

Los Cerritos Wetlands Authority

Date: May 5, 2022

To: Governing Board Members

From: Eric Zahn, Principal Restoration Ecologist, Tidal Influence
Sally Gee, Project Manager

Through: Mark Stanley, Executive Officer

Subject: Item 10: Update on the Southern Los Cerritos Wetlands Restoration Planning Project

STATUS REPORT AND UPDATE:

Following are the updates regarding the Southern Los Cerritos Wetlands Restoration Planning Project (Exhibit A).

1. Technical Studies:

- a. Biological Resources – The Biological Resources Report and Jurisdictional Wetlands Delineation Report were completed by Tidal Influence in August 2021.
- b. Cultural Resources – A complete draft of the Cultural Resources Report prepared by Cogstone is under final review by members of the Tribal Advisory group.
- c. Geotechnical Investigation – This technical investigation was scheduled to be initiated in Fall 2021 but has been majorly delayed by the pursuit of a Coastal Development Permit (CDP). The CDP application was approved by Coastal Commission on March 12, 2022 and a “Notice of Intent to Issue Permit” was sent to the LCWA. On April 8, 2022 the LCWA submitted the requested documentation to meet the conditions required for issuance. The LCWA was informed on April 28, 2022 that Coastal Commission staff are waiting for written comments from a local Tribal group before they proceed with considering issuance of the permit. This delay continues to impact progress on restoration designs.

2. Public Outreach:

- a. Tribal Advisory Group (TAG)– The LCWA has convened this advisory group to ensure that all interested tribal stakeholders are provided with regular updates on the planning effort and to integrate their recommendations into the design. This group has met three times including a site visit. Members of the TAG have reviewed several documents including the Cultural Resources Report. LCWA staff continues to regularly consult with all interested tribal groups on the Native American Heritage Commission list even outside of the TAG meetings.
- b. Technical Advisory Committee (TAC)– This advisory group composed of resource agency staff, technical experts, and other collaborators has been convened twice since this project initiated. The first meeting was in March 2021 and the meeting was focused on receiving feedback on the Draft Habitat Restoration Plan. The second meeting was in January 2022, and the meeting was focused on presenting technical data and receiving feedback on the permitting process
- c. General Public – A general public meeting was held in December 2021 and the meeting focused on sharing technical data that had been collected. A survey about

public access was distributed as part of this meeting and the LCWA continues to collect data on the public's opinion regarding trails and access.

3. 30% Design: This task was scheduled to be completed in December 2021 but its finalization has been delayed due to the lack of geotechnical data. A preliminary grading plan has been developed by the consulting team and reviewed by LCWA staff. Refinements to the grading plan are expected to be necessary once the geotechnical data has been collected and analyzed. However, the preliminary grading plan has been used for initial hydrodynamic modeling and for discussions with utilities and other stakeholders.
4. Permitting and Environmental Review: These tasks were scheduled to be completed by Summer 2022 but are delayed by at minimum 6 months as a result of the geotechnical data not being collected.
5. Funding Opportunities for Future Planning and Implementation: The LCWA continues to pursue funding opportunities to allow for this project to seamlessly transition to the final design phase and eventual implementation. A portion of the funding that the LCWA anticipates receiving through the AES Voluntary Environmental Benefits Grants Program (Item 12) has been identified to support this planning efforts final design phase. The LCWA has also been in discussion with several entities seeking potential mitigation credit for impacts to coastal resources. These entities include the Los Angeles Department of Water and Power (LADWP), South Coast Water District (SCWD), and Poseidon Water, LLC (Poseidon).

LADWP approached the LCWA in 2021 seeking more information about the LCWA's restoration plans in an attempt to understand how the project might support mitigation for their proposed Haynes Intake Channel Infill Project. Several meetings were held between the parties and LADWP was invited to be participants on the LCWA's TAC. Since that time LADWP has paused their pursuit of their Infill Project and therefore discussions are currently on hold.

