

**PROJECT REPORT FOR ESTABLISHING CREDITS
(PR-EC)
to
Request Project Approval**

District - County: 03-YUB-20 PM 1.236

Nearest Town: Marysville

Watershed: Honcut Headwaters-Lower Feather. Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, Upper Yuba Hydrologic Code (HUC) 8 sub-basins

I have reviewed the right of way information contained in this report and the right of way data sheet attached hereto, and find the data to be complete, current and accurate:

John Ballantyne
John Ballantyne, NORTH REGION CHIEF, RIGHT OF WAY

APPROVAL RECOMMENDED:

Najed Dakak
Najed Dakak, PROJECT MANAGER

PROJECT APPROVED:

Amarjeet S. Behlpal
Amarjeet S. Behlpal, DISTRICT 3 DIRECTOR

12/28/2023
Date

Area Map

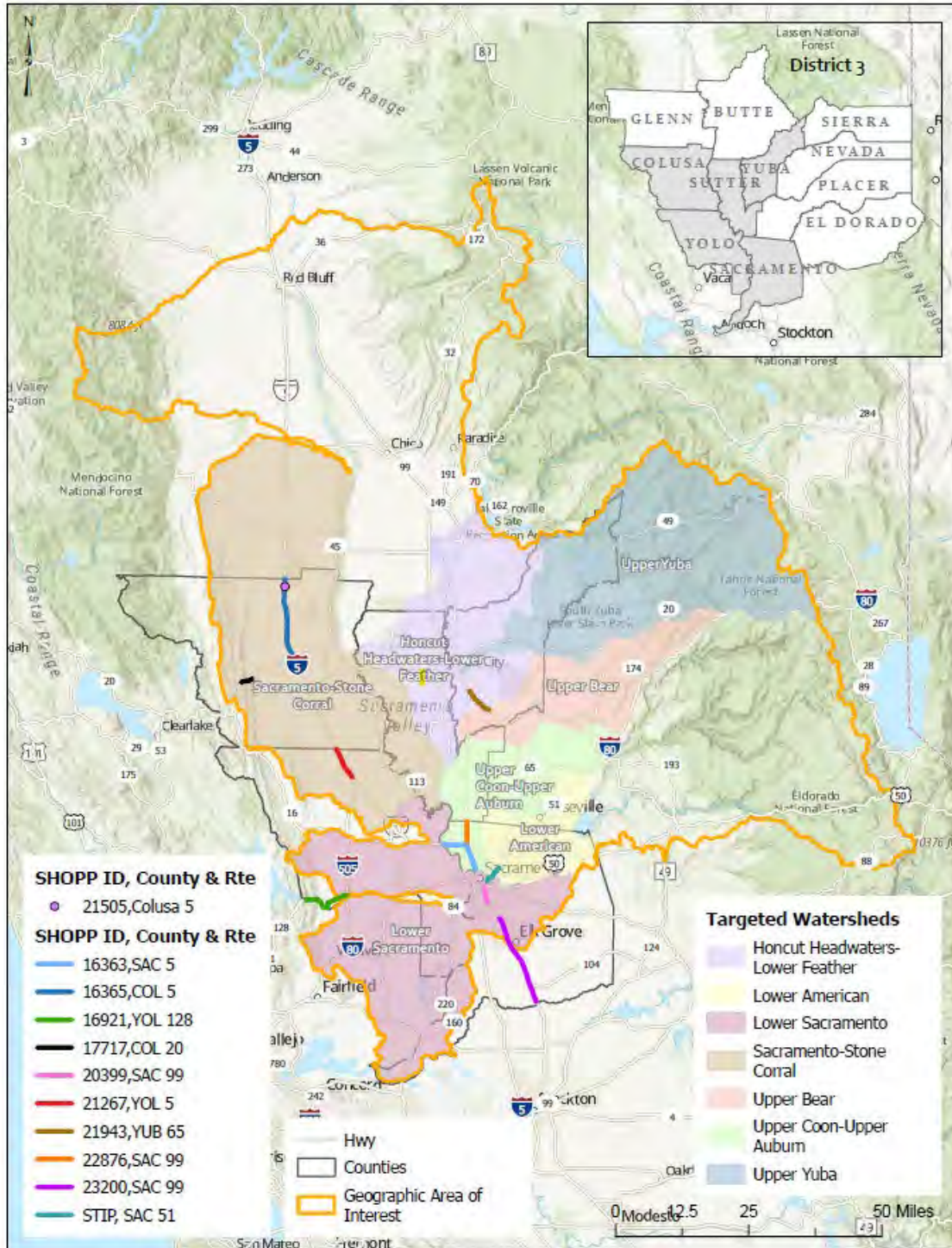


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1. INTRODUCTION

The proposed Great Valley Ecoregion Advanced Mitigation Project (project) in Colusa, Sacramento, Sutter, Yolo, and Yuba (CSSYY) counties will utilize the Advance Mitigation Program (AMP) funding established by the Repair and Accountability Act of 2017 (Senate Bill 1). Utilizing the AMP funding would allow the project will proactively establish mitigation credits within a service area that covers Honcut Headwaters-Lower Feather, Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, and Upper Yuba eight-digit Hydrological Unit Code (HUC-8) watersheds to establish mitigation credits for waters of the U.S. and waters of the State (which include wetlands and non-wetlands waters), and riparian habitat for State Highway Operation and Protection Program (SHOPP) and/or State Transportation Improvement Program (STIP) projects from the 10-Year Plan.

The SHOPP or STIP projects are identified in District 3's (District) AMP Lower Sacramento Basin Regional Advance Mitigation Needs Assessment (RAMNA) created by the California Department of Transportation (Caltrans) in 2022. These SHOPP or STIP projects specifically occur within seven of the thirteen HUC-8 sub-basins that comprise the RAMNA's Geographical Area of Interest (GAI). Moreover, any current or future SHOPP or STIP project that occurs within the proposed service area of the GAI has the potential to utilize credits established in this AMP project, in accordance with requirements of the AMP. Current projects within the RAMNA were evaluated and selected to support the scoping process to establish mitigation credits (Attachment A). To acquire the waters of the U.S., waters of the State, and riparian habitat advance mitigation credits, Caltrans will develop a Request for Proposal (RFP) to secure a service contract through the bid process for a contractor to establish mitigation credits.

