

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA

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SAN DIEGO, CA 92108-4402

767-2370

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 Hearing Date: 2/5-7/03

REGULAR CALENDAR
STAFF REPORT AND PRELIMINARY RECOMMENDATION

Application No.: 6-02-120

Applicant: San Diego Gas & Electric

Agent: Haley & Aldrich

Description: Excavation and removal of petroleum hydrocarbon-affected soil at eight locations on the grounds of the Encina power plant.

Site: 4600 Carlsbad Boulevard, Agua Hedionda, Carlsbad (San Diego County)

Substantive File Documents: Fluor Daniel GTI Environmental Due Diligence Program, Encina Power Plant, July 1998 and the URS Greiner Woodward Clyde Additional Buyer's Due Diligence Investigations at the Encina Power Plant, March 1999, Remedial Action Work Plan 2001, a Work Plan for Excavation of Fuel Supply Area 8 from the County of San Diego July 2002, Department of Environmental Health Services, Site Assessment and Mitigation (SAM) Voluntary Assistance Program (VAP), certified Agua Hedionda Land Use Plan

STAFF NOTES:

Summary of Staff's Preliminary Recommendation: Staff is recommending approval with several special conditions. The primary issue raised by the proposed development relates to protection of water quality. Because the site is adjacent to Agua Hedionda Lagoon, special conditions require that all project generated remedial grading and runoff be contained to avoid any discharge into the lagoon. As conditioned, the proposed development is consistent with all applicable Chapter 3 policies of the coastal Act.

I. PRELIMINARY STAFF RECOMMENDATION:

The staff recommends the Commission adopt the following resolution:

MOTION: *I move that the Commission approve Coastal Development Permit No. 6-02-120 pursuant to the staff recommendation.*

STAFF RECOMMENDATION OF APPROVAL:

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

RESOLUTION TO APPROVE THE PERMIT:

The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

II. Standard Conditions.

See attached page.

III. Special Conditions.

The permit is subject to the following conditions:

1. Conformance with Remedial Action Work Plan/Fiber Rolls. The applicant shall comply with the "Remedial Action Work Plan San Diego Gas & Electric Cabrillo I (Encina) Powerplant Carlsbad, California," prepared by Haley & Aldrich, dated July, 2002 with the exception that fiber rolls rather than sand bags shall be used as perimeter containment.

The permittee shall undertake development in accordance with the approved final plans. Any proposed changes to the approved final plans shall be reported to the Executive Director. No changes to the approved final plans shall occur without a Coastal Commission-approved amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. Other Permits. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall submit to the Executive Director for review and written approval, copies of all other required local, state or federal discretionary permits for the development authorized by CDP #6-02-120. The applicant shall inform the Executive Director of any changes to the project required by such bodies. Such changes shall not be incorporated into the project until the applicant obtains a

Commission amendment to this permit, unless the Executive Director determines that no amendment is legally required.

IV. Findings and Declarations.

The Commission finds and declares as follows:

1. Detailed Project Description/History. The proposed development involves the excavation and removal of petroleum hydrocarbon-affected soil at eight locations on the grounds of the Encina power plant. In 1998, SDG&E conducted a due diligence investigation of the Encina Power Plant (EPP) as part of its sale to NRG Cabrillo Power Operations Inc. EPP is an electric generating plant that is located on the inland side of Carlsbad Blvd. (Old Hwy. 101), approximately 100 yards from the ocean at its closest point. EPP is also located immediately south of the outer basin (66 water acres) of Agua Hedionda Lagoon. The entire project is within the confines of the developed powerplant and no impacts to coastal resources or public access will occur (Exhibit 1).

As defined in the property ownership transfer agreement, SDG&E is responsible for environmental issues. Ongoing investigations have identified petroleum hydrocarbon-affected soils at eight separate locations throughout the EPP, where remediation is required (Exhibit 2). Remediated soils are those that are cleansed of hydrocarbon contaminants to acceptable standards. SDG&E has conducted additional sampling to better delineate the extent of the contamination, and has submitted a draft remedial action Workplan (RAW) to the oversight agency for their review. SDG&E is using the County of San Diego, Department of Environmental Health (DEH) voluntary assistance oversight program (VAP) for oversight and closure of remediation activities at the Encina Power Plant.

