

CALIFORNIA COASTAL COMMISSION

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August 21, 1998

TO: Coastal Commissioners

FROM: Rusty Areias, Chair
James W. Burns, Chief Deputy Director *JWB*

SUBJECT: **Report on Coastal Conservancy's August 20, 1998 Meeting**

The Conservancy authorized:

- (1) disbursement of \$100,000 to the Southwest Wetlands Interpretive Association for pre-project analyses for possible acquisition of the Egger-Ghio property consistent with the Lower Otay River Wetlands Enhancement Plan, San Diego County.
- (2) disbursement of \$5 million to the Trust for Public Land (TPL) to assist in acquisition of Coast Dairies and Land Co., Inc., to preserve 7,000 acres of coastal land for public access and resource protection, and \$100,000 to TPL to prepare a resource enhancement and management plan for the Coast Dairies property in Santa Cruz County.
- (3) the Executive Officer to (a) accept \$285,330 from the U.S. Environmental Protection Agency and to disburse \$260,000 of these funds to consultants for preparation of the first phase of the Southern California Watershed Inventory; and (b) provide staff to assist with the preparation of the inventory.
- (4) disbursement of \$50,000 to the City of National City, San Diego County, to prepare a resource enhancement plan for the tidally-influenced reach of Paradise Creek in the vicinity of Kimball Elementary School.

The following Consent items were approved:

- a. Authorization to disburse \$18,500 for the Coastal Conservancy's share of the cost of emergency repairs to the common access road and water system at Victorine Ranch, Monterey County;
- b. Authorization to accept \$26,200 from the Federal Emergency Management Authority and disburse \$35,000 in federal and matching funds to the North Coast Interpretive Association and others for repair of storm damage from the El Nino storms at the Point Cabrillo Preserve, Mendocino County;
- c. Authorization to disburse \$20,000 for the preparation of a fair market value appraisal of a portion of the Santa Clara River Estuary and McGrath Lake, Ventura County;
- d. Authorization to disburse \$106,000 to the U.S. Army Corps of Engineers for the final payment pursuant to the Feasibility Cost Sharing Agreement for the Hamilton Wetlands Restoration project, Marin County, and \$150,000 to complete other project technical studies; and
- e. Authorization to accept Administrative Civil Liability \$120,000 from Dillingham Construction North America, Inc. for future purchase of wetlands adjacent to or near the Napa River, Napa County.

The Conservancy's Executive Officer reported on:

- a. Fiscal Year 1998/99 \$35,221,000 Capital Outlay Budget - - copy attached.
- b. Habitat Conservation Fund Priorities for FY 1998/99 and 1999/00.
- c. Unocal Settlement - - copy attached.

The Conservancy's next meeting will be on September 17, 1998.



August 21, 1998

TO: Coastal Conservancy

FROM: William Ahern Steve Horn
Executive Officer Deputy Executive Officer

SUBJECT: Coastal Conservancy Budget, Fiscal Year 1998/99

Governor Wilson signed the State Budget today, providing the Coastal Conservancy with \$35,221,000 in new capital outlay funds. This action reflects an extraordinary degree of confidence in the ability of the Conservancy to carry out its programs, and the Conservancy and its staff members should take pride in a job well done. We should also be grateful for the strong State economy that enables this kind of investment program, and for the recognition by the Administration and the Legislature that conservation of our heritage resources plays an important role in maintaining our economic strength.

We look forward with great eagerness to the many opportunities that these new funds will enable us to pursue. Our local government and nonprofit partners have a long list of jobs on which they would like us to work with them.

In the few days remaining of this Legislative session there is still the potential for a bond act to emerge for the November ballot, and our staff will continue to work toward this end. Today's good news should be a beginning, not a conclusion, as we try to achieve our vision of a beautiful, restored and accessible coastline.

Attached is a breakdown of the components of the Conservancy capital outlay budget for this year and a detail page on the several individual projects for which specific funds were provided.

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COASTAL CONSERVANCY CAPITAL OUTLAY BUDGET FY98/99

<u>Budget Item</u>	<u>Amount</u>	<u>Program</u>	<u>Purpose</u>	<u>Source</u>	<u>Notes</u>
3760-301-0001(0.1)	\$12,781,000	Resource Development	Acquisition and Development	General Fund	includes seven specified projects
3760-301-0001(1)	\$ 5,000,000	Natural Communities Conservation	Acquisition	General Fund	consistent with San Diego NCCP
3760-301-0001(2)	\$ 8,090,000	Ocean and Coastal Initiative	Wetland Enhancement and Public Access	General Fund	\$ 5,590,000 for Southern California Wetlands Clearinghouse projects; \$ 2,500,000 for access
3760-301-0262	\$ 4,000,000	Resource Enhancement	Wetland Enhancement and Endangered Species	Habitat Conservation Fund	
3760-301-0565	\$ 625,000	Ocean and Coastal Initiative + Resource Development	Public Access + Acquisition and Development	Conservancy Fund + Violation Remediation Account	\$ 125,000 for VRA subject to restrictions
3760-301-0593	\$ 225,000	Ocean and Coastal Initiative	Public Access	Coastal Access Fund	may be used for operation of accessways
3760-301-0890	\$ 2,000,000	Resource Enhancement + Resource Development	All SCC purposes	Federal Funds	authority to receive federal grants in FY 98/99
3760-301-0940	\$ 2,500,000	Ocean and Coastal Initiative	Public Access	Renewable Resources Investment Fund	for access in conjunction with habitat enhancement