2. PROJECT INFORMATION

District 3 desires to utilize the AMP to fund a contractor to establish mitigation credits for waters of the U.S., waters of the State, and riparian habitat. District 3 expects it will take a minimum of three to five years to develop and transfer the necessary credits. The anticipated timeline would allow the credit provider under the RFP service contract adequate time to develop, acquire approval, and achieve credit release based on Caltrans needs. This includes a signed Bank Enabling Instrument (BEI), indicating regulatory agency approval and mitigation credit availability. Once approved benefitting

transportation projects reach the Ready to List (RTL) milestone, the transportation projects will reimburse the AMP account. The reimbursed funds will be used to fund future advance mitigation efforts. District 3 requires compensatory mitigation for upcoming transportation projects. Contracting with a third-party is the preferred alternative due to:

1. Decreased costs of credits compared to permittee-responsible mitigation.
2. Decreased District staff support as Caltrans will not be responsible for credit establishment requirement tasks such as surveying and monitoring restoration activity.
3. Decreased liability and risk due to failed mitigation.
4. Increased efficiency by requiring the contractor to acquire complete agency approval of desired credits.

Within the identified watershed sub-basins, District 3 estimates project impacts associated with the 11 transportation projects identified in the updated 2022 SHOPP and STIP projects in the 10-Year Project Book. These projects are estimated to result in 6.42 acres of impacted waters of the U.S. and State and 7.00 acres of riparian habitat (Attachment A). To ensure ample credits are available for potential temporal loss of function, which are typically mitigated at higher ratios, Caltrans is assuming a 3:1 ratio will be required for mitigation of estimated impacts. The combined projected estimated acreage impacts at a 3:1 ratio result in 21 acre-credits of anticipated compensatory mitigation within the Honcut Headwaters-Lower Feather, Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, and Upper Yuba HUC 8 watersheds.

The contractor will be required to provide credits from within the defined watershed sub-basins in CSSYY counties and provide evidence of regulatory agency approval of mitigation credits. The contractor will coordinate with the agencies and Caltrans to identify appropriate mitigation credit locations within the identified service area. The contract would stipulate that upon providing the purchased and secured mitigation credits, Caltrans would have no further obligation to support, pay for, monitor, report on, sustain in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance of the credits. This project is anticipated to cost \$6,783,000 in capital and support costs. First credit releases are expected by October 2025, and project close-out is estimated to be May 1, 2033.

Project Information and Funding Details

Project Limits (on-system)	<i>Project boundary will be in the District 3 RAMNA boundary. See Area Map.</i>	
Project Boundary (off-system)		
Number of Alternatives	4	
Programmed Project Alternative	Alt 3b	
Programmed Project Cost (in \$k)	Current Cost Estimate:	Escalated Cost Estimate:
Capital Outlay Support	483	556
Capital Outlay Construction	N/A	N/A
Capital Outlay Right of Way	6300	6615
Funding Source	AMP Advanced Mitigation Account 20.XX.701.100	
Funding Year	2023/2024	
Number of Structures	0	
Environmental Determination or Document	Categorical Exemption (CE) for California Environmental Quality Act (CEQA) and Categorical Exclusion (CE) for National Environmental Policy Act (NEPA)	
Location Description (off-system)	Various – within the Honcut Headwaters-Lower Feather, Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, Upper Yuba Hydrologic Unit Code (HUC) 8 Watershed sub-basins	
Legal Description (on-system projects only)	N/A	
Project Development Category (on-system projects only)	N/A	

3. RECOMMENDATION

It is recommended that this Project Report be approved, and authority be granted to proceed with the Build Alternative 3b. The Categorical Exemption/Categorical Exclusion (CE/CE) Determination Form was approved on September 21, 2023 (Attachment B).

4. BACKGROUND

The AMP was established by the Road Repair and Accountability Act of 2017, which allows Caltrans to proactively obtain mitigation credits to address compensatory mitigation required for transportation projects. To identify mitigation needs for Caltrans, the Statewide Advance Mitigation Needs Assessment and Regional Advance Mitigation Needs Assessment were created as a part of the State Highway Operation and Protection Program. Reports resulting from Geographic Information System based assessments outline sensitive biological resources requiring compensatory mitigation based on planned transportation projects within Geographic Areas of Interest.

The District Mitigation Analysis and Planning (MAP) team assessed the RAMNA reports and identified high-priority resources within the GAIs and compared those to estimated impacts from transportation projects listed in the SHOPP and STIP Ten-Year Project Book. This resulted in a service area with identified transportation projects and an estimate of the number of credits needed across different resources (e.g. waters of the U.S., waters of the State, and riparian habitat).

This effort is the first attempt District 3 has made to contract with a third-party contractor to create specific mitigation credits for transportation projects. No Caltrans Right of Way has been acquired for this project which is consistent with the Project Initiation Document (PSD-EC). Similar mitigation credit contracts have been pursued in Districts 1 and 8 resulting in issues with the contracting process. Issues included but may not be limited to 1) lack of agency approval of Bank Enabling Instrument; and 2) lack of interest from qualified contractors. District 3 staff is working to improve communication with agency stakeholders and does not anticipate any deficiencies in qualified contractors available to work in District 3.

5. PURPOSE AND NEED

Purpose

The purpose of this project is to fund a contractor to develop mitigation credits within the identified watershed sub-basins in CSSYY counties to enable Caltrans to secure mitigation credits for waters of the U.S., waters of the State, and riparian habitat. This will allow Caltrans to provide compensatory mitigation for transportation projects, facilitate project delivery, and reduce project costs. The secured mitigation credits will be developed by a contractor through a Caltrans RFP contract. Once the secured mitigation credits are established, they will be transferred to projects identified in this Project Report (Attachment A) or other appropriate Caltrans transportation projects.

Need

The credits are needed to provide compensatory mitigation for multiple transportation projects within the identified watershed sub-basins in CSSYY counties identified in the Caltrans SHOPP and STIP 10-Year Plan. These projects were documented in the RAMNA to have impacts requiring compensatory mitigation to waters of the U.S., waters of the State, and riparian habitat. Credits are needed to comply with permits associated with the following resource agencies:

- U.S. Army Corps of Engineers—404 permit
- California Central Valley Regional Water Quality Control Board—401 certification; and
- California Department of Fish and Wildlife (CDFW)—1600 Lake and Streambed Alteration Agreement

The average district cost for performing permittee-responsible mitigation is approximately \$750,000 per acre compared to approximately \$265,000 per acre to purchase credits through a mitigation bank. Funding the establishment of mitigation credits within the identified watershed sub-basins in CSSYY counties would help secure necessary mitigation early while streamlining project delivery, reducing mitigation costs, and minimizing short and long-term mitigation responsibilities and liabilities for District 3.

