environmental documents. We anticipate these tasks would be completed during 1998 through 1999. Phased restoration of the site and utilization of materials on site would begin in 2000. We anticipate use of surface gravel deposits (tailings) may be linked to other channel and floodplain restoration projects in the San Joaquin basin.

Justification for Project and Funding by CALFED

Increased water usage, linked to population growth, agricultural production, power production and gravel mining have caused severe losses to the riparian habitat of the San Joaquin Valley. San Joaquin Basin chinook salmon populations have declined to seriously low levels in recent years. Legislation has been passed that mandates restoration of anadromous fish (salmon and steelhead) populations in the Central Valley, including the San Joaquin River basin. Much of the work necessary to restore these populations has centered around salmon spawning and rearing habitat restoration.

Expensive amounts of gravel excavated from the river floodplains have been purchased and used in these projects, and many more are being planned. Gravel supplies are a critical part of salmonid restoration efforts, long-term maintenance of river habitats and the natural river function. Utilization of dredger tailing on the property proposed for acquisition for salmonid restoration while returning the property itself to a more natural state makes good economical and ecological sense.

Budget Costs and Third Party Impacts

The DFG Lands Committee and Management Team have reviewed the Land Acquisition Evaluation and have recommended to the DFG Director that the acquisition proceed. The property owners are willing sellers. After reclamation of the total 318 acres, DFG would develop and adopt an appropriate management designation for the restored habitat. An agreement with Merced Irrigation District (MID) would need to be established in order to provide access to the property unless a bridge crossing over the Merced River is established. The total cost of acquisition, develop plan, environment documents and permits (Phase 1) is estimated at \$1,325,000. Floodplain and restoration and "gravel mining" operations would be funded separately in Phase 2 which may extend over many years.

Applicants Qualifications

The DFG manages 821,017 acres of land. The DFG headquarters (several functions) and Region 4's anadromous fisheries staff have worked closely with the various other state, federal and private personnel, to construct and repair chinook salmon and riparian habitats in the San Joaquin River basin over the past 10 years. The DFG has the clerical, fiscal and contractual personnel necessary to support the biological and technical experts to administer this project.

Monitoring and Data Evaluation

Minimal monitoring of Phase 1 of this project is necessary. Monitoring plans for Phase 2 will be developed as part of the planning required in Phase 1.

Local Support/Coordination w/ other Projects/Compatibility with CALFED Objectives

Cursory discussions with Merced County Planning Department suggest no problems with the proposed land use. Slight opposition to the purchase can be expected from local residents and existing gravel companies. The project will fulfill the objectives of the CALFED program by improving and increasing the aquatic and terrestrial habitats in the San Joaquin Valley. The utilization of surplus raw materials for other habitat restoration projects is an economical bonus attached to this project.

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II. Title Page

Applicant California Department of Fish and Game (DFG)
Region 4
1234 East Shaw Avenue
Fresno, California 93710
Telephone (209) 243 4005
Fax (209) 243 4022

Type Organization Public Agency

Contact Person Mr. Clarence Mayott (209) 243 5004 ext. 171
DFG Region 4
1234 E. Shaw
Fresno, CA 93710

RFP Project Type Land Acquisition and Riparian Floodplain Restoration

III. Project Description

Project Description and Approach

The purpose of this acquisition is: 1) to restore, preserve and enhance valuable riparian, floodplain, wetland and aquatic habitat along the Merced River, 2) to develop and utilize the large stores of surface gravel (dredger tailings) in the construction of chinook salmon restoration projects planned for the San Joaquin River basin, and 3) to provide a stockpile site of spawning gravel for additions to the Merced River. The project would be phased over a period of 15 years in two separate and distinct phases. In Phase 1, DFG, assisted by the Wildlife Conservation Board, would purchase the property, in fee title, develop a reclamation plan for the property, satisfy all Surface Mining and Reclamation Act (SMARA) requirements, obtain necessary environmental permits and establish the infrastructure necessary to begin the reclamation process. DFG would become the lead agency in the California Environmental Quality Act (CEQA) and accomplish the necessary documentation with existing DFG personnel, consultants would be contacted as necessary. Funding for Phase 1 is being requested in this period. Two to three years are necessary to complete Phase 1.

