

State of California  
California Regional Water Quality Control Board  
Santa Ana Region

September 17, 2021

STAFF REPORT

**ITEM:** \*

**SUBJECT:** Change of Ownership from Terracina Investors, LLC, to KB Home Coastal, Inc., Terracina Residential Project, Riverside County, Order No. R8-2021-0043

**DISCUSSION:**

The ownership of the Terracina Residential Project (Project), authorized by Order No. R8-2016-0015 has been transferred from Terracina Investors, LLC, to KB Home Coastal, Inc. On July 21, 2021, Santa Ana Regional Water Quality Control Board (Santa Ana Water Board) staff received notification from Terracina Investors, LLC that the Project has been transferred to KB Home Coastal, Inc. and requested that Order No. R8-2016-0015 and its conditions be transferred to KB Home Coastal, Inc. Additionally, on July 21, 2021, Santa Ana Water Board staff received notification from KB Home Coastal, Inc. that they accept the transfer and responsibility of Order No. R8-2016-0015 and its conditions. Order No. R8-2021-0043 amends Order No. R8-2016-0015 and is needed to transfer the legal responsibility of the conditions of the original Order to the new owner.

The Project activities have not commenced, and the Project site remains in its original condition. Additional conditions have been added to the provisions in Order No. R8-2021-0043 with respect to noticing, recordkeeping, and reporting.

For further information on the proposed Project, please contact Santa Ana Water Board staff Kyle Fructuoso at [Kyle.Fructuoso@waterboards.ca.gov](mailto:Kyle.Fructuoso@waterboards.ca.gov) or Claudia Tenorio at [Claudia.Tenorio@waterboards.ca.gov](mailto:Claudia.Tenorio@waterboards.ca.gov)

**RECOMMENDATION:**

Adopt Order No. R8-2021-0043 as presented.

**Comments were solicited from the following:**

U.S. Environmental Protection Agency ([R9cwa401@epa.gov](mailto:R9cwa401@epa.gov))  
James E. Mace, U.S. Army Corps of Engineers, Los Angeles District  
([James.E.Mace@usace.army.mil](mailto:James.E.Mace@usace.army.mil)) (File No. SPL-2013-00611-CLD)  
California Department of Fish and Wildlife ([R6LSA@wildlife.ca.gov](mailto:R6LSA@wildlife.ca.gov))  
(LSA No. 1600-2014-0020-R6)  
David Lancaster, State Water Board, Office of the Chief Counsel  
([David.Lancaster@waterboards.ca.gov](mailto:David.Lancaster@waterboards.ca.gov))  
State Water Board, Division of Water Quality – Water Quality Certification Unit  
([Stateboard401@waterboards.ca.gov](mailto:Stateboard401@waterboards.ca.gov))  
David Salene, Terracina Investors, LLC ([dsalene@icloud.com](mailto:dsalene@icloud.com))  
Vernell Williams, KB Home Coastal Inc. ([vwilliams@kbhome.com](mailto:vwilliams@kbhome.com))  
Kurt Bausback, KB Home Coastal Inc. ([bausback1@gmail.com](mailto:bausback1@gmail.com))

State of California  
California Regional Water Quality Control Board  
Santa Ana Region

Order No. R8-2021-0043

Amendment of Waste Discharge Requirements  
Order No. R8-2016-0015  
for  
Change of Ownership From  
Terracina Investors, LLC  
to  
KB Home Coastal, Inc.  
Terracina Residential Project  
City of Lake Elsinore, Riverside County

The California Regional Water Quality Control Board, Santa Ana Region (hereinafter, Santa Ana Water Board), finds that:

1. This Order amends existing Santa Ana Water Board Waste Discharge Requirements (WDRs), Order No R8-2016-0015, to recognize a change in the Terracina Residential Project (Project) ownership from Terracina Investors, LLC, to KB Home Coastal, Inc. (discharger).
2. On July 21, 2021, the Santa Ana Water Board received notification from Terracina Investors, LLC that the Project had been transferred to KB Home Coastal, Inc. and requested that Order No. R8-2016-0015 and its conditions be transferred to KB Home Coastal, Inc. Additionally, on July 21, 2021, the Santa Ana Water Board received notification from KB Home Coastal, Inc. that they accept the transfer and responsibility of Order No. R8-2016-0015. KB Home Coastal, Inc. proposes no changes to the character, location, or volume of discharges authorized by the existing WDRs, Order No. R8-2016-0015.
3. The Santa Ana Water Board notified the discharger and other interested parties of its intent to amend Order No. R8-2016-0015 with this Order to transfer its legal responsibility of the conditions to the current owner of the Project.
4. Upon adoption of this Order No. R8-2021-0043, all references to discharger or Terracina Investors, LLC, in WDRs Order No. R8-2016-0015 shall mean KB Home Coastal, Inc.
5. Receiving waters and groundwater potentially impacted by this Project are protected in accordance with the Water Quality Control Plan for the Santa Ana River Basin (1995) and subsequent amendments (Basin Plan) and other plans

and policies. The Basin Plan includes water quality standards, which consist of existing and potential beneficial uses of waters of the State, water quality objectives to protect those uses, and the State and federal antidegradation policies.