6. DEFICIENCIES

Primary Deficiencies

According to the RAMNA, Caltrans has estimated there will be unavoidable impacts to sensitive environmental resources associated with the implementation of transportation projects within the identified watershed sub-basins in CSSYY counties. Projects that impact sensitive environmental resources often require off-site mitigation to meet mitigation ratios after on-site offsets are implemented. Finding off-site mitigation during the project delivery phase is complex and time-consuming—often resulting in delays to the project schedule, as well as increases to the project cost.

Establishing and securing mitigation credits will assist with future District 3 SHOPP and STIP projects within the GAI as they can preemptively address the needs of sensitive environmental resources without potentially compromising transportation project schedules or increasing the costs.

Using the AMP to contract for mitigation credit establishment allows District 3 to be proactive, creating offsite mitigation opportunities that consolidate anticipated compensatory mitigation for several transportation projects. The advance mitigation would also provide compensatory mitigation at a potential higher ecological value and be independent of transportation project delivery timelines and funding. It also decreases the likelihood of negative impacts to the cost, scope, and schedule of a transportation project due to permitting requirements associated with securing compensatory mitigation.

Secondary Deficiencies

Due to the absence of mitigation banks with the appropriate credits within the identified watershed sub-basins in CSSYY counties, there are little to no accepted credits that can satisfy the regulatory requirements for waters of U.S., waters of the State, and riparian habitat.

7. EXISTING FACILITY OR MITIGATION PROPERTY

There are existing mitigation banks within this GAI; however, the existing mitigation banks are sold out of the credits that Caltrans needs. Property information for potential bank establishment is not known at this time. The contractor will be responsible for mitigation property selection.

8. ALTERNATIVES

To facilitate project delivery, the District has evaluated the following alternatives:

1. Purchasing Compensatory Mitigation Credits

- a. Purchasing mitigation credits from a mitigation bank. There are established mitigation banks within the GAI; however, the mitigation credits are sold out or do not meet the needs of the identified transportation projects.
- b. Purchasing mitigation through an in-lieu fee program. There is an established in-lieu fee program (ILF) within the GAI. However, the ILF program does not cover riparian or streambed credits that are approved by CDFW.

2. Develop Permittee-Responsible Compensatory Mitigation

- a. Permittee-responsible mitigation increases the cost and scope of transportation projects that require off-site mitigation. District 3 seeks to reduce costs and improve delivery of projects within the GAI while providing compensatory mitigation and meeting the permit requirements for transportation projects.

3. Build Alternative

- a. Develop and establish a Caltrans mitigation bank to provide the needed credits in accordance with existing laws, policies, procedures, and guidance. However, this would require extensive staff support, cost, Right of Way support, environmental review, and Caltrans would be required to manage the bank.

- b. Execute a service contract through the Division of Procurement and Contracts (DPAC) by using an RFP to select a contractor that specializes in mitigation credit development. The contract would require the contractor to develop agency-approved mitigation credits within three to five years and establish credits in accordance with existing laws, policies, procedures, and guidance.

4. No Build

- a. This alternative would not acquire mitigation credits for future projects within the GAI of the RAMNA, which could result in negative impacts to the schedule and/or costs of future transportation projects and would not meet the purpose and need of this mitigation project.

Viable Alternatives

Build Alternative 3b is the most viable alternative to develop mitigation credits due to its cost and time-saving benefits.

Rejected Alternatives

Purchasing existing mitigation credits or in-lieu fees (Alternatives 1a and 1b) will not meet the needs of the project because the credits do not exist, and currently in-lieu fee programs do not currently cover the permitting required by CDFW. Developing Permittee Responsible Mitigation (PRM) or establishing a mitigation bank with Caltrans as the lead (Alternatives 2 and 3a) are not feasible due to staffing limitations. In addition, PRM and Caltrans-managed banks will increase the cost and schedule of transportation projects needing compensatory mitigation compared to the viable alternative.

9. ADDITIONAL CONSIDERATIONS (ON-SYSTEM PROJECTS)

The mitigation credit establishment will be an off-system project. However, all environmental laws and regulations will be evaluated and implemented by the contractor during the mitigation credit development and implementation.

10. COMPLETE STREETS (ON-SYSTEM PROJECTS)

The mitigation credit establishment will be an off-system project. All transportation projects in the 10-year SHOPP Project Book will be evaluated for Complete Streets, and features will be incorporated as required within each project’s planning process. However, the mitigation credit contractor would ensure that all environmental evaluations and laws are complied with during the mitigation credit development. Additionally, any transportation project design accommodations would not have the potential to delay the delivery of the proposed Advance Mitigation Program project, and would not conflict with legislative restrictions nor increase the cost of the project.

11. CLIMATE CHANGE CONSIDERATIONS

Climate change-related impacts are projected to affect a broad spectrum of sectors, including but not limited to transportation assets, natural resources, habitat, and biodiversity across the state. To respond to Executive Orders (EO) and legislation (see EO B-30-15, SB 1, and Assembly Bill 2800), Caltrans must account for climate change in all planning and investment decisions. Climate change considerations for the contractor, as related to the development of mitigation credit establishment, should include the following: 1) construction methods that reduce greenhouse gas (GHG) emissions and design components that optimize the carbon sequestration potential, 2) the potential for future climate change stressors (temperature, precipitation, sea level rise, flooding, wildfire) to diminish the long term wildlife habitat values considered for mitigation, and 3) the ability of mitigation credit sites to contribute to adaptation measures to enhance climate resilience.

GHG Reduction Measures

Ground disturbance for development/establishment of new mitigation credit sites led by private entities through a service contract and RFP should include in the scope of work recommendations that site development construction activities include measures and practices that reduce GHG emissions. Measures can include, but are not limited to, use of renewable diesel in construction equipment, maximum incorporation of compost as feasible, and measures to increase the carbon sequestration potential of a selected property. The scope of work should also encourage the contractor to develop sites and include features that help facilitate adaptation to climate change and enhance climate resilience (examples of how lands might facilitate adaptation to climate change include the establishment or improvement of corridors, reliable water sources, and topography that allows upward migration of plants and animals).

Climate Change Adaptation Measures

Proposed new mitigation sites should be evaluated to determine the potential risk associated with each climate change stressor (such as fires, floods, and sea level rise). If the proposed mitigation site could potentially be at risk from any of these stressors, the likelihood, timing, and consequences associated with projected changes in climate within the proposed site should be identified. Known risks/climate vulnerabilities should be identified within the BEI “Extraordinary Circumstances” section. This section need not be extensive; it should demonstrate a good faith effort to review and identify potential climate vulnerability that will affect the long-term suitability of habitat values necessary to meet mitigation requirements.

