

COASTAL CONSERVANCY

Staff Recommendation
June 30, 2004

LOS PENASQUITOS LAGOON ENHANCEMENT

File No. 78-046

Project Manager: Jim King

RECOMMENDED ACTION: Authorization to disburse an amount not to exceed \$89,000 from the Los Penasquitos Lagoon Enhancement Special Deposit Fund to the Los Penasquitos Lagoon Foundation for continued implementation of the Los Penasquitos Lagoon Enhancement Plan biological monitoring element through September 30, 2005.

LOCATION: Los Penasquitos Lagoon, City of San Diego

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Staff recommendation, January 17, 1996

Exhibit 3: Los Penasquitos Lagoon Foundation letter, May 11, 2004

RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby:

a. Authorizes the disbursement of eighty-nine thousand dollars (\$89,000) from the Los Penasquitos Lagoon Enhancement Special Deposit Fund to the Los Penasquitos Lagoon Foundation for continued physical and biological monitoring of Los Penasquitos Lagoon approved by the Conservancy in January 1996, subject to the following condition:

The Los Penasquitos Lagoon Foundation shall submit quarterly written reports to the Executive Officer of the Conservancy providing results of the monitoring program undertaken pursuant to the plan.”

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:

1. The proposed disbursement of funds from the Los Penasquitos Lagoon Enhancement Special Deposit Fund 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;
2. The proposed disbursement is consistent with the City of San Diego North City Local Coastal Program certified by the Coastal Commission in 1988.
3. The proposed disbursement is consistent with the purposes of the Los Penasquitos Special Deposit Fund established to provide for management of the lagoon.
4. 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.”

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to \$89,000 from the Los Penasquitos Lagoon Enhancement Special Deposit Fund to the Los Penasquitos Lagoon Foundation (“Foundation”) to continue the long-term biological monitoring program for the lagoon through September 2005. The current monitoring effort is undertaken subject to a 1991 authorization to the Foundation, augmented in 1996 (Staff recommendation, Exhibit 2). A funding shortfall developed when the agreement was extended in April 2003 for thirty months with no additional funds provided (Foundation letter, May 11, 2004, Exhibit 3).

The recommended augmentation will address the shortfall and adequately provide for monitoring undertaken in 2003-2004 and additional monitoring needed to manage the lagoon through September 2005. Important construction projects at or close to the lagoon are nearing completion: the widening of I-5/I-805 at the east end of the lagoon and a Pacific Coast Highway bridge replacement at the lagoon mouth. An important watershed hydrology study authorized by the Conservancy in 2001 is completed and under review. A recommendation of the study for placing sediment management basins on tributary streams upstream of the lagoon is being pursued by the Foundation with support from the State Water Resources Control Board. Staff, the foundation, and other stakeholders, are now reviewing the monitoring program’s design in light of these developments. A subsequent staff recommendation will characterize new projects, specific monitoring associated with them and pertinent adjustments to the long-term monitoring program carried out to inform future management actions, thereby meeting the objectives of the Los Penasquitos Lagoon Enhancement Plan.

The Los Penasquitos Lagoon Enhancement Special Deposit Fund 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 monitoring program is an element of the enhancement plan for the lagoon approved by the Conservancy and Coastal Commission in 1985.

The monitoring program includes assessments of vegetation changes at the lagoon, fish and invertebrates, and several water quality analyses. The Pacific Estuarine Research Laboratory at San Diego State University has carried out the monitoring program under an agreement with the Los Penasquitos Lagoon Foundation since the inception of the program nearly twenty years ago. The monitoring program has resulted in a consistent, long-term characterization of the lagoon that has played an important role in orienting management actions by the Foundation, California State Parks and the City of San Diego.

Site Description: Los Penasquitos Lagoon is a 0.62-square-mile intertidal wetland located in the north coastal area of the City of San Diego, about sixteen miles north of downtown, and just north of the intersection of Interstates 5 and 805, between the communities of La Jolla and Del Mar (Location map, Exhibit 1). It is one of the few remaining intertidal wetlands in southern California where up to 90% of coastal wetlands have been lost to development. Much of the lagoon is owned and managed by California State Parks as the Los Penasquitos Lagoon Preserve. The lagoon is adjacent to Torrey Pines State Park and Beach, which lie immediately to the west and south.

The 98.5-square-mile watershed of the lagoon is a rapidly urbanizing area of the City of San Diego and is comprised of three major drainages: Carroll Canyon, Los Penasquitos Canyon and Carmel Canyon. Both the lagoon and its watershed have been identified by the State Water Resources Control Board as an impaired water body with sedimentation and siltation from nonpoint sources threatening habitats particularly in the lagoon and lower stream corridors (SWRCB 303(d) listing). The lagoon monitoring program has documented the rapid displacement of valued vegetation and fauna in the lagoon/stream interface from sedimentation. Projects are being prepared by the Foundation to manage sediment and reduce the impacts to the lagoon.