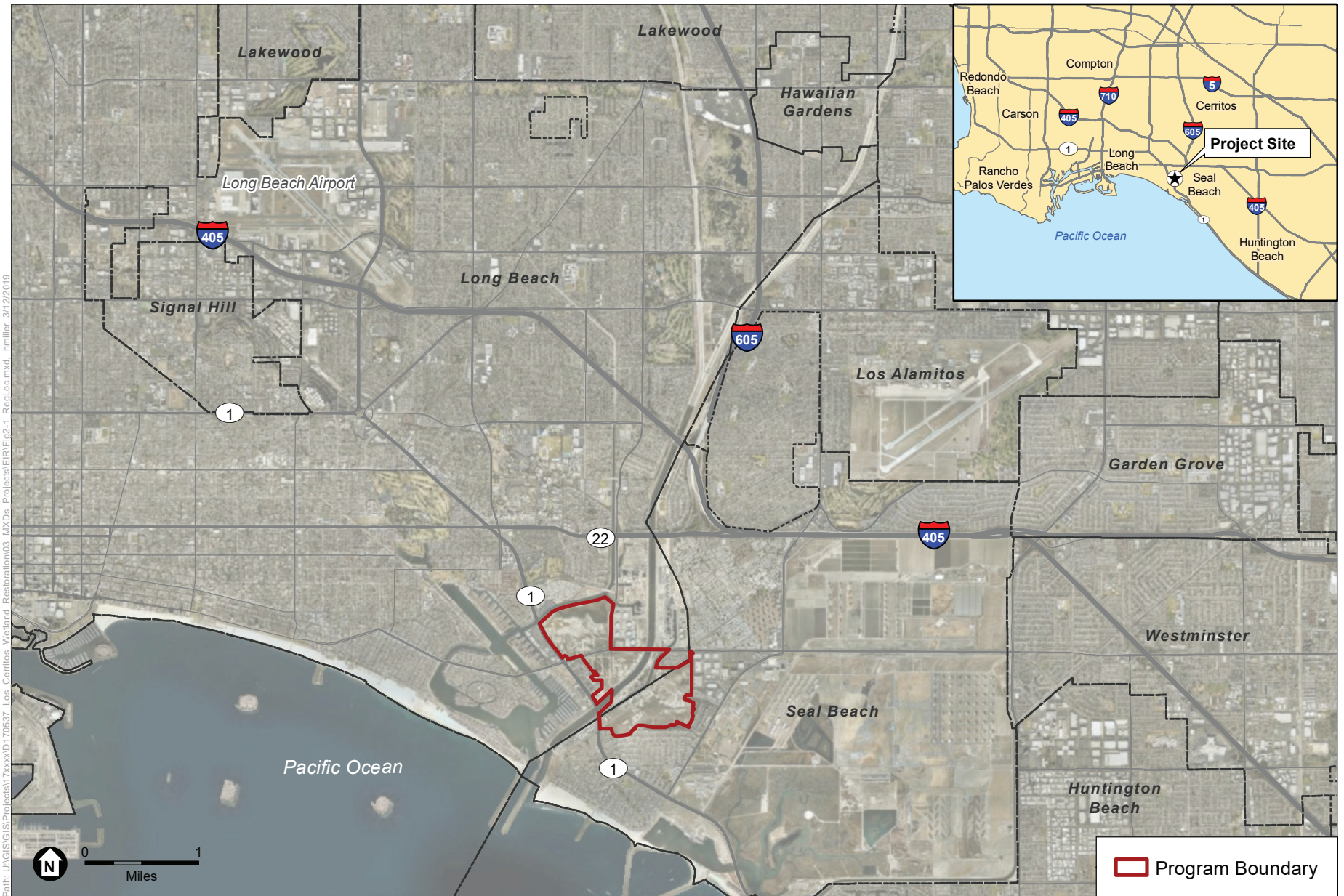
SCMD approached the LCWA in 2021 seeking collaboration with the LCWA to determine the potential for the project to support mitigation for their proposed Doheny Ocean Desalination Project in Dana Point. The LCWA accepted and acknowledged a Letter Of Intent (LOI) for use of a portion of the Southern LCW Restoration Project to mitigate for SCMD's impacts (Exhibit B). This LOI does not commit the LCWA to reaching a final agreement to undertake a mitigation project but expressed that the LCWA would cooperate and collaborate in developing a mitigation plan with SCMD should they receive their permits. In March 2022 SCMD received approval of the permit application to the San Diego Regional Water Quality Control Board. SCWD expects to have their Coastal Commission hearing sometime in Summer 2022.

Poseidon Water approached the LCWA in March 2022 seeking potential collaboration to support mitigation for their proposed Huntington Beach Desalinization Plant. An initial meeting was held between Poseidon and LCWA staff and representatives on March 30, 2022, during which both parties shared the details of their respective projects. No agreements have been made between the parties, however Poseidon has listed the Southern LCW Restoration Project in submittals to Coastal Commission as one of several mitigation projects they are proposing. Poseidon's CDP hearing is scheduled for May 12, 2022.

