The Interstate 10 Conservation Plan was developed to address the effects of five interchanges and six associated arterial roads along and adjacent to Interstate 10 in the Coachella Valley. The Conservation Plan was developed by the Federal Highway Administration, the California Department of Transportation, the Coachella Valley Association of Governments and the County of Riverside, in cooperation with the cities of Palm Springs, Cathedral City and Indio.

The Interstate 10 Conservation Plan offsets impacts to the habitat of two federally listed species, the Coachella Valley fringe-toed lizard and the Coachella Valley milk-vetch. It provided for the construction of critically important interchanges and roadways through purchase of 1,795 acres of conservation land in the Coachella Valley. The Plan is considered part of the recently approved Coachella Valley Multiple Species Conservation Plan (MSHCP). All land purchased for the I-10 CP projects will become part of the overall MSHCP reserve system in the Coachella Valley.
FHWA EXEMPLARY ECOSYSTEM INITIATIVE
FHWA CALIFORNIA DIVISION
MARCH 31, 2005
FHWA EXEMPLARY ECOSYSTEM INITIATIVES
Information Sheet

Initiative Name: Coachella Valley Habitat Preservation Initiative

Initiative Location: Riverside County, California

Initiative Description:

a. **Introduction** - As part of an interagency cooperative effort among the Federal Highway Administration (FHWA), California Department of Transportation (Caltrans), California Department of Fish and Game (CDFG), United States Fish and Wildlife Service (USFWS), Riverside County (County), and Coachella Valley Association of Governments (CVAG), the agencies agreed in 2003 to a mitigation concept for planned improvements to several interchanges on Interstate 10 (I-10) and associated arterials near Palm Springs. The I-10 interchanges and other arterial streets would be constructed in the next two to eleven years (2005 – 2014). Some of these projects are expected to affect federal and state threatened and endangered species and their habitat, including, the Coachella Valley fringe-toed lizard, the Coachella Valley milkvetch and other sensitive species. This interagency cooperative effort produced a Conservation Plan to address offsetting measures from the various I-10 interchange projects for these species, as well as others included for coverage under the currently proposed Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). Based on the agreed upon Conservation Plan, the FHWA subsequently obtained a Programmatic Biological Opinion through formal Section 7 Endangered Species Act consultation, which addresses the effects to the species, and the habitat preservation strategy to mitigate anticipated effects of the I-10 interchanges and related projects.

Located in the eastern part of Riverside County, California, the Coachella Valley is a long, broad, northwest-southeast trending valley comprising the westernmost limits of the Sonoran Desert. It is characterized by extremes in topography, ranging from the sub-sea level Salton Sea to mountain peaks that rise two miles above sea level. This wide variation in elevations and concomitant differences in temperature and precipitation contribute to the Coachella Valley’s extreme biological diversity. I-10 bisects the Coachella Valley and connects it with the Los Angeles, Riverside, and San Bernardino metropolitan areas to the west and the Phoenix region to the east.

The Coachella Valley is one of the most biologically unique and diverse regions in the country. Researchers with The Nature Conservancy and the Association for Biodiversity Information identified this portion of Southern California as one of six regions in the United States that rank in the top tier of conservation priority. The area has been extensively studied by CVAG with much of the data incorporated into a Geographical Information System. As a hot spot of biodiversity, the Coachella Valley contains many endemic insects, vertebrates, and plants. The Coachella Valley is a very special place and due to increased development, it is under tremendous conservation pressure. Unfortunately, much of the most important habitats for preserving biodiversity are largely private landholdings with high economic value.

