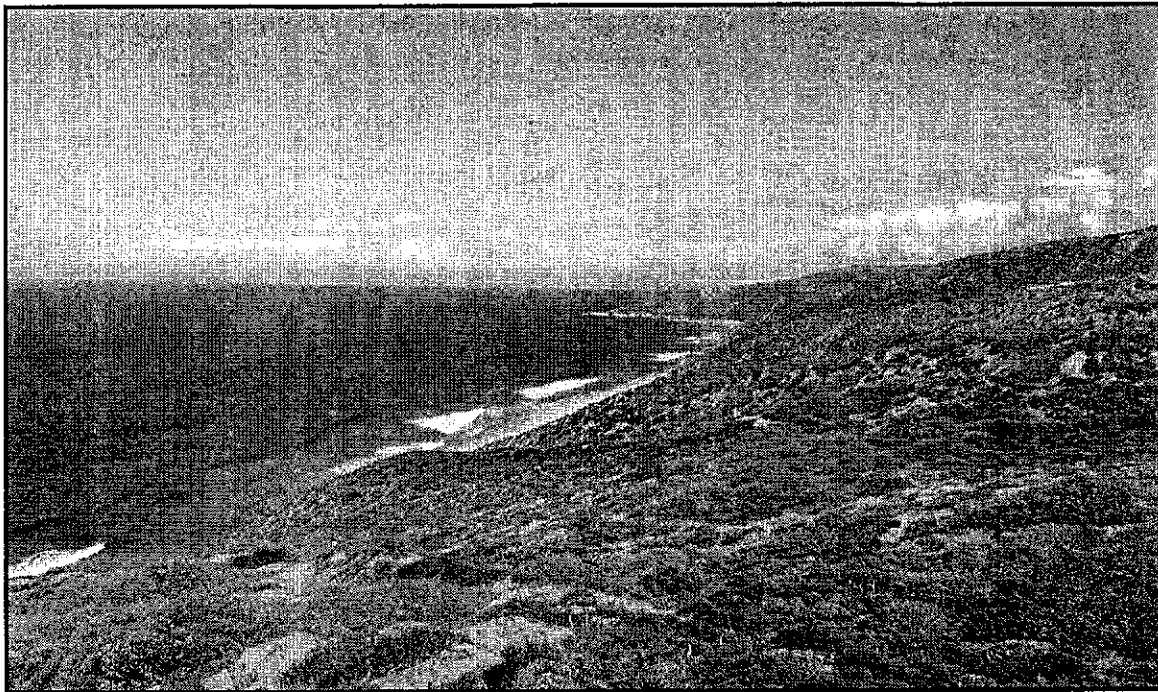


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***Proposal for Grant Expenditure***

***Contract No. 98-289-4***

***Gragnani Property - Paradise Beach  
Guadalupe-Nipomo Dunes Complex***



**Prepared for:**

**Mr. Roger Briggs  
Mr. Michael Thomas  
Central Coast Regional Water Quality Control Board**

**Prepared by:**

**The Land Conservancy of San Luis Obispo County**

**December 2007**

## PROJECT DESCRIPTION AND BACKGROUND:

The Land Conservancy of San Luis Obispo County proposes to acquire a 143 acre parcel located just north of Point Sal and fronting Paradise Beach in the Guadalupe-Nipomo Dunes Complex from Mr. and Mrs. Don and Irene Gragnani. The property includes approximately ½ mile of coastline, including a portion of Paradise Beach and several tide pool areas tucked into small, protected coves. The purpose of the acquisition is to protect the important conservation values found on the property, including unique water resources which we believe warrant grant funding consideration by the Central Coast Regional Water Quality Control Board.

The Gragnani Family has agreed to sell the property at full market value, \$2.15 million, in accordance with an appraisal prepared by Mr. Todd Murphy with the San Luis Obispo firm of Schenberger, Taylor, McCormick, & Jecker. The Nature Conservancy has recommended assignment of the remaining funds in the "Piecing Together a Protected Landscape Initiative" contract<sup>1</sup> that they enjoy with your agency in the amount of \$900,000. This grant facility was set forth as part of the first round of contracts awarded under the Guadalupe Oil Field Settlement Water Quality Trust. The State Coastal Conservancy has recommended \$1.25 million for the transaction and will bring forward their recommendation for funding at their January 17<sup>th</sup> meeting.

Although the parcel is technically landlocked from any public road (see figure 1), it is immediately adjacent to public lands owned by the Bureau of Land Management (BLM) and the County of Santa Barbara Parks Department. Point Sal State Park is, in turn, adjacent to the BLM and County of Santa Barbara parcels. If the proposed conservation transaction is successful, Santa Barbara County Parks has expressed a strong interest in the long-term ownership and management of the property.

### Proposed Funding Arrangement

State Coastal Conservancy	\$1,250,000.00
<u>RWQCB/NFWF/TNC</u>	<u>\$900,000.00</u>
TOTAL	\$2,150,000.00

### Contract Funding History and Total Project Value (as Proposed)<sup>2</sup>

Choin Property Acquisition (2003)	\$500,000.00	Total Project Value	\$900,000.00
Rossi Property Acquisition (2005)	\$600,000.00	Total Project Value	\$2,000,000.00
<u>Gragnani Property Acquisition (2008)</u>	<u>\$900,000.00</u>	<u>Total Project Value</u>	<u>\$2,150,000.00</u>
TOTAL	\$2,000,000.00		\$5,050,000.00

<sup>1</sup> Contract number 98-289-4 between The National Fish and Wildlife Foundation and The Nature Conservancy for the benefit of the Central Coast Regional Water Quality Control Board

<sup>2</sup> The Choin and Rossi acquisitions were also completed by The Land Conservancy of San Luis Obispo County under assignment of funds from The Nature Conservancy

