

Exhibit 3: Previous Staff Recommendations 2004, 1996, 1991

LOS PENASQUITOS LAGOON ENHANCEMENT

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STATE COASTAL CONSERVANCY

Project Summary
January 17, 1996

LOS PENASQUITOS LAGOON ENHANCEMENT

File No. 78-046
Project Manager: Terri Nevins

RECOMMENDED ACTION: Authorization to disburse an amount not to exceed \$250,000 from the Los Penasquitos Lagoon Enhancement Fund Special Deposit Account to the Los Penasquitos Lagoon Foundation for continued implementation of the Los Penasquitos Lagoon Enhancement Plan, monitoring, and accounting.

LOCATION: Los Penasquitos Lagoon, City of San Diego (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

ESTIMATED COST: Los Penasquitos Lagoon Enhancement Fund
Special Deposit Account: \$250,000
State Coastal Conservancy: -0-

The Los Penasquitos Lagoon Enhancement Fund Special Deposit Account (LPL Account) consists of fees assessed on building permits issued by the City of San Diego and the Coastal Commission in the coastal zone portion of the Los Penasquitos Lagoon watershed. These funds are held by the Conservancy and may be spent only for enhancement activities in Los Penasquitos Lagoon that have been approved by both the Executive Officer of the Conservancy and the Executive Director of the Coastal Commission. The balance in the LPL Account was \$600,000 as of September 1, 1995 (with an additional \$112,000 to be transferred to the LPL Account from Los Penasquitos Lagoon developer contributions currently in a local escrow account). The City of San Diego maintains an additional, separate account for fees assessed within City jurisdiction. The balance in the City of San Diego account is \$60,000.

PROJECT SUMMARY: Authorization to disburse funds from the LPL Account is needed to continue the periodic opening of the mouth of the lagoon, monitoring of biological conditions, and monitoring of the permits and deposits of required developer contributions. These activities are undertaken by the Los Penasquitos Lagoon Foundation pursuant to the adopted Los Penasquitos Lagoon Enhancement Plan and as required by the California Coastal Commission. The procedures, established a decade ago, have proven to be the most cost-effective and environmentally sound for managing the significant coastal resources of the lagoon.

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STAFF

RECOMMENDATION: Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Public Resources Code Sections 31000 *et seq.*:

"The State Coastal Conservancy hereby:

- a. Authorizes the disbursement of two hundred fifty thousand dollars (\$250,000) from the Los Penasquitos Lagoon Enhancement Fund Special Deposit Account to the Los Penasquitos Lagoon Foundation for continued enhancement implementation of the Los Penasquitos Lagoon Enhancement Plan, approved by the Conservancy in October 1985, subject to the following condition:

The Los Penasquitos Lagoon Foundation shall submit quarterly written reports to the Executive Officer of the Conservancy providing:

1. Results of the monitoring program undertaken pursuant to the Plan;
2. Descriptions of efforts to open the lagoon mouth; and
3. An accounting of all funds received in connection with fees assessed on building permits, specifying for each fee its particular source, permit number, location of building, and permit jurisdiction."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the Staff Recommendation and accompanying exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed disbursement of funds from the Los Penasquitos Lagoon Enhancement Fund Special Deposit Account is consistent with the purposes and criteria set forth in Sections 31251-31270 of the Public Resources Code, regarding enhancement of coastal resources; and with the Los Penasquitos Lagoon Enhancement Plan approved by the Conservancy on October 30, 1985; and
2. The Los Penasquitos Lagoon Foundation is a nonprofit organization existing under Section 501(c)(3) of the United States Internal Revenue Code, and has among its principal charitable purposes the restoration of Los Penasquitos Lagoon, and the preservation of land for scientific, historic, educational, ecological, recreational, scenic or open space opportunities."

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STAFF DISCUSSION:

Project Description: An authorization to disburse funds from the Los Penasquitos Lagoon Enhancement Fund Special Deposit Account (LPL Account) to continue the periodic mouth openings and monitoring program for the lagoon is now needed. The Los Penasquitos Lagoon Enhancement Plan calls for continued mouth openings as a means of increasing water quality and estuarine habitat values in the lagoon. Without continued maintenance of the mouth, the lagoon remains closed off to tidal flows and experiences either very high salt levels in summer or large freshwater inflows from winter storms. The monitoring program has shown that both of these extreme conditions result in large die-offs of aquatic animals in the Lagoon. The plan concluded that continued periodic openings of the mouth represent the most cost-effective and least environmentally damaging enhancement alternative.

The biological monitoring program funded through developer fees is crucial to the implementation of the enhancement plan as the Coastal Commission requires data from the monitoring as a condition of issuing coastal permits to remove cobble and sand from the mouth of the lagoon to assure tidal flushing.