Phase 2 would consist of the actual reclamation of the property and initial uses of dredger tails for other restoration projects. The reclamation would be done in stages. Each stage would focus on a relatively small, more manageable unit of the property. For example, restoration of units adjacent to the Merced River might be prioritized first. The units would be defined, specific restoration plans developed, funding obtained and the restoration completed. After each unit is restored the next unit to be restored would be identified. This process would be repeated until all units within the total 318 acres are restored pursuant to the plan. A rough estimate for total restoration of the property is 15 years.

As the reclamation of the property proceeds, materials (sand, gravel and cobble) not used in the on-site restoration process would be used on restoration project nearby or stockpiled and used at a later date. We anticipate that restoration of the property should provide cost-effective materials for restoration projects elsewhere. Reclamation of the property (Phase 2) would be completed by Region 4 personnel using DFG equipment and contract specialists.

Geographical Location And Description

The property is located in northeastern Merced County approximately 2.5 miles east of the town of Snelling (Figure 1). The majority of the parcel is located on the south side of the Merced River, with approximately 18 acres located on the north side. The parcel offered for sale is Merced County Assessor's Parcel Number 43-06-0-11. The 318-acre parcel includes part of the east quarter of Section 11 and the west half of Section 12,

Township 5 South, Range 14 East, MDBM. The property is mapped on the Snelling, California USGS 7.5' topographic quadrangle map. The DFG's Merced River Hatchery (MRH) is located approximately 3/4 mile east upstream of the parcel.

The parcel is river bottom and historic floodplains, with a small portion of higher river terrace and bluff land at the southeast corner. The Merced River flows through the northern part of the parcel. Also bisecting the property is the MID's main canal, which crosses near the southern edge of the property (Figure 2). Elevation ranges from approximately 350 feet on the river bluff to approximately 270 feet along the river near the northern edge of the parcel. South of the MID canal are approximately 98 acres of foothill grasslands habitat. Some large, mature valley oaks grow along the south bank of the MID canal. On both sides of the MID canal a series of commercial fish ponds (approximately 15 acres of striped bass grow out ponds) were created and abandoned by previous lessees. The water supply for these ponds was pumped directly from the MID canal. These ponds (depressions) have not been used since 1991 and are reverting back to a more natural riparian and/or wetland state. Property north of the canal (approximately 200 acres) consists mainly of dredger tailings, barren piles of rock interspersed with wet depressions supporting cottonwood/willow riparian habitat. Two larger ponds (approximately 10 acres) are also located south of the Merced River among the dredger tailings. Adjacent landowners south and west are private individuals. North and east is MID property.

The area presently supports habitat for the typical variety of river riparian wildlife. Wood ducks, mallards, great blue herons and common egrets have been observed using the ponds. Warm water fish populations exist in the ponds. Waterfowl populations would be expected to increase somewhat during fall and winter months. Upland game species include valley quail and mourning dove. Deer and raccoon have been seen on the property, and a variety of songbirds and raptors are also present. Bald eagles also reportedly traverse and may roost in the vicinity during the fall salmon runs.

Fisheries resources include spawning and rearing habitat in the Merced River for fall-run chinook salmon. The parcel is located within the designated salmon spawning area (Fish and Game Code 1505). Year around resident fish in the ponds and river include bass, assorted panfish and native sucker, squawfish and lamprey. During wet cycles, rainbow trout populations exist due to year around cold water.

The only vehicle access at present is over the MID's canal service road. A locked gate controls access at the intersection of Robinson Road and the MID canal. This access is currently used by DFG personnel to reach the MRH 3/4 mile east of the parcel.

The designated legal access to this property starts at the end of Robinson Road south of the MID canal. Access from this point would require construction of a new road,

including two bridges over the MID canal. The probable cost of this construction would seem to preclude this access option from consideration. The DFG now uses the existing MID access road to operate MRH. Coordination and perhaps an agreement with MID may be necessary to increase use of their canal road for the uses proposed herein.