## DESCRIPTION OF THE PROPERTY, CONSERVATION VALUES, AND WATER RESOURCES:

The Gragnani Property comprises 143 acres within the approximately 800-acre Point Sal Reserve Management Area. The most significant feature of this property is its inclusion of nearly one-half mile of Paradise Beach. This white, sandy beach extends from Mussel Rock to an area of tidepools just north of Point Sal, and supports a well-used marine mammal haulout area and mussel bed within the protected rocky areas at its southern end (see photographic exhibits 1-3). Paradise Beach is framed by steep bluffs (see photographic exhibit 4). A sandy upland area of intact coastal dune scrub vegetation exists behind the bluffs and extends inland (see photographic exhibit 5). The bluff edges contain very unique freshwater seeps identifiable by the presence of willows and cattails, some of which feed freshwater pools on the beach that are used by wildlife (see photographic exhibits 6 and 7). Further inland, the coastal dune scrub gives way to heartier central maritime chaparral and central coastal sage scrub communities. The *Point Sal Reserve Management Plan* (Storrer and Semonson, 1991) also depicts a wildlife dispersal corridor in this area of the property (which connect significant wildlife habitat areas, thus helping to mitigate effects of habitat fragmentation by facilitating dispersal of individuals between substantive patches of remaining habitat).

Pre-existing dirt roads and trails exist on the property (see photographic exhibit 8). The current owners have owned the property since the 1970's and have used it only for camping and occasional hunting. The property is zoned for agriculture and agricultural-related uses (including a primary residence and guesthouse), but there is no known historical use of the property for farming or residential; the land is largely unsuitable for sustained grazing, and there are no permanent structures on the property. Off-site views from the property include expansive vistas of the Pacific Ocean, Mussel Rock, the surrounding hillsides, and range from Point San Luis to the north, to Point Sal and Point Arguello to the south (see photographic exhibits 9 and 10).

As detailed in the *Point Sal Reserve Management Plan* (Storrer and Semonson, 1991), the larger Point Sal Reserve Management Area, of which the Paradise Beach property is a part, is regionally unsurpassed in terms of its natural and cultural resources. The diversity and integrity of the area's geologic formations, biotic habitats, and prehistoric sites are considered to be unprecedented in mainland California. Several of the area's plant communities are designated as "environmentally sensitive" in the Conservation Element of the Santa Barbara County Local Coastal Plan and Comprehensive Plan ("LCP"), and the area has been designated an "Area of Critical Environmental Concern" by the Bureau of Land Management. Of particular concern, the Gragnani Property supports a population of Surf Thistle (*Cirsium rothopilum*), a candidate for the Federal endangered species list (see photographic exhibit 11).

Point Sal lies in the Coast Range Geomorphic Province and is composed of Mesozoic and Cenozoic era rocks and structures. The area contains some of the oldest rocks (Jurassic period) reported to be exposed on the Central Coast, comprised of deformed igneous,

sedimentary and metamorphic rocks that are believed to have originated during sea floor spreading. Considerable plate tectonic movement brought this piece of ocean plate to the edge of the continent. Point Sal is thus a well-preserved record of the birth of ocean plate material. (Storrer and Semonson, 1991). The rugged shoreline of Point Sal was formed by a combination of erosional forces such as waves, landslides and slumps. Sand dunes, formed by beach sand being blown inland by strong onshore winds, comprise much of the northwest area north of Point Sal Ridge. The dunes are comprised of ancient dune soils, known as the Orcutt Sands, as well as active, modern sand dunes. These dune habitats are near the southern end of the larger Guadalupe-Nipomo Dunes Complex, the only well-developed dune system remaining on California's southern/central coastal mainland, leading to its designation as a National Natural Landmark by the National Park Service.

Point Sal's location has given rise to an area uniquely rich in plant species. A total of 14 plant communities were identified within the Pt. Sal Reserve Management Area: central maritime chaparral; central dune scrub; needlegrass grassland; active coastal dunes; foredunes; coastal bluff scrub; central coastal sage scrub; chamise chaparral; ehrharta grassland (a non-native annual grassland); freshwater seeps; central coast arroyo willow riparian forest; dune slack pond; and freshwater marsh. The region also contains unique ridge soils derived from Franciscan volcanics, which are also found on the Channel Islands, making Point Sal floristically more similar to the offshore islands than any other mainland location. (Storrer and Semonson, 1991).

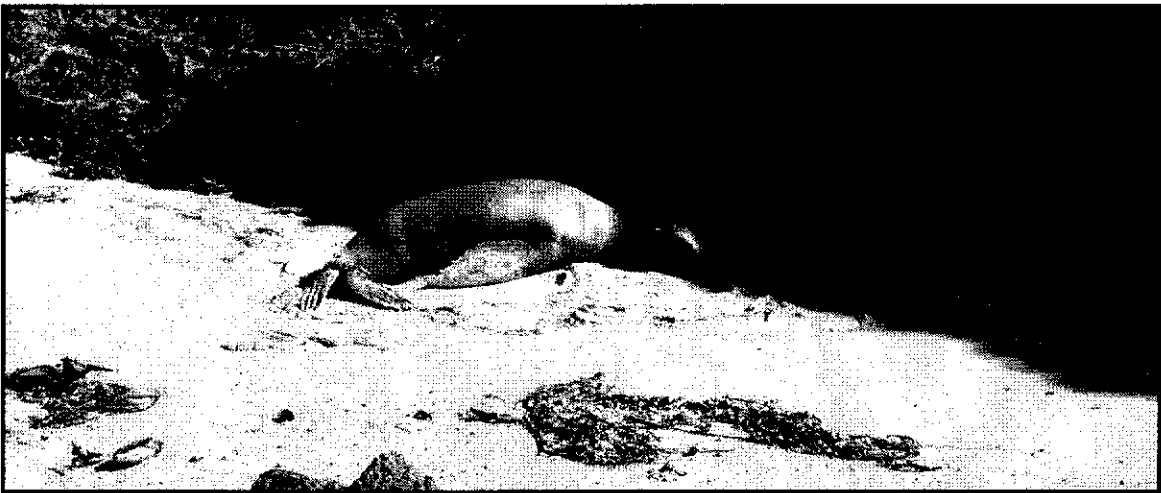
Finally, the *Point Sal Reserve Management Plan* (Storrer and Semonson, 1991) states that the region contains an unusually large number of cultural resource sites at an unprecedented site density (see photographic exhibit 12).

