STATE OF CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD SAN FRANCISCO BAY REGION

STAFF SUMMARY REPORT (Steve Moore) MEETING DATE: January 21, 2004

ITEM: **11**

SUBJECT: South Bay Salt Ponds Restoration – Status Report

CHRONOLOGY: March 19, 2003 – Status Report on Purchase and Restoration of Cargill Ponds

DISCUSSION:

Board staff is participating in two phases of the South Bay Salt Pond Restoration Project: Initial Stewardship and Long-Term Restoration. The U.S. Fish and Wildlife Service (FWS), and California Department of Fish and Game (DFG) now own 16,500 acres of former Cargill salt ponds, most of which are south of the San Mateo Bridge (see Attachment A, map). The State Coastal Conservancy (SCC) is developing the Long-Term Restoration Plan with these agencies, expected to take about 5 years to complete, and Board staff are part of the resource and regulatory agency workgroup in this effort. The SCC is making funding available to the Board for this staff participation.

We have drafted a permit for Board consideration for the Initial Stewardship phase of the project, to be issued to FWS and DFG, available for public review at the end of January. We have scheduled a public workshop on February 25 to discuss the technical details of the Initial Stewardship Plan design, water quality modeling, monitoring, potential impacts, and operations plan (see Attachment B, Public Notice). We are planning to present a tentative order for your consideration at the March Board Meeting, but this schedule is subject to change based on the outcome of the environmental review of the project and public comments received.

The Initial Stewardship phase creates a hydrologic connection between the ponds and the Bay, carefully reducing pond salinities by discharging pond contents to the Bay, and then operating the ponds for wildlife habitat and minimizing water quality impacts. Not all ponds will discharge at once; systems of two to six ponds will be connected to the Bay in a phased manner as water control structures are installed over the next couple of years. The anticipated permits will include a monitoring program that will allow evaluation of the environmental impacts of the early stages of the project and facilitate adaptive management.

This Initial Stewardship phase will require permits from the Army Corps of Engineers, and the Bay Conservation and Development Commission for installation of new water control structures. Cargill and the agencies are maximizing the use of existing infrastructure (e.g., culverts, gaps, levees, and pumps), but in order to meet the Board's water quality objective for salinity, some new structures must be installed. The agencies will operate the ponds to comply with the Board's water quality objectives for salinity, dissolved oxygen,

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pH, and metals. Technical studies indicate that salinity can be used to evaluate compliance with metals objectives.

There are two types of discharge from the salt ponds, the initial release and interim management. The initial release of pond waters will be timed to minimize potential adverse effects of salinity to aquatic life, for instance by taking advantage of fresher Bay waters in the spring. Dynamic modeling results suggest that this initial release will take up to three months, depending on when it is initiated (i.e., April 1 to July 1, with later initiation leading to a longer time period). After initial release, the interim management discharges will be at salinities near ambient Bay levels, by circulating Bay waters in and out of ponds.

Although they are now landowners, FWS and DFG are not yet responsible for operation and maintenance of the ponds. Based on agreements between these agencies and Cargill, this responsibility is transferred to the agencies pond-by-pond when the waters in the given salt pond are capable of being discharged to the Bay (the "transfer standard"), at a level to be determined by the Board. Therefore, limits on the initial release discharge relate to this "transfer standard." We will base these proposed limits on salinity, using historic pond data to assess attainability of limits, and dynamic modeling results to assess compliance with the Bay's salinity water quality objective.

Preparation of the Long-Term Restoration Plan has been initiated, led by the SCC. The resource and regulatory agencies have recently drafted a Memorandum of Understanding (MOU) to coordinate project alternative analysis for the purposes of the National Environmental Policy Act and the Clean Water Act, and to ensure consistency and efficiency between environmental documents and permitting. The Executive Officer has been requested to sign this MOU on behalf of the Board as a team member on the Restoration Plan. We have tied our participation in this MOU to funding made available by the SCC through an interagency agreement that is being processed. They are able to fund our participation for at least the next two years.

Among other issues, the Long-Term Restoration Plan will address the need to minimize the bioaccumulation of mercury in future wetlands, and convert enough ponds to tidal marsh to realize measurable water quality and aquatic life benefits. Our participation will ensure water quality interests are represented, and we will be involved in permitting related to final restoration plans several years from now.