Access to the property north of the Merced River is from a private road south of Merced Falls Road and east of Henderson Park. Discussions with one of the present owners indicates this access has been "legalized" through an agreement with the property owner. Continued use of the MID canal road is the preferred access for management of this parcel. Escrow proceedings should confirm all legal access to the property.

Expected Benefits

Benefits from this project include the following.

1. Three hundred and eighteen (318) acres of river bottom land would be restored to a more natural/historic state. The relatively uniform sterile habitat of dredger tailing would be reclaimed to riparian, wetland and riverine habitat in perpetuity. Fish and wildlife populations would be sustained and expand as restoration proceeds.
2. A conservative estimate of 1.2 to 1.6 million cubic yards of construction material would be made available for the construction and restoration of other aquatic, riparian and wetland habitat in the San Joaquin River Basin. At present day costs, this material is valued at \$2.0 to \$3.0 million. Integrating this project with a number of future channel restoration projects may result in a more cost effective restoration effort, while avoiding further mining excavation in the floodplain areas.
3. The value of this materials would help leverage implementability of future fishery habitat and riparian restoration projects along the Merced River.
4. The project would serve as an example for similar type acquisitions in the Central Valley.
5. This parcel would be a cornerstone in what may become a larger conceptual area plan to restore and maintain the Merced River corridor.

Background and Biological/Technical Justification

Increased water usage, linked to population growth, agricultural production and gravel mining have caused severe reductions in riparian habitat of the San Joaquin Valley. The damming of San Joaquin River tributaries and controlled water releases have changed aquatic and riparian ecology. The riparian habitat of the Merced, Tuolumne and Stanislaus rivers has been severely damaged and will continue to be threatened.

San Joaquin Basin chinook salmon populations have declined to seriously low levels in recent years. Drought, inadequate stream flows, water storage and power development, habitat deterioration and Delta water exports have had varying degrees of impact. It is anticipated that San Joaquin tributary chinook salmon spawning populations will remain low unless more aggressive restoration and /or management action is taken.

In 1991, this property was evaluated for acquisition by the DFG with the single purpose of protecting riparian habitat with limited recreational use. Recent legislation now mandates the restoration of anadromous fish (salmon and steelhead) populations in the Central Valley, including the San Joaquin River basin. Much of the work necessary to restore these populations has centered around salmon spawning and rearing habitat restoration. Amounts of expensive gravel have been purchased and used in these projects, and many more are being planned. This gravel is being mined from upland, floodplain terrace and riparian habitat under Conditional Use Permits from local government (County). Gravel supplies are a critical part of salmonid restoration efforts and long-term maintenance of river habitats. Utilization of dredger tailing on this property for salmonid restoration while returning the property itself to a more natural state makes good economical and ecological sense.

The DFG Lands Committee and Management Team have recently reviewed the revised Land Acquisition Evaluation and recommended to the DFG Director that the acquisition proceed. DFG has delayed requesting assistance from WCB to acquire the parcel due to a lack of available funding.

Proposed Scope of Work

Phase 1 of this project would purchase the property, develop necessary plans and obtain necessary permits to begin Phase 2. In Phase 1, DFG, assisted by the Wildlife Conservation Board (WCB), would address the access issue and any other topic that might prevent DFG from achieving the objectives of this land acquisition. If all issues are resolved, the WCB would purchase the property, in fee title, on behalf of the DFG. DFG personnel would then prepare a scope of work and proceed with contract(s) for consultant(s) to develop a general reclamation plan for the property, satisfy SMARA requirements and obtain environmental permits necessary to begin the reclamation process. An Environmental Impact Report (EIR) may be needed to satisfy environmental concerns. DFG would become the lead agency in the CEQA process completing the necessary documentation with existing DFG personnel and consultants.

The reclamation plan would generally divide the property into smaller, more manageable units for incremental restoration. It would 1) restore the historic mined areas of the property to riparian habitat while preserving existing riparian, wetland and aquatic habitat, and 2) utilize the dredger tailings moved during each area's restoration in the construction for enhancement and maintenance of Region 4 salmon restoration projects.