**ON-SITE PHOTOGRAPHY:**

(Note: All on-site ground photography was taken on two separate field visits in December 2006 and November 2007 by Robert A. Hill.)



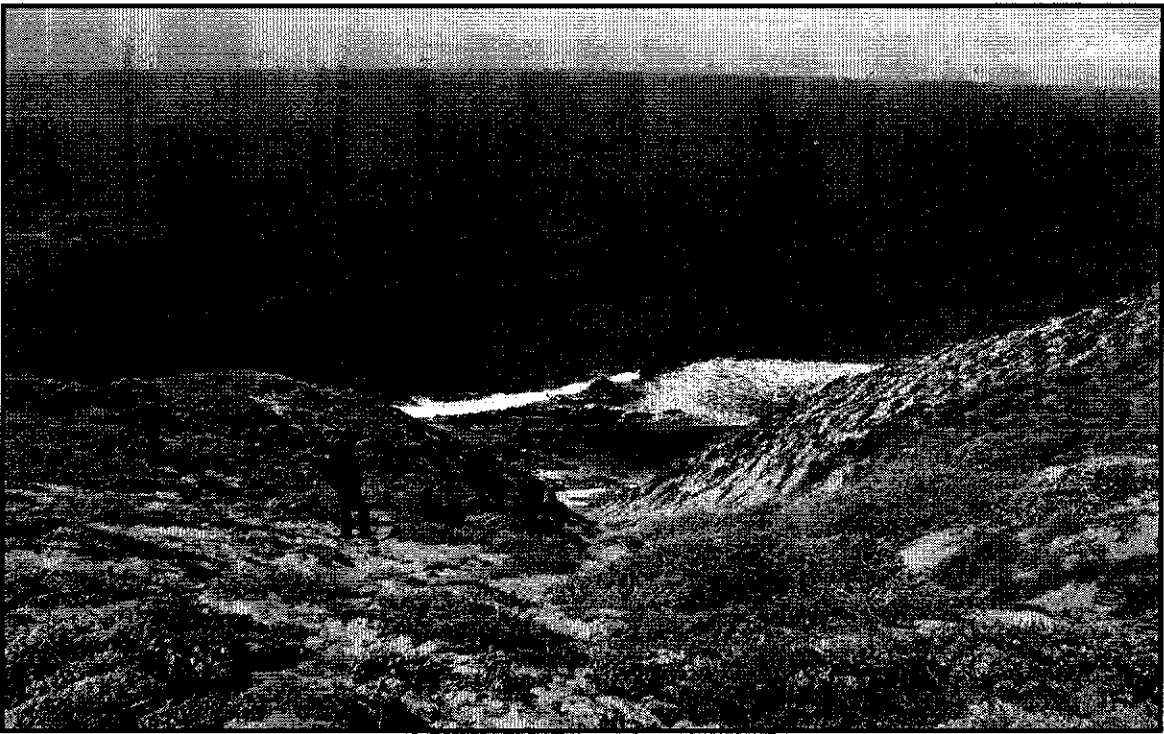
*Exhibit 1: Tidepools at the southern extent of the property*



*Exhibit 2: Marine mammal haul-out area at the southern extent of the property*



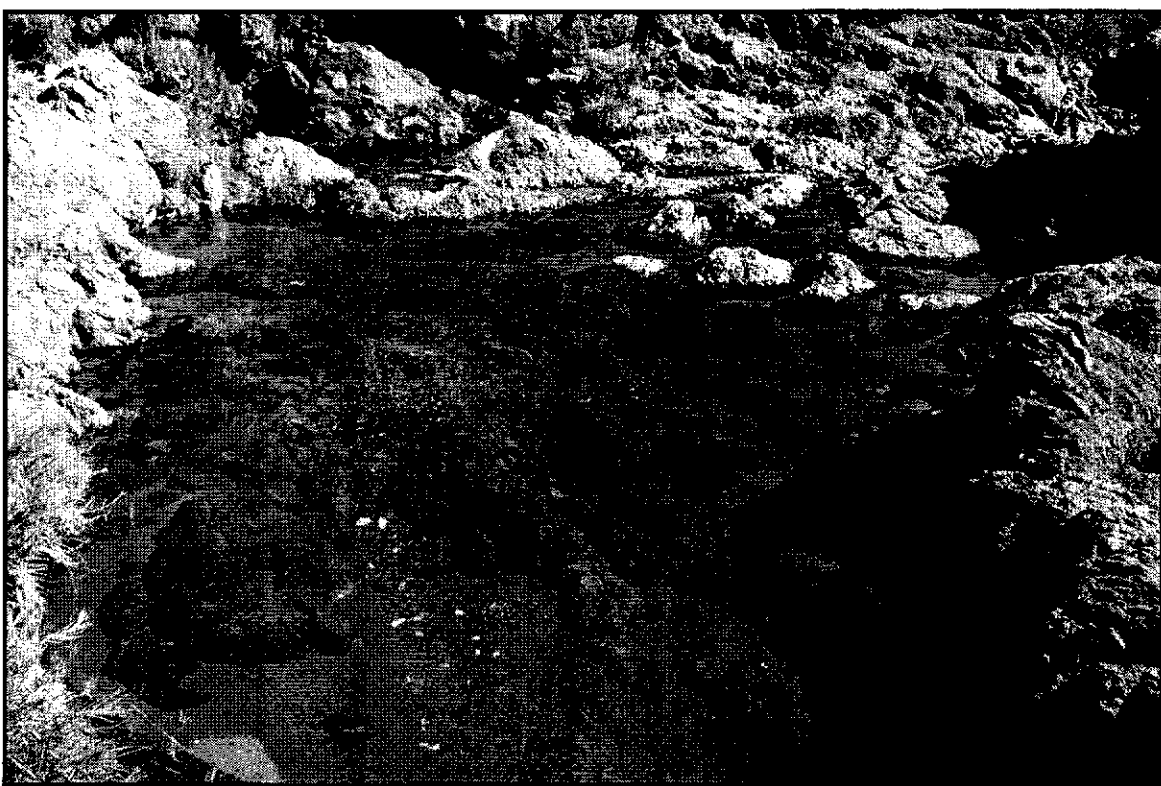
*Exhibit 3: Mussel bed located on the property*