12. ENVIRONMENTAL COMPLIANCE

A CEQA Categorical Exemption/NEPA Categorical Exclusion (CE/CE) was prepared for this project (Attachment B). Due to the nature of the project, there are no environmental issues or impacts anticipated for the creation of a contract with a third-party.

Each of the environmental functional areas—biology, environmental justice (Title VI considerations), noise, hazardous waste, air quality, hydrology/floodplain/water quality, cultural studies, paleontology, stormwater quality, and environmental permitting—will be outlined in the service agreement of the RFP for the selected contractor.

13. FUNDING, PROGRAMMING, AND ESTIMATE

Funding

This project is proposed to be funded exclusively by the AMP and is not eligible for Federal-aid funding. The program code is 20.XX.701.100. This program’s funds are from a revolving account in the State Transportation Fund allocated for Caltrans Districts to program advance mitigation projects to acquire and/or create credits and values. Transportation projects that use the advance mitigation credits would then reimburse the AMP for the transferred mitigation.

Programming

Fund Source	Fiscal Year Estimate									
	Prior	23/ 24	24/ 25	25/ 26	26/ 27	27/ 28	28/ 29	Future	Total	Programmed
20.XX. 701.100										
Component	In thousands of dollars (\$1,000)									
PA&ED Support	191	14							205	205
PS&E Support		170							170	165
Right of Way Support		1	1	1	1	1	1	3	9	8
Construction Support								172	172	105
Right of Way	6300	315							6615	6300
Construction										
Total	6491	500	1	1	1	1	1	175	7171	6783

The support cost percentage is 8.4%.

Estimate

There is no dollar amount for construction estimates as the project would not have construction. Costs for a contractor to establish mitigation bank credits have been calculated and are provided in the capital outlay right of way costs (Attachment C).

14. DELIVERY SCHEDULE

Project Milestones – DPAC Service Contracts		Milestone Date (Month/Day/Year)
PROGRAM PROJECT	M015	06/28/2023
BEGIN ENVIRONMENTAL	M020	06/10/2023
PROJECT APPROVAL & ENVIRONMENTAL DOCUMENT	M200	12/14/2023
PLANS SPECIFICATIONS & ESTIMATE	M380	01/01/2024
RIGHT OF WAY CERTIFICATION	M410	01/15/2024
READY TO LIST	M460	02/01/2024
HQ ADVERTISE	M480	06/01/2024
AWARD	M495	09/01/2024
APPROVE CONTRACT	M500	10/01/2024
FIRST CREDIT RELEASE	N/A	10/01/2025
CONTRACT ACCEPT	M600	05/01/2032
END PROJECT EXPENDITURES	M800	05/01/2033

15. RISKS

The following is a summary of the risk register (Attachment D):

- The timeline for establishment and release of mitigation credits may change and affect the ability to provide credits to transportation projects, which would result in impacts to the schedule and cost of those projects.
- Funding that was determined in preliminary planning phases with limited information may be insufficient, which would result in impacts to the schedule, scope, and cost.
- Transportation projects identified in the planning phases of the bank may be downscoped, allowing credits to be applied to future transportation projects, which could potentially be cost and time saving.
- Due to the time between planning phases and mitigation bank contract acceptance, the cost of credits may increase from the initial estimate, resulting in

impacts to cost and inability to provide compensatory mitigation for additional projects.

- Transportation project scope may change and affect the type and number of credits that are needed, resulting in the need for alternative compensatory mitigation and increase in cost and time.
- Agencies may not approve the purchase of credits despite approving the BEI, resulting in the need for alternative compensatory mitigation and an increase in cost and time.
- Delays to the establishment of the mitigation credits may impact the overall contract timeline, which may require an amendment that cannot be processed through the typical process. Competitively bid contracts can be amended only one time. The amendment can be for time or money, but not both, and cannot change the scope of work. Time extension amendments add additional time to complete performance, not to exceed one year. Amendments for additional funds can add up to 30% of the original agreement, not to exceed \$250,000. If additional time and money are required, the contract amendment will need to follow the non-competitive bid process, which can pose a risk to availability of previously contracted credits.

16. STAKEHOLDER INVOLVEMENT

Informal coordination will occur during the development of the RFP scope of work. Caltrans staff will encourage agency participation on the interview panel to provide feedback, however they will not participate in the voting process. Specifically, the project requires the following coordination:

1. ***U.S. Army Corps of Engineers (USACE)***: Coordination for mitigation credits will occur. Clean Water Act Section 404 permit would not be required for EA 03-3J860; however, informal coordination would be required for mitigation credits applicability because transportation projects benefitting from this advance mitigation project anticipate the requirement of 404 permits. During the service contract development, USACE would serve as “Subject Matter Expert.” During the contract proposal reviews, USACE would serve as a Non-voting Member of the Evaluation Committee.
2. ***California Department of Fish and Wildlife (CDFW)***: Coordination for mitigation credits will occur. California Fish and Game Code Section 1602 Lake or Streambed Alteration Agreement would not be required for EA 03-3J860; however, informal coordination would be required for mitigation credits applicability because transportation projects benefitting from this advance mitigation project anticipate the requirement of LSA Agreements. During the service contract development, CDFW would serve as “Subject Matter Expert.” During the contract proposal reviews, CDFW would serve as a Non-voting Member of the Evaluation Committee.
3. ***Regional Water Quality Control Board (RWQCB)***: Coordination for mitigation credits will occur. Clean Water Act Section 401 certification would not be required for EA 03-3J860; however, informal coordination would be required for mitigation credits applicability because transportation projects benefitting from this advance mitigation project anticipate the requirement of 401 certification. During the service contract development, RWQCB would serve as “Subject Matter Expert.” During the contract proposal reviews, RWQCB would serve as a Non-voting Member of the Evaluation Committee.

17. EXTERNAL AGENCY COORDINATION

Caltrans would coordinate with the following regulatory agencies during review of contract proposals.