BACKGROUND: The LCWA adopted the Conceptual Restoration Plan (CRP) in August 2015, which identified opportunities for restoring tidal connections, creation of new wetland and associated upland habitats, consolidation of oil operations, improvement to passive recreation facilities, creation of a visitor's center, and accommodation of special status species at the Los Cerritos Wetlands. In January 2021 the LCWA certified a Program Environmental Impact Report (PEIR) utilizing the CRP designs to create a program description for a 503-acre program area. The potential impacts of this proposed program were analyzed, and mitigation measures were determined for potentially impacted resources. In May 2021 the LCWA adopted the Los Cerritos Wetlands Habitat Restoration Plan that refined the designs from the PEIR and made recommendations for which projects should be prioritized to tier off from the PEIR.

One of the near-term projects identified to tier off from the PEIR is located in the Southern Los Cerritos Wetlands on 103.5 acres identified as the South LCWA site (aka Hellman Ranch Lowlands) and the State Lands Commission site (together comprising the Project Area) (Exhibit A), both managed by LCWA. This Project Area was historically salt marsh but has been altered through anthropogenic activities. The site currently contains former sumps, landfills, foundations, and contaminated areas from prior oil operations and land uses.

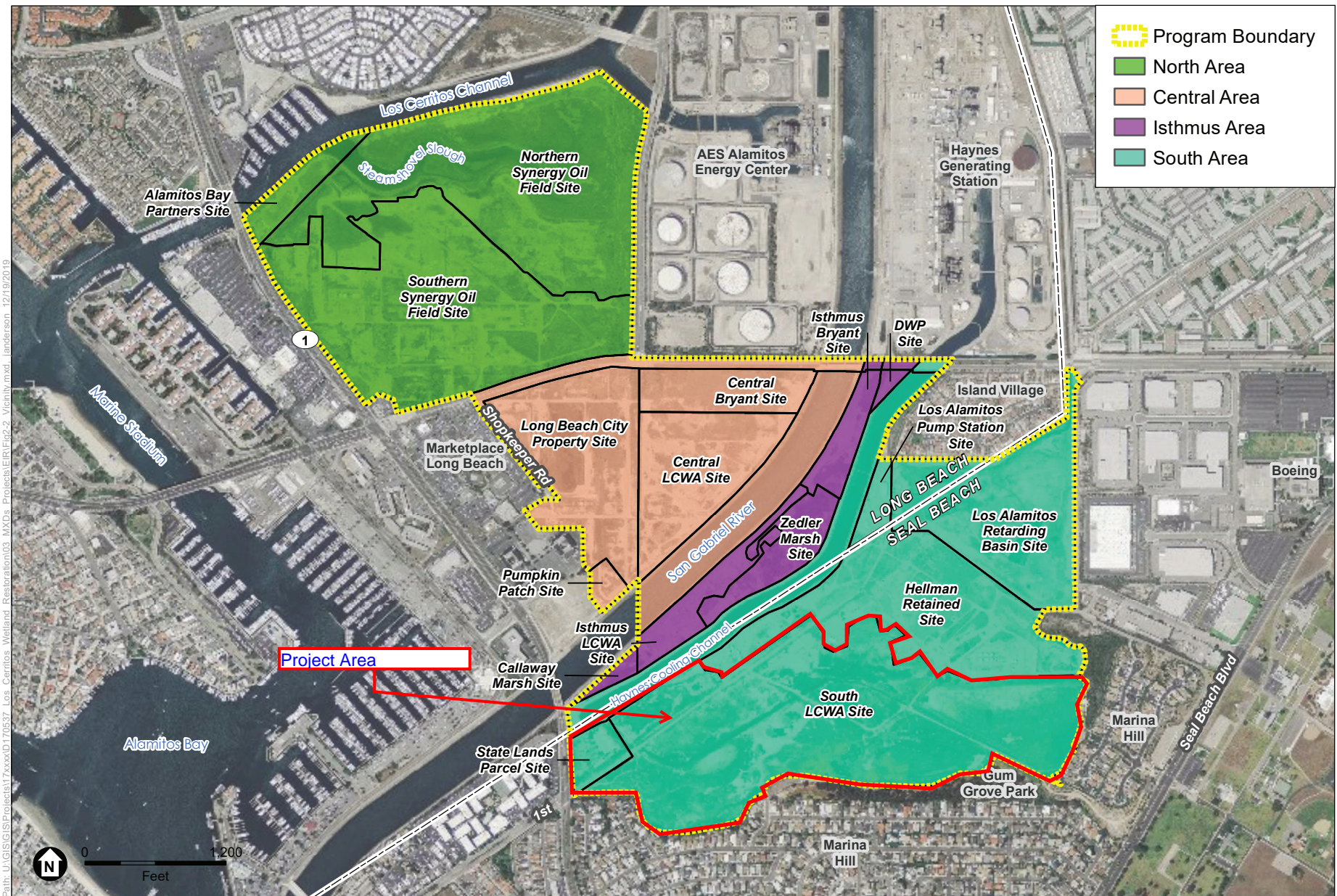
The Los Cerritos Wetlands Authority (LCWA) authorized the Executive Officer to award a contract to Moffatt and Nichol for the Southern Los Cerritos Wetlands Restoration Project to perform a scope of services that includes conducting technical studies, preparation of 30% and 65% designs, completion of environmental compliance, preparation of permit applications, and associated stakeholder outreach. This contract has been funded by CDFW Proposition 1 Grant Program, RMC Proposition 68 Grant Program, State Coastal Conservancy Once-Through-Cooling funding, and from the Orange County Community Foundation (OCCF) Warne Fund.