*Exhibit 4: Steep bluffs lead down to Paradise Beach and the tidepools on the property*



*Exhibit 5: Intact coastal dune scrub located on the property*



*Exhibit 6: Freshwater pool on the beach – terrestrial mammal use was evident from prints in the sand*



*Exhibit 7: Freshwater seep leading from the bluff to the beach on the property*





*Exhibit 8: Pre-existing dirt / sand road on the property*



*Exhibit 9: Mussel Rock with Point San Luis in the far background (looking north)*



*Exhibit 10: Lion Rock and Purisima Point and Point Arguello to the south of Pt. Sal*

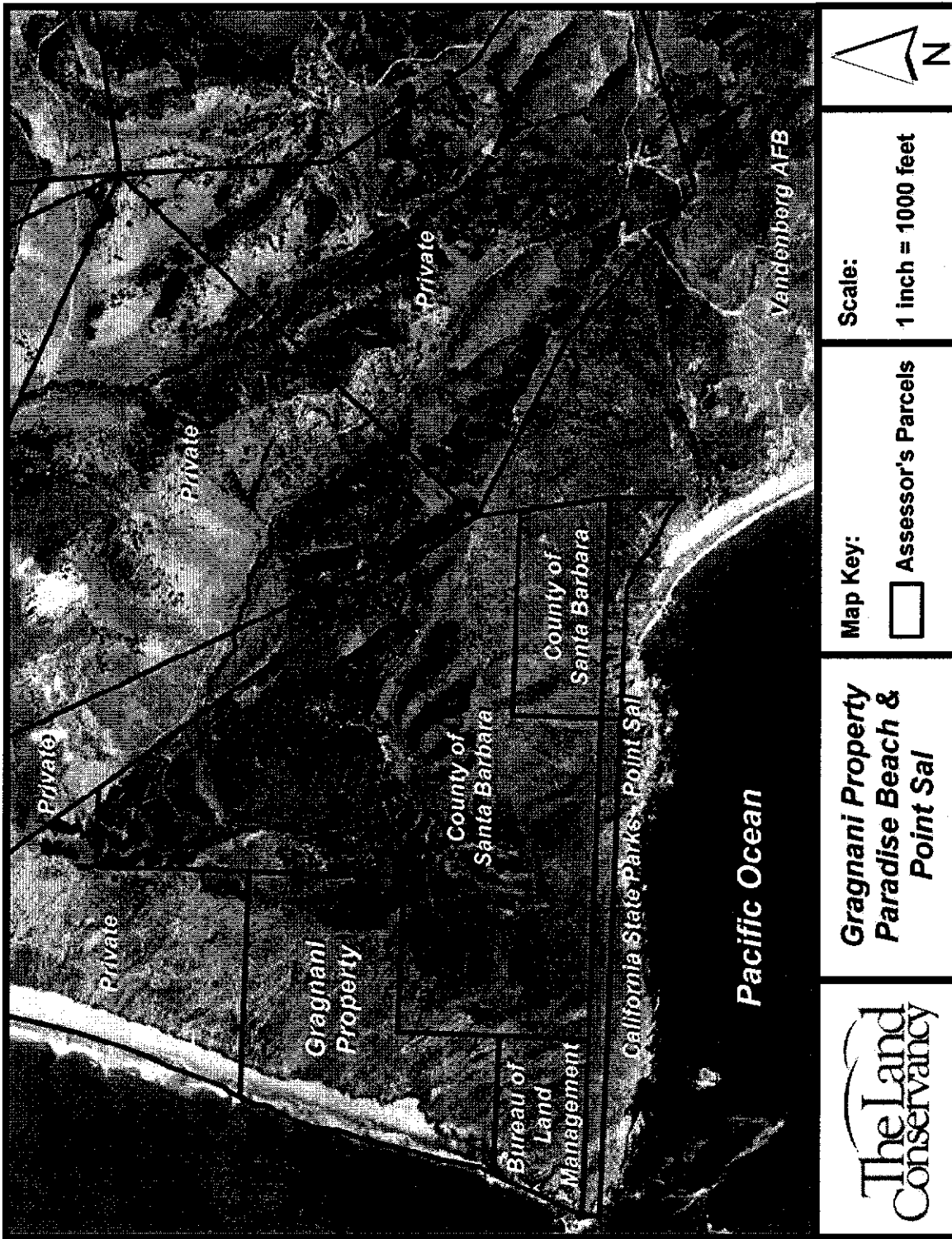


*Exhibit 11: Surf Thistle identified on the property (Cirsium rothophilum)*

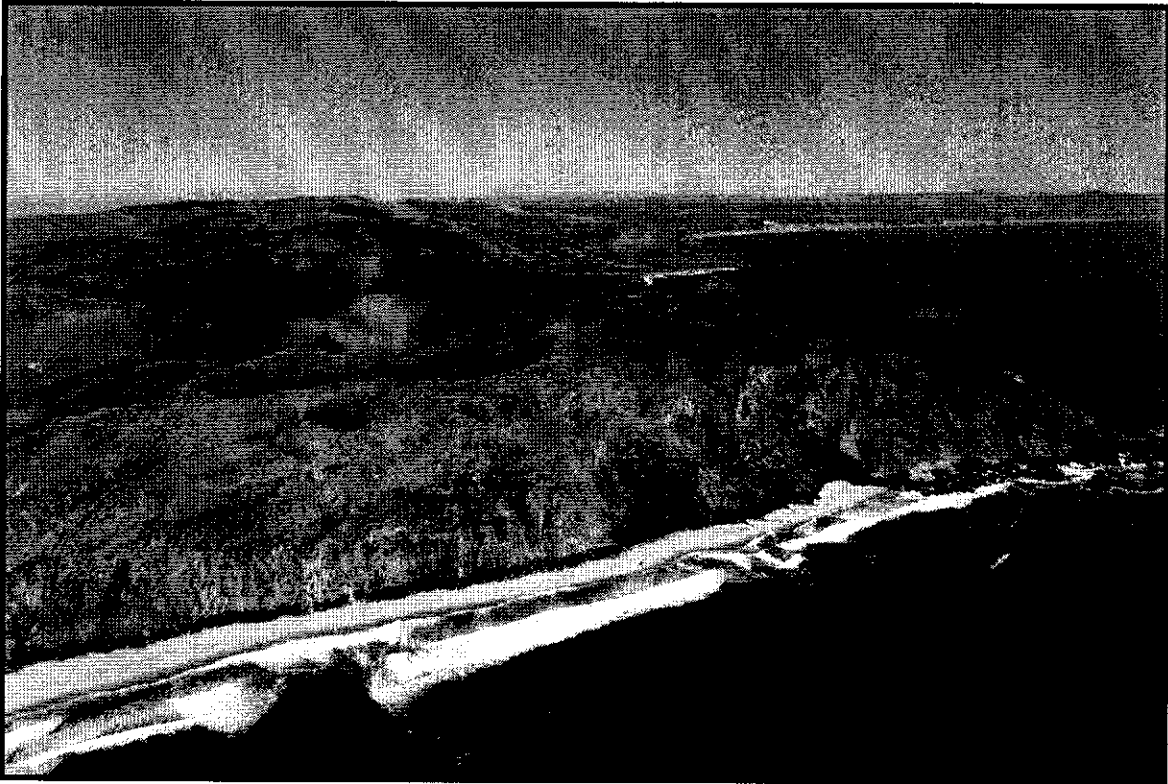


*Exhibit 12: Chumash midden site – one of numerous sites on the property and near Pt. Sal*