6. The Project consists of the construction of 452 single-family residences, associated roadways, and infrastructure on 150.8 acres (Santa Ana Water Board WDID No. 332007-21).
7. The Project is located in the City of Lake Elsinore within Riverside County, Sections 26, 27, and 35, Township 5 South, Range 5 West on the U.S. Geological Service Lake Elsinore and Alberhill, California quadrangles (latitude 33.69508° N, longitude -117.37944° W). The site is situated east of Terra Cotta Road, west of Dryden Street, north of Lakeshore Drive, and south of existing residential communities. A map showing the Project location is found in Attachment A of this Order.
8. The discharger proposed to permanently discharge fill to 0.49 acre of ephemeral drainages, including 0.02 acre of wetlands, due to mass grading and other construction activities.
9. Waters of the State and the United States on-site consist of three ephemeral drainages and their smaller tributaries. The three drainages are tributary to Reach 5 of Temescal Creek, which flows into Reach 3 of the Santa Ana River. Temescal Creek, Reach 5, has the following designated beneficial uses (existing or potential):
  - i. Agricultural Supply (ARG)
  - ii. Groundwater Recharge (GWR)
  - iii. Water Contact Recreation (REC1)
  - iv. Non-contact Water Recreation (REC2)
  - v. Rare, Threatened or Endangered Species (RARE)
  - vi. Warm Freshwater Habitat (WARM); and
  - vii. Wildlife Habitat (WILD)
10. The discharger proposed to mitigate 0.49 acre of permanent impacts at a 3:1 ratio by purchasing 1.47 acres of mitigation credit for restoration and enhancement in the Santa Ana River Watershed In-Lieu-Fee Program, co-sponsored by the Riverside-Corona Resource Conservation District and the Southwest Resource Management Association.

**IT IS HEREBY ORDERED** that WDR Order No. R8-2016-0015 be amended by Order No. R8-2021-0043 as follows:

1. Add Provision 18:

- a. This Order is not transferable in its entirety or in part to any person or organization except after notice to the Santa Ana Water Board in accordance with the following terms:
  - i. The discharger shall notify the Santa Ana Water Board by submitting a Transfer of Property Ownership Report of any change in ownership or interest in ownership of the Project area. The discharger and purchaser shall sign and date the notification and provide such notification to the Santa Ana Water Board to be named as the discharger in a revised order.
  - ii. Until such time as this Order has been modified to name the purchaser as the discharger, the discharger identified in this Order shall continue to be responsible for all requirements set forth in this Order.

2. Add Provision 19:

- a. The discharger shall submit to the Santa Ana Water Board an Annual Report each year on the effective date of this Order. Annual reporting shall continue until a Notice of Project Complete Letter is issued to the discharger. The contents of the Annual Report shall include a construction summary, Project process and schedule (including ground disturbance, site clearing and grubbing, and site construction), and implementation status of Best Management Practices during the Active Discharge Period. If the Project has not started, the discharger shall provide an estimated start date and reasons for the delay.

3. Add Provision 20:

- a. The discharger shall submit to the Santa Ana Water Board staff a Commencement of Construction Report at least seven days prior to start of initial ground disturbance activities.

4. Add Provision 21:

- a. The discharger shall submit a Request for Notice of Completion of Discharges Letter following completion of active Project construction activities, including any required restoration and discharger-responsible mitigation. This request shall be submitted to the Santa Ana Water Board

staff within thirty days following completion of all Project construction activities. Upon acceptance of the request, Santa Ana Water Board staff will issue to the discharger a Notice of Completion of Discharges Letter, which will end the active discharge period and, if appropriate, associated annual fees.

5. Add Provision 22:

- a. The discharger shall submit a Request for Notice of Project Complete Letter when construction and any required post-construction monitoring is complete and no further Project activities will occur. This request shall be submitted to Santa Ana Water Board staff within thirty days following completion of all Project activities. Upon approval of the request, the Santa Ana Water Board staff will issue to the Discharger a Notice of Project Complete Letter, which will end the post discharge monitoring period and associated annual fees.

6. Add Provision 23:

- a. The discharger shall retain records of all monitoring information, including all calibration and maintenance records, copies of all reports required by this Order, and records of all data used to complete the application for this Order. Records shall be maintained for a minimum of five years from the date of the sample, measurement, report, or application. Records may be maintained electronically. This period may be extended during the course of any unresolved enforcement action or litigation regarding this discharge or when requested by the Santa Ana Water Board.

7. Add Provision 24:

- a. The Santa Ana Water Board and other authorized representatives shall be allowed to:
  - i. Enter premises where a regulated facility or activity is located or conducted, or where records are kept under the requirements of this Order;
  - ii. Access and copy any records that are kept under the requirements of this Order;
  - iii. Inspect any facility, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Order; and

- iv. Photograph, sample, and monitor for the purpose of assuring compliance with this Order.

8. Add Provision 25:

- a. This Order shall remain valid for five (5) years from the date of this Order.

I, Jayne Joy, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an order adopted by the California Regional Water Quality Control Board, Santa Ana Region, on September 17, 2021.

**JAYNE JOY, P.E.**  
Executive Officer







