

EXECUTIVE OFFICER SUMMARY REPORT
November 12, 2014

ITEM:	9
SUBJECT:	Tentative Resolution Approving the Revised Proposed Mitigation Site and Draft Final Restoration Plan for the Otay River Estuary Restoration Project to Mitigate for Entrainment and Impingement Impacts from the Carlsbad Desalination Project, Poseidon Resources Corporation. (Tentative Resolution No. R9-2013-0125) (<i>Lisa Honma</i>).
PURPOSE:	To consider adoption of Tentative Resolution No. R9-2014-0125 (Supporting Document No. 1).
RECOMMENDATION:	Adoption of Tentative Resolution No. R9-2014-0125 is recommended.
KEY ISSUES	<ol style="list-style-type: none">1. Operation of the Carlsbad Desalination Project (CDP) by Poseidon Resources Corporation (Poseidon) will have entrainment and impingement impacts on marine life.2. To mitigate for these impacts to marine life, Poseidon has provided a Revised Proposed Mitigation Site and a Draft Final Restoration Plan for San Diego Water Board approval.3. The only changes made by this action are to approve the Draft Final Restoration Plan and modify the previously approved mitigation site by reducing the Otay River Floodplain acreage and by adding the Pond 15 acreage.
PRACTICAL VISION	Consistent with the mission of the <i>Recovery of Streams, Wetlands and Riparian Systems</i> chapter of the San Diego Water Board Practical Vision, the Tentative Resolution approves an environmentally sound Draft Final Restoration Plan that proposes the implementation of at least 66.4 acres of wetland mitigation for entrainment and impingement impacts that will occur as a result of the CDP operation. The implementation of Poseidon's Draft Final Restoration Plan will restore a large section of the Otay River Floodplain to functional estuarine habitat.

DISCUSSION:

Project Description

Poseidon's CDP is regulated by Order No. R9-2006-0065, as amended by Order No. R9-2009-0038, National Pollutant Discharge Elimination System (NPDES) Permit No. CAS0108758, *Waste Discharge Requirements for the Discharge to the Pacific Ocean Via the Encina Power Station Discharge Channel* (Order) (**Supporting Document No. 2**). Operation of the CDP will have entrainment and impingement impacts on marine life. These impacts are caused when marine life is trapped and killed during the intake of seawater for the desalination process. To mitigate for these impacts to marine life, the *Flow, Entrainment and Impingement Minimization Plan* (Minimization Plan, **Supporting Document No. 3**), dated March 27, 2009, was conditionally approved when the San Diego Water Board adopted the Order on May 13, 2009.

The Minimization Plan includes a *Marine Life Mitigation Plan* (MLMP) that specifies steps to accomplish the mitigation requirements for the marine life impacts caused by the CDP operation. After evaluating the wetland mitigation sites listed in the MLMP, Poseidon provided the *Poseidon Resources Marine Life Mitigation Plan Supplemental Alternatives Analysis of California Coastal Commission Standards and Objectives* (Alternatives Analysis, **Supporting Document No. 4**), dated January 2011. Based on the MLMP's minimum standards and objectives and the information provided in the Alternatives Analysis, Poseidon determined that the Otay River Floodplain Site was the most suitable wetland mitigation site. As required by the Minimization Plan, on March 9, 2011, the San Diego Water Board approved the selection of the Otay River Floodplain Wetland Mitigation Site and a preliminary wetland restoration plan by adoption of Resolution No. R9-2011-0028 (**Supporting Document No. 5**).

As part of the preliminary wetland restoration plan implementation, two site-specific studies were completed and found that a portion of the Otay River Floodplain Site contains contaminated soils and cultural resources. The areas of soil contamination and cultural resources must now be avoided during the Otay River Floodplain Site restoration project. In response to these findings, Poseidon provided a Revised Proposed Mitigation Site and *Draft Final Restoration Plan for the Otay River Estuary Restoration Project* (Draft Final Restoration Plan, **Supporting Document No. 6**), dated May 2014. The Draft

Final Restoration Plan proposes to provide at least 66.4 acres of salt marsh and estuarine habitat mitigation, which will provide nursery habitat for fish. The Revised Proposed Mitigation Site includes two restoration areas: 1) a reduced Otay River Floodplain area, and 2) the newly added Pond 15 area, located in the northeast corner of the South San Diego Bay unit of the San Diego Bay National Wildlife Refuge (Location Map, **Supporting Document No. 7**). Poseidon has requested San Diego Water Board approval of both the Revised Proposed Mitigation Site and Draft Final Restoration Plan.

The Revised Proposed Mitigation Site and Draft Final Wetland Restoration Plan meet the requirements of the MLMP and the Order. Tentative Resolution No. R9-2014-0125 will, if adopted, approve both the Revised Proposed Mitigation Site and the Draft Final Wetland Restoration Plan. Following the San Diego Water Board's adoption of the Tentative Resolution, Poseidon will be required to finalize the Draft Final Wetland Restoration Plan and apply for and obtain a Clean Water Act Section 401 Water Quality Certification to permit implementation of the restoration plan.

LEGAL CONCERNS:

None.

SUPPORTING DOCUMENTS:

1. San Diego Water Board Tentative Resolution No. R9-2014-0125.
2. Order No. R9-2006-0065, as amended by Order No. R9-2009-0038, National Pollutant Discharge Elimination System (NPDES) Permit No. CAS0108758, Waste Discharge Requirements for the Discharge to the Pacific Ocean via the Encina Power Station Discharge Channel.
3. *Flow, Entrainment and Impingement Minimization Plan*, March 27, 2009.
4. *Poseidon Resources Marine Life Mitigation Plan Supplemental Alternatives Analysis of California Coastal Commission Standards and Objectives*, January 2011.
5. San Diego Water Board Resolution No. R9-2011-0028.
6. Draft Final Restoration Plan for the Otay River Estuary Restoration Project, May 2014.
7. Location Maps: Otay River Floodplain area and Pond 15.

PUBLIC NOTICE:

Public Notice of this item was provided in the Meeting Notice and Agenda for the November 12, 2014 Board meeting and posted on the San Diego Water Board website.