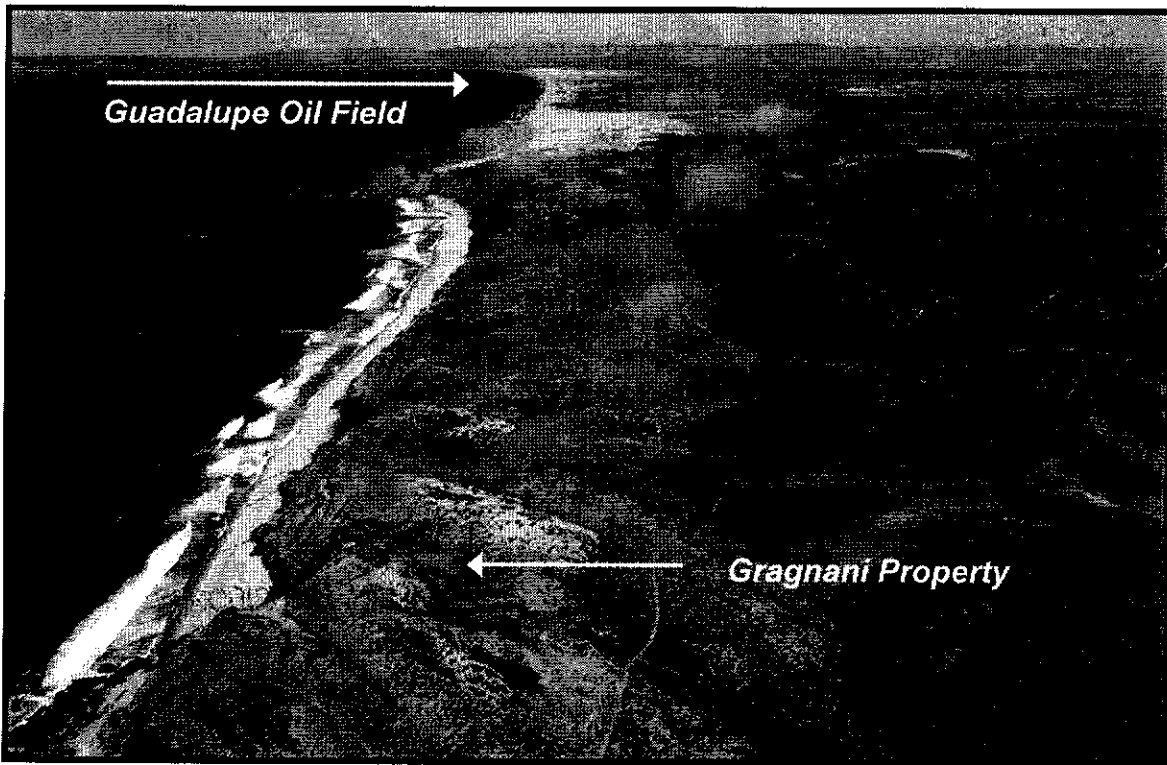
**AERIAL PHOTOGRAPHY AND MAPS:**



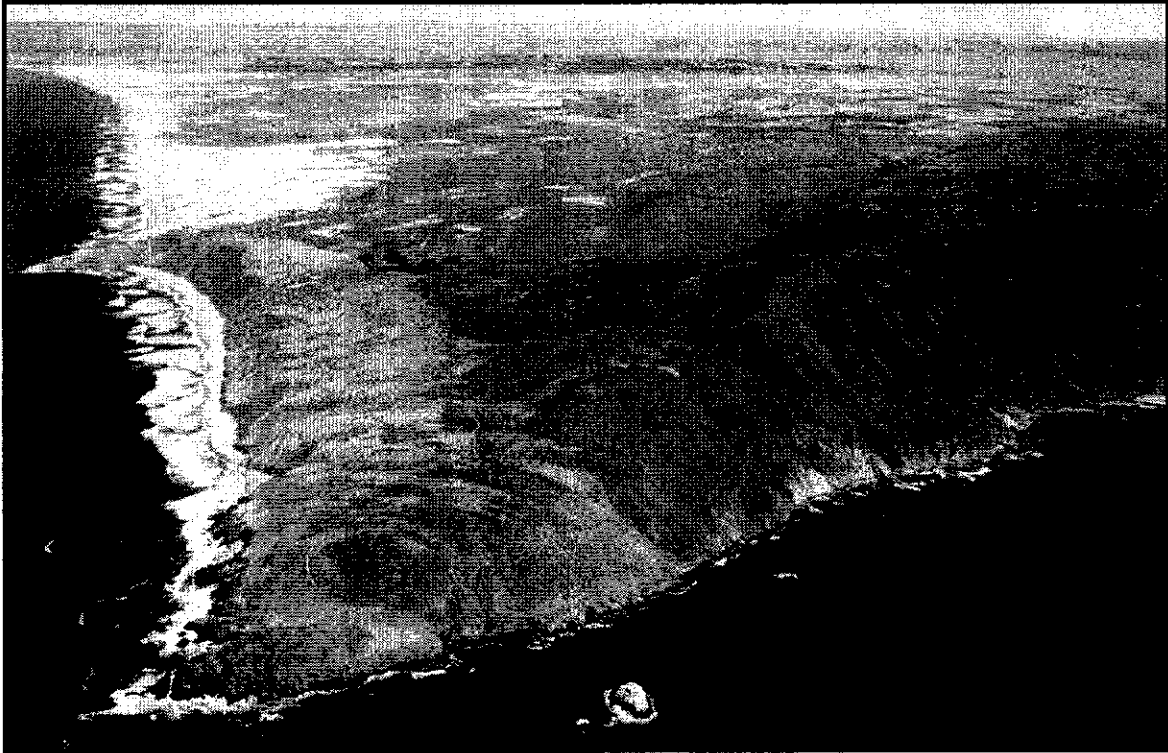
*Figure 1: Map of Point Sal