The Foundation maintains ongoing contracts with the Pacific Estuarine Research Laboratory, San Diego State University, for the monitoring of Lagoon conditions as required by the Coastal Commission. The funds for this purpose are available in the LPL Account. In fact, the funds in the LPL Account are restricted to use only in the Los Penasquitos Lagoon watershed.

The California Department of Parks and Recreation has granted the Foundation permission to enter the Los Penasquitos Marsh Natural Preserve and Torrey Pines State Beach for restoration purposes (Exhibit 2).

The Foundation currently holds permits from the California Coastal Commission and the Army Corps of Engineers to implement the enhancement program and open the mouth on a periodic basis.

Previous efforts to open the mouth at Los Penasquitos Lagoon have been successful and it is significant that other restoration programs at other wetlands are now using the low cost, low impact methods pioneered by the Los Penasquitos Lagoon Foundation and the Conservancy.

Funding from the LPL Account also provides for the Foundation to monitor the deposit of fees into the local escrow account as required under conditions of the development permits and to inform the Conservancy and the Coastal Commission of any discrepancies.

Site Description: Los Penasquitos Lagoon, at the northern edge of the City of San Diego, is about 16 miles from downtown. It lies just north of the junction of Interstates 5 and 805, between the coastal communities of Del Mar and La Jolla. The Lagoon's watershed consists of three parallel canyons running inland toward the foothills with a peak elevation of 2,900 feet. The watershed includes the fast-growing communities of Mira Mesa, Poway, Scripps Ranch, and North City West,

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and expanding areas of industrial and office development associated with Miramar Air Force Base and the University of California. The area is rapidly urbanizing.

Los Penasquitos Lagoon is one of the few remaining southern California coastal wetlands. Californians have filled, diked, dredged, or otherwise altered over three-quarters of the state's coastal wetlands. The loss has been especially heavy in the urbanized southern part of the state. The State Department of Fish and Game ranked Los Penasquitos Lagoon as one of the 19 coastal wetlands most in need of acquisition and protection. This lagoon is particularly important because of its large area of relatively undisturbed salt marsh vegetation.

Project History: The Conservancy assisted in the formation of the Los Penasquitos Lagoon Foundation in 1983. The Foundation provided a forum for debate about plan policies, organizing two workshops and more than a dozen discussion sessions. The Technical Advisory Committee provided useful suggestions.

The Plan, unique and innovative, was devised by a wide range of people with diverse interests in the Los Penasquitos Lagoon. The strong consensus about the necessary improvements in the environmental quality of the area emerged after two years of work.

In October 1985 the Conservancy approved the Los Penasquitos Lagoon Enhancement Plan and authorized disbursement of \$76,000 to the Los Penasquitos Lagoon Foundation to implement the first phase of the plan. The Foundation continues to carry out enhancement activities, which consist of small-scale periodic openings of the lagoon mouth with intensive monitoring of the effects of mouth openings, closings, storm inflows, and droughts on the lagoon's aquatic animals.

In 1987 the Foundation received a one-time grant of \$100,000 in mitigation funds from the San Diego Regional Water Quality Control Board to augment the ongoing Lagoon maintenance and monitoring program for the period of 1989 to 1991.

In 1991 the State Coastal Conservancy authorized the disbursement of \$100,000 from the LPL Account for continuation of the enhancement and monitoring program, consistent with the Los Penasquitos Lagoon Enhancement Plan and required by the Coastal Commission.

The Foundation has now collected a decade of scientific documentation on the effects of different water conditions on life in the lagoon. Over the last ten years the Foundation has supervised the opening of the lagoon mouth 36 times to improve water circulation, directed the biological monitoring program, and devised an exotic plants removal plan. During the past ten years the water quality has greatly improved, the mouth of the lagoon is maintained open all year, and the resulting tidal flushing greatly adds to the general health of the lagoon. Now that tidal flushing of the lagoon is assured, the Foundation is focusing on the severe problem of non-point source pollution.

The Los Penasquitos Foundation has been aggressive and successful in seeking other sources of funding for opening the lagoon mouth, expanding the biological monitoring program, and removing exotic vegetation. Other tasks that have been funded from sources other than the LPL Account are interpretive signs, a survey of

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erosion control in the coastal watershed, fencing along Sorrento Valley Road, the removal of soil contaminated with the diesel fuel at the three-acre Flintcote site, and restoration of the Flintcote property (purchased by the City of San Diego) and the adjoining 20 acres owned by the Conservancy to riparian habitat.

The Foundation received \$200,000 from Caltrans in 1995 for Interstate 5 (I-5) and State Route 15 (SR-15) mitigation to monitor watershed problems. The Foundation is using these funds to undertake additional hydrologic research, obtain ADAR satellite imaging, and address non-point source pollution. These important studies are not part of the ongoing monitoring and maintenance program funded by the LPL Account.

