

COASTAL CONSERVANCY

Staff Recommendation
June 4, 2009

**SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: ENGINEERING
AND DESIGN**

File No. 09-017-01
Project Manager: Megan Johnson

RECOMMENDED ACTION: Authorization to disburse up to \$596,000 to the Southwest Wetlands Interpretive Association for engineering, design, environmental compliance, and permitting for the South San Diego Bay Wetlands Restoration Project, San Diego County.

LOCATION: South San Diego Bay, City of Imperial Beach, County of San Diego

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: National Coastal Wetlands Conservation Grant Award Letter

Exhibit 3: Project Letters

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251 - 31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement to the Southwest Wetlands Interpretive Association of up to one hundred fifty six thousand dollars (\$156,000) in funds already awarded to the Conservancy by the U.S. Fish and Wildlife Service, to fund the South San Diego Bay Wetlands Restoration Project; and up to an additional four hundred forty thousand dollars (\$440,000) if the National Oceanic and Atmospheric Administration awards funds to the Conservancy for the project. Prior to the disbursement of funds, the Southwest Wetlands Interpretive Association shall submit for the review and written approval of the Conservancy’s Executive Officer a work program, including budget and schedule, and any contractors to be employed for these tasks.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

*SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND
ENGINEERING*

1. The proposed project is consistent with the Project Selection Criteria and Guidelines, last updated by the Conservancy on September 20, 2007.
 2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code regarding the enhancement of coastal resources.
 3. The proposed project serves a greater-than-local need.
 4. The Southwest Wetlands Interpretive Association is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue code, whose purposes are consistent with Division 21 of the Public Resources Code.”
-

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to \$596,000 to the Southwest Wetlands Interpretive Association (SWIA) for engineering, design, environmental compliance, and permitting for the South San Diego Bay Wetlands Restoration Project. The goal of the South San Diego Bay Wetlands Restoration Project (the “Restoration Project”) is to restore tidal influence and tidal marsh elevations to about 225 acres of currently active solar salt ponds at the southwest end of San Diego Bay to support a range of tidal habitats, from subtidal to high salt marsh. The phase of the Restoration Project currently proposed to be funded by the Conservancy consists of planning studies and other pre-construction activities that are necessary to complete planning and permitting for the Restoration Project. The specific tasks for this current project are sediment sampling, hydraulic/hydrologic modeling, topographic surveys, structural and civil engineering, environmental compliance and permitting.

This project will be funded by two separate federal grants, the National Coastal Wetlands Conservation Grant from the U.S. Fish and Wildlife Service (USFWS) and the American Recovery and Reinvestment Act from the National Oceanic and Atmospheric Administration (NOAA). The USFWS grant has already been awarded and the NOAA grant is pending. If the Conservancy is not awarded a grant by NOAA, the Restoration Project will be reduced to approximately 108 acres of tidal marsh restoration and be funded solely by the FWS grant. Accordingly, if the NOAA grant is not awarded, the current planning project will be similarly reduced.

Approximately 1,625 acres in south San Diego Bay have been identified through existing local plans as potential restoration or enhancement areas. Using these local plans as guidance, a partnership between the Port, the USFWS, and SWIA, a local non-profit, has developed to restore and enhance 365 acres of coastal habitat, including 345 acres of tidal habitat and 20 acres of wetland upland transition and upland habitat at the south San Diego Bay Salt Ponds, the Chula Vista Wildlife Reserve, and other locations in and around south San Diego Bay. The proposed Restoration Project is a subset of this larger project.

Over the past 150 years, dredging and filling operations to accommodate maritime and urban developments have resulted in the loss of 42 percent of San Diego Bay’s historic shallow subtidal habitat, 84 percent of its intertidal mudflat habitat, and 70 percent of its salt marsh habitat. Most of the native upland and wetland/upland transition habitat has also been lost to

SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND ENGINEERING

development. Of the remaining intertidal habitat in the Bay, more than 90% is found in south San Diego Bay. The Bay's coastal habitats support seven federally or state listed threatened and endangered species, tens of thousands of migratory birds that travel along the Pacific Flyway, and a diverse array of fish. South San Diego Bay also provides the greatest opportunities for restoring the Bay's historic coastal habitats.

The three western salt ponds of the San Diego Bay Salt Pond complex historically supported 200 acres of intertidal wetlands; however this habitat was lost about 50 years ago when the salt pond system was expanded to the west side of the Otay River channel. The ponds are part of a one-way system in which bay water enters the ponds through a tide gate. The system allows no tidal exchange back into the bay from the ponds. No vegetation is present and the only fish in the ponds are those trapped there after entering through the open tide gate.

