

Sacramento Cogeneration Authority

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Procter & Gamble Cogeneration Project

DRAFT MITIGATION PROPOSAL FOR BIOLOGICAL RESOURCES OF PROCTER & GAMBLE COGENERATION PROJECT

SUMMARY

The California Energy Commission (CEC) staff is in the process of preparing the Preliminary Staff Assessment (PSA) for the Procter & Gamble Cogeneration Project Application For Certification (AFC) (Docket 93-AFC-2). The project applicant is the Sacramento Cogeneration Authority, a joint powers agency. As described in the application, the project would disturb approximately 15 acres of annual grassland habitat and roadside ditches, in a primarily industrial area of the city of Sacramento. Plant facilities would occupy approximately 10 acres, and 5 acres would be used during construction for laydown and parking. The site currently provides foraging habitat for several species of raptors, jackrabbits, and songbirds. There was formerly as much as 0.4 acres of swales and problem wetlands on and adjacent to the site that would be affected. A portion of these wetlands (0.01 acres) is habitat for a proposed federally endangered species, *Branchinecta lynchi*; the vernal pool fairy shrimp.

On March 24, 1994 the CEC staff provided the applicant with a proposed draft of the biological resources analysis portion of the PSA, including a description of the mitigation proposed by the CEC staff. CEC staff and the applicant met in a workshop on March 25 to clarify the scope and details of the analysis. The applicant raised concerns for several minor specific items of the analysis that were verbally corrected during the workshop, and should be corrected in the final version of the PSA.

SCA requested an opportunity to provide alternative options to accepting the CEC staff recommended mitigation. SCA feels that to meet the objectives of mitigation, a potential recipient of mitigation funds should be able to meet the following criteria:

- 1) The recipient of mitigation monies should have a comprehensive management plan for acquisition and long term management of properties or easements.
- 2) The recipient should have a history for accomplishing the goals of wildlife resources habitat preservation.
- 3) The recipient should be a local organization that can use the funds within 2 years to acquire property in fee or conservation easements.
- 4) The recipient should be independent and objective of CEC decision making to avoid potential conflict of interest.
- 5) The mitigation should be in-kind, providing grassland and wetland area of superior wildlife resources value to that which will be replaced by the proposed project.
- 6) Mitigation funds should be used primarily for acquisition and management of land, rather than research, offices or administrative support.
- 7) Mitigation should be implemented on within the Central Valley province, in Sacramento, Yolo or Solano Counties.
- 8) The wildlife resources value of mitigation property should be greater in terms of species richness, diversity and long-term sustainability than that affected by the project.
- 9) The applicant should not be denied participation in and tangible or intangible benefits derived from providing mitigation funds.

This report summarizes the CEC staff proposal for mitigation as we understand it, and proposes four options proposed by SCA which fulfill the above objectives for mitigation.

CEC STAFF PROPOSAL FOR MITIGATION

The CEC staff believes there are permanent and temporary, indirect and cumulative losses due to the project, transmission lines and fiber optic lines. The CEC staff proposes to accept a compensation payment of \$113,000 within 10 days of approval of the application, which would be placed into a state escrow account. The uses of this money include land purchase, development of habitat management plans, species research programs, species monitoring, salary of management personnel, office space rent and equipment purchases, investment management of the endowment, educational and other uses.

The rationale behind the final figure of \$113,000 has been discussed at some length, and is summarized as the applicant understands it in Table 1.