This sensitive region is also threatened by vegetation type conversion to exotic plants, pollution, grazing, roads, and increasing urbanization. To offset these threats, several preserves have already been designated, including the Coachella Valley Fringe-toed
Lizard Preserve. Acquisitions of habitat mitigation parcels for the I-10 interchange projects will add to these existing preserve lands.

b. Habitat mitigation:

To mitigate for anticipated project impacts related to the proposed I-10 interchanges, CVAG, on behalf of Caltrans and the FHWA, purchased 1,364 acres of an 8,881-acre site. CVAG’s purchase was part of the acquisition of the entire 8,881 by a partnership that included the Coachella Valley Mountains Conservancy, the Wildlife Conservation Board, The Nature Conservancy, the Resources Legacy Fund Foundation, the City of Palm Desert, and the Friends of the Desert Mountains. Known as the Cathton Property, the site was slated for development including 7,000 residences, 12 golf courses and three hotels. This was a significant purchase, as this property constitutes an open space linkage between Joshua Tree National Park and the Coachella Valley Preserve, and provides an essential sand corridor and wildlife linkage between the Little San Bernardino Mountains and the valley floor. Acquisition of the parcel also maintains water quality and supports 11 stands of California fan palm oases. Another 431 acres will be acquired for the I-10 interchange projects at additional reserves within the Coachella Valley, resulting in a total of 1,795 acres of habitat mitigation.

The property acquired to date ensures that the sand source from the mountains to the Coachella Valley will be protected and uninterrupted, thus maintaining corridor preservation and habitat connectivity for endangered species. This vital corridor maintains fluvial processes for sand transport from the mountain canyons down to the valley floor. Maintaining these processes will ensure that sufficient sand is transported to sustain the sand dune habitat of endangered and threatened species, including the Coachella Valley milkvetch and Coachella Valley fringe-toed lizard, which depend on the continuous renewal of the sand dunes for their survival. Also referred to as “blowsand” habitat, the sand dunes are composed of fine sand that accumulates at the bottom of drainages during flood events and is transported across the Valley by the area’s continuous high winds. It is estimated that less than 5% of this dune habitat remains viable.

Properties acquired for mitigation purposes will be managed by CVAG in the short term and ultimately the Coachella Valley Conservation Commission as part of the larger effort to preserve land and corridors in the Coachella Valley under the CVMSHCP. Current efforts to manage land in the Coachella Valley Preserve are handled through a cooperative effort with the CDFG, USFWS, Center for Natural Lands Management, The Nature Conservancy, BLM, and California State Parks. FHWA and Caltrans efforts to encourage securing additional lands typifies the cooperative efforts of the two agencies to support effective decision making to provide for ecosystem sustainability and habitat conservation and fosters enhanced environmental stewardship among federal, state, and local transportation and resource agencies.

Traditionally, habitat mitigation has taken place on a project-by-project basis. The effort presented in the Coachella Valley Habitat Preservation Initiative is exemplary because it improves the environmental quality of transportation decision-making by taking a holistic approach through collaboration and cooperation with numerous agencies on the mitigation of project effects for multiple projects. CVAG has taken a strong and visionary approach to integrating planning, the environmental process and conservation strategies, which has led to the success of this habitat mitigation. Based on the cooperative effort demonstrated, the timeliness of the environmental process has been streamlined by addressing anticipated impacts to sensitive species on a proactive and programmatic level, rather than on a project-by-project level. At the same time, by actively encouraging the acquisition of large, contiguous parcels in a conservation
area, the FHWA and Caltrans are contributing to the recovery of endangered species through ecosystem enhancement and habitat conservation.

Contacts for Coachella Valley Habitat Preservation Initiative

**Name:** Scott Quinnell  
**Affiliation:** California Department of Transportation (Caltrans)  
**Address:**  
California Department of Transportation  
District 8  
Biological Studies & Permits Branch  
464 W. Fourth Street  
San Bernardino, CA 92401-1400  
**Phone Number:** (909) 383-6935  
**Fax:**  
**Email:** scott_quinnell@dot.ca.gov

**Name:** James Sullivan  
**Affiliation:** Coachella Valley Association of Governments (CVAG)  
**Address:**  
73-710 Fred Waring Dr. Suite 200  
Palm Desert CA 92260  
**Phone Number:** (760) 346-1127, Ext. 117  
**Fax:** (760) 340-5959  
**Email:** jsullivan@cvag.org