and Paradise Beach area.*



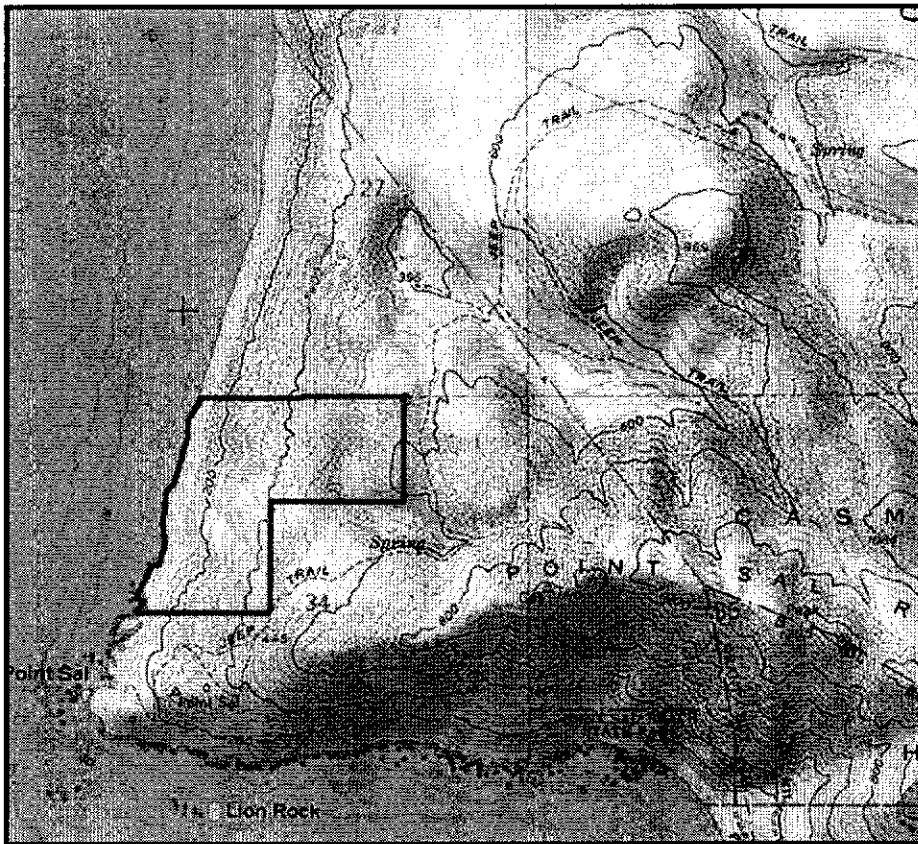
*Figure 2: Photograph of Point Sal and Paradise Beach, looking southeast.*