- US Army Corps of Engineers
 - Clean Water Act Section 404
- United States Fish and Wildlife Service
 - Section 7 Consultation
- California Department of Fish and Wildlife
 - California Fish and Game Code Section 1602
- Central Valley Flood Protection Board
 - California Water Code Division 5, Part 4
- Regional Water Quality Control Board
 - Clean Water Act Section 401

18. PROJECT REVIEWS

Title	Name	Date
District Supervising Environmental Planner	Wesley Stroud	
District Stewardship Branch Senior	Stephanie Frederickson	12/21/2023
District Right of Way Senior	Tracy Fowler	12/19/2023
Project Manager	Najed Dakak	12/22/2023
Office of Programming & Asset Management Chief	Clark A. Peri	11/13/2023
Headquarters AMP Program Manager	Stuart Kirkham	

19. PROJECT PERSONNEL

Name	Title	Phone
Najed Dakak	Project Manager	530-720-6297
Kristin Coffman	Associate Transportation Planner	530-565-3810
Stacey Sannar	Associate Right of Way Agent	530-821-8356
Jessica Barger	Environmental Scientist (Coordinator)	707-382-7174
Allison Kunz	Environmental Scientist (Mitigation Specialist)	530-812-2776
Stephanie Frederickson	Senior Environmental Project Manager	707-496-6244

ATTACHMENTS

- A. List of Transportation Projects (1)
- B. CE/CE (5)
- C. Right of Way Data Sheet (4)
- D. Risk Register (2)

ATTACHMENT A

Attachment B - List of Transportation Projects

SHOPP ID	Advertised Year (RTL Year)	EFIS	EA	District	County Name	Route	Begin Postmile	End Postmile	Activity	Sub-Basin (HUC-8)	Estimated Riparian Impacts (Acres)	Estimated Other Waters of the U.S. Impacts (Acres)	Nickname
21505	2025/26	0319000304	0J630	3	Colusa	005	R32.9	R32.9	Bridge	18020104	1.00	1.00	Scour Mitigation at various locations
17717	2025/26	0320000116	'1J180	3	Colusa	020	9.8	12.5	Reactive Safety	18020104	1.00	2.64	Salt Creek Canyon
16365	2030/31		'	3	Colusa	005	R16.6	R34.365	Pavement	18020104	0.12	0.12	
16363	2025/26	0316000063	'1H170	3	Sacramento	005	25.3	34.4	Pavement	18020161	0.12	0.12	North Sac 5 Rehab
20399	2025/26	0319000282	'0J420	3	Sacramento	099	21.3	R24.351	Pavement	18020163	0.12	0.12	Sac 99 Fruitridge CAPM
23200	2029/30		'	3	Sacramento	99	0.3	17.68	Mobility - Operational Improvements	18020163	2.50	1.00	
22876	2030/31		'	3	Sacramento	099	R32.124	36.863	Pavement	18020161	0.25	0.28	
21267	2027/28	0321000202	'2J240	3	Yolo	005	R22.8	R28.92	Pavement	18020104	0.01	0.01	Dunnigan 5 Rehab
16921	2029/30	0319000306	'0J650	3	Yolo	128	0	9.8	Pavement	18020163	0.24	0.10	
21943	2025/26	0319000307	'0J660	3	Yuba	065	4.0	R9.38	Pavement	18020159 / 18020126	0.03	0.03	YUB 65 CAPM & Drainage
STIP	2026/2027	0316000113	0H931	3	Sacramento	51	1.05	4.8	Corridor Improvements	18020111	1.61	1.00	SR 51 J St to Arden Way
Total											7.00	6.42	
Ratio 3:1											21.00	19.26	
Estimated Credit Cost: \$300,000											\$6,300,000.00	\$5,778,000.00	

Please note: The AMP project is seeking both USACE and CDFW approval of the credits and are not to exceed a total of 21 credits.

ATTACHMENT B



**CEQA EXEMPTION / NEPA CATEGORICAL EXCLUSION
DETERMINATION FORM (rev. 06/2022)**

Project Information

Project Name (if applicable): Great Valley Ecoregion Advanced Mitigation Project

DIST-CO-RTE: 03-YUB-20

PM/PM: 1.236

EA: 03-3J860

Federal-Aid Project Number: 0323000027

Project Description

Caltrans proposes off-system (not on a state route) Bank Establishment located within the boundaries of the following Hydrologic Unit Code (HUC) 8 sub-basins: Honcut Headwaters-Lower Feather, Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, and Upper Yuba. By establishing mitigation credits in this region via contracting the creation of credits by a third-party contractor, transportation projects with impacts to Waters of the U.S. and State and jurisdictional riparian habitat will be able to debit from the bank to achieve compensatory mitigation. The proposed project will utilize the Advanced Mitigation Program (AMP) established by the Repair and Accountability Act of 2017 (SB 1).

(Continued on following pages)

Caltrans CEQA Determination (Check one)

- Not Applicable** – Caltrans is not the CEQA Lead Agency
- Not Applicable** – Caltrans has prepared an IS or EIR under CEQA

Based on an examination of this proposal and supporting information, the project is:

- Exempt by Statute.** (PRC 21080[b]; 14 CCR 15260 et seq.)
- Categorically Exempt.** (PRC 21084; 14 CCR 15300 et seq.)
 - No exceptions apply that would bar the use of a categorical exemption (PRC 21084 and 14 CCR 15300.2). See the SER Chapter 34 for exceptions.
- Covered by the Common Sense Exemption.** This project does not fall within an exempt class, but it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment (14 CCR 15061[b][3].)

Senior Environmental Planner or Environmental Branch Chief

Wesley Stroud

9/21/23

Print Name

Signature

Date

Project Manager

Bikramjit Kahlon

Sathanathan Thillepan
For Bikramjit Kahlon

09/21/2023

Print Name

Signature

Date



CEQA EXEMPTION / NEPA CATEGORICAL EXCLUSION DETERMINATION FORM

Caltrans NEPA Determination (Check one)

Caltrans has determined this project has no significant impacts on the environment as defined by NEPA, and there are no unusual circumstances as described in 23 CFR 771.117(b). See SER Chapter 30 for unusual circumstances. As such, the project is categorically excluded from the requirements to prepare an EA or EIS under NEPA and is included under the following:

[X] 23 USC 326: Caltrans has been assigned, and hereby certifies that it has carried out the responsibility to make this determination pursuant to 23 USC 326 and the Memorandum of Understanding dated April 18, 2022, executed between FHWA and Caltrans. Caltrans has determined that the project is a Categorical Exclusion under:

[X] 23 CFR 771.117(c): activity (c)(1)

Senior Environmental Planner or Environmental Branch Chief

Wesley Stroud Signature Date 9/21/23

Project Manager/ DLA Engineer

Bikramjit Kahlon Signature Sathanathan Thileepan For Bikramjit Kahlon Date 09/21/2023

Date of Categorical Exclusion Checklist completion (if applicable): Enter date

Date of Environmental Commitment Record or equivalent: Enter date

Briefly list environmental commitments on continuation sheet if needed (i.e., not necessary if included on an attached ECR). Reference additional information, as appropriate (e.g., additional studies and design conditions).