Restoration techniques, sequence and tentative schedule for each unit's restoration would be established. The reclamation plan would include locations on the property used to sort and store dredger tailings moved during each restoration phase. Monitoring procedures for the individual elements of the reclamation plan would be developed at this time.

As the environmental documentation proceeded, DFG personnel would simultaneously proceed to develop the infrastructure and funding proposals necessary to achieve reclamation of the property. Fencing, posting, improvement of existing "roads," preliminary survey of materials on site and basic mapping of the property would be completed. Improvements to the existing cattle fencing, posting of the property and generally securing of the property for DFG ownership would be the major tasks for infrastructure development.

An estimated 2 to 4 years would be necessary to complete Phase 1 and prepare the property for reclamation. Because of limited access and construction activities, public use of this parcel may be restricted. Limited public access and the designated uses of the property would be determined near completion of all phases of restoration. Funding is presently being requested for only Phase 1 of the project.

Phase 2 of this project would start to implement the reclamation plan developed in Phase 1. Smaller, geographic units with similar biological and geological features identified in the reclamation plan would be restored through a phased approach. In Phase 2, DFG fishery, wildlife and environmental specialists would assist in developing specific composite restoration plans for each of these units. Funding would be secured, appropriate permits obtained, contracts developed (if necessary) and the unit restored. Materials not used in the restoration would be used for other restoration projects or stockpiled in designated areas on the property for future use. After one unit was restored, the process would be repeated until the total property was reclaimed as designated in the general reclamation plan. Phase 2 may take from 10 to 15 years to complete depending on funding, the intensity of future restoration efforts, the demand for construction materials, and administrative restraints.

Monitoring and Evaluation

Monitoring of Phase 1 would consist of scheduling completion dates for each element necessary to complete Phase 1 and making sure these deadlines were met. Monitoring guidelines for Phase 2 would be an element developed during Phase 1.

Implementability

There is no known opposition to this purchase. The community of Snelling is very sensitive to urban growth and local residents may express concerns about increased but low construction activities. Some local residents have objected to traditional mining in the area but the proposed use and restoration of this acquisition should not raise

objections. Opposition from some of the smaller gravel mining companies in the area may be expected. Political consequences of this acquisition are unknown, but are presumed to be favorable overall.

Support for this acquisition comes from the San Joaquin River Management Program participants, environmental groups, sport and commercial salmon fishers, and the numerous agencies involved in restoring riparian, wetland and aquatic habitats throughout the state. State ownership of lands along designated salmon spawning areas (Fish and Game Code Section 1505) enhances our ability to protect these important nursery areas.

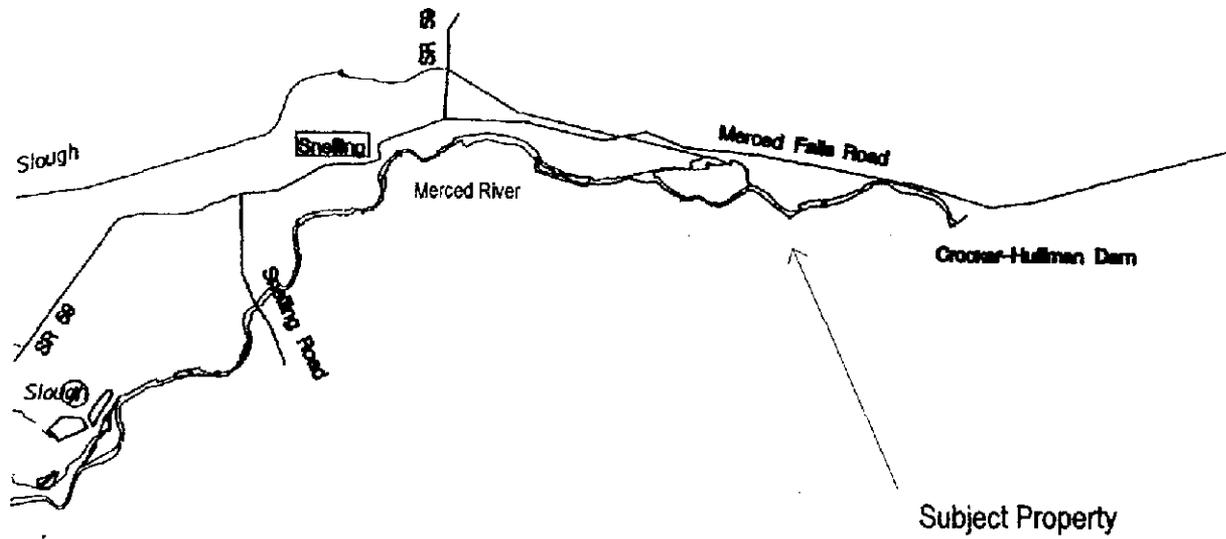
No known cultural resources exist on the property. Past use of the property and discussions with Mr. Bill Franklin (property manager), MRH personnel and others indicate that none are present. However a marked grave is located on the grassland south of the MID canal which does hold some significance with Snelling residents. A survey for cultural resources would be conducted as part of the environmental documentation necessary for restoration of this property.

