STATE OF CALIFORNIA STANDARD AGREEMENT Std. 2 (Grant - Rev 08/08)

32435

AGREEMENT NUMBER 10-067	AM. NO.
TAXPAYERS FEDERAL EMPLOYE NO.	R IDENTIFICATION

THIS AGREEMENT, made	and entered into this day of	ure,	2011,	nualified and	acting
in the State of California, by	and between State of California, through h	is duly elected of	appointed,	quanned and	doung
TITLE OF OFFICER ACTING FOR STATE Executive Officer State Coastal Conservancy			, hereafter called the Conservancy, and		
GRANTEE'S NAME				, hereafter c	alled the Grantee.
City of Long Beach	sideration of the covenants, conditions, ag	reements, and sti	oulations of	the Conserva	ncy hereinafter expressed,
does hereby agree as follow	vs:				
SCOPE OF AGREE					
("the Conservancy") hundred ninety thousagreement. The gran project") from the We	of Division 21 of the California Puthereby grants to the City of Long B and nine hundred ninety-seven dollatee shall use these funds to dredge, test Arm of Colorado Lagoon in the corporated by reference and attached (Continued on	each ("the gran ars), subject to treat, and dispo City of Long E d.	ntee") a su the terms use of con Beach, Lo	and condit taminated	ions of this sediments ("the
IN WITNESS WHEREOF	owing pages constitute a part of this agreer, this agreement has been executed by the	nent. parties hereto, up I	oon the date	e first above w	ritten.
AGENCY	E OF CALIFORNIA	GRANTEE (If other that	n an individual st	ate whether a corpo	ration, partnership, etc.)
State Coastal Conser	vancy	City of Long		SECTION 30	OF
BY (Authorized Signature)	BY (Authorized Signature) THE CITY CHARTER. Assistant City Manager				
PRINTED NAME AND THEE OF PER Samuel Schuchat, Ex	PRINTED NAME AND TITLE OF PERSON SIGNING Patrick H. West, City Manager				
ADDRESS & PHONE NUMBER	ecutive Officer	ADDRESS			
1330 Broadway, 13 th	Floor	333 W. Ocean Boulevard, 3 rd Floor			
Oakland, CA 94612		Long Beach,	CA 9080		(# < 0) ##0 # < 0.0
	Phone: (510)286-1015			Ph	none: (562)570-5690
AMOUNT ENCUMBERED BY THIS DOCUMENT	PROGRAMICATEGORY (CODE AND TITLE) Capital Outlay	FUND TITLE Federal Trus	t Fund		I certify that this agreement is exempt from Department
\$690,997.00	0,997.00 (OPTIONAL USE) Colorado Lagoon Restoration Implementation approval.			of General Services'	
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT	ITEM	CHAPTER ,	STATUTE	FISCAL YEAR	
	3760-301-0890(1) = \$212,372.00	1XXX	2009	09/10	
\$-0-	3760-301-0890 = \$478,625.00	268	2008	08/09	
TOTAL AMOUNT ENCUMBERED OBJECT OF EXPENDITURE (CODE AND TITLE)					
\$690,997.00 Enhancement				Jany V	
expenditure stated above.	personal knowledge that budgeted funds are av		d and purpo	se of the	\ V
SIGNATURE OF ACCOUNTING OFF	ICER	DATE	6/30/1	/	
GRANTEE GACCO		☐ CONTROLLER	1 - 1 -	AGENCY	1

SCOPE OF AGREEMENT (Continued)

The grantee shall timely implement all pertinent requirements of the adopted environmental impact report and addendum, and the mitigation-monitoring and -reporting program.

The grantee shall carry out the project in accordance with this agreement and a work program, as provided in the "WORK PROGRAM" section, below. The grantee shall provide any funds beyond those granted under this agreement which are needed to complete the project.

CONDITIONS PRECEDENT TO CONSTRUCTION AND DISBURSEMENT

The grantee shall not begin construction of the project and the Conservancy shall not be obligated to disburse any funds unless and until the following conditions precedent have been met:

- 1. The City Council of the grantee has adopted a resolution authorizing the execution of this agreement.
- 2. The Executive Officer of the Conservancy ("the Executive Officer") has approved in writing:
 - a. A work program for the project, as provided in the "WORK PROGRAM" section, below.
 - b. A plan for installation of signs and placards, as provided in the "SIGNS" section, below.
 - c. All contractors that the grantee intends to retain in connection with the project. The grantee must provide written evidence to the Conservancy that each contractor has complied with the bonding requirements described in the "BONDING" section, below.
- 3. The grantee has provided written evidence to the Conservancy that:
 - a. All permits and approvals necessary to the completion of the project under applicable local, state and federal laws and regulations have been obtained and a list of these permits and approvals has been submitted by the grantee to the National Oceanic and Atmospheric Administration ("NOAA").
 - b. The grantee has provided for required insurance coverage, including additional insured endorsement, as described in the "INSURANCE" section, below.
- 4. The grantee has adopted a safety plan if the grantee intends to use any volunteers on the project.

CONDITIONS PRECEDENT TO CONSTRUCTION AND DISBURSEMENT (Continued)

Notwithstanding the above, the grantee may begin to prepare plans, specifications and engineering work upon meeting conditions precedent no. 1, and upon the Executive Officer's review and approval of a separate work program (tasks, budget and timeline) and approval of any contractors that the grantee will retain to perform the work.

TERM OF AGREEMENT

This agreement shall be deemed executed and effective when signed by both parties and received in the offices of the Conservancy together with the resolution described in the "CONDITIONS PRECEDENT TO CONSTRUCTION AND DISBURSEMENT" section of this agreement. An authorized representative of the grantee shall sign the first page of the originals of this agreement in ink.

This agreement shall run from its effective date through June 30, 2031 ("the termination date") unless otherwise terminated or amended as provided in this agreement. However, all work shall be completed by March 25, 2015 ("the completion date"). The grantee shall submit a final Request for Disbursement no later than April 25, 2015.

AUTHORIZATION

The signature of the Executive Officer of the Conservancy on this agreement certifies that at its January 20, 2011 meeting, the Conservancy adopted the resolution included in the staff recommendation attached as Exhibit 2. This agreement is executed under that authorization.

Standard Provisions

WORK PROGRAM

Before beginning construction, the grantee shall submit a detailed work program to the Executive Officer for review and written approval of its consistency with the purposes of this grant agreement. The work program shall include:

- 1. Construction plans and specifications which have been certified by a licensed architect or registered engineer, or approved by the grantee's Public Works Director.
- 2. A schedule of completion for the project specifically listing the completion date for each project component and a final project completion date.
- 3. A detailed project budget. The project budget shall describe all labor and materials costs of completing each component of the project, including the grantee's labor and materials costs and costs to be incurred under a contract with any third party retained by the grantee for work under this agreement. For each project component, the project budget shall list all intended funding sources, including the Conservancy's grant, and all other sources of monies, materials, or labor. The grantee shall review the plans on-site with Conservancy staff.

If all or any part of the project to be funded under this agreement will be performed by third parties ("contractors") under contract with the grantee, then, prior to initiating any request for contractor bids, the grantee shall submit the bid package, including any applicable construction plans and specifications that have been certified or approved as described above, to the Executive Officer for review and written approval as to consistency with the purposes of this grant agreement. Upon approval by the Executive Officer, the grantee shall proceed with the bidding process. Prior to final selection of a contractor, the grantee shall submit to the Executive Officer for written approval the names of all contractors that the grantee intends to hire. The grantee shall then comply with the above paragraph regarding submission and approval of a work program prior to construction.

The work program shall have the same effect as if included in the text of this agreement. However, the work program may be modified without amendment of this agreement upon the grantee's submission of a modified work program and the Executive Officer's written approval of it. If this agreement and the work program are inconsistent, the agreement shall control.

The grantee shall construct the project in accordance with the approved work program.

SIGNS

The grantee shall install and maintain a sign or signs visible from the nearest public roadway identifying the project, acknowledging assistance of the Conservancy and of the National Oceanic and Atmospheric Administration ("NOAA"), and displaying the Conservancy's and NOAA's logos. The Conservancy shall provide to the grantee specifications for the signs. The grantee may incorporate the required information into other signs as approved by the Executive Officer. In special circumstances, where the placement of signs or the general specifications are inappropriate, the Executive Officer may approve alternative, more appropriate methods for acknowledging the sources of funding. The grantee shall submit plans describing the number, design, placement and wording of the signs, or the specifications of a proposed, alternative method. The Conservancy will withhold final disbursement until the signs are installed as approved by the Conservancy.

BONDING

If the grantee intends to use any contractors on any portion of the project to be funded under this agreement, construction shall not begin until each contractor has furnished a performance bond in favor of the grantee in the following amounts: for faithful performance, one hundred percent of the contract value; and for labor and materials, one hundred percent of the contract value. This requirement shall not apply to any contract for less than \$20,000.

Any bond furnished under this section shall be executed by an admitted corporate surety insurer licensed in the State of California.

COSTS AND DISBURSEMENTS

This agreement is funded by a grant awarded to the Conservancy by the federal National Oceanic and Atmospheric Administration ("NOAA"). The Conservancy's obligation to pay is contingent on receipt of the NOAA funds.