**Name:** Larry Vinzant  
**Affiliation:** FHWA, California Division  
**Address:**  
650 Capitol Mall  
Suite 4-100  
Sacramento, CA 95814  
**Phone Number:** (916) 498-5040  
**Fax:** (916) 498-5008  
**Email:** Larry.Vinzant@fhwa.dot.gov

**Name:** Stephanie Stoermer  
**Affiliation:** FHWA, California Division  
**Address:**  
650 Capitol Mall  
Suite 4-100  
Sacramento, CA 95814  
**Phone Number:** (916) 498-5057  
**Fax:** (916) 498-5008  
**Email:** Stephanie.Stoermer@fhwa.dot.gov
Credits

- Cover: Coachella Valley Association of Governments (CVAG)
- Figure 1: Coachella Valley Association of Governments (CVAG)
- Figures 3, 4, 5, 7: Bill Havert, Coachella Valley Mountains Conservancy
- Figure 8: U.S. Fish & Wildlife Service
- Figures 2, 6, 9, 10, 11: Stephanie M. Stoermer, FHWA, California Division
Figure 1 Cathton Acquisition
TYPICAL VIEWS OF THE CATHTON ACQUISITION

Figure 2 Cathton Acquisition – Spring, 2005

Figure 3 Cathton Acquisition – Spring, 2005
TYPICAL VIEWS OF THE CATHTON ACQUISITION

Figure 4 Cathlon Acquisition – Spring, 2005

Figure 5 Cathlon Acquisition – Spring, 2005
TYPICAL VIEWS OF THE CATHTON ACQUISITION

Figure 6 Cathton Acquisition – Spring, 2005

Figure 7 Cathton Acquisition – Spring, 2005
Figure 8 Coachella Valley Fringe-Toed Lizard Habitat Protection

Figure 9 California Fan Palm oasis and encroaching active sand dunes (west of the Cathton Acquisition)
Figure 10 California Fan Palms and encroaching sand dunes

Figure 11 California Fan Palm oasis
Introduction

The Federal Highway Administration (FHWA), California Department of Transportation (Department), Riverside County (County), Coachella Valley Association of Governments (CVAG), and other agencies have planned improvements to interchanges on Interstate 10 (I-10) and their associated arterials. These projects include interchange improvements on: Indian Avenue, Palm Drive/Gene Autry Trail, Date Palm Drive, Ramon/Bob Hope Drive, and Jefferson Avenue and other arterial street improvements not included in the interchange projects (see Maps 1-11). The interchanges and other arterial streets are to be constructed in the next two to eleven years (2005 – 2014) depending on the availability of funding. Some of these projects are likely to affect state and federal threatened and endangered species and their habitat, including the Coachella Valley milk-vetch and the Coachella Valley fringe-toed lizard. This Conservation Plan (CP) addresses offsetting measures for several of the species proposed for coverage under the Coachella Valley Multi-Species Habitat Conservation Plan (CVMSHCP). A list of these species is shown in Table 1. This Conservation Plan (CP) is intended to offset any significant effects under the California Environmental Quality Act for mitigation purposes.
To effectively plan mitigation for the projects that could affect threatened and endangered (listed and non-listed) species and their habitat, the FHWA and the Department are required to assess the direct, indirect, and cumulative effects of the interchange projects and arterial street improvements.

Direct effects are generally confined to species (see Table 1) and/or their habitat permanently or temporarily disturbed by the construction of the project. Permanent effects may include placement of fill, removal and construction of structures and or roadbeds, landscaping and drainage improvements. Temporary effects may include construction staging areas, construction vehicle access, dust generation and light.

Indirect effects are effects to species and/or their habitat that may occur some distance away from the project site or may occur later in time. Indirect effects may include areas not directly impacted by the project. Examples of indirect effects may include noise, vehicular-related mortality from increased traffic, changes in drainage or erosion patterns, or introduction of invasive or exotic species.

Pursuant to section 7 of the Federal Endangered Species Act, “cumulative effects are those effects of future State or private activities, not involving Federal activities, that are reasonably certain to occur within the action area of the Federal action subject to consultation” (50 CFR 402.02).
The purpose of this Conservation Plan is: (1) to address the impacts associated with the listed interchange projects and other arterial street projects in the Coachella Valley, and (2) to present a means of reasonably assessing direct, indirect, and cumulative effects of these projects.