No known hazardous materials exist on the property. Past use of the property and discussions with Mr. Bill Franklin, MRH personnel and others indicate that none are present. A survey for hazardous materials would be conducted as part of the environmental documentation necessary for the restoration of this property. In particular, a survey of the dredge tailings for heavy metals traditionally used in gold mining operations would be performed prior to purchasing the land.

Cursory discussion with Merced County Planning Department indicate no problems with the intended restoration and use of the property. Because the legal access to this property may not be the best alternative for its proposed restoration, it seems prudent that this acquisition be conditioned on the success of the Wildlife Conservation Board in securing agreements to accommodate Department access over MID's existing canal road system.

Potential future problems which might be anticipated from this acquisition include those problems incumbent upon any small parcel of public land surrounded by private lands not open to public use. Complaints of simple and hunter trespass may be anticipated.

Figure 1. General Area of Subject Property



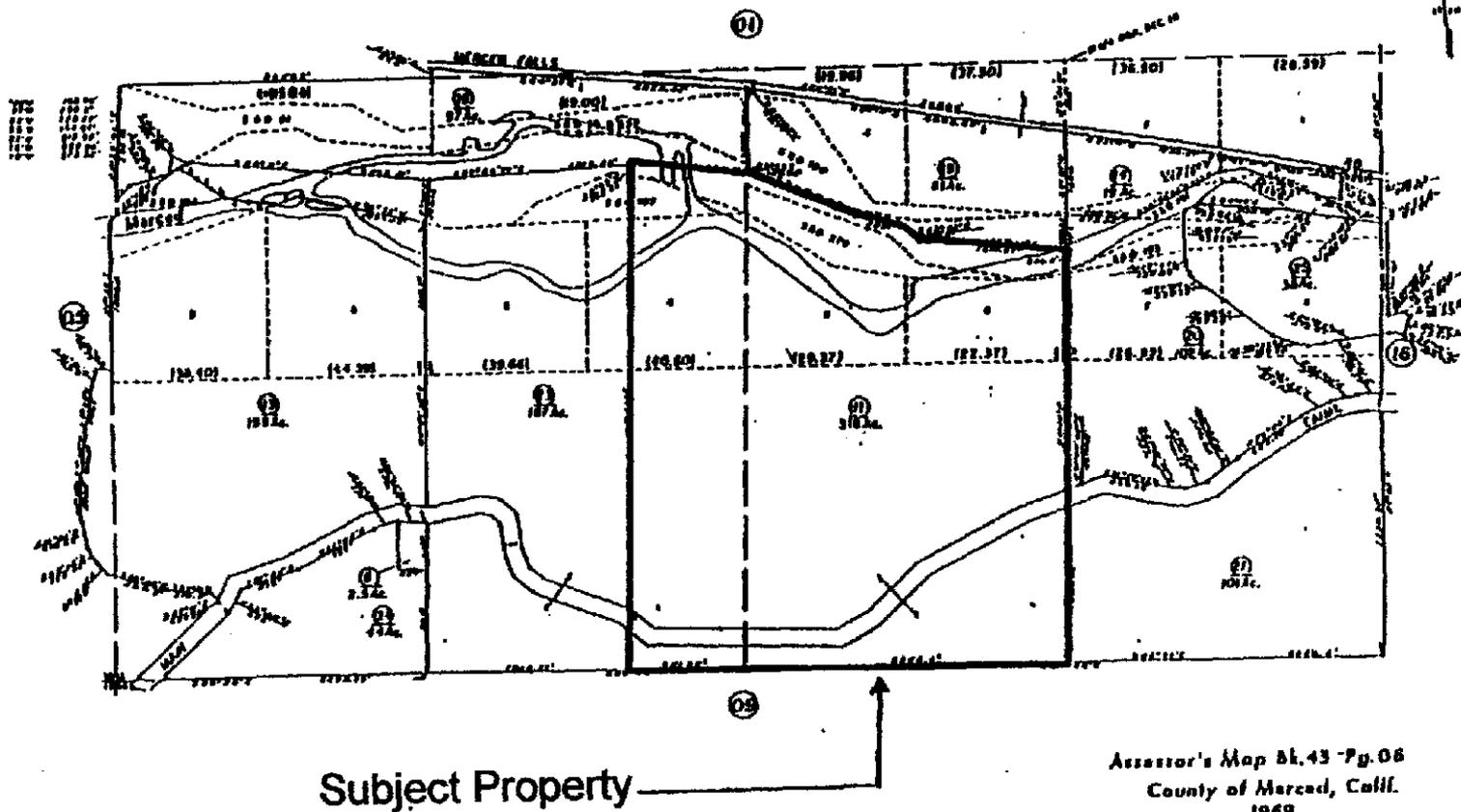
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Figure 2. Subject Property