When the Conservancy determines that all "CONDITIONS PRECEDENT TO CONSTRUCTION AND DISBURSEMENT" have been fully met, the Conservancy shall disburse to the grantee, in accordance with the approved project budget, a total amount not to exceed the amount of this grant, as follows:

The Conservancy shall disburse funds for costs incurred to date, less ten percent, upon the grantee's satisfactory progress under the approved work program, and upon the grantee's submission of a "Request for Disbursement" form, which shall be submitted no more frequently than monthly but no less frequently than quarterly. The Conservancy shall disburse the ten percent withheld upon the grantee's satisfactory completion of construction and compliance with

COSTS AND DISBURSEMENTS (Continued)

the "PROJECT COMPLETION" section, below, and upon the Conservancy's acceptance of the project.

The Conservancy will reimburse the grantee for expenses necessary to the project when documented by appropriate receipts. The Conservancy will reimburse travel and related expenses at actual costs not to exceed the rates provided in Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations ("CCR"), except that reimbursement may be in excess of these rates upon documentation that these rates are not reasonably available to the grantee. Reimbursement for the cost of operating a private vehicle shall not, under any circumstance, exceed the current rate specified by the State of California for unrepresented state employees as of the date the cost is incurred. The Conservancy will reimburse the grantee for other necessary expenses if those expenses are reasonable in nature and amount taking into account the nature of the project, its location, and other relevant factors.

The grantee shall request disbursements by filing with the Conservancy a fully executed "Request for Disbursement" form (available from the Conservancy). The grantee shall include in the form its name and address, the number of this agreement, the date of the submission, the amount of the invoice, the period during which the work was actually done, and an itemized description, including time, materials, and expenses incurred of all work done for which disbursement is requested. The form shall also indicate cumulative expenditures to date, expenditures during the reporting period, and the unexpended balance of funds under the grant agreement.

An authorized representative of the grantee shall sign the forms. Each form shall be accompanied by:

- 1. All receipts and any other source documents for direct expenditures and costs that the grantee has incurred.
- 2. Invoices from contractors that the grantee engaged to complete any portion of the work funded under this agreement and any receipts and any other source documents for costs incurred and expenditures by any such contractor, unless the Executive Officer makes a specific exemption in writing.
- 3. A supporting progress report summarizing the current status of the project and comparing it to the status required by the work program (budget, timeline, tasks, etc.) including written substantiation of completion of the portion of the project for which the grantee is requesting disbursement.

The grantee's failure to fully execute and submit a Request for Disbursement form, including attachment of supporting documents, will relieve the Conservancy of its obligation to disburse funds to the grantee until the grantee corrects all deficiencies.

EXPENDITURE OF FUNDS AND ALLOCATION OF FUNDING AMONG BUDGET ITEMS

The grantee shall expend funds in the manner described in the approved project budget. The allocation of the Conservancy's total grant among the items in the project budget may vary by as much as ten percent without approval by the Executive Officer. Any difference of more than ten percent must be approved in writing by the Executive Officer. The Conservancy may withhold payment for changes in particular budget items which exceed the amount allocated in the project budget by more than ten percent and which have not received the approval required above. The total amount of this grant may not be increased except by amendment to this agreement. Any increase in the funding for any particular budget item shall mean a decrease in the funding for one or more other budget items unless there is a written amendment to this agreement.

PROJECT COMPLETION

Within ninety days of completion of construction of the project, the grantee shall supply the Conservancy with evidence of completion by submitting a final report which includes:

- 1. An inspection report by a licensed architect or registered engineer or the grantee's Public Works Director certifying completion of the project according to the approved work program.
- 2. Documentation that signs are installed as required by the "SIGNS" section of this agreement.
- 3. A fully executed final "Request for Disbursement."
- 4. "As built" drawings of the completed project and/or photographs documenting project completion.

Within thirty days of grantee's submission of the above, the Conservancy shall determine whether the grantee has satisfactorily completed the project. If so, the Conservancy shall issue to the grantee a letter of acceptance of the project. The project shall be deemed complete as of the date of the letter.

EARLY TERMINATION, SUSPENSION AND FAILURE TO PERFORM

Before the project is complete, either party may terminate this agreement for any reason by providing the other party with seven days notice in writing and the Conservancy may suspend the agreement upon written notice. In either case, the grantee shall immediately stop work under the agreement and take all reasonable measures to prevent further costs to the Conservancy. The Conservancy shall be responsible for any reasonable and non-cancelable obligations incurred by

EARLY TERMINATION, SUSPENSION AND FAILURE TO PERFORM (Continued)

the grantee in the performance of this agreement prior to the date of the notice to terminate or suspend, but only up to the undisbursed balance of funding authorized in this agreement. Any notice suspending work under this agreement shall remain in effect until further written notice from the Conservancy authorizes work to resume.

If the grantee fails to complete the project as required, or fails to fulfill any other obligations of this agreement prior to the termination date, the grantee shall be liable for immediate repayment to the Conservancy of all amounts disbursed by the Conservancy under this agreement.

The parties expressly agree to waive, release and relinquish the recovery of any consequential damages that may arise out of the termination or suspension of this agreement under this section.

The grantee shall include in any agreement with any contractor retained for work under this agreement a provision that entitles the grantee to suspend or terminate the agreement with the contractor for any reason on written notice and on the same terms and conditions specified in this section.

OPERATION AND MAINTENANCE

The grantee shall use, manage, maintain and operate the project throughout the term of this agreement consistent with the purposes for which the Conservancy's grant was made. The grantee assumes all operation and maintenance costs of these facilities and structures; the Conservancy shall not be liable for any cost of maintenance, management, or operation. The grantee may be excused from its obligations for operation and maintenance during the term of this agreement only upon the written approval of the Executive Officer.

For purposes of this agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.

MITIGATION

Without the written permission of the Executive Officer, the grantee shall not use or allow the use for mitigation (in other words, to compensate for adverse changes to the environment elsewhere) of any portion of real property on which the Conservancy has funded construction. In providing permission, the Executive Officer may require that all funds generated in connection

MITIGATION (Continued)

with any authorized or allowable mitigation on the real property shall be remitted promptly to the Conservancy.

INSPECTION

Throughout the term of this agreement, the Conservancy shall have the right to inspect the project area to ascertain compliance with this agreement.

INDEMNIFICATION AND HOLD HARMLESS

The grantee shall be responsible for, indemnify and hold harmless the Conservancy, its officers, agents, and employees from any and all liabilities, claims, demands, damages, or costs, including, without limitation, litigation costs and attorneys fees, resulting from or arising out of the willful or negligent acts or omissions of the grantee, its officers, agents, contractors, subcontractors, and employees, or in any way connected with or incident to this agreement, except for the active negligence of the Conservancy, its officers, agents, or employees. The duty of the grantee to indemnify and hold harmless includes the duty to defend as set forth in Civil Code section 2778. This agreement supersedes the grantee's right as a public entity to indemnity (see Gov. Code section 895.2) and contribution (see Gov. Code section 895.6) as provided in Gov. Code section 895.4.

The grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State, its officers, agents, or employees, for any liability resulting from, growing out of, or in any way connected with or incident to this agreement.

Nothing in this agreement is intended to create in the public or in any member of it rights as a third party beneficiary under this agreement.

INSURANCE

The grantee shall procure and maintain insurance, as specified in this section, against claims for injuries to persons and damage to property that may arise from or in connection with any activities of the grantee or its agents, representatives, employees, or contractors associated with the project undertaken pursuant to this agreement. As an alternative, with the written approval of the Executive Officer, the grantee may satisfy the coverage requirement in whole or in part through: (a) its contractors' procurement and maintenance of insurance for work under this agreement, if the coverage otherwise fully satisfies the requirements of this section; or (b) the grantee's participation in a "risk management" plan, self insurance program or insurance

INSURANCE (Continued)

pooling arrangement, or any combination of these, if consistent with the coverage required by this section. The grantee shall maintain property insurance, if required below, throughout the term of this agreement. Any required errors and omissions liability insurance shall be maintained from the effective date through two calendar years after the completion date. The grantee shall maintain all other required insurance from the effective date through the completion date.

- 1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 - a. Insurance Services Office ("ISO") Commercial General Liability coverage (occurrence Form CG 0001) or ISO Comprehensive General Liability form (1973) or comparable with Broad Form Comprehensive General Liability endorsement.
 - b. Automobile Liability coverage: ISO Form Number CA 0001, Code 1 (any auto).
 - c. Workers' Compensation insurance as required by the Labor Code of the State of California.
- 2. Minimum Limits of Insurance. The grantee shall maintain coverage limits no less than:
 - a. General Liability: (Including operations, products and completed operations, as applicable)

\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the activities under this agreement, or the general aggregate limit shall be twice the required occurrence limit.

b. Automobile Liability:

\$1,000,000 per accident for bodily injury and property damage.

