

I. Title Page

DA 9

A. Floodplain Easements - Lower Tuolumne and San Joaquin Rivers

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C. USDA Natural Resources Conservation Service	(participant)
East Stanislaus Resource Conservation District	(participant)
Private Property Owners	(9 participants)
Tuolumne River Preservation Trust	(collaborator)
Friends of the Tuolumne	(collaborator)
Tuolumne River Technical Advisory Committee	(collaborator)
US Fish and Wildlife Service	(collaborator)
USDA Farm Service Agency & County Committee	(collaborator)
The Great Valley Center	(collaborator)
The Nature Conservancy	(collaborator)
Modesto Peace/Life Center: Wetlands Project	(collaborator)

D. Following disastrous flooding in 1997 and 1998 along the lower Tuolumne and San Joaquin Rivers, the USDA Natural Resources Conservation Service in cooperation with the East Stanislaus Resource Conservation District (RCD) received an unprecedented response by landowners applying for USDA's Emergency Watershed Protection Program (EWP) and particularly for the new perpetual floodplain easement component. The 1997 USDA contribution of EWP and Wetlands Reserve Program (WRP) easements exceeded \$5 million dollars on over 3,165 acres added to the San Joaquin National Wildlife Refuge. The 1998 USDA contribution of EWP & WRP exceeded \$1.8 million dollars on over 1,365 acres of adjacent and nearby private agricultural lands subject to frequent flooding in Stanislaus County. The primary purpose of the floodplain easement program is to provide landowners and the public an alternative to restoring frequently flood-damaged lands to agricultural production through the use of public funds. Because agricultural land values in this area are relatively high, the NRCS \$2,000/acre cap on easement acquisitions is not enough compensation for landowners to place portions of their farms in perpetual easements. CALFED funding is requested in this proposal to primarily pass through to the East Stanislaus Resource Conservation District to combine with other private and government funding sources (if available) to obtain an NRCS floodplain easement on 9 properties already enrolled in EWP with firm funding (\$1.5 million) available for contracts in fiscal year 1999.

II. In 1998, NRCS received 22 applications from private property owners in Stanislaus County for EWP floodplain easements. NRCS received enough funding (\$1.5 million) to offer 9 applications based on preliminary estimates of land values and considering the NRCS \$2,000/acre cap. Approximately 1,200 acres of agricultural lands that will no longer be farmed are included in these 9 applications. The parcels involved in these applications are near the San Joaquin National Wildlife Refuge along the lower Tuolumne and San Joaquin Rivers. Some of these applications are adjacent and nearby previously funded CALFED projects, such as the Grayson River Ranch Perpetual Conservation Easement and Restoration project. NRCS has requested and received written letters of intent to continue from all 9 applicants. NRCS will be requesting land surveys and appraisals of these 9 properties in the near future in consideration of the need for timely appraisals. The EWP and WRP programs allow for landowners to be compensated for 100% of the agricultural or other undeveloped/raw land value of the land (assuming a post disaster restored condition) but current NRCS funding is limited to the least cost approach considering geographic rate caps, landowner offers or agricultural land value. Appraisals will need to be conducted over and above those normally required by the EWP program to establish the CALFED contribution. NRCS is required to recover all costs over-and-above those required of the EWP floodplain easement program. NRCS will be the only easement holder and all appropriate functions and duties of the EWP floodplain easement program will be the responsibility of the NRCS. USDA and NRCS have enduring memoranda of understandings in place with the East Stanislaus RCD signed by the USDA Secretary and the NRCS State Conservationist to provide technical assistance to carry out their long range and annual plans of operations. The East Stanislaus RCD considers this resource concern a high priority as evidenced by previous grants, contracts and MOU's with local, state and federal agencies and private non-profit organizations. The East Stanislaus RCD will need to recover all hard costs associated with administering the CALFED portion of this grant.

III. The project is located in Stanislaus County on the lower Tuolumne River (4 properties) about 3 miles downstream of the City of Modesto extending to within 1 mile of the San Joaquin River National Wildlife Refuge and on the lower San Joaquin River (5 properties) about 1 mile upstream of the Refuge extending to slightly beyond Del Puerto Creek. All of the properties were flooded in 1997 and 1998. Many of the properties have been severely scoured by high flows the rivers, although some properties have returned to agricultural production and nearly all could return to cropland. All properties have or had private agricultural levees that have been breached and compromised. None of the properties are protected by project levees.