*Figure 3: Photograph of Paradise Beach and Mussel Rock, looking north.*



*Figure 4: Pt. Sal Reserve Management Area*



*Figure 5: Topographic map of the Pt. Sal area with property boundary showing*

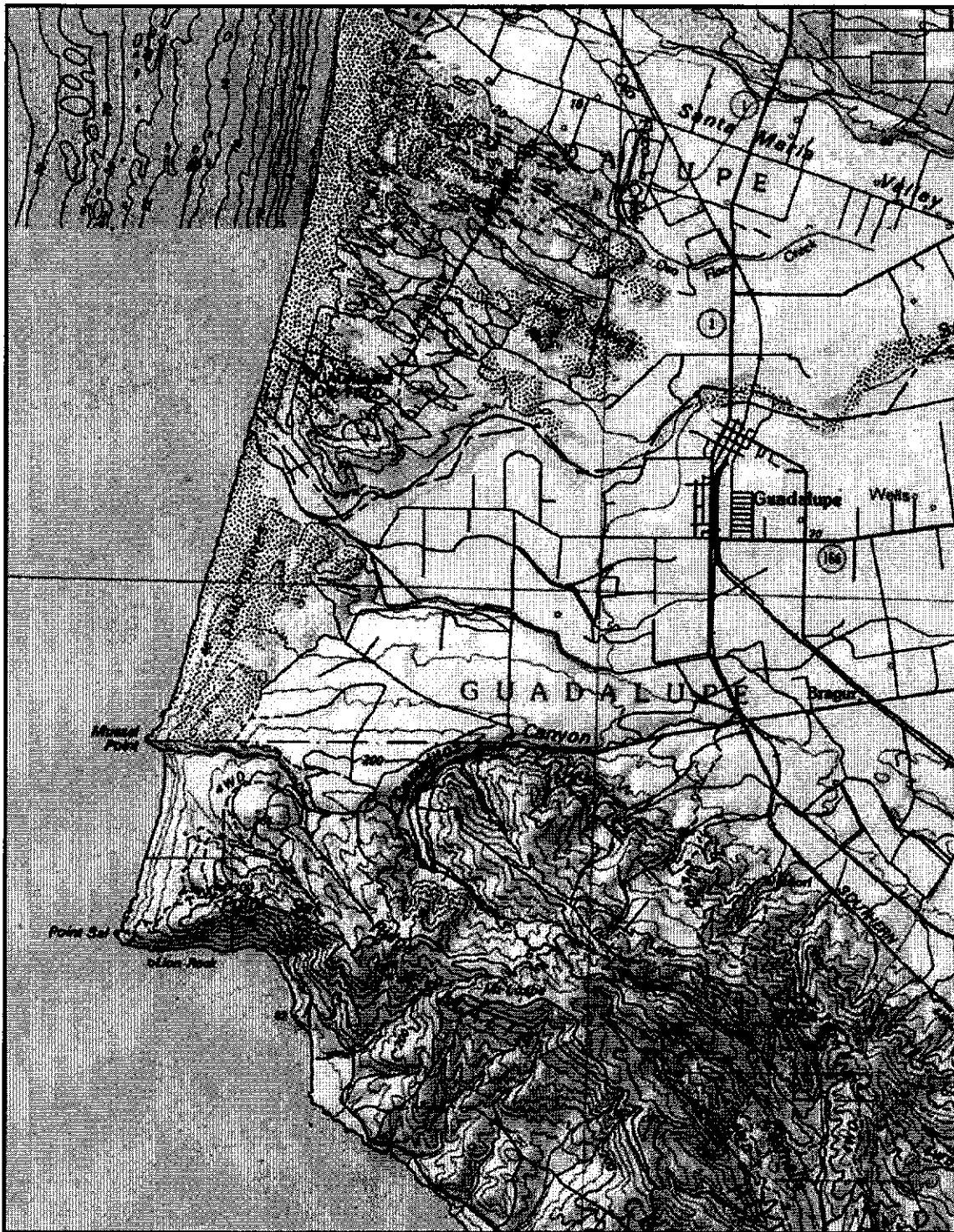


Figure 6: Topographic map of the region showing Pt. Sal in relation to the Guadalupe Oil Field

**STATE OF CALIFORNIA  
REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL COAST REGION**

**SUPPLEMENTAL STAFF REPORT FOR REGULAR MEETING OF JULY 6, 2007**  
Prepared on June 29, 2007

**ITEM NUMBER: 23**

**SUBJECT: Proposed Funding for a Central Coast Low Impact Development Institute and Augmentation of the Central Coast Ambient Monitoring Program Endowment**

**COMMENTS AND RESPONSES**

Staff received the following comments on this item:

**Michael Winn, President, Nipomo Community Services District:** As Board President of the Nipomo Community Services District I personally heartily support your proposal and have forwarded your message to our General Manager here for consideration. I don't know how much money a relatively small CSD could set aside to help fund such a project - none at all, I'm guessing - but a planning & design philosophy that centers around healthy aquifers is essential for our area--and the rest of the Central Coast. I would hope that we could support your effort in a number of other ways.

Wearing my other hat, as Chairperson of SLO County's Water Resources Advisory Committee (WRAC), I am sending a copy of your proposal to County Public Works staff, asking that we agendize a letter of support from the WRAC in our July 18 meeting. This cannot be done before your July 6 meeting in Watsonville, but perhaps the fact of its being agendized will be an encouragement.

**Bruce Buel, General Manager, Nipomo Community Services District:** Good morning. My name is Bruce Buel and I am the General Manager of NCSD. The District would like to support your proposal. It appears your Board will review the concept at its July Meeting and then finalize the action next year. Please call me at 929-1133 so we can brainstorm ways that NCSD can help.

**Water Board Staff Response:** We appreciate the support, and if the Water Board approves staff's concept for a Central Coast Low Impact Development Institute, will work with stakeholders to develop a complete project for the Water Board's consideration.

**Michael Lebrun:** Gentlemen, since I left your organization I have met many folks who express criticism of RWQCB Board and staff actions. I have steadfastly refuted these



criticisms explaining the constraints of workload, time and process that I knew well. If the proposed LID/CCAMP item is carried forward and acted on next week, not only will I drop my defense, I will join the critics.

While I have concerns and questions on the proposal itself, it is the process, or lack there of, you are using that I strongly disagree with and simply do not understand.