- 3. <u>Deductibles and Self-Insured Retentions</u>. Any deductibles or self-insured retentions must be declared to and approved by the Executive Officer.
- 4. <u>Required Provisions</u>. Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party, except after thirty days' prior written notice by certified mail, return receipt requested, has been given to the Conservancy. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

INSURANCE (Continued)

- a. The State of California, its officers, agents, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the grantee; and with respect to liability arising out of work or operations performed by or on behalf of the grantee including materials, parts or equipment furnished in connection with the work or operations.
- b. For any claims related to this agreement, the grantee's insurance coverage shall be primary insurance as respects the State of California, its officers, agents and employees.
- 5. Acceptability of Insurers. Insurance shall be placed with insurers admitted to transact business in the State of California and having a current Best's rating of "B+:VII" or better or, in the alternative, acceptable to the Conservancy and approved in writing by the Executive Officer.
- 6. <u>Verification of Coverage</u>. The grantee shall furnish the Conservancy with original certificates, in the form attached as Exhibit 4 to this agreement, and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Executive Officer before work commences. The Conservancy may require, at any time, complete, certified copies of all required insurance policies, including endorsements affecting the coverage.
- 7. Contractors. The grantee shall include all contractors as insureds under its policies or shall require each contractor to provide and maintain coverage consistent with the requirements of this section. To the extent generally available, grantee shall also require each professional contractor to provide and maintain Errors and Omissions Liability insurance appropriate to the contractor's profession and in a reasonable amount in light of the nature of the project with a minimum limit of liability of \$1,000,000.
- 8. <u>Premiums and Assessments</u>. The Conservancy is not responsible for premiums and assessments on any insurance policy.

AUDITS/ACCOUNTING/RECORDS

The grantee shall maintain financial accounts, documents, and records (collectively, "records") relating to this agreement, in accordance with the guidelines of "Generally Accepted Accounting Principles" ("GAAP") published by the American Institute of Certified Public Accountants. The records shall include, without limitation, evidence sufficient to reflect properly the amount, receipt, deposit, and disbursement of all funds related to the construction of the project, and the use, management, operation and maintenance of the real property.

AUDITS/ACCOUNTING/RECORDS (Continued)

Additionally, the Conservancy or its agents may review, obtain, and copy all records relating to performance of the agreement. The grantee shall provide the Conservancy or its agents with any relevant information requested and shall permit the Conservancy or its agents access to the grantee's premises upon reasonable notice, during normal business hours, to interview employees and inspect and copy books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this agreement and any applicable laws and regulations.

The grantee shall retain the required records for a minimum of three years following the later of final disbursement by the Conservancy, and the final year to which the particular records pertain. The records shall be subject to examination and audit by the Conservancy and the Bureau of State Audits during the retention periods.

If the grantee retains any contractors to accomplish any of the work of this agreement, the grantee shall first enter into an agreement with each contractor requiring the contractor to meet the terms of this section and to make the terms applicable to all subcontractors.

The Conservancy may disallow all or part of the cost of any activity or action that it determines to be not in compliance with the requirements of this agreement.

COMPUTER SOFTWARE

The grantee certifies that it has instituted and will employ systems and controls appropriate to ensure that, in the performance of this agreement, state funds will not be used for the acquisition, operation or maintenance of computer software in violation of copyright laws.

NONDISCRIMINATION

During the performance of this agreement, the grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, ethnic group identification, physical disability (including HIV and AIDS), mental disability, medical condition, marital status, age (over 40) or sexual orientation (Government Code section 12940). The grantee and its contractors also shall not unlawfully deny a request for or take unlawful action against any individual because of the exercise of rights related to family-care leave (Government Code sections 12945.1 and 12945.2). The grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination, harassment and unlawful acts.

NONDISCRIMINATION (Continued)

Pursuant to Government Code section 12990, the grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.) and the applicable regulations (California Code of Regulations Title 2, section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission regarding Contractor Nondiscrimination and Compliance (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations) are incorporated into this agreement by this reference.

The grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. This nondiscrimination clause shall be included in all contracts and subcontracts entered into to perform work provided for under this agreement.

FEDERAL REQUIREMENTS

This agreement is funded through a federal National Oceanic and Atmospheric Administration ("NOAA") Community Habitat Restoration Partnership cooperative agreement with the Conservancy. The grantee shall comply with the NOAA "Financial Assistance Award" Form CD-450 and the Terms and Conditions (collectively, "the NOAA agreement") checked on that form. (That form and the three-page "Special Award Conditions" (only) are attached as Exhibit 3.) The Terms and Conditions include:

- 1. Department of Commerce Financial Assistance Standard Terms and Conditions.
- 2. Bureau Specific Administrative Standard Award Conditions.
- 3. Line Item Budget.
- 4. 15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations.
- 5. 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to State and Local Governments.
- 6. OMB Circular A-21, Cost Principles for Educational Institutions.
- 7. OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments.
- 8. OMB Circular A-122, Cost Principles for Nonprofit Organizations.
- 9. 48 CFR Part 31, Contract Cost Principles and Procedures.

FEDERAL REQUIREMENTS (Continued)

10. OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

Without limitation, the grantee shall:

- 1. Meet all applicable federal environmental laws and regulations, consult as required with the NOAA Program Officer, and provide necessary compliance verifications.
- 2. Maintain appropriate project files as specified.
- 3. Include on identifying signs and otherwise as specified in the NOAA agreement acknowledgments of NOAA funding.
- 4. Complete prescribed NOAA progress forms and reports, and timely submit them to NOAA and the Conservancy as directed by the Conservancy or NOAA.
- 5. Adopt a written safety plan for management of any volunteers, obtain liability releases from volunteers, and conduct a safety briefing for volunteers prior to their involvement.
- 6. Obtain NOAA concurrence that National Environmental Policy Act requirements have been met.
- 7. Cooperate with the Conservancy and provide all documentation necessary for the Conservancy to comply with the requirements of the NOAA agreement.

INDEPENDENT CAPACITY

The grantee, and the agents and employees of grantee, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of the State of California.

ASSIGNMENT

Without the written consent of the Executive Officer, the grantee may not assign this agreement in whole or in part.

TIMELINESS

Time is of the essence in this agreement.

EXECUTIVE OFFICER'S DESIGNEE

The Executive Officer shall designate a Conservancy project manager who shall have authority to act on behalf of the Executive Officer with respect to this agreement. The Executive Officer shall notify the grantee of the designation in writing.

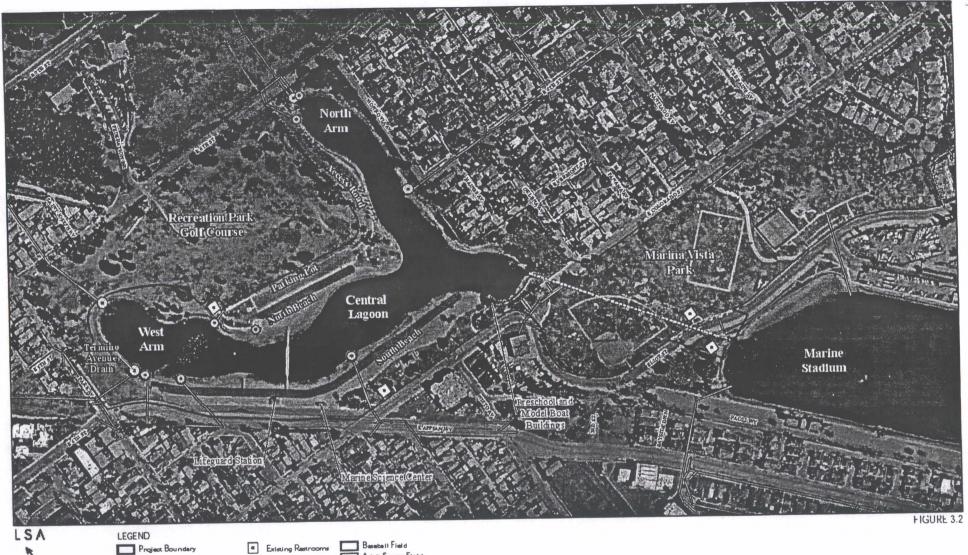
AMENDMENT

Except as expressly provided in this agreement, no changes in this agreement shall be valid unless made in writing and signed by the parties to the agreement. No oral understanding or agreement not incorporated in this agreement shall be binding on any of the parties.

LOCUS

This agreement is deemed to be entered into in the County of Alameda.

Exhibit 2: Existing Conditions



Adult Socoer Field

Youth Soccer Field

Major System Outfall

Indicates Drain Diverted by Termino Project

Local Drain

SOURCE: Air Photo USA (2007), Moffat & Nichol (2007), Thomas Bros. (2007).

Culvert

Sand Nourishment Areas

Existing Storm Drain Pipelines

I:\CLB0702\GIS\ExistingConditions_Fig32.mmd (5/6/2008)

Colorado Lagoon Restoration Project Existing Conditions

COASTAL CONSERVANCY

Staff Recommendation January 20, 2010

COLORADO LAGOON RESTORATION DREDGING OF CONTAMINATED SEDIMENTS

File No. 07-032-02 Project Manager: Christopher Kroll

RECOMMENDED ACTION: Authorization to disburse up to \$690,997 in grant funds from the National Oceanic and Atmospheric Administration to the City of Long Beach to dredge, treat, and dispose of contaminated sediments from Colorado Lagoon in Long Beach, Los Angeles County.

LOCATION: City of Long Beach, Los Angeles County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location Map *

Exhibit 2: Existing Conditions.

Exhibit 3: Habitat Improvements *

Exhibit 4: Water/Sediment Quality Improvements *

Exhibit 5: Project Letters

Exhibit 6: Final Environmental Impact Report (Separate CD)

Exhibit 7: FEIR Addendum

Exhibit 8: Long Beach resolution certifying the FEIR, adopting mitigation monitoring, and making a statement of overriding considerations

Exhibit 9: City Council resolution certifying the FEIR Addendum and adopting findings for the Addendum

* Attached Exhibits

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

Page 1 of 14

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed six hundred ninety thousand nine hundred ninety-seven dollars (\$690,997) to the City of Long Beach for the dredging, treatment and disposal of contaminated sediments at Colorado Lagoon.