IV. Floodplain easements will result in the following:

1. Reduction of the public risk of flood damages including public risks to downstream or adjacent lands;
2. Protection of lives and property from floods, drought, and the products of erosion;
3. Retardation of soil erosion through restoration, protection, or enhancement of the floodplain;
4. Allowance of the unimpeded reach and flow of any waters in, over, upon, or through the easement area including the restoration, reconnection and enhancement of water conditions on the easement area;
5. Elimination of future disaster payments that would otherwise be applicable to the area;
6. Restoration, protection, management, maintenance, and enhancement of the functions of wetlands, riparian areas, conservation buffer strips, and other lands;
7. Conservation of natural values including fish and wildlife habitat, water quality improvement, flood water retention, groundwater recharge, open space, aesthetics, and environmental education.

Both salmon and steelhead are first tier primary species identified as a focus of the CALFED interim restoration coordination program. This project would provide approximately 1,200 acres of seasonal wetland habitat and shaded riverine aquatic habitat in an area that was previously intensively cultivated. It will provide improved habitat and safety for migrating and rearing salmonids, decrease stream velocities and channelization, and lower thermal input to the water. Reestablishment of the riparian community will improve the vegetative input to the stream and thus improve the available food chain from microorganisms up through invertebrates. These processes will improve migratory habitat and smolt survival for San Joaquin fall run chinook salmon which spawn in the Tuolumne River. It would also improve habitat for steelhead trout, which we expect to reestablish in the Tuolumne River due to increased flows required by the 1995 Don Pedro FERC Settlement Agreement.

The western yellow billed cuckoo, neo-tropical song birds, waterfowl and migratory birds, would also benefit due to establishment of riparian trees and shrubs. The brush rabbit, riparian wood rat, frogs, toads, pond turtles, and Valley Elderberry Longhorn Beetle are other species which would also benefit from the restoration.

The project would restore natural hydrology by allowing the property to flood seasonally, resulting in re-establishment of fine sediment deposition on the floodplain, riparian zone vegetative regeneration, and in-stream woody debris recruitment.

Downstream property owners will benefit from increased floodplain water storage during times of high river flows. Water quality will improve in the delta due to the buffer/filter aspects of re-establishing this riparian zone separating agricultural runoff from the riverine environment. River velocities will also be reduced by increased water storage in wetlands which will result in less bay-delta turbidity and deposition.

The private agricultural levees on these sites currently prevent the above processes from taking place. Seasonal flooding will maintain the riparian vegetation under either engineering alternative, removing part of the levee or creating a backwash allowing water to flow onto the property. The existing levees have required frequent and sometimes extensive repairs in prior years as a result of high water. The levee will not be maintained and the river will be allowed to have its way, resulting in natural river flows as the levee deteriorates. Native plant species will be reintroduced to the property including valley oak, willows, cotton wood, box elder, and other woody and herbaceous species. Shaded riverine aquatic habitat will help to reduce thermal heating of the water, provide organic debris for aquatic invertebrates while providing cover and resting habitat for avian species. The habitat created will be diverse, ranging from wetland to dry savanna due to the elevation changes on site.

The lower Tuolumne and San Joaquin Rivers are heavily cultivated down to the bank and have extensive levee and other erosion control structures which modify river hydrology. Many floodplains have been converted to agricultural uses by the creation of levee systems and their riparian woodlands removed. The cooling effects of shade and the cover/protection provided to salmon and steelhead trout have been greatly reduced. The levees have created deep channels with swift currents at the river's edge where there would naturally be shallow, slow moving, protected habitat for both adult and young salmon and steelhead trout. Roosting and nesting habitat for birds has disappeared with the loss of riparian woodlands. Backwater sloughs and wetlands upon which frogs, toads, pond turtles, anadromous smolt and birds rely for habitat has also disappeared as a result of agricultural development in riparian zones. This project will provide new habitat and mitigate these impacts and provide benefits discussed above.