CEQA EXEMPTION / NEPA CATEGORICAL EXCLUSION DETERMINATION FORM

Continuation sheet:

Purpose: The purpose of this project is to fund a contractor to develop mitigation credits within the identified watershed sub-basins of Colusa, Sutter, Sacramento, Yolo, and Yuba (CSSYY) counties to address mitigation needs for Waters of the U.S., Waters of the State, and riparian habitat. This will allow Caltrans to provide compensatory mitigation for transportation projects, facilitate project delivery, and reduce project costs. The mitigation credits will be developed by a contractor through a Caltrans RFP contract. Once secured mitigation credits are established, they will be utilized by identified or other appropriate Caltrans transportation projects.

Need: Credits are needed to comply with permits associated with the U.S. Army Corps of Engineers 404 permit; California Central Valley Regional Water Quality Control Board 401 certification; and the California Department of Fish and Wildlife 1600 Lake and Streambed Alteration Agreement. Currently there are no available credits with existing mitigation banks within the service area.

There are no on-the-ground actions associated with this project. This document covers the actions Caltrans is taking to secure and fund a contract for the establishment of mitigation credits. The following is explanation for determining and addressing applicable California Environmental Quality Act (CEQA) documentation and compliance requirements:

AIR QUALITY

The project is exempt from conformity determination because it falls under the exempt project (Planning Activities) listed in 40 CFR 93.126. An Air Quality Report is not required.

NOISE QUALITY

According to the project description, this is not a Type I project. Therefore, no Noise Study is required.

HAZARDOUS WASTE

As no physical construction activities are proposed, there are no impacts to hazardous waste.

BIOLOGICAL RESOURCES

Because this is a financial allocation action only, and no construction activities of any kind are proposed, there are no effects to special status species listed under the Federal Endangered Species Act or U.S. Fish and Wildlife Service designated critical habitat and "no take" of State listed species. No effect to riparian habitat, sensitive natural communities, wetlands, or wildlife habitat connectivity. The project does not conflict with local, regional, or state habitat conservation plans.



CEQA EXEMPTION / NEPA CATEGORICAL EXCLUSION DETERMINATION FORM

CULTURAL RESOURCES

Because this is a financial allocation action only, and no construction activities of any kind are proposed, this is not an Undertaking under Section 106 and no cultural technical study is required.

WATER QUALITY

The project does not propose to add any new impervious surfaces. The project would not result in any erosion, discharge, or water pollution. No water quality impacts are anticipated.

STORM WATER

The project does not propose any physical construction and will not alter the drainage pattern or velocity of existing stormwater runoff.

HYDROLOGY AND FLOODPLAIN

The project is located within a 100-year base floodplain and will not result in a significant encroachment in the 100-year floodplain.

LANDSCAPE ARCHITECTURE

The project does not involve physical construction and will not alter the visuals of any environment or community. No impacts to visual resources will occur.

COMMUNITY IMPACTS

No relocations or land use changes are proposed. The project does not propose to acquire land designated as farmlands/timberlands, parks, recreational facilities, schools, community centers, medical facilities, or other facilities with community value. No utility relocations are anticipated. The project is off system and not transportation-related, so it will not impact emergency services, traffic, transportation/pedestrian facilities, and bicycle facilities. The project will not impact any designated Wild and/or Scenic rivers. Project is not located within a Coastal Zone. Project will not cause disproportionately high and adverse effects on any minority or low-income populations in accordance with the provisions of EO 12898. No community impacts are anticipated.

GEOLOGY/SOILS/SEISMICITY/TOPOGRAPHY/PALEONTOLOGY

The project does not propose to disturb any soils or build any structures which would be dependent on the soils below. No impacts to geology, soils, seismicity, topography, or paleontology.

ENERGY

The project does not involve operational and capacity improvements. No energy impacts are anticipated.

GREENHOUSE GAS EMISSIONS

The project does not propose any physical construction and will not alter or create a new source of greenhouse gas emissions. The project will not alter the mitigation lands' existing potential for carbon sequestration. No impacts to greenhouse gases are anticipated.



CEQA EXEMPTION / NEPA CATEGORICAL EXCLUSION DETERMINATION FORM

CLIMATE CHANGE

The project does not involve physical construction, or operational and capacity improvements. The project will not alter the hazard of wildfires, flooding, or sea level rise. The project will not alter climate change impacts on the mitigation lands. No climate change impacts are anticipated.

WILDFIRE

The project does not propose to alter the existing topography of the project area. The project does not propose to install associated infrastructure or require maintenance. The project is off system and will not impair emergency response plans or emergency evacuation plans. No wildfire impacts are anticipated.

PERMITS REQUIRED

No permits are required for this project.

Changes to the project description, scope of work, limits, construction strategy and/or staging and storage requirements will require that North Region Environmental be notified in a timely manner, to determine if an Environmental Re-Evaluation (and/or updates to the Technical Studies performed) is required.

ATTACHMENT C

MEMORANDUM

To: STEPHANIE FREDERICKSON
Environmental Senior
Department of Transportation

Date: October 23, 2023

File: 03-COL, SAC, SUT, YOL, YUB-PM
VAR

EFIS No.: 03 2300 0027

EA: 3J860

Alternative: 3B

Attention: ALLISON KUNZ
Environmental Scientist

From: MARLA MILES *MM*
Assistant Chief
North Region Right of Way
Marysville

Subject: CURRENT ESTIMATED RIGHT OF WAY COSTS

Project Description: The proposed Great Valley Ecoregion Advanced Mitigation Project (project) in Colusa, Sacramento, Sutter, Yolo, and Yuba (CSSYY) counties will utilize the Advance Mitigation Program (AMP) established by the Repair and Accountability Act of 2017 (SB 1). The project will proactively establish mitigation credits within a service area that covers Honcut Headwaters-Lower Feather, Lower American, Lower Sacramento, Sacramento-Stone Corral, Upper Bear, Upper Coon-Upper Auburn, and Upper Yuba eight-digit Hydrological Unit Code (HUC-8) watersheds for Waters of the U.S. and Waters of the State, which include wetlands and non-wetlands waters and riparian habitat for State Highway Operation and Protection Program (SHOPP) and/or State Transportation Improvement Program (STIP) projects from the 10-Year Plan.

We have completed an estimate of the right of way costs for the above referenced project based on information received from you on October 11, 2023.

Right of Way Lead Time will require a minimum of 3 months after receipt of appraisals maps, utility conflict maps, environmental clearances (HMDD) and Certificate of Sufficiency (COS) to complete the Right of Way Certification. Shorter lead times may require additional support resources and may adversely affect delivery of Right of Way Certification.