Calculating Impact Areas and Mitigation Needs

FHWA has asked its transportation partners to adopt a flexible mitigation approach for the interchange projects. In determining the mitigation ratio, the following factors will be taken into account:

- Lack of an existing Multi-Species Habitat Conservation Plan (MSHCP) to offset the effect of human development on ecosystems;
- Need to maintain and enhance wildlife habitat;
- Other activities and projects that may lead to further decline of the species.

Direct Effects

For the purposes of establishing the conservation plan, the direct effects of each interchange project and arterial street improvement are estimated as the area composed from the new/revised toe of slope of one side to the new/revised toe of slope of the other side, plus a width of 7.62 meters (25 feet) on each side for a temporary construction area. Developed areas are excluded from habitat calculations for direct effects. A mitigation ratio of 2:1 was agreed upon and used to estimate the area for the conservation plan.
Direct Effects of the other Arterial Street Projects

The acquisition of conservation lands for direct effects of the other arterial street projects will occur separately from interchange acquisitions but prior to arterial construction. The acquisition of conservation lands/property may be purchased with non-Federal funds. The eligibility of Federal reimbursement depends on the Federal-aid participation, as shown in the Transportation Improvement Program. The mitigation for any improvements beyond the logical termini shown on maps 1 - 11 are not covered by this Conservation Plan and shall be the responsibility of the project proponent. A mitigation ratio of 2:1 was agreed upon and used to estimate the area for the Conservation Plan.

Indirect Effects

A coordinated effort has taken place with FHWA, the Department, U.S. Fish and Wildlife Service (USFWS), and California Department of Fish and Game (CDFG) to come up with a way to determine the indirect effects of the five interchange projects, including the increased traffic intensity on nearby arterial streets. It was agreed, for the purpose of determining the segment of arterial to be included in the indirect effects analysis, that each segment should have logical termini, and at a minimum, should extend to the next major intersecting street. Segments of road beyond the first major intersection were included in the indirect effect analysis when it appeared that the main purpose of the roadway was to feed vehicles to and from the interchange. Table 2 and maps 1 - 11 show the facilities to be included in the Conservation Plan.

FHWA, the Department, USFWS, and CDFG determined an effect distance for the indirect effects of the interchange projects and arterial street improvements included in
each project. The effect distance concept was based on the latest literature search information. The home range of the flat-tailed horned lizard (FTHL) was used to calculate the effect distance, since it had both the best available science regarding home range and the widest known effect distance of the species shown in Table 1. Considering the most current and best available information, a typical home range radius of 111 meters (360 feet) was estimated for the FTHL. It was decided, based on available literature, that the mortality rate of the FTHL would increase from approximately 50% to nearly 100% when attempting to cross the road at the increased traffic intensity. This road-related mortality would substantially reduce population densities within 55.5 meters (180 feet) of each side of the road based on current and projected traffic volumes. Therefore, it was agreed to estimate the indirect effect area based on a 111-meter (360 foot) width (55.5 meters/180 feet each side) multiplied by the length of the interchange and the arterial improvements included in the interchange project, and the additional arterial segments included in the indirect effects analysis. Developed areas are excluded from habitat calculations for indirect effects. The 111-meter (360-foot) criteria can be modified during the processing of the environmental document and the Biological Assessment, provided that the information used to date has changed based on the most recent field studies, engineering studies, and/or scientific documentation. A mitigation ratio of 1:1 was agreed upon and used to estimate the area for the Conservation Plan.

**Relationship with other Planning Efforts**

This Conservation Plan (CP) is designed to be a component of the CVMSHCP if the CVMSHCP planning effort is completed and implemented; all acreage acquired would
count towards the overall CVMSHCP conservation goals. See Sections 5.2 and 6.2.1.3 in the CVMSHCP/Natural Communities Conservation Plan. Participation in this Conservation Plan (CP) provides mitigation for the direct and indirect effects, negating the need for CVMSHCP fees by the sponsors of the transportation projects.