Prior to disbursement of Conservancy funds, the City of Long Beach shall submit for the review and written approval of the Conservancy's Executive Officer:

- 1. A detailed work program, including budget and schedule.
- 2. The names and qualifications of any contractors to be employed on the project.
- 3. A sign plan to acknowledge Conservancy funding for the project.
- 4. Evidence that all permits and approvals for this project have been issued.

The city shall timely implement all requirements of the Environmental Impact Report and Mitigation Monitoring and Reporting Program pertinent to the work that the Conservancy is funding."

Staff further recommends that the Conservancy adopt the following findings:

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

- 1. The proposed project is consistent with Chapter 6 of the Public Resources Code (Sections 31251-31270), regarding the enhancement of coastal resources.
- 2. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
- 3. Consistent with Public Resources Code Section 31252, Colorado Lagoon is identified in the City of Long Beach's certified Local Coastal Program as an area requiring public action to resolve an existing resource protection problem.
- 4. The Conservancy has independently reviewed and considered the "Final Environmental Impact Report Colorado Lagoon Restoration Project," and the Environmental Impact Report Addendum, adopted by the City of Long Beach on October 14, 2008, and October 7, 2010, respectively, under the California Environmental Quality Act, and attached to the accompanying staff recommendation as Exhibits 6 and 7, respectively; collectively "the EIR."
- 5. With respect to the portion of the project to which the Conservancy will contribute funding, dredging of the western arm, the EIR identifies potentially significant effects, including some possible cumulative effects, in the subject areas of air quality, biological resources, cultural and paleontological resources, hydrology and water quality, hazards and hazardous materials, noise, public services and utilities, recreation and traffic and circulation. With respect to these effects, the Conservancy, as a responsible agency under CEQA, finds that the project avoids, reduces or mitigates the possible significant environmental effects to a level of insignificance, and that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.

6. The funded activity will help implement the Conservancy's Strategic Plan goals and objectives, specifically Goal 5, Objective 5B (restoration of significant coastal habitats) and Goal 6, Objective 6F (improvement of water quality to benefit coastal resources) by removing contaminated sediment and thereby enhancing habitat and recreational opportunities.

PROJECT SUMMARY:

Staff is recommending that the Conservancy provide a grant of \$690,997 to the City of Long Beach for the dredging, treatment and disposal of contaminated sediments from the West Arm of Colorado Lagoon. This grant will come from funds provided to the Conservancy by the National Oceanic and Atmospheric Administration (NOAA) for projects on the Southern California Wetlands Recovery Project Work Plan.

The proposed project will implement recommendations identified in the 2005 Colorado Lagoon Restoration Feasibility Study (RFS), which was funded by a grant from the Conservancy. The project is part of a larger multi-million dollar effort to restore the ecological health of the lagoon based on the findings in the RFS (Exhibit 3). The City of Long Beach has successfully secured over \$11 million in funding for implementation of this restoration project, including grants from the State Water Resources Control Board, U.S. Army Corps of Engineers (Army Corps), and the San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy (RMC).

The lagoon restoration project has been divided into two phases. Phase I involves improvements at Colorado Lagoon and consists of the following elements:

- Dredging and removal of up to 72,000 cubic yards of sediment
- Re-contouring of the lagoon banks
- Diversion of low-flow runoff to the sanitary sewer
- Installation of trash collection devices in three major storm drains
- Creation of two vegetated bioswales
- Clearing of the tidal culvert
- Demolition of the northern paved parking lot, access road, and restroom
- Re-vegetation of the former parking area and lagoon banks
- Construction of public access trails
- Replacement of existing observation pier

Work on the Phase I components of the project began in September 2009 and is currently underway. The Phase I project will dramatically improve water quality and habitat values in Colorado Lagoon. The proposed authorization would fund a portion of Phase I.

As shown in Exhibits 3 and 4, Phase II will expand the tidal connection between the lagoon and the ocean via a connection to Marine Stadium and Alamitos Bay. That connection will consist of construction of an open channel between the lagoon and Marine Stadium. This will increase tidal circulation in the lagoon.

In 1998, Colorado Lagoon was listed under Section 303(d) of the federal Clean Water Act as an impaired water body for lead, zinc, sediment toxicity, chlordane, DDT, dieldrin, PAHs, and PCBs. In 2006, Colorado Lagoon was also listed for bacteria. Beach

Page 3 of 14

warnings due to elevated bacteria are frequent; the lagoon consistently receives failing grades on the Heal the Bay Beach Report Card. For several decades, pollutants entering the lagoon through the four major storm drain outfalls have precipitated out of the water column and settled in the sediment on the lagoon floor. Construction of the low-flow diversion and trash trap system will help prevent the recontamination of the lagoon by diverting low flow urban runoff to the City's sanitary sewer. Construction of this state-of-the-art system was completed in November 2010.

The next major step in the restoration effort is to remove, treat and dispose of contaminated sediments (Exhibit 4). Conservancy funding would help to remove approximately 33,000 cubic yards of contaminated sediments from the lagoon, which will help to restore and enhance this critical wetland habitat. It is estimated that the layer of contaminated sediment extends 4 to 5 feet in the West Arm. The excavation design calls for removing 6 feet of sediment at the uppermost portion of the West Arm, with the excavation depth gradually decreasing towards the Central Lagoon. The depth of excavation at the deepest point would be 19 feet below mean sea level. The excavation area will be as wide as possible to remove the maximum quantity of sediment while maintaining stable side slopes around the lagoon perimeter.

Four possible methods of dredging were discussed in the City's 2010 Addendum to the 2008 Environmental Impact Report (EIR) for the project: one dry method and three wet dredging methods. Dry dredging would require de-watering of the West Arm using a temporary coffer dam. The City has selected wet dredging as its preferred method but the ultimate choice of dredging method will be made once all regulatory reviews are completed. In wet dredging the dredge area is not drained of water and, to protect water quality in the rest of the lagoon, a silt curtain is used to separate the dredged from non-dredged areas. Clamshell/bucket-type dredging equipment will be used and temporary piers or berms will be constructed into the lagoon to allow the dredger to access areas of the lagoon not within reach from the shoreline.

The dredge materials will be temporarily stockpiled at the north shore parking lot until they are partially dewatered. While being stockpiled, the sediment will be treated with lime, cement, and other chemical reagents to reduce the toxicity of the lead and zinc in the sediment to a non-hazardous state. Plastic tarps and containment structures will be placed under and around the stockpile area to minimize runoff back into the lagoon. Once the treatment is complete, trucks will haul the dredged material to the Middle Harbor fill project at the Port of Long Beach.

Since 2005, the City has received grants from the State Water Resources Control Board, Army Corps, Port of Long Beach, and the RMC to begin to implement the recommendations of the RFS. An American Recovery and Reinvestment Act grant from the State Water Resources Control Board was used to: 1) construct the low-flow diversion structures; 2) clean out the culvert; and 3) construct a bioswale and trash separation devices within the three major storm drains. In addition, the State Water Resources Control Board is contributing \$1.8 million and the Army Corps is contributing up to \$1 million for the dredging effort. The RMC helped fund the necessary environmental documentation and will contribute up to \$1,100,000 to the dredging project. The Port of Long Beach helped fund the environmental documentation and provided an emergency loan to fill an unanticipated budget shortfall for the low-flow diversion system. As

discussed below, the estimated cost of dredging and recontouring the west lagoon arm is approximately \$4.6 million. Conservancy funds would be used for the construction (including mobilization) and construction management components of the dredging project.

Site Description: Colorado Lagoon is a 15-acre tidal lagoon in the City of Long Beach and is connected to Alamitos Bay and the Pacific Ocean through a tidal box culvert to Marine Stadium (Exhibit 1). The lagoon is heavily visited: swimming, fishing, picnicking, and wildlife viewing are popular recreational activities at the lagoon. Recreation Park borders the north side of the lagoon and has a nine-hole and eighteenhole golf course, a baseball and softball field, casting pond, picnic area, dog park, lawn bowling and play ground. Residences and three public schools surround the other three sides of the lagoon.

Colorado Lagoon supports an estuarine ecosystem - 11 of the 18 common southern California salt marsh plants are found at the lagoon. Southern tar plant, a special status species, and eelgrass colonies exist in shallow areas of the lagoon and Marine Stadium. A variety of fish species find spawning and rearing habitat in the lagoon, including juvenile halibut, topsmelt, perch, white sea bass, bottom dwelling gobies and stingrays. Additionally, juvenile clams have been found in the lagoon. The California brown pelican and California Least Tern, special status species, as well as many other species of waterfowl, gulls, and shorebirds visit and dwell in the tidal habitats.

Since the lagoon is a natural low point in the watershed, it has historically accumulated pollutants deposited over the entire watershed that are washed into the storm drains by storm flows and dry weather runoff. In addition to tidal influence, the lagoon receives the majority of its inflow from five reinforced concrete pipes draining storm water and dry weather runoff from the watershed.

Colorado Lagoon's watershed is 1,172 acres comprised primarily of suburban residential development with some parklands, two golf courses and a small amount of commercial and institutional land use. Urban runoff has generally contained many pollutants such as heavy metals, pesticides, petroleum hydrocarbons, nutrients, and bacteria. As noted above, the lagoon was listed in 1998 and 2006 under Section 303(d) of the Clean Water Act as an impaired water body.