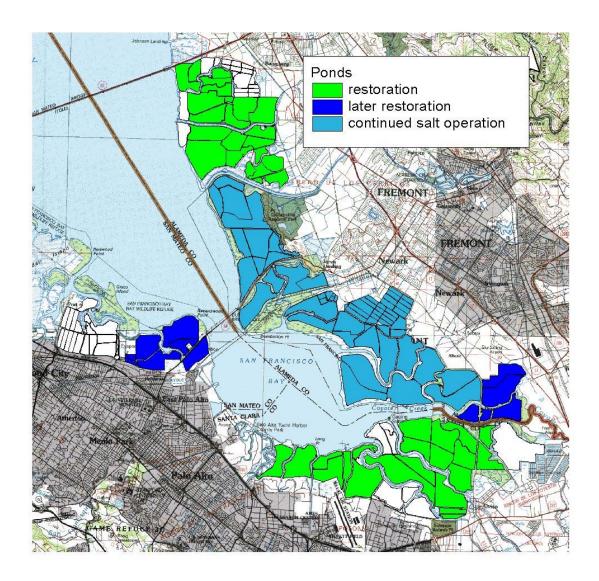
RECOMMEN-

DATION: Information Item Only

ATTACHMENTS: A. Map of South Bay Salt Ponds

B. Notice of Public Workshop, Wednesday February 25, 2004







Terry Tamminen Secretary for Environmental

California Regional Water Quality Control Board

San Francisco Bay Region

1515 Clay Street, Suite 1400, Oakland, California 94612 (510) 622-2300 • Fax (510) 622-2460 http://www.swrcb.ca.gov/rwqcb2



NOTICE OF

PUBLIC WORKSHOP

February 25, 2004 for Proposed Waste Discharge Requirements Initial Stewardship Plan for South Bay Salt Ponds

Notice is hereby given that staff of the California Regional Water Quality Control Board, San Francisco Bay Region (Water Board), will hold a public workshop to discuss the development of, and provide an opportunity for public comment on, proposed waste discharge requirements (permit) for the Initial Stewardship Plan for the recently purchased South Bay Salt Ponds, to be issued to the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (CDFG).

The purpose of the workshop is to familiarize interested parties with the hydrodynamic modeling, water quality monitoring, hydraulic engineering design, literature review, and data evaluation that was conducted in order to formulate the proposed Initial Stewardship Plan, which includes (1) the initial release of contents from lower salinity salt ponds to San Francisco Bay, (2) subsequent continuous circulation of bay waters in and out of the former salt ponds for the benefit of fish and wildlife, and (3) introduction of tidal action to a small number of ponds subsequent to removal of their contents by Cargill Salt. The methodologies and rationale for proposed discharge limitations will be discussed, including the "transfer standard," a water quality-based threshold that determines when the responsibility for operation and maintenance of the salt ponds will be transferred from Cargill Salt to the USFWS and CDFG.

Following the meeting, staff will review oral and written comments and modify the proposed permit and supporting documentation as appropriate for Water Board consideration at a public hearing on March 17, 2004. Written comments will be accepted at the meeting and until **February 27, 2004**. The draft permit, as well as a schedule for submitting written comments, will be announced in a Notice of Application and Public Hearing for a Discharge Permit and posted on the Water Board's website at www.swrcb.ca.gov/rwqcb2.

WHEN: Wednesday February 25, 2004

10:00 a.m. – 4:00 p.m.

WHERE: Elihu Harris State Building

Room 2, Second Floor 1515 Clay Street Oakland, CA, 94612

WHO SHOULD ATTEND: Representatives of cities and counties, flood management agencies, environmental organizations, federal and state resource and regulatory agencies, research organizations, resource professionals, recreational users of the Bay, and other groups or individuals interested in the transition of salt pond management from salt manufacturing to wildlife refuge.

If you need more information about the workshop, you may contact Steve Moore at (510) 622-2439 or at $\underline{smm@rb2.swrcb.ca.gov}$ or Robert Schlipf at (510) 622-2478 or at $\underline{rs@rb2.swrcb.ca.gov}$. The meeting facility is accessible to persons with disabilities.

Please bring the above information to the attention to anyone you know who would be interested in this matter.