Table 1. CEC Staff Rationale for Biological Resources Compensation for Procter & Gamble Cogeneration

	Impact	Compensation	Rationale
Project site	9.6 ac	9.6 ac	Habitat will be permanently lost due to project construction
Parking and Laydown	5 ac	2.5	Parking and Laydown area temporarily lost
Problem Wetland	0.4 ac	4 ac	0.1 ac of onsite wetland and a partly offsite wetland (formerly present) of 0.3 ac size will be lost.
Transmission and FO line grassland	2 ac	2 ac	Grasslands which could be affected by T-line construction. Compensation is refundable if no impact occurs
Transmission/FO line wetlands	0.2 ac	2 ac	Wetlands which could be affected by T-line construction. Compensation is refundable if no impact occurs
Indirect impacts	5 ac	2.5 ac	Indirect effects include growth affects, minor traffic and noise, and less wildlife use on the adjacent area west of the project.
Total	22.2	22.6 ac	22.6 ac @ \$5000 per acre (\$3500 acquisition plus \$1500 management) = \$113,000

SCA PROPOSED MITIGATION OBJECTIVES

This section describes the rationale and mitigation measures proposed by SCA to avoid or minimize impacts to biological resources from the project.

The objective of biological resources mitigation is to avoid, minimize, or rectify habitat losses that result from project construction and operation. The objective of compensation for the P&G Cogeneration Project is to provide for comparable or superior biological resources to be preserved and enhanced, to mitigate for the loss of resources on the project site. The goal of the applicant, is to provide means to preserve and enhance land equivalent to or better than, that which they are affecting.

The habitat that will be affected by the project is highly degraded annual grassland, used primarily by jackrabbits, blackbirds, and meadowlarks. These and other species using the site are not rare or endangered, and the habitat in which they live is widespread and common in California. Raptors forage in the vicinity, but these are primarily red tail hawks and northern harriers, both of which are common species in valley grasslands and agricultural habitats. Two species of fairy shrimp proposed for federal listing occur onsite in highly degraded habitats that are common in the project vicinity. The setting of the project is industrial, with factories, buildings, roads, railroads, and warehouses on all sides. Compared to the value of non-urban habitat, the value is low.

For the P&G project, 9.6 acres of annual grassland and 0.4 acres that may be classified as wetlands or grasslands will be permanently lost as habitat. An additional area of 5 acres will be temporarily used for parking and laydown, and will be compromised as habitat. Sensitive habitats west of the project, including seasonal wetlands will not be affected by the project. The project may affect wildlife using grasslands adjacent to the plant on the west side, but because the species that are present (jackrabbits, meadowlarks, red tail hawks) are common, the impact will be insignificant.

Habitat losses due to transmission line and fiber optic lines will be minimized by careful placement of poles to avoid sensitive habitats, and scheduling construction to minimize impact during sensitive seasons. Primary transmission line impacts will consist of approximately 6 new poles constructed in existing rights-of-way, industrial areas and degraded habitat. SCA believes that all significant impacts due to construction of transmission and fiber optic lines can be avoided through careful planning and construction, and has agreed to implement pre- and post-construction biological surveys to ensure this. However, SCA is proposes to provide a performance bond of \$10,000 which will be forfeit for biological resources compensation if the criteria for significant biological impact are violated during construction. The criteria for determining significant impact should be specified by the CEC staff, and agreed to by SCA before approval of the pre-construction biological surveys.

SCA considers the total impact area to comprise approximately 10 acres of degraded grassland, with less than 0.4 acre of wetland and some smaller area of temporary disturbance. To

compensate for losses to biological resources from the project, SCA proposes as its objective the acquisition and management of approximately 15 acres of higher value grassland and wetland habitat suitable for foraging grassland, wetland and raptor species.

MITIGATION OPTIONS

With the above stated objective, and a very short time frame, the applicant has explored several opportunities for biological resources mitigation. Each option includes the acquisition of 15 acres of valley grassland habitat, with greater than 0.4 acres of wetland represented. In each case, the compensation would be provided to a local organization that would use the funds within 2 years to acquire property in fee or conservation easements, and provide for management of those properties for their maximum habitat resource value. Each option proposes to use lands within the Central Valley province, in Sacramento, Yolo or Solano Counties. In each case, the properties under consideration are suitable for the species that would be affected by the project. Each option proposes property that is of greater value, in terms of species richness, diversity and long-term sustainability, than that affected by the P&G project.