Implementation of the Restoration Project will involve restoring coastal salt marsh in the western salt ponds (Ponds 10, 10A and 11) by restoring appropriate elevations and breaching the levees to restore tidal circulation (See Exhibit 1, Conceptual Design). Prior to breaching the ponds, about 140,000 cubic yards of material from within the ponds would be dredged and redistributed among the three ponds to achieve appropriate elevations of between +3.5 feet and +4.5 MLLW, the elevation range suitable for supporting cordgrass- (*Spartina foliosa*) dominated salt marsh in San Diego Bay. If the NOAA grant is not received, the amount of material dredged from the ponds will be reduced to 106,000 cubic yards and will only be dredged from pond 10A. Simultaneous with the restoration of the western salt ponds, the Port of San Diego will be implementing a restoration project to excavate approximately 48,650 cubic yards of material from the Chula Vista Wildlife Reserve to improve tidal circulation and improve habitat quality for 30 acres of intertidal habitat. The Port of San Diego has agreed to deliver the sediment from the Chula Vista Wildlife Reserve to the western salt ponds in order to increase the opportunity for creating intertidal habitat. With the material excavated from the ponds and an additional 48,000 cubic yards of material from the Chula Vista Wildlife Reserve, a minimum of 40 acres of cordgrass habitat will be restored in Pond 11.

Following the completion of the dredging operation, the outer levees will be breached in two locations. The portions of the levees not affected by breaching will be maintained to provide roosting habitat for various avian species. The two levee breaches will be bridged to maintain access around the restoration site for long-term management by USFWS Refuge staff. To facilitate continued solar salt operations in the remaining eastern ponds, a new tide gate will be installed in Pond 12. This is necessary to ensure that conditions in the remaining ponds continue to support migratory birds until such time as plans and funding have been secured to restore the remaining ponds to tidal influence.

While conceptual designs have been completed for the Restoration Project, preliminary engineering, final design, and final engineering have not. These tasks are necessary to complete environmental compliance and permitting before implementation of the Restoration Project can begin. The engineering and design funded through the current project phase will include sediment sampling, hydraulic/hydrologic modeling, topographic surveys, and structural and civil engineering. Work products will include a sediment survey report, topographic survey maps, a hydraulic/hydrologic model, preliminary restoration designs, final restoration designs, a planting plan, environmental compliance documents (CEQA/NEPA) and all necessary permits.

*SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND
ENGINEERING*

The grantee for the project, SWIA is a non-profit organization dedicated to education in, and the preservation and restoration of wetlands. SWIA works in collaborative partnerships with federal, state, county, and local agencies, and holds cooperative agreements with California State Parks and USFWS. Since 1979, SWIA has successfully managed more than \$30 million in wetlands projects in the Tijuana River Valley, several of which have been funded by the Conservancy.

Site Description: The two project sites are located in South San Diego, in the Otay River Watershed (Exhibit 1). The western salt ponds are located in the southwest corner of the bay in the South San Diego Bay unit of the San Diego Bay National Wildlife Refuge (NWR), and adjacent to the Bayshore Bikeway. The Otay River channel flows between ponds 12 and 10, 10A and 11. The Chula Vista Wildlife Reserve is located to the northeast of the western salt ponds.

Project History: The need to restore, enhance, and protect native coastal habitat in and around San Diego Bay in perpetuity has been addressed in existing local planning documents such as the San Diego Bay Integrated Natural Resource Management Plan (INRMP) (U.S. Navy 2000), the San Diego Bay National Wildlife Refuge Comprehensive Conservation Plan (CCP) (USFWS 2006), the Port of San Diego Master Plan (Port 2007), and the Draft Restoration and Enhancement Plan for Tidelands to Benefit San Diego Bay's Natural Resources (Port 2008). The USFWS began the process of developing the CCP for the San Diego Bay NWR in June 2000. Public involvement was an important part of the CCP process, with two scoping meetings and three public workshops held over a multiple year period to address topics related to public use and wildlife and habitat management. The Record of Decision for the final CCP and Environmental Impact Statement was signed on September 29, 2006. Since its completion, the Coastal Conservancy has been working with the USFWS to develop and implement projects identified in the CCP. The proposed Restoration Project is the first in a series of projects that will restore tidal salt marsh and freshwater wetland habitat and provide public access to the San Diego Bay NWR.

These local planning documents all emphasize the need to enhance and expand these existing resources to ensure sustainable distributions, diversity, and abundance of wetland-associated species in their historic range. The INRMP and the CCP collectively identify approximately 1,625 acres within south San Diego Bay as future coastal wetland restoration and/or enhancement sites. In addition, the project is a Tier 1 project on the Southern California Wetlands Recovery Project Work Plan.

Conservancy staff began working with the Port and the USFWS in 2007 to develop a comprehensive wetland restoration program to address the goals and objectives identified in these plans. In December 2008, the Conservancy, in cooperation with the Port, the USFWS, and SWIA was awarded a grant from the National Coastal Wetland Conservation Grant from the USFWS. In April 2009 this same group of organizations submitted a proposal to NOAA under the American Recovery and Reinvestment Act. The award decisions for the NOAA grant have not yet been made.

*SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND
ENGINEERING*

PROJECT FINANCING:

Coastal Conservancy (via NOAA)	\$440,000 (pending)
Coastal Conservancy (via National Coastal Wetlands)	\$156,000
Port of San Diego	252,206
Total Project Cost	\$848,206

Staff expects to use funds awarded to the Conservancy from the National Coastal Wetlands Conservation Grant Program through the USFWS and from the American Recovery and Reinvestment Act through NOAA. One million dollars was awarded to the Conservancy for the National Coastal Wetlands Grant for the Restoration Project, which includes wetland restoration at the Chula Vista Wildlife Reserve and Emory Cove. The funds from this grant are available for expenditure when the USFWS, serving as lead agency, completes NEPA for the larger project, which is expected in fall 2009. The NOAA grant has not yet been awarded and if the Conservancy does not receive this grant, the project will be reduced to approximately 108 acres of tidal marsh restoration. The Port of San Diego has received one millions dollars from the EPA through the West Coast Estuaries Initiative, and is also contributing funds from their environmental fund. The Port's matching funds are an approximation of their expenditures for the planning portion of the restoration of the Chula Vista Wildlife Reserve.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270.

Consistent with Section 31251 of the Public Resources Code, the proposed project would award a grant to a public agency to undertake activities necessary for the enhancement of the natural and scenic character of San Diego Bay, which has been impacted by improper location of improvements, human-induced events, and incompatible land uses and has suffered the loss of natural and scenic values. This project will restore and enhance the biological resources of San Diego Bay through the restoration of coastal salt marsh elevations and tidal circulation.

Section 31252 requires that the area to be restored be identified in a local plan which the Coastal Commission determines to be consistent with the policies and objectives of Division 20 (the Coastal Act). In this case, the area to be restored is federal land and therefore is not within the jurisdiction of any local government. However, the area is described within the FWS's San Diego Bay National Wildlife Refuge Comprehensive Conservation Plan (CCP). The Coastal Commission has concurred in the FWS determination that the CCP will not adversely affect coastal resources, as described in the "Consistency with Local Coastal Program Policies" section, below.

Section 31253 permits the Conservancy to provide up to the total cost of any coastal resource enhancement project, consistent with established project eligibility and priority factors. In determining the amount of Conservancy funding for this project, the factors identified in Section 31253 have been considered and applied, as described in detail below, under the heading "Consistency With Conservancy's Project Selection Criteria & Guidelines".

*SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND
ENGINEERING*

**CONSISTENCY WITH CONSERVANCY'S 2007
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 5, Objective A** of the Conservancy's 2007 Strategic Plan, the proposed project would develop a plan to enhance or restore 225 acres of subtidal and tidal wetland habitat by removing debris and invasive species and revegetating with native plants.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The community and public agencies concerned with the bay's restoration are in full support of the project. The public was involved with the approval of the CCP and has continued to show their support. Exhibit 4 provides letters of support from the USFWS, County Supervisor Greg Cox, and the Environmental Health Coalition.
4. **Location:** The proposed project would be located within the boundaries of the South San Diego Bay Unit of the San Diego Bay National Wildlife Refuge, adjacent to the City of Imperial Beach, County of San Diego.
5. **Need:** The grant funds awarded and potentially awarded to the Conservancy are directed specifically to this project and are the major funding sources for the project.
6. **Greater-than-local interest:** Protecting and enhancing San Diego is of regional interest because it supports federal and state listed species, serves as a stopover along the Pacific flyway, and is a destination for visitors from around the County and the State for bird watching and nature enjoyment.

Additional Criteria

9. **Leverage:** See the "Project Financing" section above.
12. **Readiness:** SWIA is prepared to begin work immediately.
13. **Cooperation:** The proposed project is a collaborative effort between SWIA, the Port of San Diego, the USFWS, and several non-profit organizations such as the San Diego Oceans Foundation, the Coronado Rotary Club, and the San Diego Audubon Society.

*SOUTH SAN DIEGO BAY WETLANDS RESTORATION PROJECT: DESIGN AND
ENGINEERING*

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project does not fall within the jurisdiction of a local coastal program (LCP). However, because the project will occur on a National Wildlife Refuge and will be managed by the USFWS, it will require a determination by the Coastal Commission that the project is consistent to the maximum extent practicable with the California Coastal Management Program. This determination is also known as "federal consistency review". Through the federal consistency review of the CCP, the Coastal Commission the Commission staff agreed that the proposed CCP would not adversely affect coastal resources, and therefore concurred with the USFWS's negative determination. Based on the Coastal Commission's recommendation, the USFWS has committed to submitting additional consistency and/or negative determinations for any future CCP projects that hold the potential to adversely affect coastal zone resources. Thus, an additional consistency application will be made as part of the Restoration Project, but is not needed for this planning phase.

COMPLIANCE WITH CEQA: The proposed project is statutorily exempt from the provisions of CEQA under 14 California Code of Regulations, Section 15262 exempting feasibility studies for possible future actions that the Conservancy has not approved, adopted or funded and which do not require preparation of an EIR or negative declaration. The proposed project is also categorically exempt from the provisions of CEQA under 14 California Code of Regulations, Section 15306 for basic data collection. Staff will file a Notice of Exemption upon approval of the proposed authorization.