SOURCE: ESRI

Los Cerritos Wetlands Restoration Plan Program EIR

Regional Location



Los Cerritos Wetlands Restoration Plan Program EIR

Figure 2
Project Site and Local Vicinity



SOURCE: Mapbox, LCWA

Los Cerritos Wetlands Restoration Plan Program EIR

Figure 2-4
South Area

Exhibit B

**SOUTH COAST
WATER DISTRICT**
Partnering With The Community



Item 10: SLCWRP Update

Board of Directors March 2, 2022

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Wayne Rayfield
Director

Mark Stanley
Executive Officer
Los Cerritos Wetlands Authority
100 N Old San Gabriel Canyon Rd.
Azusa, CA 91702

Re: Letter of Intent between South Coast Water District and the Los Cerritos Wetlands Authority for use of a portion of the Southern Los Cerritos Wetlands Restoration Project to mitigate for the Doheny Ocean Desalination Project

Dear Mr. Stanley:

This letter of intent (LOI) confirms South Coast Water District's (SCWD) intent to pursue opportunities through the Southern Los Cerritos Wetlands Restoration Project to mitigate for the potential impacts of the Doheny Ocean Desalination Project (Doheny Desalination Project or DDP). This document sets forth the initial understanding between SCWD and the Los Cerritos Wetlands Authority (LCWA) to work in good faith to design and fund a successful restoration program in the Los Cerritos Wetlands.

Background

SCWD has proposed and approved the development of the Doheny Desalination Project to provide a reliable, drought-proof water supply, create a seawater intrusion barrier, and provide system redundancy in the event of a major seismic event. The DDP will produce up to 5 million gallons per day (MGD) of reliable, sustainable, and locally controlled water supply.

The California Ocean Plan (COP) requires that for each new industrial installation using seawater for cooling, heating, or industrial processing, the best available site, design, technology, and mitigation measures feasible shall be used to minimize the intake and mortality of all forms of marine life.

The project includes technology preferred by environmental groups and regulators to minimize environmental impacts, i.e., by (1) utilizing subsurface slant wells to completely eliminate mortality due to seawater intake and (2) comingling brine discharge with an existing, municipal discharge stream with a high-efficiency multiport discharge structure to minimize salinity and shearing impacts. Both of these design features are considered best available technology (BAT) and are the preferred intake and discharge methodologies for desalination facilities designated by the COP. In addition, since the Doheny Desalination Project will utilize existing infrastructure and the slant wells will be drilled from land, no construction-related impacts to the ocean will result.

Initial modeling of the addition of the brine discharge to the existing municipal discharge was conducted to evaluate impacts to marine communities based on changes in the

mixing characteristics to the discharge as a result of the addition of the brine. This initial modeling has estimated potential impacts to 7.45 acres of marine habitat in the discharge area. SCWD is fully committed to supporting mitigation to offset environmental impacts associated with the DDP.