Project History: Historically, Colorado Lagoon was part of the 2400-acres of the Los Cerritos wetlands at Alamitos Bay. In 1923, the Channel Club dredged a mudflat to form Colorado Lagoon. The 1932 Los Angeles Olympic Committee chose the lagoon for rowing events. In 1968, the City of Long Beach remodeled Marine Stadium for the Olympic Rowing and Canoeing Team Trials. At that time, the north end of the Olympic rowing course was filled as part of construction for the then proposed Pacific Coast Freeway thereby separating Colorado Lagoon from Marine Stadium. The existing culvert was installed to link the lagoon with Marine Stadium, Alamitos Bay, and the Pacific Ocean.

The ecological health of the lagoon has been deteriorating for many decades. Residents of Long Beach and neighboring communities have long swum and fished in the lagoon but there has always been concern about the poor water quality. In 1999, a group of residents

formed the Friends of Colorado Lagoon (FOCL) specifically to advocate for restoration of the lagoon.

In January 2001, FOCL and the City both submitted proposals to the Southern California Wetlands Recovery Project (WRP) for funding for a restoration plan for the lagoon. Both proposals described the need for a study of the lagoon that would address the lagoon's poor water quality and declining habitat value. In June 2001, the WRP Board of Governors added the project to the work plan.

The Conservancy approved a grant to the City of Long Beach in December 2002 to prepare a multi-objective restoration feasibility study. The study was completed in February 2005. In May 2007, the Conservancy approved a grant to the City to complete final design development of the restoration project components identified in the feasibility study.

For many years, the City of Long Beach and County of Los Angeles have been laying the groundwork to address flooding and water quality issues in the Colorado Lagoon watershed. Los Angeles County Department of Public Works is in the process of replacing an existing County storm drain that drains into Colorado Lagoon. The storm drain, referred to as the Termino Avenue Drain, is being replaced in order to alleviate flooding that occurs upstream of the lagoon. This project includes diversion of all Termino Avenue Drain flows and approximately 25% of Project 452, the other main storm drain flowing into the lagoon, away from Colorado Lagoon and into Marine Stadium. This project also includes a dry weather diversion component. The County expects to complete construction by 2012.

PROJECT FINANCING:

West Arm Dredging -

Coastal Conservancy (NOAA Grant)	\$ 690,997
State Water Resources Control Board	1,800,000
U.S. Army Corps of Engineers	1,000,000
Rivers & Mountains Conservancy	1,100,000

TOTAL \$4,590,997

Phase I Project Budget -

TOTAL

West Arm dredging	\$4,590,997
Low-flow diversion	4,544,686
Central Lagoon/North Arm dredging	2,500,000
Access trails/bioswale/demolition	1,250,000
Revegetation	450,000
•	•

Page 6 of 14

\$13,335,683

With the Conservancy grant, the City would have all the funding necessary to complete the West Arm dredging. The City has already secured funding for the low-flow diversion. The City is still seeking funding for the remaining components of the Phase I project.

The anticipated source of Conservancy funds is from a grant to the Conservancy from the National Oceanic and Atmospheric Administration (NOAA) Community Habitat Restoration Partnership Grant. The majority of the funds from this Partnership are dedicated to implementing restoration projects on the WRP Work Plan that protect and enhance NOAA Trust Resources. Colorado Lagoon Restoration is a project on the WRP Work Plan. NOAA staff has selected this project as a top priority for the use of these grant funds.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Chapter 6 of Division 21 of the Public Resources Code (Sections 31251 et seq.) relating to coastal resource enhancement. The proposed project is consistent with Section 31251, which allows the Conservancy to award grants to public agencies for the purpose of enhancement of coastal resources that have suffered loss of natural and scenic values. Colorado Lagoon is a degraded water body and the proposed project would be part of a larger project to restore and enhance the natural and scenic values of the lagoon.

The proposed project is consistent with Section 31252, which requires that all areas proposed for resource enhancement by a state agency or local public agency shall be identified in a certified local coastal plan or program as requiring public action to resolve existing or potential resource protection problems. The City of Long Beach's certified Local Coastal Program (LCP) contains a policy specifically calling for dredging of the lagoon to remove contaminated sediments and improve water quality, as discussed below.

Under Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Consistent with this section, the amount of funding provided by the Conservancy has been determined by the total amount of funding available for coastal resource enhancement projects, the urgency of the project relative to other eligible resource enhancement projects and other factors used by the Conservancy to determine project eligibility and priority. The City of Long Beach has secured \$3,900,000 in funding from other sources to implement the proposed project and with this grant would be able to complete this phase of the restoration project. Restoration of Colorado Lagoon has been a priority project for the Conservancy and the Southern California Wetlands Recovery Project for several years.

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVES:

Consistent with Goal 5, Objective 5B of the Conservancy's 2007 Strategic Plan, the proposed project will lead to restoration and enhancement of a significant coastal habitat, Colorado Lagoon.

Page 7 of 14

Consistent with Goal 6, Objective 6F of the Conservancy's 2007 Strategic Plan, the proposed project will lead to the improvement of water quality to benefit coastal resources by removing contaminated sediments from Colorado Lagoon.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, in the following respects:

Required Criteria

- 1. Promotion of the Conservancy's statutory programs and purposes: See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. Consistency with purposes of the funding source: See the "Project Financing" section above.
- 3. Support from the public: The proposed project has widespread public support from such groups as Friends of Colorado Lagoon, Audubon Society, and the Belmont Heights Neighborhood Association. FOCL has been advocating for restoration of the lagoon for many years (Exhibit 5).
- 4. Location: The proposed project would be located within the coastal zone of the City of Long Beach in Los Angeles County.
- 5. Need: The City of Long Beach has secured almost all the funding needed for the dredging of the West Arm of the lagoon. Conservancy funding is needed to allow the City to complete this project.
- 6. Greater-than-local interest: Colorado Lagoon is a tidally influenced marine ecosystem and supports a number of estuarine dependent species. The lagoon's beaches receive approximately 50,000 visitors a year.
- 7. Sea level rise vulnerability: The proposed authorization would fund a portion of the dredging component of a larger lagoon restoration project. The dredging component of the project will remove accumulated sediments from the West Arm of the lagoon. The benefits of this project will not be impacted by sea level rise. The City is currently preparing an addendum to the 2008 Environmental Impact Report for this project that will address the restoration project's vulnerability to sea level rise.

Additional Criteria

- 9. **Resolution of more than one issue:** The proposed project will improve the lagoon's water quality and habitat as well as benefit continued public recreational use of the lagoon.
- 10. Leverage: See the "Project Financing" section above.

- 13. **Readiness:** The City intends to hire contactors and begin the work in the spring of 2011.
- 18. Minimization of Greenhouse Gas Emissions: The 2008 Environmental Impact Report does not address greenhouse gas emissions in great detail but does includes mitigation measures intended to reduce the release of emissions as part of construction involved in several elements of the larger restoration project. The CEOA section below discusses this issue in more detail.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The City of Long Beach has a Local Coastal Program (LCP) that was certified by the California Coastal Commission on July 22, 1980. An amendment to the LCP that amends the Resources Management Plan portion of the LCP as it relates to Colorado Lagoon was approved by Coastal Commission on January 14, 2010, and by the Long Beach City Council on June 15, 2010. New policies added as part of the amendment and relevant to the proposed project include the following:

5.4 Restoration Implementation Regulations

Marine Resources and Environmentally Sensitive Habitat Areas

- a. Colorado Lagoon is an environmentally sensitive habitat area that shall be restored and protected against any significant disruption of habitat values.
- b. Native clam populations, and populations of other special interest wildlife species, shall be protected and enhanced by habitat restoration efforts.
- e. The lagoon shall be dredged to remove contaminated sediments and to improve water circulation.

The proposed project is consistent with the policies of the City of Long Beach's certified LCP as amended on June 15, 2010.

COMPLIANCE WITH CEQA:

On October 14, 2008, the City of Long Beach, as the lead agency under the California Environmental Quality Act ("CEQA"), certified a comprehensive Final Environmental Impact Report, made findings, adopted a mitigation monitoring and reporting program, and adopted a statement of overriding considerations for the Colorado Lagoon Restoration Project. On October 7, 2010, the city planning commission adopted a CEQA Addendum to address information that has arisen since 2008 but does not require recirculation of a CEQA document. These documents (collectively, "the EIR") are Exhibits 6-8. The city filed a Notice of Determination for the 2008 EIR on October 15, 2008.

The aim of the overall Colorado Lagoon Restoration Project is to restore the site's ecosystem, improve the estuarine habitat, provide enhanced recreational facilities, improve water and sediment quality, and manage stormwater. In the current authorization, the Conservancy, as a responsible agency under CEQA, is funding dredging, treatment, and disposal of contaminated

sediments from the western arm of the wishbone-shaped lagoon.

The EIR includes analysis of the potential environmental effects of the portion of the project (sediment removal, transport, and disposal) to be funded by the Conservancy, and incorporates changes and mitigation measures to address the adverse effects. These effects are in the areas of air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, recreation, and transportation/traffic.

The mitigation measures direct construction actions to address emissions and dust; construction monitoring of sensitive environmental and cultural resources; establishment of buffers around sensitive wildlife areas; cultural resource mapping, testing, and protection; use of best management practices (BMPs) for water quality protection; and sediment testing. The mitigation measures required by the EIR are addressed in a Mitigation Monitoring and Reporting Program (MMRP) contained in the EIR. For each mitigation measure, the MMRP lists actions and implementation timing, the party responsible for implementing and for monitoring, and the monitoring schedule.

