



Coastal Conservancy

Once Through Cooling Interim Mitigation Fee State Coastal Conservancy Annual Report - August 2023

Summary

The California State Coastal Conservancy (Conservancy) has received funding via the once through cooling interim mitigation fees through two separate allocations.

Pursuant to a settlement agreement with the operator of the Ormond Beach and Mandalay power plants, interim mitigation payments from those two plants will be applied to “an Oxnard wetland restoration project”. These funds are paid directly to the Conservancy. The report on the use of those funds is provided below under the heading Ormond Beach and Mandalay Funds.

Pursuant to a 2016 Memorandum of Understanding (MOU) between the State Water Resources Control Board (State Water Board), the Ocean Protection Council (OPC), and the State Coastal Conservancy (Conservancy), OPC transfers any funds beyond \$5.4 million collected in each operating year to the Conservancy for wetland restoration projects. The annual report on those funds is provided below under the heading Remainder Funds.

Ormond Beach and Mandalay Funds

Under a settlement agreement with the operator of the Ormond Beach and Mandalay power plants, interim mitigation payments from those two plants are paid directly to the Conservancy for “an Oxnard wetland restoration project”. To date the Conservancy has received \$1,632,256. As described below, the Conservancy intends to use \$1,482,821 of these funds for the Environmental Impact Report (EIR) or final design and construction of the restoration of the Ormond Beach wetlands. The Conservancy plans to use \$149,435 of these funds to pay for its administrative costs.

Ormond Beach Wetlands: Project Description

Ormond Beach is in southern Ventura County, predominantly in the City of Oxnard. The Coastal Conservancy, The Nature Conservancy (TNC) and the City of Oxnard (Oxnard) own 630 acres immediately adjacent to the Ormond Beach generating stations.



The site has been identified by wetland experts as one of the most important coastal wetland restoration opportunities in Southern California. It has long been targeted for protection, enhancement, and improved public access owing to its proximity to the large population centers in the greater Los Angeles metropolitan area and the relatively rare opportunity to protect and restore a large area of contiguous beach, dune, wetland, and upland habitat on the Southern California coast. Unlike most Southern California coastal wetlands, there is no freeway, trains tracks, housing or other infrastructure preventing the habitats at Ormond Beach from migrating inland as sea level rises.

The Coastal Conservancy, TNC and Oxnard have been working together to conserve and plan for restoration of wetlands at Ormond Beach for many years. A planning process funded by the Coastal Conservancy was completed to identify a preferred alternative for restoration at Ormond Beach. That report is posted [here](#). The preferred alternative will restore salt marsh, brackish marsh, coastal dunes, and transitional habitats. It also includes improved public trails and access to the site.

Project Status

In March 2021, the Conservancy notified the State Board that it planned to use the Ormond Beach and Mandalay funds for preparation of the Environmental Impact Report (EIR) for the proposed restoration of wetlands at Ormond Beach. The estimate for hiring a consultant to complete an EIR is \$1,500,000.

Since that time, the project team for the Ormond Beach Restoration and Access Project has been working with the California Department of Fish and Wildlife (CDFW) to determine whether this project could qualify under the statutory exemption for restoration projects established under Senate Bill 155. The Conservancy has completed a draft exemption application and is waiting for approval from CDFW to submit the complete application. If approved, this exemption will result in significant cost savings and the project team will focus on permitting and final design. A final decision on the statutory exemption is expected by the end of 2023. Additional funding for the restoration project is expected to come from the Coastal Conservancy's budget and possibly some federal grants.

Remainder Funds

OPC has transferred a total of \$6,792,359 to the Coastal Conservancy from operating years 15/16 through 19/20. OPC is working on transferring an additional \$1,252,134 from operating year 20/21. As

described below, the Conservancy has identified three projects to use the full amount of remainder funds, including the 20/21 funds that have not yet been transferred.