*****Right of Way Certification is at risk. The current project schedule does not provide Right of Way with sufficient lead time.*****

Attachment:
Right of Way Data Sheet

cc. Bikram Kahlon



DESCRIPTION: Great Valley Ecoregion Advance
 Mitigation Project

ALTERNATIVE: 3B

DATE: 10/23/2023

DATASHEET TYPE: Initial

1. Right of Way Cost Estimate:

	Current Value Future Use	Escalation Rate	Escalated Value
A. Total Acquisition Cost	\$0		\$0
B. Appraisal Fees Estimate	\$0	N/A	\$0
C. Mitigation Acquisition & Credits	\$6,615,000	0%	\$6,615,000
D. Project Development Permit Fees	\$0		\$0
Subtotal	\$6,615,000		\$6,615,000
E. Utility Relocation (State's Share)	\$0		\$0
(Owner's Share: _____)	\$0		\$0
F. Relocation Assistance (RAP)	\$0		\$0
G. Clearance/Demolition	\$0		\$0
H. Title & Escrow	\$0		\$0
I. Total Estimated Right of Way Cost	\$6,615,000		Rounded \$6,615,000 *
J. Phase 4 estimated expenses			
Railroad	\$0		
Construction Contract Work	\$0		

2. Current Date of Project Approval (P&ED)

Current Date of Right of Way Certification

October 31, 2023
 January 15, 2024

3. Parcel Data:

Type	Dudl/Appr	Utilities	Railroad
X	0	U4 - 1	0
A	0	-2	0
B	0	-3	0
C	0	-4	0
D	0	U5 - 7	0
RR	0	-8	0
Total	0	-9	0

Excess 0

Areas:

	Mitigation	Misc. R/W Work
R/W	0	N/A
TCE	0	N/A
Excess	0	N/A
Mitigation	0	N/A
	0	NO

Misc. R/W Work

Impacts	0	RAP Displacees	N/A
Parcels	0	Clear/Demo	N/A
Credits	0	PTE Construct	N/A
Lump Sum	0	Condemnction	N/A
Env PTE	0	USA Involvement	NO

4. Provide a general description of the right of way and excess lands required (zoning, use, major improvements, critical or sensitive parcels, etc.).

There are no parcels required for this project and there is no work within existing right of way.

5. Are any properties acquired for this project expected to be rented, leased, or sold?

Yes _____ No X

6. Are RAP displacements required?

Yes _____ No X

No. of single family N/A

No. of business/nonprofit N/A

No. of multi-family N/A

No. of farms N/A

Based on Draft/Final Relocation Impact Statement/Study dated _____ N/A

N/A Sufficient replacement housing will be available without last resort housing.

N/A Sufficient replacement housing will not be available without last resort housing.

7. Is there an effect on assessed valuation?

Yes _____ No X Not Significant _____

8. Are there any items of Construction Contract Work?

Yes _____ No X

There is no Construction Contract Work associated with the project.

9. Are utility facilities or rights of way affected?

Yes _____ No X

Names of Utility Companies requiring verification only.

None

Names of Utility Companies requiring involvements.

None

Additional information concerning Utility Involvement on this project.

None

10. Are railroad facilities or rights of way affected?

Yes _____ No X Phase 4 Capital \$0

11. Are USA Lands or Rights Affected?

Yes _____ No X Phase 4 Capital \$0

Agencies Involved:

US Forest Service _____

BLM _____

Army Corps of Engineers _____

National Parks _____

BIA _____

Veterans Administration _____

US Fish & Wildlife _____

GSA _____

Rights or Permissions to acquire:

Easement _____

Special Use Permit _____

Courtesy Letter _____

Right of Way Grant _____

Cooperative Work Agreement _____

Cost Recovery _____

Mineral Agreement _____

Letter of Concurrence _____

Timber Sale _____

12. Is an RE Office required for the project?

Yes _____ No X

13. Were any previously unidentified sites with hazardous waste and/or material found?

Yes _____ None Evident X

14. Are there material borrow and/or disposal sites required?

No X Optional _____ Mandatory _____

15. Are there potential relinquishments and/or abandonments?

Yes _____ No X

16. Are there any existing and/or potential airspace sites?

Yes _____ No X

17. What type of mitigation is required for the project?

This project will utilize the Advance Mitigation Program in order to create mitigation credits.

18. Is it anticipated that Caltrans will perform all Right of Way work?

Yes X No _____

19. Indicate the anticipated Right of Way schedule and lead time requirements.

Right of Way Lead Time will require a minimum of **3** months after we receive final appraisal maps, utility conflict maps, necessary environmental clearances, and freeway agreements have been approved and obtained, to complete the Right of Way Certification process.

20. Assumptions and limiting conditions: (Check boxes that apply.)

- Project permits are not required for the project.
- This estimate is based off of preliminary Environmental information.
- Right of Way Certification is at risk. The current project schedule does not provide Right of Way with sufficient lead time.

Evaluation Prepared By:

Right of Way:

Poppa Darling

POPPEA DARLING
Associate Right of Way Agent

Date 10/23/2023

Recommended:

Adrian Metcalf

ADRIAN METCALF
Senior Right of Way Agent
North Region Middle Mile Broadband Network
D3 Estimating & Railroads
Marysville

Date 10/24/2023

I have personally reviewed this Right of Way Data Sheet and all supporting information. I certify that the probable Highest and Best Use, estimated values, escalation rates and assumptions are reasonable and proper, subject to the limiting conditions set forth, and I find this Data Sheet to be complete and current.

Marla Miles

Date 10/24/2023

MARLA MILES
Assistant Chief
North Region Right of Way
Marysville

Reviewed By

Kenton Bevacqua

RW Planning & Management:

KENTON BEVACQUA

Date 10/25/2023

ATTACHMENT D

Project Information		
Checkpoint:		Project Manager: Bikramjit Kahlon
Date:		Program:
EA:	03-3J860	Capital Costs: \$6,300,000
EFIS ID:	03-2300-0027	Support Costs: \$0
Project Nickname:	Great Valley Ecoregion Advance Mitigation	Total Costs: \$6,300,000
County/Route/PM:	YUB/20/1.236	RTL Target:

Calculated Risk Reserve				Last Run Date:	
Project Phase	Confidence Level	Resource Hours	Reserve \$'s	Confidence Level	Schedule Reserve
0 (PA&ED)	50%	-	\$0	50%	days
1 (PS&E)	50%	-	\$0	50%	days
2 (RW Sup)	50%	-	\$0	50%	days
3 (Con Sup)	50%	-	\$0	50%	days
4 (Con Cap)	50%	-	\$0	-	-
9 (RW Cap)	50%	-	\$0	-	-
Project Total		-	-		days