Staff believe that the Conservancy's project, with measures included in the project design and as mitigation, avoids, reduces or mitigates the potentially significant effects to a less than significant level (as discussed in more detail below).

The potential significant environmental effects identified in the 2008 EIR related to the Conservancy's current authorization and the corresponding mitigation measures are as follows:

Air Quality

The city's overall project will result in an exceedance of the South Coast Air Quality Management District (SCAQMD) daily threshold for NOx during construction. The mitigation measures adopted as part of the EIR include the following: 1) construction equipment will be low-emission and high energy efficiency as well as tuned and maintained; 2) construction equipment will be shut off when not in use; 3) construction will avoid peak hour traffic; 4) ridesharing and use of public transit will be encouraged for the construction workers; 5) dust suppression measures are required; 6) some sensitive facilities, e.g. preschool, beaches, will be closed or relocated when construction is within 250 feet; and 7) dredged materials will be located away from residential areas, the school, and the daycare facility. The city concluded that even after these mitigation measures are implemented, the overall project will still have significant and unavoidable short-term environmental impacts. However, the dredging portion of the project will not have significant unavoidable effects (see the discussion of the 2010 Addendum, below).

Biological Resources

Disturbance of the subtidal environment may contribute to the propagation of the invasive seaweed *Caulerpa taxifolia*. The City will ensure that a field survey is conducted 30 to 60 days prior to commencement of construction to determine the presence or absence of Caulerpa. The results of the survey will be conveyed to National Marine Fisheries Service (NMFS) and to the California Department of Fish and Game ("CDFG"), and, if any Caulerpa is identified in the project area, appropriate measures will be taken in accordance with Section F of the NMFS's Caulerpa Control Protocol.

<u>COLORADO LAGOON RESTORATION</u>

Dredge and fill activities may result in loss of eelgrass and/or subtidal eelgrass habitat in the lagoon. The City will conduct a pre-construction eelgrass survey and the survey results will be mapped and provided to NMFS and CDFG. A post-construction survey will be conducted as well and if eelgrass is impacted by the project the City will mitigate the loss of eelgrass in accordance with the southern California Eelgrass Mitigation Policy at a minimum ratio of 1,2:1. The City will ensure that eelgrass mitigation is initiated within 135 days of project inception and an eelgrass transplant report will be completed following construction and monitoring reports at 6, 12, 24, 36, 48, and 60 months after completion of the transplant.

To avoid any adverse impacts of construction on sea turtles and marine mammals, the City will ensure that a qualified biologist is on site during construction to watch for the presence of turtles and marine mammals. The biologist will have the authority to halt construction if sea turtles or marine mammals are determined to be present in the project area. Construction workers will be given instructions on protection of sea turtles and marine mammals. The construction area will have a 500 meter buffer zone around it and all construction activity will be stopped if a sea turtle or marine mammal is sighted within the buffer zone. An incident report will be prepared by the biologist if any sightings occur during construction and the report will be provided to CDFG and NMFS within 24 hours.

Cultural and Paleontological Resources

Dredging in the lagoon may impact subsurface archaeological resources, if any (none are known). A qualified archaeologist will be retained and s/he will have the authority to temporarily halt or redirect work if archaeological resources are discovered during construction. If archaeological resources are identified during construction, standard professional archaeological practices will used to characterize the resources and mitigate any impacts.

If human remains are encountered during construction, the County Coroner will be notified and appropriate actions taken.

Hazards and Hazardous Materials

The sediments in the lagoon are known to contain hazardous substances such as lead and zinc. The project includes a procedure to treat the sediment after it is removed from the lagoon but before it is transported off site for disposal. In addition, the City will prepare a health and safety plan to ensure compliance with federal, state, and local regulations during construction. In addition, a soil management plan will be prepared consistent with the Office of Environmental Health Hazard Assessment (OEHHA) standards. OEHHA will review the plan and may proposed additional requirements that will be incorporated into the plan.

Hydrology and Water Quality

Temporary impacts to water quality will occur as a result of project construction. To address these impacts, the City will ensure that: 1) the project complies with the requirements of the State General Construction Activity National Pollution Discharge Elimination System (NPDES) permit; 2) erosion and sediment control best management practices (BMPs) are incorporated into the construction plans; 3) a storm water pollution prevention plan will be prepared and approved by the City prior to the issuance of any grading or building permits; 4) during dredging, specific measures will be used to control dispersion of contaminated sediments; 5) BMPs for all dredging activities have been incorporated into project plans.

Noise

Page 11 of 14

Construction activities will result in a temporary increase in existing ambient noise levels in the project area. The City will limit loud construction activity to certain hours. In addition, mufflers will be used to reduce construction equipment noise and equipment will be placed so that noise is directed away from sensitive receptors. However, intermittent and temporary noise from construction activity for the city's overall project will, in some cases, remain significant and unavoidable. The activities funded by the Conservancy will not cause unavoidable, significant effects. (See the discussion of the 2010 CEQA Addendum, below.)

Public Services and Utilities

Project construction will require disposal of solid waste such as dredge material. The City will prepare a solid waste management plan to promote safe disposal of solid waste.

Recreation

Short-term construction-related effects will adversely impact recreational use of the project area during construction. To address this, the City will direct local residents and community groups to nearby city parks and facilities that offer swimming, picnicking, and other passive recreation activities engaged in at the lagoon.

Traffic and Circulation

Construction will generate approximately 90 daily passenger car equivalent (PCE) trips. The City will design and implement a construction area traffic management plan. The plan will address traffic control for the project. The city has concluded that, with mitigation measures, the traffic effects will not be significant.

Response to Public Comments

The City released the draft 2008 EIR for public comment on May 28, 2007, and received approximately 45 comment letters from individuals and organizations. Several comment letters raised concerns about recontamination of the lagoon once the contaminated sediments presently in the lagoon are removed as part of the restoration project. The City responded that project best management practices (BMPs) such as low flow diversion and bioswales and implementation of the Long Beach Stormwater Management Plan and development and implementation of total maximum daily loads (TMDLs) for various contaminants currently entering the lagoon will ultimately reduce "total loading" to the lagoon and thereby significantly reduce the risk of "recontamination" of the lagoon. In addition, the City revised mitigation measure WQ-9 to require weekly monitoring of sediment quality for at least three years.

2010 CEQA Addendum

In September 2010, the city prepared a CEQA Addendum for its project in order to review changes to the project and to existing conditions that have occurred since the 2008 EIR was adopted, including changes to the CEQA Guidelines regarding climate change, but not requiring a supplemental EIR. The City planning commission approved the Addendum on October 7, 2010, finding no substantial changes to the proposed project or surrounding circumstances that would require major revisions to the 2008 EIR, and no new information of substantial importance requiring more than the Addendum. (Since 2008, the city has also obtained a coastal development permit and a Water Quality Certification from the Los Angeles Regional Water Quality Control Board (LA RWQCB). The Corps of Engineers also issued a Nationwide Permit Authorization for the restoration component of the project.) On November 16, 2010, the City

Council denied an appeal of the Planning Commission approval of the Addendum and upheld the Commission's decision to approve the Addendum (Exhibit 9).

With respect to the dredging, treatment and hauling of spoils in the western arm that the Conservancy will help fund, the Addendum indicates that the amount of spoils removed will increase from 16,000 cubic yards to 26,000 cubic yards of hazardous material and 3,000 cubic yards of non-hazardous material; recent testing has shown more contamination, and more stringent targets by the LA RWQCB. An additional two variants of dredging approach have also been considered. Spoils will now be treated on site and sent to a landfill at the Port of Long Beach by truck or barge. The extension of the dredging period will increase from ten months to fifteen, meaning a longer period of noise and emissions. Also, new dredging alternatives, if implemented, would require heavy equipment to haul spoils to Marine Stadium. However, the Addendum clarifies that dredging and hauling activities, when mitigated, will not cause unavoidable significant noise effects.

Although more dredging and hauling will result in additional truck trips than originally calculated, the spoils will be hauled to the Port of Long Beach rather than to Bakersfield, a much shorter distance, resulting in reduced emissions. Short-term peak NOx emissions for a later phase of the city's project will exceed daily thresholds, even after mitigation; however, the first phase of the project, to which the Conservancy will contribute, will not cause exceedance of SCAOMD thresholds for construction emissions.

Traffic impacts from truck trips are not expected to cause unavoidable significant environmental effects once mitigated. The Addendum adds to the Mitigation Monitoring and Reporting Program a requirement that if the separate Termino Drain project overlaps with the city's project, the city engineer will coordinate traffic by identifying the construction routes, the hours of construction traffic, traffic controls and detours, and off-site vehicle staging areas, and addressing traffic control for any street closure, detour, or other disruption to traffic circulation and public transit. Also, newly proposed dredging alternatives, if implemented, would rely on increased barge hauling, thus reducing traffic impacts.

Odors from dredging will remain qualitatively the same, though for an increased time, and are addressed by mitigation measures. By treating the spoils on site with additives and storing them (until hauled away) as far from sensitive receptors as possible, the city will reduce the effects to a level less than significant.

The revised project will now require the use of specialized equipment that will reduce construction emissions from dredging.