As part of this process, the San Diego Regional Water Quality Control Board (SDRWQCB) and State Water Resources Control Board (SWRCB) have required SCWD to identify and participate in a restoration program that directly results in physical improvements to habitat which enhances a regional marine community. Consideration for participation in an existing coastal wetland restoration project was encouraged. Additional requirements were that the project accommodate the initial mitigation area estimates and allow for additional restoration if refinement of the evaluation area impacted increases, that the production area from the enhancement project overlap with the source water body for the DDP, and that the restoration initiation and DDP operations were on comparable timelines. After an initial consultation with LCWA representatives, and based on these criteria, the Southern Los Cerritos Wetlands Restoration Project was determined to best satisfy these requirements. Staff from the SDRWQCB and SWRCB approved of the collaboration between SCWD and the LCWA and requested that this understanding between the groups be developed.

Proposed DDP Mitigation Project

Initial calculations have determined that SCWD would be responsible for the direct restoration of 7.45 acres of wetland marine habitat (subtidal habitat including fully submerged and tidal channels, and tidal marsh including intertidal flats, cordgrass and saltmarsh). Preliminary assignment of direct habitat is 2.2 acres of subtidal habitat and 5.25 acres of intertidal habitat. Actual restoration amounts will be based on results of future site-specific studies in the vicinity of the DDP discharge and final determination of mitigation requirements by the SDRWQCB and SWRCB. Based on initial calculations and project conditions, the LCWA's project appears that it will provide the requisite habitat restoration activities to mitigate for SCWD's impacts.

The LCWA is currently in the preliminary design phase for their coastal wetland restoration project which covers an area of 103.5 acres in Seal Beach, California. The LCWA is pursuing all the necessary permits, CEQA compliance, and complete construction drawings, while maintaining an open dialogue with numerous stakeholder groups. The LCWA will proceed with their restoration designs based on well-established goals and objectives developed through extensive expert and stakeholder review. The LCWA will work in partnership with SCWD as restoration designs progress but makes no representation that the Southern Los Cerritos Wetlands Restoration Project will meet any or all required mitigation needs of the DDP. This determination will be made by the SDRWQCB.

If it is determined that mitigation needs of the DDP may be satisfied through the LCWA's project, SCWD will adopt the LCWA restoration plans and goals in a mitigation-specific restoration plan for the DDP Mitigation Project. Any additional mitigation responsibilities or conditions placed on SCWD by the SDRWQCB for the DDP Mitigation Project will be consistent with the LCWA's construction designs and permit conditions and will be required and accomplished by SCWD in close coordination with the LCWA.

SCWD recognizes that they would be responsible for providing the necessary funding not only for the construction of the DDP Mitigation Project as part of the Southern Los Cerritos Wetlands Restoration Project, but that they will also be responsible for compensating the LCWA should some portion of the public funds that have been associated with the project need to be reimbursed in proportion to the mitigation area within the Phase I project to the State of California or other governmental agency. This includes but is not limited to the costs for the land acquisition, environmental planning, restoration design, permitting and hydrological improvements. In addition, SCWD will fund ongoing maintenance, monitoring, and adaptive management activities for the DDP mitigation area within the larger project to be managed by the LCWA. Contribution to these costs is expected to be proportionally similar to the percent of DDP mitigation area within the Phase I project area. SCWD will provide these funds for the duration of the project until the success criteria established by the SDRWQCB at the initiation of the project are met. Following the successful completion of the DDP Mitigation Project, SCWD will place additional funds in trust in proportion to the mitigation area within the Phase I project to support continued maintenance and monitoring of the mitigation site for a period consistent with the operational period of the DDP (anticipated to be 30 years or longer).

As the landowner and lead agency responsible for meeting all CEQA mitigation measures, the LCWA will maintain control over all contractors and consultants that will be involved with this project. The LCWA will work in partnership with SCWD to ensure that their mitigation project receives the highest level of professional services to ensure its successful compliance with all project conditions required by the SDRWQCB and all other regulatory and permitting agencies.

Next Steps

The LCWA's acknowledgement and acceptance of SCWD's LOI commits both parties to cooperate and collaborate in the development of the DDP Mitigation Project. Following submittal of this LOI to the SDRWQCB representatives, SCWD and the LCWA will develop a timeline and process for establishing this plan, establishing interim milestones, and creating a framework for participation and cooperation between SCWD and the LCWA. This LOI does not commit the parties to reaching a final agreement to undertake the DDP Mitigation Project.


Sincerely,



Rick Shintaku
General Manager

ACCEPTED AND ACKNOWLEDGED:

Los Cerritos Wetlands Authority

DocuSigned by:

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By: Mark Stanley
Title: Executive Officer

March 7, 2022