The eight areas to be remediated (approximately 2,395 cubic total cubic yards) are as follows.

1. Stormwater Basin West of Tank #3
2. South of Fuel Oil Tank #3 near fuel oil pipelines
3. EB2-018 Northwest of the former Prout's Pond area
4. EB1-064 North of Fuel Oil Tank #1
5. EB1-041 Northwest of Fuel Oil Tank #7
6. EB1-018 Southeast of Fuel Oil Tank #7
7. Cutter Stock Tank Area
8. Underground Diesel Fuel Tank

These areas exhibit Total Extractable Hydrocarbons (TEH) concentrations in soil greater than 1,000 milligrams per kilogram (mg/kg) which exceeds applicable regulatory requirements for continued industrial use of the property.

To do the work, a backhoe is proposed to excavate affected soil and some asphalt paving. The soil and paving will be temporarily stockpiled on visqueen and covered at selected

staging areas, pending evaluation for proper disposal (offsite treatment and disposal/recycling). Remedial grading will cease when soil samples indicate TEH concentrations are less than the cleanup goal of 1,000 mg/kg. Clean soil will be segregated from affected soil in separate stockpiles. Each excavation will be backfilled with clean or imported fill material and completed to match pre-existing grade.

Agua Hedionda is one of six segments of the City of Carlsbad's LCP. While most of the city's coastal zone has a fully certified LCP, with the city issuing coastal development permits, an implementation program for the Agua Hedionda segment has not been certified as yet. Thus, permit responsibility remains with the Commission, and Chapter 3 of the Coastal Act is the standard of review, with the certified Agua Hedionda Land Use Plan used for guidance.

2. Water Quality. The following Coastal Act policies are applicable to the proposed development and state:

Section 30230

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Section 30231

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

In addition, Section 30240 of the Coastal Act states:

(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

Sections 30230 and 30231 protect marine water quality from adverse affects associated with new development. Section 30240 also protects environmentally sensitive habitat areas from development impacts. Agua Hedionda Lagoon has been identified by the State Department of Fish and Game as one of the 19 highest priority wetland areas for acquisition and, as such, is referenced in Section 30233(c) of the Coastal Act. The adverse impacts of development most often associated with wetland areas are erosion of soils within the watershed and subsequent sediment transport to the wetlands.

Remedial grading is proposed near the lagoon which could adversely affect the water quality of the lagoon. The following provisions proposed by the applicant address the timing of the activities, the management of stockpiled soil in general, and the specific management of excavated soil from Area 3 which is located in proximity to Agua Hedionda Lagoon. As noted, the entire project is within the confines of the developed powerplant and no impacts to coastal resources or public access will occur.

1- Excavation Timing: The timing of the excavation will be so that it is not performed during the peak of the rainy season. The City of Carlsbad places a moratorium on grading permit approvals between the dates of November 15 and February 15.

2- Soil Stockpile Staging and Management – (except Area 3): Excavated soil will be staged adjacent to the point of origin, within areas identified as safe and protective of existing site conditions. Excavated soil will be, for the most part, loaded and removed from the site on the same day as excavation to minimize the quantity of excavated soil being stockpiled at the site. Residual soil, which is not removed from the site on the same day, and requires stockpiling, will be staged inside bermed areas, placed on and covered with visqueen plastic sheeting. The visqueen plastic will be secured to prevent wind erosion of the stockpile material. The stockpile will then be removed from the site the following work day or as soon as technically feasible.

3- Soil Stockpile Staging – Area 3: Excavated soil generated from the area near Agua Hedionda Lagoon (Area 3) will not be stockpiled in the pond area, rather it will be excavated and transported to inside the existing bermed fuel tank areas (Areas 1 and 4).