**COASTAL CONSERVANCY BUDGET FY98/99
PROJECTS SPECIFIED IN ITEM 3760-301-0001(0.1)**

<u>Project Name</u>	<u>County</u>	<u>Amount</u>	<u>Notes</u>
Coast Dairies	San Mateo	\$5,000,000	Will complete acquisition funding; SCC authorized expenditure 8/98
Bolinas Lagoon	Marin	\$ 500,000	Marin Open Space District is lead agency
Paradise Creek	San Diego	\$ 700,000	Provides implementation funds for educational center; SCC authorized planning funds 8/98
Moss Landing	San Mateo	\$ 450,000	Beach and dunes acquisition for State Parks
Estero Bay	San Luis Obispo	\$2,500,000	Land trust acquisition project to preserve open space; will need disposition plan
Caspar Beach	Mendocino	\$1,800,000	SCC has sought acquisition for eight years to complete state beach and preserve wildlife habitat; will need disposition plan
South Spit	Humboldt	\$ 500,000	Will fund restoration and access to complement local and federal acquisition and management actions

**OUTLINE FOR UNOCAL SETTLEMENT
CONSERVANCY DISCUSSION**

I. Background on the litigation:

In early 1994, the Conservancy joined other state plaintiffs, DTSC, AG, OSPR, Water Board, to bring legal action against Unocal for damages caused by Unocal's diluent spills at the Guadalupe Oil Field in the Nipomo Dunes, San Luis Obispo County. The Conservancy was protecting its property interests immediately adjacent to the Oil Field and the Offers to Dedicate Easements for Public Access and Habitat Protection on the Oil Field.

II. Settlement Agreement

- Entered into on July 22, 1998 almost 5 years of Conservancy involvement
- Settles all plaintiffs' monetary claims for past diluent releases in the amount of \$43,800,000
- Funds not available for use until after statute runs for legal challenges (after Oct 31, 1998).
- \$43.8 million breaks down as follows:
 - \$1.3 m credit to Unocal pursuant to earlier criminal lawsuit;
 - \$500k to State Water Pollution Cleanup and Abatement Account
 - \$11.1 m to DFG for the Fish and Wildlife Pollution Account;
 - \$125k to the Oil Spill Prevention and Administration Fund;
 - \$4.840 m as costs to DFG
 - \$700k to DTSC - \$500k for penalties and costs; \$200k for restoration projects, to be deposited in the Guadalupe Natural Resources Trust
 - \$160k for AG's costs;
 - \$375k as penalties to the Environment Enhancement Fund;
 - \$700k for AG's claims: \$125k each to Hazardous Substances Account, San Luis Obispo County health officer, and AG; \$200k to the Public Health Institute;

- \$9 m to be dedicated as natural resource damages to fund projects to restore, replace, rehabilitate and/or acquire the equivalent of the natural resources and related services that were injured, lost or destroyed by diluent releases at the Guadalupe Oil Field. May be used to reimburse for design, implementation, permitting, monitoring and oversight associated with funded projects. To be placed in the Guadalupe Natural Resources Restoration Trust.
- \$15 m for water quality projects within the Central Coast Region to be selected by the Water Board at public meetings. To be placed in the Guadalupe Oil Field Settlement Water Quality Project Trust.
- Interest accrued to the escrow account will benefit equally the two trusts.

III. Conservancy Benefits:

A. \$9.2 m Guadalupe Natural Resources Trust:

- Conservancy and OSPR will allocate \$9m to restoration projects in San Luis Obispo and Santa Barbara Counties as near as possible to Guadalupe Oil Field.
- Decisionmaking by consensus
- Public advisory committee to provide assistance in project selection
- Trustee is the National Fish and Wildlife Foundation (established by Congress (16 USCA 3701) as a nonprofit corporation to accept private gifts and undertake other activities to further conservation and management of fish, wildlife, and plant resources)
- DTSC will also contribute \$200K to a project(s) selected from the list established by the Conservancy/OSPR.

B. \$15 m Guadalupe Oil Field Settlement Water Quality Project Trust:

- Same committee as for the restoration projects. Committee will comment and advise Water Board on water quality projects. Public Advisory Committee will also provide guidance to Water Board. Water Board will make final project decisions.
- Water Board has established criteria for projects:

- geographic/hydrological nexus to water quality in the Sta Maria watershed, Nipomo Dunes or coastal ocean near the oil field;
- relationship to the pollutant;
- relationship to beneficial use of water affected by the diluent releases, such as drinking water/ag water/aquatic habitat/aquatic endangered species;
- Conservancy may act as the administrative agency to develop/carry out water quality projects and Conservancy administrative costs shall be reimbursed up to 5% of project costs.
- Conservancy has responded to the Water Board's first project solicitation: planning/evaluation of riparian restoration needs for the Sta Maria watershed for \$450,000.
- Trustee is the National Fish and Wildlife Foundation.

C. \$375K in Environmental Enhancement Fund of Oil Spill Prevention and Response Act

- E.O. of the Conservancy, Administrator of OSPR and public member appointed by the Administrator of OSPR, who must be an officer or elected leader of a statewide nonprofit organization whose primary purpose is the protection and/or enhancement of natural resources, comprise the committee which allocates the EEF for environmental enhancement project within or immediately adjacent to marine waters (waters subject to tidal influence).
- Funds not available for use until appropriated by the legislature to the Administrator of OSPR.
- Conservancy awarded \$425K in May 1996 for existing Conservancy projects (Ora Lomo, Chorro Flats, Ballona Lagoon).
- FY 98-99 budget contains appropriation of \$100,000, in addition to balance in account.
- We will request that Administrator budget the \$375K for FY 99-00.