

**STATE WATER RESOURCES CONTROL BOARD
CLEANUP AND ABATEMENT ACCOUNT (CAA)
FUNDING REQUEST FORM**

Send the completed form and attached documentation to via mail or email to:

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Item 10 Supporting Document No. 1.B

APPLICANT INFORMATION

Agency Name:	CRWQCB, San Diego Region
Address:	9174 Sky Park Court, Suite 100, San Diego, CA 92123
Agency Representative:	Vicente Rodriguez
Phone Number:	858 627-3940
Regional Board:	Same as agency above
Region Representative:	Same as above
Phone Number:	Same as above

PROJECT INFORMATION

Name of Project:	Environmental Impact Report for San Diego Bay Shipyard Sediment Site Cleanup and Abatement Order	Project Start and End Dates:	Start: August 1, 2010 End: July 31, 2011
Project Location:	San Diego Bay		
Funding Amount:	\$600,000		

PURPOSE OF REQUEST

1) Purpose of Request (attach additional sheet if needed):

Funds are needed to retain a qualified consultant to prepare an environmental impact report (EIR) for tentative Cleanup and Abatement Order No. R9-2011-0001. This Order requires the cleanup of approximately 143,400 cubic yards of contaminated sediment at the Shipyard Sediment Site in San Diego Bay. Before the San Diego Water Board can adopt tentative Cleanup and Abatement Order No. R9-2011-0001 an EIR must be prepared and certified. A categorical exemption for this project under the California Environmental Quality Act (CEQA) does not apply in this case as discussed in the attached legal memo from Mr. Christian Carrigan of the Office of Enforcement.

2) Background:

On April 29, 2005, the San Diego Water Board circulated for public review and comment a tentative version of the cleanup and abatement order (titled tentative Cleanup and Abatement Order No. R9-2005-0126). Based on the San Diego Water Board's consideration of public comments submitted on the April 2005, tentative Order and other information, a revised tentative Cleanup and Abatement Order No. R9-2005-0126 and a draft Technical Report, dated April 4, 2008, was released for public review.

On June 9, 2008, Mr. David King, then Vice Chair of the San Diego Water Board and Presiding Officer of the prehearing proceedings for this tentative CAO, referred the proceedings to confidential mediation. Through the course of the mediation the responsible parties and the San Diego Water Board Cleanup Team reached agreement on appropriate cleanup levels, the preliminary remedial design, remediation and post-remediation monitoring requirements, and a remedial action implementation schedule. Those agreements are contained in tentative Cleanup and Abatement Order No. R9-2010-0002. On August 27, 2010, the San Diego Water Board intends to release a revised version of the tentative order titled tentative Cleanup and Abatement Order No. R9-2011-0001. This version updates and clarifies the previously released tentative Order.

The responsible parties' work on the allocation of responsibility phase is ongoing. When the responsible parties failed to reach agreement on allocation of payment for the EIR consultant, Presiding Officer King released a ruling on July 16, 2010 (attached) directing the San Diego Water Board Executive Officer to request "an emergency sole source allocation" from the State Water Resources Control Board for an environmental consultant to prepare the EIR.

3) Impact to community or surrounding areas in regards to water quality:

The Shipyard Sediment site pollution threatens three target receptors in San Diego Bay: aquatic life, aquatic dependent wildlife, and human health. Results of a Triad study showed that benthic communities were likely impacted at 6 stations at the site. Tier II comprehensive risk assessments for aquatic dependent wildlife showed that ingestion of prey items caught within the Shipyard Sediment Site posed a risk to wildlife receptors. The chemicals in prey tissue posing a risk include benzo[a]pyrene, total polychlorinated biphenyls, PCBs, copper, lead, mercury, and zinc. Fish and shellfish caught within the Shipyard Sediment site pose a theoretical increased cancer and non-cancer risk to recreational and subsistence anglers. The chemicals posing a cancer risk include inorganic arsenic and PCBs. The chemicals posing a non-cancer risk include cadmium, copper, mercury, and total PCBs.