The mitigation for I-5 and SR-15 also requires the City of San Diego to survey erosion control devices within city limits of the watershed, prepare bi-annual reports with photos showing devices, evaluate conditions, and report actions taken to repair and maintain erosion control devices. This program is in effect for ten years.

To mitigate for a sewage spill last year, the City of San Diego is developing an exotic vegetation control program and interpretive signs.

Financing: A decade ago, the Coastal Commission had determined that watershed developers could mitigate off-site impacts related to sedimentation and water quality impacts if they contributed to a lagoon enhancement fund. This fund includes both residential and industrial developments in that part of the watershed in the coastal zone only. These fees are paid into a local escrow account, or if within City of San Diego jurisdiction, collected by the City. Funds from the local escrow account are then transferred to the LPL Account maintained by the State. All of these funds are jointly administered by the State Coastal Conservancy and the Coastal Commission.

The annual expense for biological monitoring is approximately \$25,000. Annual costs for maintaining the open mouth of the Lagoon vary from year to year due to the impact of tidal action and other natural conditions such as weather that modify conditions in the Lagoon. Costs ranging from \$20,000 to \$40,000 have been incurred for annual mouth openings.

The Conservancy's authorization is needed to disburse the funds from the LPL Account. Disbursement of funds under this authorization should continue through the year 2000.

Alternatives: The Conservancy manages the disbursement of funds from the LPL Account for Los Penasquitos Lagoon enhancement activities consistent with the adopted plan. All funds from the previous authorization to disburse funds from this account have been expended. The only alternative to the proposed recommendation would be for the Conservancy to decide not to manage the LPL Account and notify the Coastal Commission to identify an alternative responsible public agency.

Economic Benefits: The agreements prepared a decade ago requiring developers to contribute funds for the enhancement and restoration of the lagoon has enabled orderly development and economic activity to proceed. The current authorization would continue the procedures already established.

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PROJECT SUPPORT: The proposed action is supported by the Los Penasquitos Lagoon Foundation, California Coastal Commission, California Department of Parks and Recreation, and the City of San Diego.

CONSISTENCY WITH CONSERVANCY'S

ENABLING LEGISLATION: The proposed action is consistent with Chapter 6 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code Sections 31251-31270. Pursuant to Section 31263, the Conservancy may authorize a nonprofit organization to undertake resource enhancement activities consistent with an approved resource enhancement plan for the area. The Los Penasquitos Lagoon Resource Enhancement Plan has been approved pursuant to Public Resources Code Section 31258.

CONSISTENCY WITH CONSERVANCY'S

PROGRAM GUIDELINES: The proposed project is consistent with the Conservancy's Enhancement Program Guidelines, adopted in March 1985, in the following respects.

Significance: The State Department of Fish and Game ranked Los Penasquitos Lagoon as one of 19 coastal wetland systems in need of acquisition and protection. This lagoon is particularly important because it boasts a large area of relatively undisturbed salt marsh vegetation, as compared to other wetland areas that have a higher proportion of intertidal and open water areas.

Need and Urgency: Funds previously authorized for Los Penasquitos Lagoon enhancement activities have all been expended. The proposed authorization is urgently needed to enable the on-going monitoring and maintenance activities to continue uninterrupted.

Cooperation and Support: Implementation of enhancement activities at Los Penasquitos Lagoon is possible as a result of the cooperation and participation of developers, the Coastal Commission, the Los Penasquitos Lagoon Foundation, State Parks, the City of San Diego, and the Coastal Conservancy. This partnership has persisted for almost a decade.

Scope: The scope of the enhancement activities was determined during development of the Los Penasquitos Lagoon Enhancement. The funding mechanism and process was put into place a decade ago.

Management: The Los Penasquitos Lagoon Foundation, under contract with the Conservancy, has been responsible for the on-going monitoring and maintenance of the lagoon resources pursuant to the adopted plan and for the monitoring of permits and developer contributions in the LPL Account. The Conservancy and Coastal Commission authorize all expenditures from the LPL Account.

Readiness to Act: All of the necessary procedures and contracts are already operational. Reauthorization of funds is all that is required for implementation.

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Model: The Los Penasquitos Lagoon enhancement activities serve as a model for other wetland complexes in southern California. The low cost, low impact methods pioneered by the Foundation and the Conservancy are now being applied elsewhere.

CONSISTENCY WITH

THE COASTAL ACT: On-going enhancement activities and biological monitoring at Los Penasquitos Lagoon is consistent with the management policies contained in Section 30231 of the Public Resources Code, which states that "the biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored. . . ."

COMPLIANCE

WITH CEQA: In October 1985 the Conservancy approved a Negative Declaration prepared for the implementation of the Los Penasquitos Lagoon Enhancement Plan. The proposed authorization will enable the continuation of activities provided for in the Plan.

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