4- Stormwater Runoff/Engineering Controls: The above measures will be employed to eliminate potential erosion issues caused by stormwater run off and reduce the potential for affecting the storm drain and surrounding water body. In addition, sand bags will be placed along the perimeter of each excavation, which has the potential to intercept stormwater, until backfill to original grade and surface restoration are complete. Lastly, the weather reports will be monitored to aid in preparing for rainy or turbulent weather.

After reviewing the above, the County of San Diego, Department of Environmental Health (DEH) approved the proposed Remedial Action Workplan (RAW). As noted above, excavated soil generated from the area near Agua Hedionda Lagoon (Area 3) will

not be stockpiled near the lagoon but transported to inside the existing bermed fuel tank areas (Areas 1 and 4). In the other areas, contaminated soils will be removed from the site to minimize the quantity of excavated soil being stockpiled at the site. Residual soil, which requires stockpiling, will be staged inside bermed areas, placed on and covered with visqueen plastic sheeting. In this way, no direct or indirect impacts to the lagoon should occur. The Commission's water quality staff have found the plan acceptable provided fiber rolls are used as a perimeter barrier rather than the proposed sand bags. Fiber rolls are more effective at containment over a larger area than sand bags. Special Condition #1 requires the applicant to comply with the recommendations of the RAW as modified to include fiber rolls. Additionally, a grading permit application has been submitted to the City of Carlsbad Engineering Department and approval is pending. This permit may require additional measures to be implemented. As such, the Commission finds in Special Condition #2 that the approved grading permit must be received prior to issuance of this coastal development permit. Thus, as proposed and conditioned to move contaminated soils nearest the lagoon to a remote, contained location, to contain other spoils areas in covered stockpiles, to revise the erosion control plan to use fiber rolls and to require the project to receive all required approvals, the Commission finds the project consistent with sections 30230, 30231 and 30240 of the Coastal Act.

3. Public Access. Section 30604(c) of the Act requires that a specific access finding is made for any development located between the sea and the first public roadway. Section 30212 of the Act requires that public access from the nearest public roadway be provided, unless such access would be inconsistent with public safety, military security or resource protection needs. Public access along and to the waters of Agua Hedionda Lagoon is very important because of the recreational nature of the lagoon. It is the only lagoon in San Diego County where water sports are permitted, including motor and sail boating, water skiing, wind surfing, jet skiing, etc. Additionally, a public trail is identified along the north shore of the outer basin of the lagoon in the certified Agua Hedionda Lagoon Land Use Plan. However, in this case, the proposed project will take place within an existing industrial facility where no public access exists. Therefore, the Commission finds the proposed project will not adversely affect public access.

4. Local Coastal Planning. Section 30604(a) also requires that a coastal development permit shall be issued only if the Commission finds that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program (LCP) in conformity with the provisions of Chapter 3 of the Coastal Act. In this case, such a finding can be made.

The Agua Hedionda Land Use Plan (LUP) designates the bulk of the site as Open Space and Utility. As conditioned, the project is consistent with these designations and with Chapter 3 policies of the Coastal Act. Therefore, approval of the development, as conditioned herein, will not prejudice the ability of the City of Carlsbad to prepare a fully certifiable Local Coastal Program for the Agua Hedionda Lagoon segment.