The East Stanislaus RCD will be the responsible agency for implementing article 9 of the 1995 Don Pedro FERC Settlement Agreement and will receive \$500,000 for riparian restoration projects. The East Stanislaus

RCD has been awarded a grant from the CVPIA anadromous fish restoration program and recently a cooperative agreement from CALFED for similar projects. The East Stanislaus RCD has MOU's with local environmental groups to receive donations for river restoration activities such as those proposed here. The NRCS, through an enduring MOU with the East Stanislaus RCD has recognized this area as a demonstration area for their new Stream Corridor Restoration Initiative as presented at the USDA State Technical Committee meeting 1/11/99. The NRCS District Conservationist has provided numerous public presentations at well attended meetings and through local community access television. NRCS and the RCD have had individual discussions with private property owners who state they need to be compensated for the agricultural value of their land before they can justify setting it aside into perpetuity. Partner funding is critical to the success of this unique opportunity.

V. Monitoring is a responsibility of the NRCS, including annual inspections of the properties. As required by the EWP program, NRCS will develop a conservation plan with the property owner compatible with the objectives of CALFED.

VI. (A) Alternatives considered included assisting property owners redevelop their scoured and eroded fields back to agricultural production and continuing to provide USDA Emergency Cost-shared Practices. In many cases, applicants have experienced frequent disasters and are tired of fighting the river. They also perceive that additional flows are being considered by the US Army Corps of Engineers and the frequency of flooding may increase. (B) NRCS is responsible for completing all NEPA/CEQA documents as required. © NRCS is responsible for assisting with or obtaining permits as required. (D) NRCS and the RCD has an excellent reputation in the area, working with property owners and responsible agencies to resolve outstanding issues.

VII. (A)	Service Contracts	Direct Costs	Indirect Costs	Total Costs
(1) Realty Services & Admin	9 x \$6,000 = \$54,000	9 x 2,000=\$18,000	\$9,000	\$81,000
(2) RCD hard costs	\$9,000	\$9,000	\$1,000	\$19,000
(3) Easements		\$1,400,000		<u>\$1,400,000</u>
Total	\$63,000	\$1,427,000	\$10,000	\$1,500,000

Apr-Jun 99	Jul-Sep 99	Oct-Dec 99	Jan-Mar 00	Apr-Jun 00	Jul-Sep 00	Total Budget
(1) \$40,000	\$31,000	\$10,000	-----	-----	-----	\$81,000
(2) \$3,000	\$5,000	\$8,000	\$3,000	-----	-----	\$19,000
(3) -----	\$1,000,000	-----	\$400,000	-----	-----	\$1,400,000
(Totals) \$43,000	\$36,000	\$1,018,000	\$403,000	-----	-----	\$1,500,000

VIII. (A) There has been a widespread effort over the last two years to inform people about USDA easement programs, including many public meetings, newsarticles, television coverage, and a locally produced television program that was re-broadcast numerous times. One of the applicants is a long term member

and past Chairman of the Stanislaus County Board of Supervisors. All farmers have been notified of USDA programs offered in the County. I am not aware of any opposition to this project. Its is a win-win for agriculture and the environment. It retains private property ownership and rights (although no farming will be allowed). These are marginal soils that can only produce a small fraction of the crops produced in the county. (B) Most environmental groups are aware of the project and have been very supportive, writing letters of support for similar projects, including the FERC Technical Advisory Committee. This concept and these properties are consistent with the Governors FEAT report, the recently completed Corps of Engineers reconnaissance study of the Tuolumne River, the recently unveiled comprehensive study of the San Joaquin River and the non-structural approach to floodplain management all federal agencies must consider in their planning. It is conceivable that the Farm Bureau might take exception to the loss of agricultural land, but they have not surfaced that concern on these 9 properties. These soils flood frequently and are marginal to agricultural production, particularly in wet years. This project will help those farms stay viable by compensating them for their agricultural value in the land. © All properties are self-contained in regard to flood frequency changes that will occur by this project. Adjacent landowners have attended meetings and have asked questions and have received responses that resolved their questions, for the most part. No one has spoken against the project, that I am aware of. Most adjacent owners are interested in how this project will play out and have expressed interest if more funding is provided. (D) Outreach is continual and never ending. We live in the community and our integrity is everything. (E) Possibly lower property taxes, possibly less feed for dairy cows.

IX. USDA Natural Resources Conservation Service - 60+ years of working hand-in-hand with private property owners and conservation districts (RCDs) getting conservation on the land, providing leadership in our communities and getting things done that benefit the farm and the environment.

X. We believe that there is compatibility across the board.