**Cumulative Effects**

The effects of proposed development to adjacent parcels on the listed species will be disclosed in the Biological Assessment and the environmental document. The CVMSHCP is being developed to address the impacts of proposed development.

**Endowment Fund**

The Department and/or CVAG (Management Team) will set-up an endowment fund for the purpose of managing the proposed conservation land in perpetuity. An endowment fund is a non-wasting endowment established by the Management Team for the sole purpose of exclusively managing the resources as spelled out in the proposed Cooperative Agreement Report (CAR). To minimize the damage to acquired mitigation properties, the Management Team will prepare a CAR and use whatever means that are cost effective not to impede the movement of sand and/or habitat of the listed species/biological resources.

Under current law and regulation governing the Federal-aid highway program, endowment funds are not eligible for Federal-aid participation. Actions eligible for Federal-aid participation (23 CFR 777.9 (a) (3)) include the following: “Improvements to existing wetlands or natural habitats. Such activities may include, but are not limited
to, construction or modification of water level control structures or ditches, establishment of natural vegetation, re-contouring of a site, installation or removal of irrigation, drainage, or other water distribution systems, integrated pest management, installation of fencing, monitoring, and other measures to protect, enhance, or restore the wetland or natural habitat character of a site.”

If the 10(a) permit (USFWS) and/or 2835/2081 authorization (CDFG) for the CVMSHCP is rescinded, CVAG through MSHCP funds or transportation will fund the CDFG endowment and provide title to contiguous land equal to the mitigation acquisition to CDFG.

**Conclusion**

The Department and FHWA have proposed an approach for identification of direct and indirect effects for the interchange projects in the Coachella Valley. FHWA and the Department propose the creation of a Conservation Plan that will provide mitigation for the listed interchange projects in the Coachella Valley. The Conservation Plan will also provide mitigation for the direct and indirect effects of the arterials listed in Table 2. Acquisition of lands for the Conservation Plan will be pursued until all of the proposed 726.59 hectares (1795.44 acres) are acquired. At a minimum, the conservation lands acquired and not utilized for previous projects must equal the lands required to mitigate direct and indirect effects of an interchange and arterial project(s) prior to construction commencing. Any parcels acquired for the Conservation Plan must be approved by the participating agencies. Conservation lands cannot be used for any other transportation projects until those projects addressed within this Plan are completely debited, at which
time any excess credits could be applied to other transportation projects not contemplated in this Plan.

The acquisition of land for the Conservation Plan would be a positive step towards ensuring the survival of the listed and non-listed species and their habitat. If possible, the acquired land will be a contiguous parcel. This positive step will help offset the potential cumulative effects on these species and their habitat by other activities.

Where feasible, the acquired land would augment and build on existing wildlife preserves, which in turn will ensure the long-term viability of sand dune habitat in the Coachella Valley. The Conservation Plan will also aid efficient project delivery by streamlining the consultation process while improving the prospects for recovery of federal and state threatened and endangered species and species of concern. To address the estimated mitigation needs for the proposed interchange projects, FHWA and the Department propose that the Conservation Plan contain 726.59 hectares (1795.44 acres), as agreed upon with the USFWS and CDFG.

The next steps following completion of this plan are: 1) preparing a Cooperative Agreement Report (CAR), as discussed above; 2) acquisition of land for the Conservation Plan (CP); and 3) integration of the interchange improvements and their associated arterials into the Coachella Valley Multi-species Habitat Conservation Plan as covered activities.
References


Coachella Valley Mountains Conservancy. 1999. Biological analysis of three conservation alternatives for the Coachella Valley Multiple Species HCP/NCCP. Submitted to U. S. Fish and Wildlife Service and the California Department of Fish and Game.