With respect to climate change, the Addendum recognizes the requirements of recent CEQA Guidelines amendments. The Addendum states that it has relied on draft significance criteria "considered by the SCAQMD [South Coast Air Quality Management District] by its Stakeholder Working Group in November 2009." In the absence of better regulatory guidance, the Addendum selects for comparison a significance criterion for commercial projects (lower than that for residential or mixed use) of 1,400 metric tons of CO₂ equivalent per year, on the basis of the Working Group's assertion that projects meeting that standard will not interfere with achieving the state's emission reduction objectives in California's "AB 32" legislation and the Governor's Executive Order S-03-05.

The overall project as described in 2008 EIR would produce 16 metric tons per day of CO₂

3 . . ·

equivalents (as calculated with URBEMIS2007). The highest emissions would result from sediment removal, including from the western arm. According to the Addendum, the revised project would result in an increase, partially offset by idling restrictions and shorter hauling trips. But for all dredging alternatives, according to the Addendum, emissions are below the selected threshold, and so less than significant.

The Addendum further asserts that the revised project will not cause a change to "operational greenhouse gas emissions" since the completed project will not contain any stationary sources and will not change the anticipated vehicle trips. Revegetation, a part of the large project, could result in some carbon sequestration.

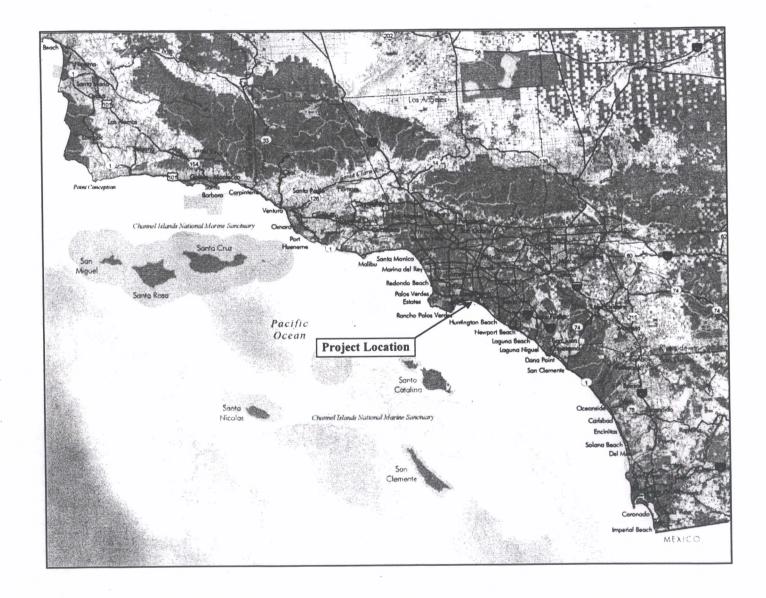
The Addendum includes a discussion of qualitative steps to reduce the short-term greenhouse gas emissions, including substantially shorter hauling trips than originally contemplated and anti-idling requirements. (Use of low-emission equipment will apparently reduce emissions but not necessarily greenhouse gases.)

The city apparently reaches its conclusion that greenhouse gas emissions will not exceed the city's selected annual threshold by dividing the quantified, anticipated construction emissions by the years of expected life of the improvements. Although Conservancy staff does not necessarily concur with this approach, the new, pertinent CEQA Guidelines allow qualitative as well as quantitative analysis of greenhouse gas emissions and attempts to reduce them. Staff believes that the city has done what it can to quantify the emissions and, qualitatively, to reduce them as much as reasonably possible.

Conclusion

Conservancy staff has independently reviewed the 2008 EIR and 2010 EIR Addendum and recommends that the Conservancy find that there is no substantial evidence that the Conservancy's project, as mitigated, will have a significant effect on the environment. Mitigation measures included in the project design, as mitigation requirements in the Mitigation and Monitoring Reporting Program, and as required by state and federal law and City ordinances, will reduce impacts to less than significant levels.

Upon approval of the project, staff will file a CEQA Notice of Determination.



Project Boundary

Sand Nourishment Areas Existing Storm Drain Pipelines

Existing Restrooms Major System Outfall Local Drain

Baseball Field Adult Socoer Field Youth Soccer Field

Indicates Drain Diverted by Termino Project

Colorado Lagoon Restoration Project Existing Conditions

SOURCE: Air Photo USA (2007), MofFat & Nichol (2007), Thomas Bros. (2007).

I:CLB0702/GE VExistingConditions_Fig32.mxd (5/6/2008)

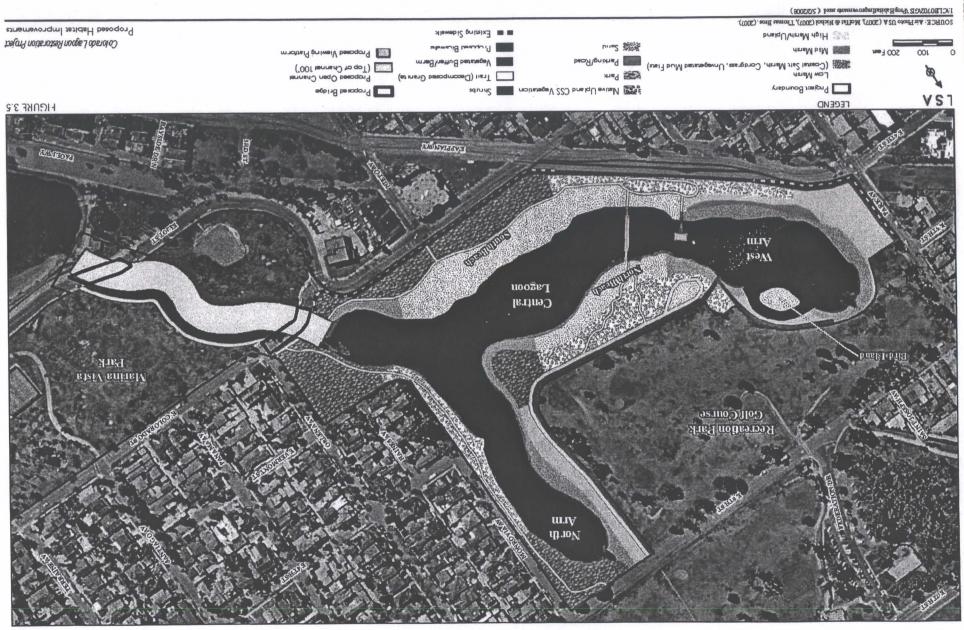


Exhibit 3: Habitat Improvements

XHIBII

I:CLB0702\GE\WaterSedi mentimpsovements.mxd (5/2/2008)

FORM CD-450 (REV 01/09)	☐ GRANT 🕱 COOPER	ATIVE AGREEMENT			
U. S. DEPARTMENT OF COMMERCE	AWARD NUMBER				
FINANCIAL ASSISTANCE AWARD	NA10NMF4630	NA10NMF4630082			
RECIPIENT NAME Coastal Conservancy, California					
STREET ADDRESS 1330 Broadway, Suite 1300	FEDERAL SHARE OF COST	\$550,000.00			
CITY, STATE, ZIP CODE Oakland CA 94612-2512	RECIPIENT SHARE OF COST	\$550,000.00			
AWARD PERIOD 06/01/2010-05/31/2014	TOTAL ESTIMATED COST	\$1,100,000.00			
AUTHORITY 16 USC 661; 16 USC 1891a					
CFDA NO. AND PROJECT TITLE 11.463 Southern California Wetlands Recovery Project					
This award offer approved by the Grants Officer constitutes an obligation of Fe comply with the award Terms and Conditions checked below. If this was a pay Officer and retain one set of signed award documents for your files. If this awa Grants Officer may unilaterally withdraw this award offer and de-obligate the fu	per issued award offer, please send two sign and offer is not accepted without modification	ieu uucuments tu the Grants			
■ Department of Commerce Financial Assistance Standard Terms and Co ■ Commerce Financial Assistance Standard Terms and	onditions				
Government Wide Research Terms and Conditions					
Bureau Specific Administrative Standard Award Conditions					
Award Specific Special Award Conditions					
🕱 Line Item Budget					
15 CFR Part 14, Uniform Administrative Requirements for Grants and A Non-Profit, and Commercial Organizations	greements with Institutions of Higher Educa	tion, Hospitals, Other			
15 CFR Part 24, Uniform Administrative Requirements for Grants and A	greements to States and Local Government	s			
OMB Circular A-21, Cost Principles for Educational Institutions					
OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal G	overnments				
OMB Circular A-122, Cost Principles for Non-Profit Organizations					
48 CFR Part 31, Contract Cost Principles and Procedures					
□ GOMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations					
Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements REF: 73 FR 7696 (February 11, 2008).					
✓ Other(s) 74 FR 34656 (July 16, 2009)					
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER	TITLE	DATE			
Alan Conway	Grants Officer	07/12/2010			
TYPE NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	TITLE	DATE			
Sean Williamson		07/28/2010			

Special Award Conditions

Award Number:

NA10NMF4630082

Amendment Number:

0

1) Cooperative Agreement

NOAA Fisheries participation will be crucial to ensuring the development, selection and implementation of the most beneficial habitat restoration projects possible. NOAA Fisheries will:

- provide review of sub-award solicitations and proposals;
- verify the selected projects are of high quality and protect the federal interest in the expenditure of restoration funds;
- provide hands-on assistance on technical and permitting issues for each habitat restoration project;
- monitor the progression of the restoration from planning to implementation and post-construction follow-up, including one or more site visits;
- participate in public events to highlight the restoration activities and to ensure that they foster the concept of citizenbased habitat restoration.