Risk Register											version 2.01 04/28/2022
Risk Identification				Initial Risk Assessment		Risk Response		Residual Risk		Risk Status	
RISK ID #	Risk Statement	Proactive Response (prior to risk occurring)	Phase	Initial Risk Probability		Response Strategy		Residual Risk Probability		Risk Assumptions and Status	Date Risk Identified
Status	"As a result of <root cause>, <uncertain event> may occur, which would lead to <effect on objective(s)>."	Response if Risk Occurs		Cost Impact (\$k)	Schedule Impact	Cost Impact (\$k)	Schedule Impact	Cost Impact (\$k)	Schedule Impact		Anticipated Resolution Date
Type	Risk Trigger										Date Last Updated
RIBS Sub Category	Risk Owner										
1	As a result of DPAC processing time, the Request for Proposal (RFP) may not be approved in time for the first credit release which would lead to a schedule delay.	Make sure RFP package is complete before submittal and work closely with DPAC staff.		3 - Moderate (31-50%)		Mitigate		3 - Moderate (31-50%)		[03-01-23: 6-9 months are needed for DPAC processing.]	1/10/2023
Active			0-PA&ED								
Threat		Work with DPAC to prevent further delay to mitigation bank creation.	1-PS&E	>\$0	30 - 90 days			\$0 - \$8 Y	30 - 60 days Y		TBD
			2-RW Sup								
PPM: Schedule and Delivery	Late approval by DPAC		3-Con Sup								
	ENV/PM		4-Con Cap								3/1/2023
			9-RW Cap								
2	As a result of limited project impact information within the preliminary project analysis phase, insufficient funding may occur, which will lead to impacts to scope and cost.	Work closely with transportation project teams to stay ahead of any changes.		3 - Moderate (31-50%)		Passive Acceptance		3 - Moderate (31-50%)		[01-11-23: Preliminary planning based on SHOPP 2021 projects resulted in projected impacts and mitigation need.]	1/11/2023
Active			0-PA&ED								
Threat		Adjust project list to mitigate for priority transportation projects.	1-PS&E	>\$0	0 - 30 days			\$0 - \$8 N	0 - 15 days N		TBD
			2-RW Sup		0 - 30 days				0 - 15 days N		
ENV: Permits	Changes in transportation project scope.		3-Con Sup	>\$0	0 - 30 days			\$0 - \$8 N	0 - 15 days N		
	ENV/PM		4-Con Cap								3/1/2023
			9-RW Cap	<\$0				\$0 - \$320 N			
3	As a result of purchasing too many mitigation credits to address the identified transportation projects outlined in this project, additional transportation projects may be able to utilize this advanced mitigation resulting in those projects getting potential cost and time saving.	Work closely with the project teams to stay ahead of changes to project scopes and apply to other future projects in need of credits.		2 - Low (11-30%)		Exploit				[01-11-23: Preliminary planning based on SHOPP 2021 projects resulted in projected impacts and mitigation need.]	1/11/2023
Active			0-PA&ED	>\$0	0 - 30 days			\$0 - \$8 N	0 - 15 days N		
			1-PS&E	>\$0	0 - 30 days			\$0 - \$8 N	0 - 15 days N		TBD
Opportunity		Exploit and apply reserved credits to other future projects in need of mitigation.	2-RW Sup		0 - 30 days				0 - 15 days N		
			3-Con Sup	>\$0	0 - 30 days			\$0 - \$8 N	0 - 15 days N		
ENVIRONMENTAL	Changes in the scope of transportation projects		4-Con Cap								4/11/2023
	Environmental/PM		9-RW Cap	Insignificant							

4	As a result of the time between planning phases and mitigation bank contract approval, an increase in the cost of credits may occur, which will lead to impacts to cost and schedule.	Continue working with project teams to evaluate mitigation needs for future projects.		3 - Moderate (31-50%)		Passive Acceptance		3 - Moderate (31-50%)		[01-11-23: Assumption of cost per credit based on assessment of market value at the time of Project Initiation Proposal submittal.]	1/11/2023		
			0-PA&ED									TBD	
			1-PS&E	>\$0	0 - 30 days			\$0 - \$8	N		0 - 15 days		N
Active	ENVIRONMEN TAL	Contractor bid submittals	Work with project teams to determine if impacts can be reduced to meet mitigation credits available. Identify permittee-responsible mitigation if credits are not available at the bank.	2-RW Sup		0 - 30 days				0 - 15 days	N	3/1/2023	
3-Con Sup				>\$0	0 - 30 days			\$0 - \$8	N	0 - 15 days	N		
Threat				Environmental/PM	9-RW Cap	<\$0					\$0 - \$320	N	
6	As a result of agencies denying bank enabling instrument (BEI), alternative compensatory mitigation may occur, which will lead to impacts on cost and schedule.	In addition to working with CDFW staff in contract development and to complete BEI and receive approval, Caltrans supervisors are working to improve relationships with CDFW.		5 - Very High (>70%)		Escalate		4 - High (51-70%)		[03-01-23: CDFW is slow to approve BEI which could delay our project. Other agencies are likely to approve in a timely manner.]	1/11/2023		
			0-PA&ED	>\$0	30 - 90 days			\$0 - \$8	N		30 - 60 days	N	TBD
			1-PS&E	>\$0	30 - 90 days			\$0 - \$8	N		30 - 60 days	N	
Active	ENV: Permits	Agency denial of BEI	Alternative compensatory mitigation may be needed to reach CDFW permit conditions.	2-RW Sup							4/12/2023		
Threat				3-Con Sup	>\$0	30 - 90 days			\$0 - \$8	N		30 - 60 days	N
Threat				Environmental/PM	4-Con Cap								
7	As a result of delays to the establishment of the mitigation bank within specified contract timelines, the inability to complete a contract amendment may occur, which will lead to impacts on cost and schedule.	Coordinate with DPAC analyst during the development of the request for proposals to determine appropriate credit roll-out schedule and reduce contract timeline.		2 - Low (11-30%)		Avoid				[01-11-23: Contract timeline will be established with mitigation bank entity to cover timeline need to deliver contracted credits.]	1/11/2023		
			0-PA&ED									TBD	
			1-PS&E										
Active	ENVIRONMEN TAL	DPAC contract timeline limitations and mitigation bank establishment progress	Follow DPAC NCB process for credit acquisition.	2-RW Sup		0 - 30 days				0 - 15 days	N	3/1/2023	
Threat				3-Con Sup	>\$0	0 - 30 days			\$0 - \$8	N	0 - 15 days		N
Threat				Environmental/PM	4-Con Cap								
				9-RW Cap	<\$0				\$0 - \$320	N			