We interviewed four potential recipient to determine the location, area and biological values of their individual projects, and believe we have provided at least four suitable alternatives to that offered by the CEC staff. Each recipient was required to have a comprehensive management plan for acquisition and long term management of the properties, and a history for accomplishing the goals of wildlife resources habitat preservation. However, for each option, the potential recipient of compensation was requested to provide a letter of intent stating its earnest interest and their ability to receive and use compensation moneys for the specific purposes indicated.

3.1 OPTION ONE: FIFTEEN ACRES OF JEPSON PRAIRIE PROPERTY

Under this option, the applicant would purchase 15 acres of land adjacent to the Nature Conservancy's Jepson Prairie Preserve in Solano County, California. In addition, SMUD would provide an additional fee for the management in perpetuity of this property in conformance with the wildlife preservation objectives of the Jepson Prairie. The 15 acres is part of a much larger parcel (PGT mitigation land) that lies north of the existing preserve, and comprises both annual grasslands and extensive vernal pools.

Upon closing, the land would become part of the preserve area managed by CDFG, and would become part of a comprehensive effort to acquire and protect greater areas of this habitat. The extraordinary value of this property for protecting many endangered species and threatened habitats as well as the grassland and raptor species that might have used the P&G site in historical times makes this an attractive option.

The Nature Conservancy has managed a concerted effort in this area to reestablish tall prairie bunch grasses, that once dominated California's central valley and would be of far superior environmental value than the exotic annual grassland at the P&G site. Furthermore, two species of vernal pool invertebrates, one of that is extraordinarily rare and proposed for federal endangered status occurs in this area. SMUD feels this option provides habitat having a much better value than the relatively poor habitat in Sacramento lost by the project.

Ms. Dawna Grant, Acquisition Supervisor of Bechtel Corporation has provided a letter of intent, advising SMUD of her interest and the immediate availability of the property.

3.2 OPTION TWO: FIFTEEN ACRES OF COSUMNES RIVER PRESERVE

SMUD would purchase 15 acres of land adjacent to the Nature Conservancy's existing Cosumnes River Preserve in south Sacramento County, California. In addition, SMUD would provide a fee for enhancement and management of the property in conformance with the objectives of tall riparian forest development among valley grasslands. The 15 acres would be part of a larger parcel, the exact location of that is sensitive and cannot be divulged at this time. However, the property is primarily annual grassland with swales draining into the Cosumnes river.

The Conservancy has focused in recent years on re-establishing "gallery" riparian forest consisting of cottonwoods, sycamores, oaks and other species. This area would be high value because it not only supports jackrabbits, meadowlarks and other grassland species, but provides nesting trees for raptors such as the Swainson's hawk, that have been limited in recent years by a lack of suitable nesting sites. Vernal pools are generally present in the vicinity, though it is not certain to what extent they exist on the particular parcel in question. Mitigation of this kind has been previously implemented for CEC projects, and would provide habitat of much greater value than that lost by the P&G project.

Mr. David Martinez, Nature Conservancy has advised SMUD of his interest and immediate need for funds. He can show the CEC staff representative properties and the comprehensive management plan for the area, but cannot at this time reveal the precise location for which negotiations are in progress.

3.3 OPTION THREE: FIFTEEN ACRES OF YOLO BASIN PRESERVE

SMUD would provide funds to the Wildlife Conservation Board (WCB), which is the property acquisition arm of CDFG. The WCB has a record of being able to acquire high-value properties at much lower than market rates. The Wildlife Conservation Board is currently executing a purchase and conservation easement of properties in the Yolo Basin, that is primarily agricultural land that is flooded during the winter. There are also areas of riparian forest and scattered ponds.

The Yolo Basin is a very important foraging area for raptors, including Swainson's hawks, and

also supports a variety of jackrabbits, squirrels, songbirds and other species. In the winter it provides feed for thousands of waterfowl. In the past 5 years the WCB in conjunction with the Yolo Basin Foundation has made efforts to establish a large preserve area in the Yolo Basin for wildlife resources management.