Table 1

Listed and non-listed species to be covered by this Conservation Plan, as listed in the CVMSHCP:

- Coachella Valley fringe-toed lizard, FT, SE
- Flat-tailed horned lizard, FSC, SSC
- Coachella Valley (Palm Springs) round-tailed ground squirrel, FC, SSC
- Palm Springs pocket mouse, SSC
- Burrowing owl, FSC, SSC
- LeConte’s thrasher, SSC
- Coachella Valley giant sand-treader cricket, FSC
- Coachella Valley Jerusalem cricket, rare
- Coachella Valley milkvetch, FE, CNPS 1B
- Triple-ribbed milkvetch, FE, CNPS 1B
- Little San Bernardino Mountains linanthus, FSC, CNPS 1B

Legend:

**USFWS**
FE = Federal Endangered  
FT = Federal Threatened  
FC = Federal Candidate  
FSC = Federal Species of Concern

**CDFG**
SE = State Endangered  
ST = State Threatened  
SSC = State Species of Special Concern

**California Native Plant Society (CNPS)**
CNPS 1B = Considered rare, threatened, or endangered in CA, and elsewhere
March 28, 2008

Mr. John Wohlmuth
Executive Director
Coachella Valley Association of Governments
73-710 Fred Waring Drive, Suite 200
Palm Desert, CA 92260

Dear Mr. Wohlmuth:

The Department understands and appreciates the benefits of the CVMSHCP to avoid delays to state transportation projects over the 75 year term of the permit. As a condition of signing and approving the Implementation Agreement (IA) of the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP), the California Department of Transportation (Department) has an understanding with the Coachella Valley Association of Governments (CVAG) that the following specified conditions are applicable to the Department's participation in the CVMSHCP. These conditions were discussed at length with you and Katie Barrows of CVAG.

Availability of Funds: The State of California and the Department face budget constraints which impact transportation funding. Therefore, we want to call attention to Section 27.10 of the IA which states: “Implementation of this Agreement and the CVMSHCP by the Department is subject to the availability of appropriated funds. Nothing in this Agreement shall be construed by the Parties to require the obligation, appropriation, or expenditure of any money from the Treasury of the State of California. The Parties acknowledge and agree that the Department shall not be required under this Agreement to expend any State appropriated funds unless and until an authorized official of the agency affirmatively acts to commit such expenditure as evidenced in writing.”

Further, it should be made clear that the availability of appropriated funds is subject to the allocation of those funds by the California Transportation Commission (CTC). Therefore, the Department's ability to meet the timeframes and commitments outlined in the IA and CVMSHCP may be affected by the allocation of funds by the CTC. However, if funds are not available in the specified timeframes, the Department and CVAG are committed to working together to find a solution.

Section 7 Consultation and Other Regulatory Issues: The Department asked for clarification regarding how Section 7 consultation for federally funded projects fits into the CVMSHCP.
process, as the CVMSHCP was completed pursuant to Section 10(a) of the Endangered Species Act. The Department also wanted to ensure that additional compensation would not be required, beyond the commitments stipulated in the IA. The Department made a comment to this effect during circulation of the Final EIR.

Based on discussion by CVAG staff with USFWS staff, the CVMSHCP permit is applicable to federally funded projects identified as Covered Activities in the plan and as is stipulated in Section 14.8 of the IA, "the USFWS shall not impose measures in excess of those that have been or will be required by the Permittee(s) or entity with Third Party Take Authorization pursuant to CVMSHCP and this Agreement." The Department projects requiring Section 7 consultation would submit a letter to the USFWS. USFWS would evaluate the project. Should the project be a Covered Activity and consistent with the CVMSHCP, the USFWS would provide a letter to the Department/FHWA indicating that the CVMSHCP permit has provided the incidental take for the Covered Activity. USFWS will provide the appropriate documentation (letter of concurrence, biological opinion, etc.) Based upon that analysis for the transportation projects described in the Plan, and analysis will be done by the USFWS to determine if additional compensation measures are needed.

As described in section 6.11 of the CVMSHCP, many wetland communities with in the Plan area are subject to California Fish and Game Code 1600. The Department of Fish and Game will continue to work closely with Caltrans and local jurisdictions to assure that Fish and Game Code 1600 et seq. Agreements are consistent with mitigation required in the CVMSHCP for Covered Species except as otherwise required by law.