You are proposing to allocate \$7M of the Guad funds on two RWQCB staff conceived projects that will have, at best, been publicly noticed for 8-days. You are doing this in Watsonville during a holiday week. Further, I see no urgency in either proposal. In comparison, the original grant allocated \$7.8M after more than a year of public notice and engagement.

This seems like a subversion of the public process and an affront on public trust. I would be more assertive, but feel like I know you both to well and I am not ready to say, "This is..."

As we all know, making change happen on the ground is difficult; it takes time, partnerships and collaborative effort. The process by which you are proposing these allocations, if carried forward, will alienate many of the partner agencies (and previous employees for that matter) that have come together in the past eight years to plan and implement projects throughout the SM watershed and central coast.

As I said, I have many concerns with the way your staff report portrays the issues. Yet I know this is not the place/method or time to articulate and forward these concerns. Unfortunately, I haven't been given an opportunity to sufficiently voice my concerns.

**Water Board Staff Response:** The Water Board and its staff have been developing a Vision and Goals for the past two years, and have presented the process to the Board and public several times. The Water Board has also directed staff to focus on what it considers to be the highest priorities in our Region: Low Impact Development, protection of aquatic habitat such as riparian corridors, and better watershed monitoring to measure our effectiveness. Achieving our goals requires us to align our organization with our goals, which includes aligning all our various funding sources, such as settlements, grants, and special environmental projects. For example, item 16 on the today's agenda also directs settlement funds toward projects that directly implement the Water Board's goals.

The concept of a Low Impact Development Institute derived from our extensive public education and outreach efforts for over two years. The loud and clear feedback we received from many stakeholders is that we need to provide more clear requirements for Low Impact Development (which we are actively developing), and we need to provide specific services to implement Low Impact Development projects and sustainable development. Our proposed projects are largely based on feedback from the Water Board and stakeholders over the past two years, and they address the biggest issues facing our region. Also, regarding our proposal to increase the

endowment for the Central Coast Ambient Monitoring Program, this proposal is directly in line with our Vision and Goals and direction from the Water Board. While the Guadalupe Settlement Fund Memorandum of Agreement gives the Water Board sole authority to allocate its portion of the settlement funds at one of its regular public meetings with its normal public comment process, it also requires staff to specifically seek comments from the Department of Fish and Game and the Coastal Conservancy regarding our proposed projects. The Executive Officer and staff have met with representatives from these agencies, as discussed below.

All that being said, Mr. Lebrun's comments regarding the "public process" are well taken in terms of time for digesting this specifically stated concept of a LID Institute (CCAMP is not new and the endowment already exists). To that end, our Central Coast Low Impact Development Institute proposal is a conceptual project and we are not asking the Board to make a decision to fund an LID Institute. If the Water Board approves the concept, we will work with stakeholders to develop a detailed project for Water Board approval. If we cannot develop a project that will deliver the services needed to achieve our desired outcome—on the ground projects and sustainable development region wide—we will not present a project. In essence, this item provides *early* notice that we intend to develop a project and bring it back to the Board for consideration several months from now. This process provides much more than minimally required notice – it provides much more stakeholder time than a typical proposal as well as real opportunity for stakeholders to work with us in concept development, or to simply comment on the proposal for action, or to propose alternatives.

**Sonke Mastrup, Deputy Director, Resources Management and Policy Division, California Department of Fish and Game:** The Executive Officer discussed these proposals with Mr. Mastrup on June 26. Mr. Mastrup said these proposals fit perfectly with the direction Fish and Game is going in implementing Marine Life Protection Act to protect marine ecosystems. Mr. Mastrup said the issues described in our staff report, sustainable land management practices and comprehensive watershed monitoring, are the same issues that were emphasized strongly in the Marine Life Protection Act public process; he also noted that these same issues are emphasized in the literature and during conferences on environmental protection. Mr. Mastrup said he looks forward to collaborating with the Water Board to implement these projects and better integrate watershed and marine protection, and that he would help in any way he could.

**Water Board Staff Response:** We appreciate Mr. Mastrup's support and emphatically agree that we need to collaborate with the Department of Fish and Game to achieve comprehensive watershed and marine system protection.

**Neal Fishman, Deputy Executive Officer, California Coastal Conservancy:** The Executive officer and staff talked to Mr. Fishman and his staff on June 22. Mr. Fishman said the projects looked favorable and that he wanted his staff to review them further, and he would send a comment letter at a later date.

**Barbara Lynch, Deputy Director of Public Works, City of San Luis Obispo:** Thank you for the opportunity to comment on the report. I am strongly supportive of the LID institute as I believe this is the most important activity to get underway. I think more of the \$7 million you are advocating for should be put toward this endeavor and less toward the monitoring work. If we don't get LID off the ground, we can be almost certain that the creek loadings will increase. Monitoring can always be increased at a future date when we have the LID implemented. We are all small cities with limited resources. If LID is to be implemented effectively, we will need the leadership of the Board. To do otherwise is to leave the agencies struggling to do something and probably not being very successful at it. It will be a frustration for you and for us, and the results will not be what they could be.

**Water Board Staff Response:** We appreciate Ms. Lynch's support. If the Water Board approves our Central Coast Low Impact Development Institute concept proposal, we will actively seek additional funding from other sources, and a main task of the Institute itself would be obtain ongoing leveraged funding.

**Timothy Lawrence, Ph.D., Center for Water and Land Use, University of California Davis Extension:** The Executive Officer and staff met with Mr. Lawrence on June 22 to discuss our Central Coast Low Impact Development Institute proposal. Dr. Lawrence said the type of regional center we are proposing is "exactly what is needed to make low impact development a reality." Dr. Lawrence emphasized the need for the services we described on our staff report and local, on the ground projects to demonstrate Low Impact Development and sustainable development.

**Water Board Staff Response:** We appreciate Dr. Lawrence's support.