Villa Creek Estuary

The Conservancy will **recommend a grant of \$2,000,000** to California State Parks to implement the restoration of Villa Creek Estuary in Morro Bay. This project will be considered by the Conservancy’s Board in September 2023. The project will remove fill and re-establish coastal wetlands at the mouth of Villa Creek. This project will enhance coastal wetlands and benefit steelhead trout, tidewater goby, and other species.



Newland Marsh

Newland Marsh is a relic wetland area of approximately 44.8 acres located along Pacific Coast Highway between Beach Boulevard and Newland Street in Huntington Beach in Orange County. The wetland is part of the larger Huntington Beach Wetlands complex. The site is predominantly a relictual salt marsh, however, other important habitats such as unvegetated salt flats, alkali meadow, coastal sage scrub and open water are also present.



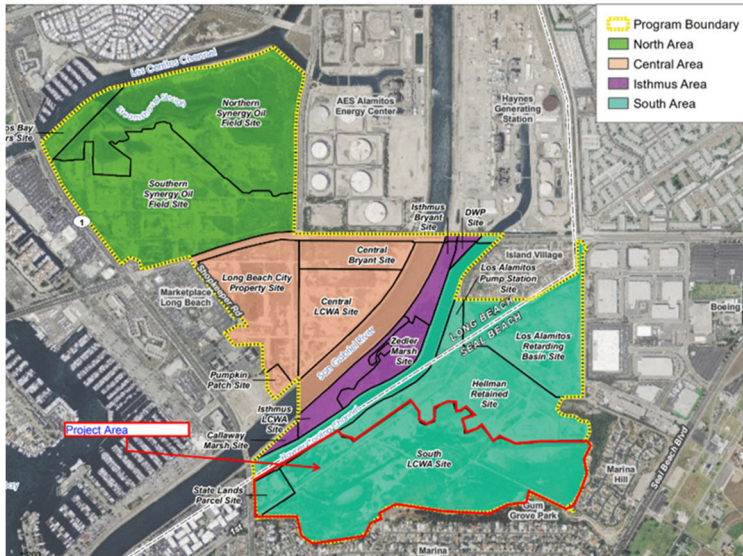
Newland Marsh Acquisition

The Conservancy provided **\$396,871** of interim mitigation funding to assist the Huntington Beach Wetlands Conservancy in purchasing the property from Caltrans. Matching funds were provided by the US Fish and Wildlife Service and The Wildlife Conservation Board. The acquisition was completed in 2021 at a total cost of \$3,582,753.

Newland Marsh Restoration Planning

The Conservancy has provided a second grant to the Huntington Beach Wetlands Conservancy using **\$556,000** of interim mitigation funding for project planning for enhancement of the 44.8 acres of degraded wetlands at Newland Marsh. The planning will fund work to develop engineering design documents, an environmental review document, and regulatory permits.

Los Cerritos Wetlands



Historically, the Los Cerritos Wetlands Complex spanned approximately 2,400 acres and consisted of a network of meandering streams, vegetated wetlands at the mouth of the San Gabriel River. Most of the historic wetlands have been filled, lost or degraded, primarily because of oil extraction, channelization of the San Gabriel River, and construction of a cooling channel for nearby power plants. The Los Cerritos Wetlands Authority is developing a Restoration Program to guide conservation, restoration, and environmental enhancement of the Los Cerritos Wetlands.

Los Cerritos, Southern Area Restoration Planning

The Conservancy provided a grant of **\$250,000** of interim mitigation funding to the Los Cerritos Wetlands Authority for project planning, 65% engineering designs, environmental review document and regulatory permits for the enhancement of the southern area of the Los Cerritos Wetlands.

Los Cerritos, Southern Area Restoration Implementation

The Conservancy will recommend a grant of approximately \$32 million to implement the first phase of the Southern Area Restoration in September 2023. This will include up to **\$6 million** of the remainder funds (including anticipated future transfers). Additional matching funds will come from the Coastal Conservancy funds and may come from a potential agreement with the Los Angeles Department of Water and Power related to the Scattergood plant extension.