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ADDENDUM

May 7, 2024

TO: Coastal Commissioners and Interested Parties

FROM: Cassidy Teufel, Deputy Director
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SUBJECT: Addendum to Staff Report for CDP Application 9-19-0386-A1 (Morro Bay Oyster Company)

This addendum provides recommended modifications to the April 23, 2024 staff report in response to comments received and additional review by Commission staff. Following publication of the staff report, the Morro Bay National Estuary Program provided additional information on eelgrass presence within Morro Bay Oyster Company's (MBOC's) proposed 8.29-acre growing area and the U.S. Army Corps of Engineers (USACE) provided a letter indicating that MBOC's proposed project would require approval by the USACE and Central Coast Regional Water Quality Control Board. Based on this information, Commission staff have provided a response to comments and revisions to the findings as specified below.

I. STAFF'S RESPONSE TO CORRESPONDENCE

As of the date of this addendum, Commission staff have received comments from the Morro Bay National Estuary Program (MBNEP), USACE, and one member of the public. The MBNEP provided eelgrass survey results for MBOC's proposed growing area using data collected during MBNEP's 2023 bay-wide eelgrass survey. These data show that eelgrass has expanded into portions of Cultivation Areas 1, 2, 3, and 4 (See addition to [Exhibit 9](#) below). MBOC should use this information in addition to performing a new eelgrass survey during the most recent growing season. **Special Condition 7** would require MBOC to carry out an eelgrass survey within the proposed 8.29-acre growing area

during the eelgrass growing season (April through October) in which installation activities will occur (or the previous growing season if installation will occur after the completion of one growing season and prior to the start of the next). Proposed modifications to the findings are included below to address the new eelgrass data provided by the MBNEP.

The USACE provided a letter stating that MBOCs proposed expansion of shellfish growing area requires additional authorization from the USACE and the Central Coast Regional Water Quality Control Board (RWQCB). Commission staff connected MBOC with the appropriate contacts at the USACE and RWQCB. Furthermore, **Special Condition 12** requires MBOC to obtain authorization from the USACE and RWQCB prior to construction, and any changes to the approved project required by the USACE or RWQCB must be reviewed by the Executive Director to determine if such changes would require an amendment to the permit. If authorization from the RWQCB and USACE is not obtained and provided to the Executive Director, **Special Condition 12** specifies that construction shall not commence.

Lastly, the comment letter from the public expressed concerns about the placement of aquaculture gear in the intertidal areas of Morro Bay where it could adversely affect marine life. As discussed in the marine resources section of the staff report, with the recommended conditions to prevent gear from being placed in sensitive habitats, the marine debris reduction requirements of the original authorization, and new proposed work platform conditions, the proposed activities would have no adverse impacts to marine life.

II. CHANGES TO STAFF REPORT

The following are revisions to the text of the staff report and recommendation. Proposed deletions are marked with ~~strikethrough~~ text and additions are marked with underlined text.

Revised Findings

a) Revised text starting on page 14:

...

In its CDP application for this amendment, MBOC requested to use 2.5-foot spacing between lines within each of the 4-line cultivation clusters. MBOC's original **Special Condition 7** of CDP 9-19-0386 included a five-foot spacing requirement for all new proposed cultivation equipment due to the uncertain nature of eelgrass habitat within the proposed expansion area at the time. The rationale was that five-foot spacing would increase the opportunity for eelgrass to recover in the originally proposed expansion area of CDP 9-19-0386 by creating more space between lines where eelgrass could fill in. In contrast, the new growing area proposed in this amendment application is expected to contain far less eelgrass habitat due to its location higher in the intertidal zone where eelgrass is less likely to survive. MBOC's initial assessment of past eelgrass surveys of this area also indicate that it is less suitable for eelgrass habitat (See [Exhibit 9](#)). Therefore, five-foot spacing between lines is not a necessary requirement in areas that do not contain eelgrass ~~for Areas 1 through 5~~ and the use of three-foot spacing would be adequate.

As of 2021 there appeared to be some eelgrass growth on the western portion of the proposed growing area; however, at the time of the amendment application, data more recent than 2021 had not been used to formally assess the locations of potential eelgrass habitat within the new growing area. The Morro Bay National Estuary Program recently completed the 2023 bay-wide eelgrass survey and mapping effort, and the new data provided by MBNEP indicates some spread of eelgrass habitat within the proposed expanded cultivation area (in Areas 1, 2, 3, and 4; [Exhibit 9, Figure 3b](#)). The 2023 survey data should be used to help identify suitable cultivation areas outside of eelgrass habitat. To further assure the new proposed cultivation area and placement of aquaculture gear within it avoids eelgrass habitat, **Special Condition 7** has been modified to prohibit new cultivation equipment from being installed in the proposed cultivation area as shown on Exhibit 6 until MBOC submits relevant eelgrass survey data. The eelgrass survey must be completed in full accordance with the CEMP during the eelgrass growing season in which gear installation is proposed and would be provided to the Executive Director for review and approval within 30 days of survey completion.

b) Addition to **Exhibit 9**:

Figure 3b. Map by the Morro Bay National Estuary Program showing the 2023 eelgrass extent within the 8.29-acre proposed growing area.