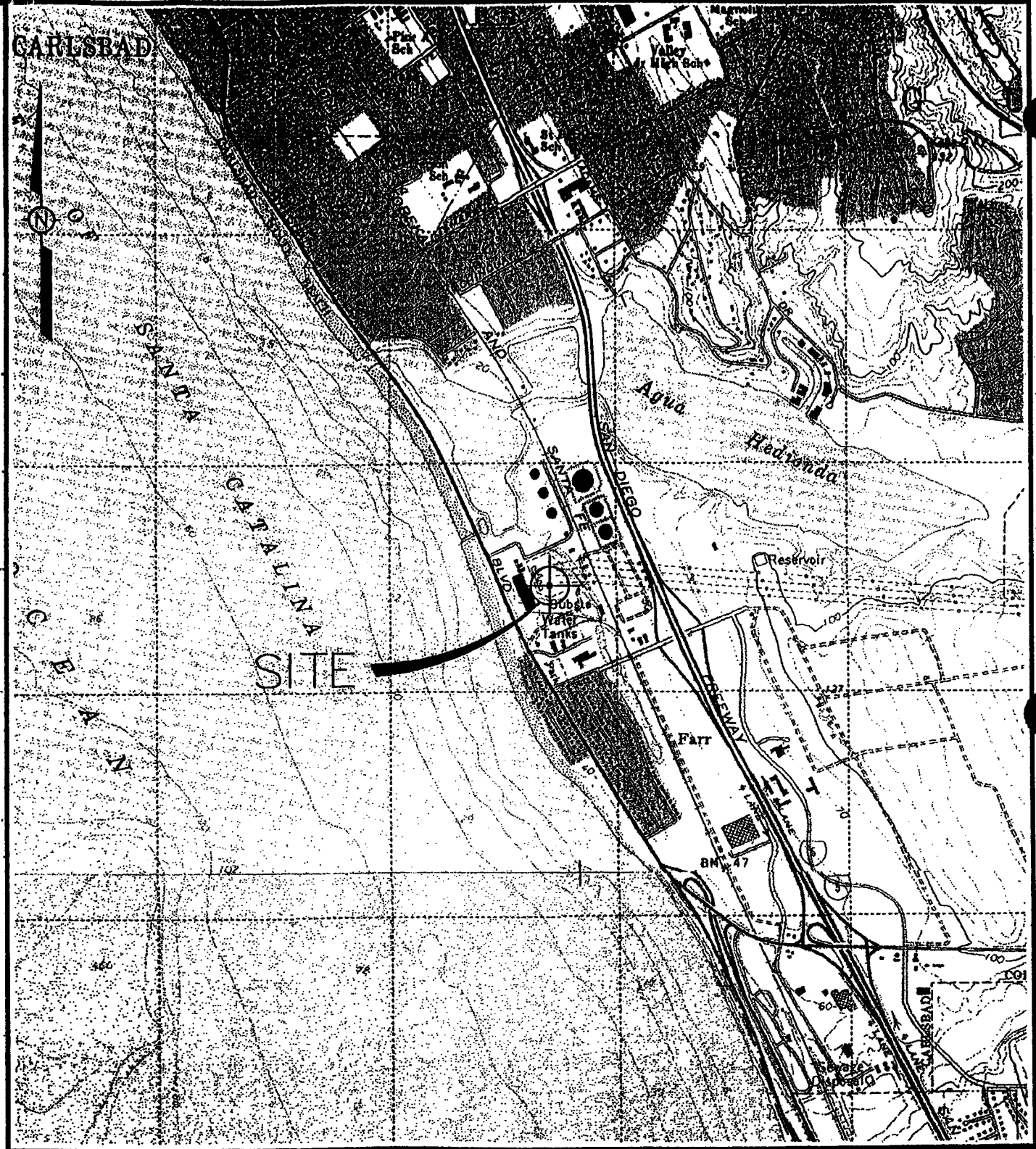
5. Consistency with the California Environmental Quality Act (CEQA).

Section 13096 of the Commission's Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

As conditioned, the proposed project is consistent with the Chapter 3 policies of the Coastal Act. The required mitigation measures will minimize all adverse environmental impacts. As such, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and is consistent with the requirements of the Coastal Act to conform to CEQA.

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.