2) Performance Progress Reports

Progress reports for the overall management and administration of this award must use the NOAA Community-based Restoration Program's progress report narrative format and form approved by OMB under control number 0648 0472. This form will be provided to you by the NOAA Federal Program Officer.

In addition, each report will contain an attachment that lists the sub-awarded projects, the amount allocated to each project, and their status. Reports specific to sub-awarded projects will be submitted to NOAA by the recipient as attachments to the progress report and will be in a form and format jointly agreed-to by NOAA and the recipient.

Narrative progress reports will be due on the same schedule as financial reports--Oct. 30 and April 30--covering April 1-Sept. 30 and Oct. 1-March 31, respectively.

A comprehensive final report covering all activities during the award period is required and must be received by the NOAA Program Officer 90 days after the end date of this award. No final interim report is required.

3) NEPA Concurrence Required

The recipient will not expend funds for any project implementation activities until they have received written concurrence from NOAA Fisheries on project selection and clearance from NOAA Fisheries on National Environmental Policy Act (NEPA) compliance on a project specific basis. The recipient agrees to assist and cooperate with NOAA Fisheries in the preparation of any NEPA compliance documentation related to projects sub-awarded under this cooperative agreement.

4) Adhere to All Applicable Laws

The recipient will ensure that implementation of the projects sub-awarded under this partnership will meet all federal environmental laws and regulations by completing any required federal consultations and obtaining all applicable permits

and approvals prior to expenditure of federal funds for those activities requiring permits and consultations. Verification of federal permits and environmental compliance related to projects sub-awarded under this cooperative agreement must be available to the NOAA Program Officer if requested. The sub-recipient must be cognizant of all conditions and restrictions required by their permits and consultations, and will immediately halt activities and contact their NOAA Technical Monitor if events occur that threaten to violate the conditions or restrictions required by their permits and consultations.

5) Maintain Project Files

The recipient must maintain project files for the restoration projects funded under this agreement. These files must contain, at a minimum, project work plans and copies of all federal, state and local permits and consultations associated with project implementation.

6) Acknowledge Contributors

The partnership should be referred to as the "Regional Partnership between the NOAA Restoration Center and [the partner]."

The recipient and/or sub-recipients must display, where appropriate and practical, publicly visible signs indicating that the project has received funding through the NOAA Community-based Restoration Program. These signs should also identify other contributing partners. These contributions should also be acknowledged in all communications with the media and the public and in all outreach related to the projects.

7) Written Safety Plan

Safety is a critical consideration for restoration project implementation. The recipient must have a written safety plan for management of employees, contractors, and volunteers working on the project(s) as applicable. The plan should consider safety in and around project sites during and after project construction, and take into account potential safety concerns with regard to the current and future use of the sites. The recipient should ensure that a safety briefing is conducted for all project participants immediately prior to their involvement in hands-on restoration activities under this award, and require that any volunteers sign a liability release waiver. Recipients shall be responsible for exercising reasonable care and using best efforts to prevent accidents, injury or damage to all employees, contractors, persons and property, in and around the work site. This requirement also applies to all sub-awarded projects. All safety plans must be made available to NOAA upon request.

8) SCUBA Safety

For any Self-Contained Underwater Breathing Apparatus (SCUBA) diving activities in a project, it is the responsibility of the recipient to ensure that SCUBA divers are certified to a level commensurate with the type and conditions of the diving activity being undertaken. Furthermore, it is the responsibility of the recipient to ensure that any SCUBA diving activities using Federal grant funds under this award meet, at a minimum, all applicable Federal, State, and local laws and regulations pertaining to the type of SCUBA diving being undertaken.

9) Invasive Species Control

Pursuant to Executive Order # 13112, recipients of NOAA funding cannot implement any actions that are likely to cause or promote the introduction or spread of invasive species, and should provide for restoration of native species and habitat conditions in ecosystems that have been invaded. NOAA recipients are expected to take positive steps to prevent the introduction of invasive species, provide for control of invasive species, and minimize the economic, ecological, and human health impacts that invasive species cause. Where possible and/or practicable, recipients should also respond rapidly to and control populations of invasive species in an environmentally sound manner, promote public education on invasive species, and conduct post-construction monitoring to ensure that impacts on native species did not occur (as applicable). NOAA can provide additional guidance on the detection, control and prevention of invasive species impacts upon request.

10) Technical Monitor

The Technical Monitor for this project is:

Dr. David Witting
501 West Ocean BLVD, Suite 4470
Long Beach, Ca 90802
562-980-3235 (office)
562-508-3264 (cell)
David.witting@noaa.gov

11) NEPA Concurrence Required

The recipient will not expend funds for any project implementation activities until they have received written concurrence from NOAA Fisheries on project selection and clearance from NOAA Fisheries on National Environmental Policy Act (NEPA) compliance on a project specific basis. The recipient agrees to assist and cooperate with NOAA Fisheries in the preparation of any NEPA compliance documentation related to projects sub-awarded under this cooperative agreement.

a was seen

12) New Award SAC

This award number NA10NMF4630082, to , California Coastal Conservancy, supports thework described in the Recipient's proposal entitled Southern California Wetlands Recovery Project dated 09/30/09 and revision dated 03/24/10, which are incorporated into the award by reference. Where the terms of the award and proposal differ, the terms of the award shall prevail.

4 3 32 4

	FICATE OF INSURAN pastal Conservancy, Sta		rnia Grant /	Agreement #: 10-067	ISSUE DATE (
PRODUCER (Agent or Broker)		C	HIS CERTIFICATE AMEND, EXTEND O COMPANY LETTER A	OF INSURANCE IS NOT R ALTER THE COVERAGE COMPANIES	AN INSURANCE POLICY AND DOES SE AFFORDED BY THE POLICIES BEL BEST'S RATING	
INSURED	CERTIFY THAT THE POLICIES OF INSUF	C	COMPANY LETTER B COMPANY LETTER C COMPANY LETTER D	SQUED TO THE INSURED	NAMED ABOVE FOR THE POLIC	CY PERIOD
INDICATED.	ERTIFY THAT THE POLICIES OF INSUIN NOTWITHSTANDING ANY REQUIREMEI EMAY BE ISSUED OR MAY BE ISSUED OF EXCLUSIONS AND CONDITIONS OF SUC	NT, TERM OR COI OR MAY PERTAIN	NDITION OF ANY C THE INSURANCE AF TS ARE SHOWN MA	ONTRACT OR OTHER DO FORDED BY THE POLICIE HAVE BEEN REDUCED B	ES DESCRIBED HEREIN IS SUBJE	
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSAN	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY				EACH OCCURRENCE	\$
	or □COMPREHENSIVE GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$
	☐ ISO form (1973) or comparable with Broad Form Comprehensive General				MEDICAL EXPENSE (any one person) PERSONAL & ADVERTISING	S
	Liability endorsement .				PERSONAL & ADVERTISING INJURY GENERAL AGGREGATE	\$
	OCCURENCE OTHER				PRODUCTS-COMP/OPS	\$
	☐ General Aggregate applies per project				AGGREGATE COMBINED SINGLE LIMIT (each	\$
	AUTOMOBILE LIABILITY ANY AUTO (ISO Form Number CA 0001, Code or equivalent.)				accident)	
	OTHER:				BODILY INJURY (Per person)	\$
	□ ALL OWNED AUTOS □ SCHEDULED AUTOS □ HIRED AUTOS □ NONOWNED AUTOS				BODILY INJURY (Per accident)	\$
	GARAGE LIABILITY				PROPERTY DAMAGE	\$
	EXCESS LIABILITY		 ,		EACH OCCURRENCE	\$
	UMBRELLA				AGGREGATE	\$
	OTHER THAN UMBRELLA FORM WORKERS' COMPENSATION AND				STATUTORY	\$
	EMPLOYERS' LIABILITY				EACH ACCIDENT	\$
	1				DISEASE-POLICY LIMIT	\$
	- 				DISEASE-EACH EMPLOYEE	\$
	PROPERTY INSURANCE		_		AMOUNT OF INSURANCE	\$
	□ COURSE OF CONSTRUCTION				PERCENT REPLACEMENT VALUE	
DESCRIPTION	OF OPERATIONS/LOCATION/VEHICLES/RESTR	ICTION/DEDUCTIBLES	S/SELF INSURED RETE	NTIONS/SPECIAL ITEMS		
 None of the Oakland, C. The State o It is agreed All rights of The worker 	LLOWING PROVISIONS above-described policies will be canceled A 94612. f Calidfornia (State), its officials, officers, en that any insurance or self-insurance maintai subrogation under the property insurance ps' compensation insurer named above, if at State or use of the State's premises or facili	until after 30 days' uployees and volunte ined by the State wil olicy listed above ha ny, agrees to waive	eers are added as ins I apply in excess of a live been waived again all rights of subrogat	ureds on all liability insuranc nd not contribute with, the in- ist the State. ion against the State for inju	e policies listed ABOVE. surance described above.	
CERTIFICA	ATE HOLDER/ADDITIONAL INSU	JRED	AUTHORIZED I	REPRESENTATIVE		
			SIGNATURE			
State of California		TITLE PHONE NO.		<u> </u>		

EXHIBIT 4