T.5S.,R.14E.,M.D.B. & M.

Tax Map Area 101-01 43-06
101-06



NOTE - Assessor's Block Numbers Shown in Italic
Assessor's Parcel Numbers Shown in Circle

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IV. Cost and Schedule to Implement Proposed Project

Budget Costs

A total of \$1,325,000 are requested for this project. The following costs are associated with Phase 1 of this project.

	Direct Labor Hours	Direct Salary Benefits	Administration @ 25%	Service Contract	Acquisition	Miscellaneous	TOTAL
Land Purchase	160 AFB	5,350*	131,750	50,000 WCB	477,000		658,750
Permits	160 AFB 160 OA 2	5,350* 3,192*	50,000	200,000 Consultants			250,000
Reclamation Plan	160 AFB 160 OA 2	5,350* 3,192*	50,000	200,000 Consultants			250,000
Infrastructure Construction	320 HS 320 F&W Asst.2 160 OA 2	8,350* 6,162* 3,192*	13,250		20,000 Material	30,000 Equipment Rental 3,000 Fuel	66,250
Monitoring	160 AFB	5,350*					
TOTAL		45,488*	245,000	450,000	497,000	33,000	1,225,000
Contingency						100,000	1,325,000

AFB - Associate Fishery Biologist

OA 2- Office Assistant

HS- Habitat Specialist

* In-Kind Service: not added to totals

The budget proposed is estimated based on best available information at this time. Costs may vary when actual work begins or contracts are developed. There are no O&M costs associated with Phase 1 of this project. Cost sharing of \$45,488 is obtained from DFG employees annual salaries.

Scheduling Milestones and Incremental Funding

Scheduling milestones and incremental funding from CALFED is suggested as follows.

First Incremental Payment: \$658,750

Land Purchase: Up to \$50,000 would be expended for WCB to start the acquisition process. This would be paid as soon as CALFED approved this RFP and a funding agreement is developed. WCB would proceed to investigate access, water rights, mineral rights, proposed use, and other aspects that might negate the stated objectives of this acquisition. If all aspects were resolved, the purchase would proceed. Up to \$477,000 be accrued for the land purchase.

This work would be completed by June 1998.