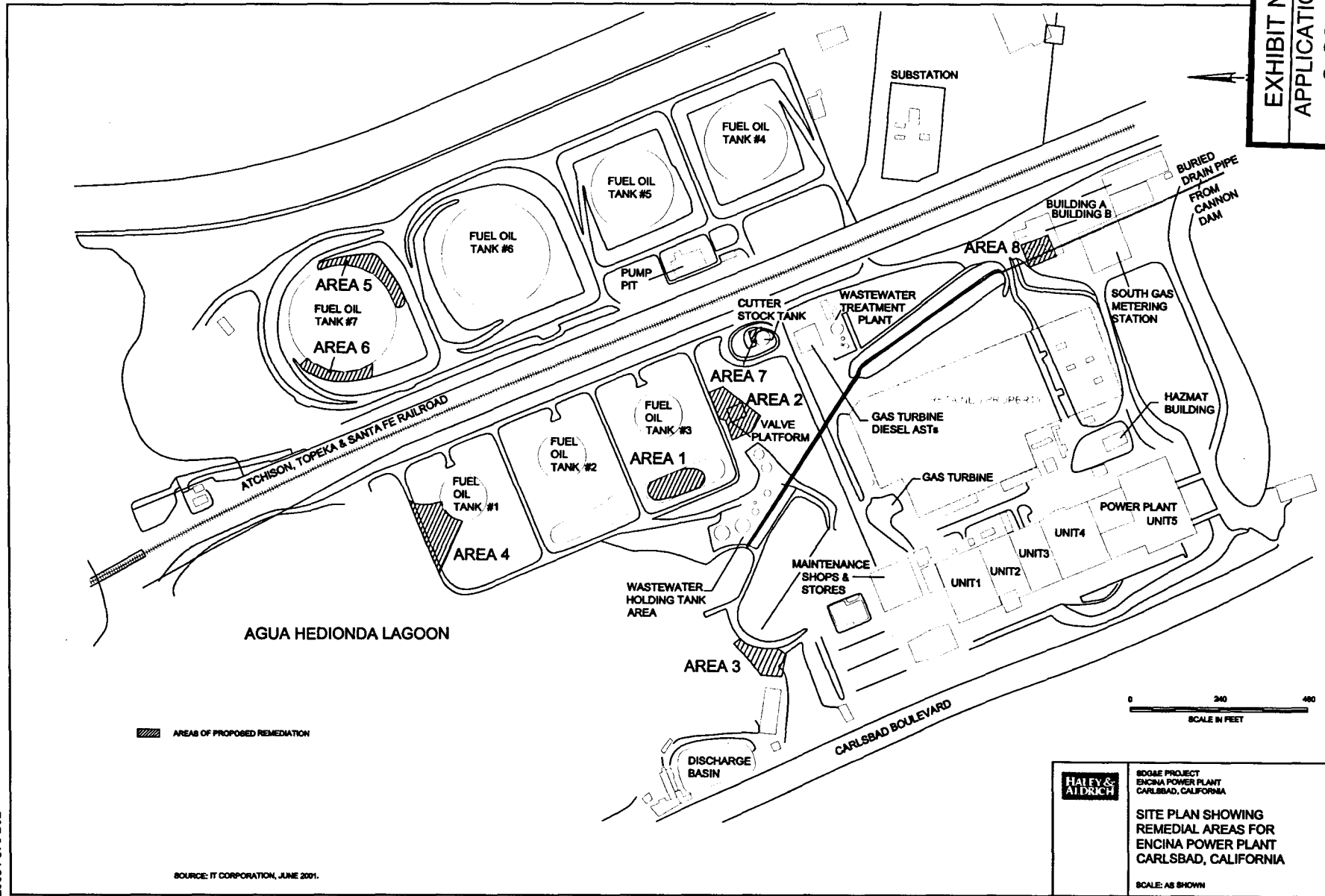
**SAN DIEGO GAS & ELECTRIC
 ENCINA POWER PLANT
 4600 CARLSBAD BOULEVARD
 CARLSBAD CALIFORNIA**

JULY 2002

EXHIBIT NO.
APPLICATION NO.
6-02-120
Location Map



EXHIBIT NO. 2
APPLICATION NO.
6-02-120
Site Plan



▨ AREAS OF PROPOSED REMEDIATION

0 200 400
 SCALE IN FEET

HALEY & ALDRICH
 BDO&E PROJECT
 ENCINA POWER PLANT
 CARLSBAD, CALIFORNIA

**SITE PLAN SHOWING
 REMEDIAL AREAS FOR
 ENCINA POWER PLANT
 CARLSBAD, CALIFORNIA**

SCALE: AS SHOWN
 JULY 2002

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SOURCE: IT CORPORATION, JUNE 2001.

FIGURE 2

6-02-120