Project History: The Los Penasquitos Lagoon Enhancement Plan approved by the Conservancy in 1985 provided for a monitoring program "...to gauge the health and ecological value of the lagoon system...to document changes in the functional values of the lagoon...and to evaluate the success of the various elements of the enhancement program." The Foundation and the Pacific Estuarine Research Laboratory undertook monitoring upon adoption of the enhancement plan in 1985. With a 1991 Conservancy authorization from the Special Deposit Fund to the Foundation the monitoring program was formalized. It has been augmented twice (1994 and 1996) providing for continuous monitoring for the past thirteen years. The program has resulted in a valuable record that is rare among southern California lagoons. The information has been particularly important in realizing a principal objective: to inform evaluations related to management actions at the lagoon mouth undertaken to assure tidal flushing.

A hydrology study authorized by the Conservancy in 2001 has recently been completed by the Foundation. The study evaluates water quality problems and outlines new sediment management projects and other actions needed to carry out the purposes of the lagoon enhancement plan. The projects will be developed by the Foundation with support from the State Water Resources Control Board (Prop 13). Staff of the San Diego Regional Water Quality Control Board will join Conservancy staff, the Foundation and other stakeholders, in the redesign of the monitoring

program to reflect information developed in the hydrology study and to assess the projects soon to be implemented.

Another element of the 1991 Conservancy agreement with the Foundation involves the monitoring of fees assessed on building permits within the Los Penasquitos Lagoon watershed by the City of San Diego and the Coastal Commission. These funds are periodically transferred to the Conservancy's Los Penasquitos Lagoon Enhancement Special Deposit Account and are disbursed for enhancement activities in the lagoon (current balance: \$946,000). Staff has initiated a review of the fee collection program with the Foundation, the Coastal Commission and the City of San Diego, part of an assessment of strategies for funding the long-term management of the lagoon. This information, along with a review and proposed changes for the lagoon monitoring program, will be presented in a subsequent staff recommendation to the Conservancy.

PROJECT FINANCING:

Los Penasquitos Special Deposit Fund	
Recommended authorization	89,000
Prior monitoring authorizations (1991, 1994 & 1996)	\$350,000
Total Monitoring Cost 1991-2005:	\$439,000

The Los Penasquitos Lagoon Special Deposit Fund 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 Conservancy and the Executive Director of the Coastal Commission. The proposed action is consistent with the purposes of the fund.

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. Consistent with Section 31252 the proposed action is identified in a local coastal program as requiring public action to help resolve questions concerning impact of local development on natural resources. 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 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objective A** of the Conservancy's Strategic Plan, the project will provide information required to preserve, restore and enhance the 0.62-square-mile Los Penasquitos Lagoon intertidal wetland.

Consistent with **Goal 5, Objective B** the project will provide information required to preserve and restore habitat corridors connecting the core habitat area along the coast with Los Penasquitos Canyon Preserve and Carmel Valley habitat areas.

Consistent with **Goal 5, Objective C** the project will provide information required to design a project to eradicate non-native invasive species that threaten Los Penasquitos Lagoon's native coastal habitat.

Consistent with **Goal 6, Objective B** the project will provide information required to design a project to improve water quality to benefit coastal resources.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, 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:** Los Penasquitos Lagoon remains a highly regarded natural area within the city. The community and public agencies concerned with the lagoon's management support the long-term monitoring program as a key element necessary to support management actions.
4. **Location:** The proposed project is located within the coastal zone of the City of San Diego.
5. **Need:** The recommended action is needed to maintain the continuity and integrity of the monitoring program outlined in the Los Penasquitos Lagoon Enhancement Plan adopted by the Conservancy in 1985.
6. **Greater-than-local interest:** The dramatic loss of up to 90% of the intertidal wetlands in the region has concentrated interest in the few remaining examples of this habitat type.

Additional Criteria

7. **Urgency:** Funding is urgently needed to maintain the continuity of the 20-year monitoring program through the 2004-2005 monitoring period that commences in September.
8. **Resolution of more than one issue:** The monitoring program provides critical data for timing and executing actions required to maintain an open lagoon mouth, key data needed to

inform management actions in the saltmarsh/riparian habitat interface, and information needed to develop future enhancement activities at the lagoon.

10. **Conflict resolution:** The long-term monitoring record is highly regarded by regulatory agencies in evaluating develop proposals including: the I-5 / I-805 widening project, the Pacific Coast Highway bridge replacement and the construction of sediment management basins in the lower watershed.
12. **Readiness:** Los Penasquitos Lagoon Foundation and its subcontractor, the Pacific Estuarine Laboratory are prepared to act to maintain the continuity of the monitoring program.
13. **Realization of prior Conservancy goals:** “See “Project History” above.”

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

Biological monitoring at Los Penasquitos Lagoon is consistent with the policies contained in the City of San Diego North City Local Coastal Program (LCP) effectively certified by the Coastal Commission in 1988. Specifically, the LCP states that: “A coastal restoration project should be undertaken with the Coastal Conservancy in order to properly establish the environmental management strategies necessary to enhance the natural viability of the Los Penasquitos Lagoon.” (Torrey Pines Community Plan, LCP Addendum, 1981)

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 involves data collection, research and resource evaluation activities that do not result in disturbance to the environment. The project therefore is categorically exempt pursuant to Title 14, California Code of Regulations, Section 15306.