Second Incremental Payment: \$566,250

Permits and Reclamation Plan: This would be accrued to the DFG as soon as, or slightly before, the DFG took ownership of the property. The amount would cover all permitting, reclamation planning contracts to consultants and infrastructure construction. Costs associated with developing the area (infrastructure construction) would include cost of boundary posting, improvements to existing property roads, fencing and possibly development of a screened riparian water diversion and conveyance system.

This work would be completed by June 2000.

Third Party Impacts

If this project is implemented, impacts to other parties would be minimal. cursory discussions with Merced County Planning Department suggest no problems with the proposed land use. Slight opposition to the purchase can be expected from local residents and existing gravel companies.

V. Applicants Qualifications

The DFG manages 821,017 acres of land, including 103 wildlife areas (17 marine/coastal sites), 99 ecological reserves (22 marine/coastal sites) and 166 public access sites (41 marine/coastal sites). Many wildlife areas and reserves protect species at risk. During the 1995-96 the WCB, the real estate arm of the DFG, authorized \$14.8 million for land acquisition and \$3.5 million for development and restoration projects. The DFG's Environmental Services staff reviews a variety of environmental documents for land and water projects that may affect fish and wildlife, and during 1995-96 processed about 13,000 of these documents and projects. Biologists and botanists conduct hundreds of

studies, surveys, censuses, and other sampling programs annually to assess the state's fish, wildlife and habitat resources.

DFG's Region 4 anadromous fishery staff administered \$1.5 million in the 1995-96 fiscal year. In 1995-96 they helped develop 21 habitat restoration projects and completed the environmental documentation for 5 of these projects. The staff have been named contract managers for several restoration, revegetation, fish screening and fish research projects. They have written environmental documents and obtained permits in coordination with permitting agencies. They have worked closely with the mining industry and the public of the San Joaquin Valley. Region 4 staff have work closely with the various other state, federal and private personnel, to construct and repair chinook salmon spawning, rearing and predator pond isolation project in the San Joaquin River basin. These projects include.

Merced River Riffle Reconstruction Project 1991: A riffle reconstruction project.

M. J. Ruddy Project 1992: A river restoration project. Site revegetation was also completed.

Tuolumne River Riffle Reconstruction Project 1993: A riffle reconstruction project. Site revegetation was also completed.

Stanislaus River Riffle Reconstruction Project 1995: A riffle reconstruction project. Site revegetation was also completed.

Magneson Pond Predator Isolation Project 1996: A 10 acre pond isolation project. Site revegetation was also completed.

Merced River Gravel Addition Project 1996: A spawning gravel addition project.

Reed Pond Predator Isolation Project 1997: A 5 acre pond isolation and floodplain reconstruction project. Site revegetation is also included.

Stanislaus River Gravel Addition Project Goodwin Canyon 1997: A spawning gravel addition project.

Hills Ferry Fish Barrier 1992-2009: A multi year, fish barrier project.

The DFG Region 4 staff assigned to implement the Merced River Ranch Land Acquisition and Development Project are:

Mr. William E. Loudermilk, Senior Fisheries Biologist (M/F). Mr. Loudermilk will be responsible for the overall project supervision.

Mr. Clarence J. Mayott, Associate Fisheries Biologist (M/F). Mr. Mayott will assist with journey responsibilities and specifically develop the contract with the WCB to purchase the acquisition. He will help develop bid specifications and assist in the selection of consultants, act as contract manager for the environmental documentation and reclamation plans for the project. He will be assisted by DFG biologists, clerical and seasonal/scientific aides, as necessary.

Mr. Thomas Rogers Fish Habitat Specialist. Mr. Rogers will be responsible to construct or oversee construction of the infrastructure necessary to complete the project. He will be assisted by a permanent Fish and Wildlife Assistant, Mr. John Lokke and several seasonal personnel.

This core staff will obtain administrative support from DFG's Executive and Management Teams and support from clerical, fiscal and contract personnel. Region 4's environmental and wildlife personnel will provide technical and scientific review when necessary.

VI. Compliance with Standard Terms

The DFG is a public agency and will comply with the appropriate terms and conditions pursuant to policy, regulations and laws.