Fair share funding: The Department requested clarification on our responsibility as well as the responsibility of other Permittees with respect to conservation banking agreements and funding an endowment to manage the conservation lands. CVAG has assured the Department that several other permittees and entities are required to contribute endowment funding and enter into conservation banking agreements, thus providing their fair share of dollars to the acquisition and management of conservation lands.

**Funding and Endowment Contributions.** Overall, the CVMSHCP is funded by a combination of sources, including:

- Local Development Mitigation Fees
- Fees on the importation of waste into landfills in Riverside County
- Transportation project compensation (Department, CVAG)
- Mitigation for regional infrastructure projects (CVWD, IID)
- Eagle Mountain Landfill Environmental Mitigation Trust Fund

Under the CVMSHCP, the Department would contribute $7,600,000 towards the Endowment Fund in or by 2011. Other funding sources for the endowment are described in Section 5. They include:

"Caltrans improves mobility across California"
Mr. John Wohlmuth  
March 28, 2008  
Page 3

- Coachella Valley Association of Governments will contribute $8,181,000  
- Coachella Valley Water District will contribute $3,583,400  
- Imperial Irrigation District will contribute $525,000  
- CVAG or the Department will contribute $1,077,000 to the Endowment Fund as part of the compensation for the Covered Activities  
- Eagle Mountain landfill if permitted, will provide funding through the Environmental Mitigation Trust Fund  
- Tipping fees from Riverside county landfills through the Habitat Conservation Fund  
- The Coachella Valley fringe-toed lizard HCP Endowment Fund of $3,200,000 will become part of the CVMSHCP Endowment Fund

Coverage of future projects: The Department requested clarification about the list of covered projects and how they may be modified in the future should new projects come about. CVAG has assured the Department that an amendment to the CVMSHCP provides a process for these projects to receive CVSHCP coverage and would be allowed should the need arise to exchange projects in or out of the Plan.

Conservation Bank Agreement: The Department requested clarification about what would happen to the compensation lands acquired and endowment fees allocated if the CVMSHCP permits were ever revoked. To clarify the funding obligations of the Department, CVAG proposes that, upon final approval of the CVMSHCP and signing of the Implementing Agreement the CVCC and the Department will work with the Wildlife Agencies to develop a Conservation Plan and a Mitigation/Conservation Bank Agreement. Since CVAG has similar commitments to the Department for land acquisition and endowment funding CVAG has suggested that the Department and CVAG enter into an agreement that would satisfy our concerns collectively. The Department is supportive of this and would like to proceed with this agreement upon CVMSHCP implementation.

a. The Conservation Plan would describe the conservation needs for the Departments projects that are compensated by the CVMSHCP; it could include a matrix of potential compensation by Conservation Area. This plan would provide the Department with the assurance that, if the CVMSHCP permits were revoked, the compensation requirements or type of compensation objectives for species that would be required for the Departments projects would be identified in the Conservation Plan.

b. The Mitigation/Conservation Bank Agreement would describe the terms of the conservation bank to be established with purchase of the 5,791-acre obligation. As noted in the MCVSHCP, this agreement would provide for the Department to use available credits from lands acquired for the CVMSHCP to compensate for future projects in the event the CVMSHCP permits are revoked. It would also provide the assurance that the conservation bank for the Department is dedicated to the Departments projects and the Department's funds used for the endowment fund and to acquire the property are for compensation of these projects.

"Caltrans improves mobility across California"
Mr. John Wohlmuth  
March 28, 2008  
Page 4

Please signify your concurrence with the information in this letter by signing below. With your signed concurrence and these clarifications, the Department is prepared to sign the Implementing Agreement. If you have any questions or concerns, please contact Ernest A. Figueroa, Deputy District Director, Environmental Planning, at (909) 388-7725, or I can be reached at (909) 383-4055.

Sincerely,

Michael A. Peroovich  
District Director

John Wohlmuth  
Executive Director,  
Coachella Valley Association of Governments

"Caltrans improves mobility across California"