The navigation (NAV) beneficial use is also affected by contaminated sediment at the site. The NAV use can be adversely affected when maintenance dredging projects are stymied due to water quality impacts associated with the resuspension and migration of pollutants from contaminated sediment to previously uncontaminated areas. Pollutants in bay sediment also complicate the disposal of dredged sediment by exceeding criteria for ocean disposal, or reuse of dredged sediment.

San Diego Bay is one of the finest natural harbors in the world. San Diego Bay is an important and valuable resource to San Diego and the Southern California Region. The Bay provides habitat for fish and wildlife, extensive commercial and industrial economic benefits, and recreational opportunities to citizens and visitors. The Bay is a key element for the military security of the United States.

San Diego Bay is of significant economic value to California and the Nation. The Bay is a major tourist and convention destination, international shipping center, plays a key role in the national defense, and has many other recreational, industrial, and commercial uses. Most of these uses rely on a healthy Bay. Shipping, shipbuilding, boat repair, tourism, and other industries are either directly dependent on, or otherwise benefit from, the Bay. Because of its beauty and availability as a recreational resource, San Diego Bay is a major draw for the tourist industry. In 1997, tourism in the greater San Diego area accounted for 14 million overnight visitors and \$4.4 billion in income. Much of this activity occurred around San Diego Bay and downtown San Diego where the hotels and San Diego Convention Center are located.

San Diego Bay is designated as a State Estuary under Section 1, Division 18 (commencing with section 28000) of the Public Resources Code. A State Estuary is defined as a California saltwater bay or body of water, receiving freshwater stream flows, which supports human beneficial uses and wildlife and merits high priority action for preservation.

San Diego Bay is bordered by the cities of San Diego, National City, Chula Vista and Coronado, with an estimated population of approximately 1.65 million persons. San Diego County has a population of over 3 million and is growing at a rate of about 50,000 per year; most of these residents are located in the metropolitan western portion of the county.

For all these reasons San Diego Bay water quality issues have always been one of the San Diego Water Board's highest priorities.

4) What is the waste being addressed by this project?

The preliminary remedial design in the tentative CAO calls for dredging and disposing of approximately 143,400 cubic yards of bay bottom sediment contaminated with PCBs, polynuclear aromatic hydrocarbons, copper, mercury, lead, zinc, arsenic, cadmium, and tributyl tin.

5) List any responsible party:

The National Steel and Shipbuilding Company (NASSCO), BAE Systems San Diego Ship Repair, the City of San Diego, Marine Construction and Design Co. and Campbell Industries, San Diego Gas and Electric, the U.S. Navy, and Star and Crescent Boat Company.

6) Will any of these funds be used for Regional Board oversight? YES NO
If yes, how much?

7) Are other funds available for this project? YES NO
If yes, please describe.

Since the funds will be used for environmental consultation on a cleanup and abatement order, in the event the cleanup and abatement order is adopted by the San Diego Water Board and upheld after all appeals, pursuant to authority granted in Water Code section 13304, the San Diego Water Board intends to recover the funds from the responsible parties. The tentative CAO will include the following directive requiring the Responsible Parties to reimburse the CAA for the cost of the contract: "Upon receipt of invoices, and in accordance with instructions therein, the Responsible Parties must reimburse the Cleanup and Abatement Account for all charges actually incurred under contract no. XXXX to pay an environmental consultant to prepare an environmental impact report for this CAO."

SUPPORTING DOCUMENTATION ATTACHMENTS

- Regional Board Resolution or proof of Regional Board support Attached
- Scope of Work Attached
- Project Budget Attached

State Board Decision for Requests of \$100,000 and Under:

Approved Denied

Deputy Director

Date

Deputy Director's Recommendation for Funding (over \$100,000):

Deputy Director

Date