At this time, there is no specific acquisition program in which SMUD could directly participate; however the WCB acquisition managers assure us that they can predict with relative accuracy the cost of such a transaction and would be pleased to receive and maintain the moneys for up to two years until a suitable acquisition of conservation easement were available. Administratively, the WCB would be instructed by CDFG to accept mitigation monies and pursue property acquisition.

Mr. Frank Giordano, Acquisitions Manager at CDFG has advised Ebasco of his interest and the ability of the WCB to use the mitigation funds for the purpose intended if requested by CDFG. A specific request for letter of intent has been sent to Mr. Bob Mapes of CDFG, and John Schmidt, Executive Director of the Wildlife Conservation Board.

3.4 OPTION FOUR: FIFTEEN ACRES OF PUTAH CREEK PRESERVE

The city of Davis is attempting to acquire additional portions of South Putah Creek, in the vicinity of the Yolo Bypass/ Putah Creek Sinks. The City owns several parcels and is in negotiation to acquire several more. The intention is to protect and restore riparian corridors and adjacent farmlands and grasslands, and provide an area for wildlife from the Yolo Bypass to move out into the valley and up Putah Creek. The objective would be acquisition of at least a portion of the riparian corridor and conservation easements of adjacent farmlands with crops consistent with wildlife use. The City's efforts are designed to complement those of state and federal resource agencies who are establishing projects in the area. A new state wildlife area in the Yolo Bypass downstream is to be constructed this year, and federal efforts to purchase adjacent conservation easements are under way.

Public access would be limited and the area would be primarily enhanced for its wildlife potential. Many songbirds, small mammals, and amphibians are dependent on these valley grassland riparian meanders. The trees that abut the existing Putah Creek Preserve areas are rich Swainson's hawk nesting areas, as well as providing resting and migration corridors for a variety of other species. The City is hoping to provide an improved habitat area but also a location that can be used for environmental education and research, and to increase awareness of the value of these resources.

The project is somewhat new, but according to sources working in the Open Space Program, there is an urgent need for seed money such as this that would enable the program to acquire full blocks of land that they cannot otherwise afford.

Ms. Jeanie Hippler, Director of Parks and Community Services has been contacted to provide a letter of intent. Mr. Dave Harzoff of her staff verbally reported their interest and ability to use the funds for the mitigation purposes intended within 12 to 18 months.

CONCLUSIONS

The CEC staff has provided one option for fulfilling mitigation requirements for biological resources for the proposed Procter & Gamble project. SCA has provided four alternative options, which it believes are preferable in meeting the objectives of mitigation for the P&G project. These objectives, outlined above are to provide the required mitigation lands, along with an endowment for appropriate management by an agency or local organization. We believe it is important the organization have a history and comprehensive plan for utilizing the funds within a reasonable time period.

STATE OF CALIFORNIA

State Resources Conservation
and Development Commission

In the matter of:)	Docket No. 93-AFC-2
)	
Application for Certification)	PROOF OF SERVICE
of the Sacramento Cogeneration)	(rev. 12/3/93)
Authority's Procter & Gamble)	
Cogeneration Project)	
_____)	

PROOF OF SERVICE

I, Evangeline Parchamento, declare that on April 7, 1994, I deposited copies of the attached SCA draft Mitigation Proposal for Biological Resources of Procter & Gamble Cogeneration Project(Docket No. 93-AFC-02) in the United States mail at Sacramento, California, with first class postage thereon fully prepaid and addressed to the following:

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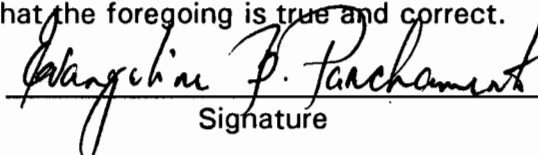
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I declare under penalty of perjury that the foregoing is true and correct.


Signature

Attachment