



PUBLIC NOTICE

**U.S. ARMY CORPS OF ENGINEERS
LOS ANGELES DISTRICT**

BUILDING STRONG®

AVAILABILITY OF PROSPECTUS FOR Upper Los Cerritos Wetland Mitigation Bank

Public Notice/Corps File No.: SPL-2016-00756-PKK

Project: Upper Los Cerritos Wetland Mitigation Bank

Comment Period: February 24, 2016 through March 26, 2016

Project Manager: Pam Keetka

Bank Sponsor

Synergy Oil and Gas, LLC
6433 E. 2nd Street
Long Beach, CA 90803

Contact

Glenn Lukos Associates
ATTN: Thienan Pfeiffer
29 Orchard
Lake Forest, CA 92630

Location

The proposed 77.3-acre mitigation bank is located on the northern portion of the existing Synergy Oil Field within the historic floodplain of the San Gabriel River and within the historical wetland complex known as the Los Cerritos Wetland Complex, in the city of Long Beach, Los Angeles County, California (Lat: 33.762133, Long: -118.1088956). The site is bound by the Pacific Coast Highway to the west, East 2nd Street to the south, Studebaker Road to the east, and the Los Cerritos Channel to the north (see attached figures).

Activity

Establish the Upper Los Cerritos Wetland Mitigation Bank at an existing estuarine complex with tidal connection to increase aquatic resource functions. Activities would include reestablishment of tidal salt marsh and the enhancement of upland transitional areas. For more information see the Additional Information section below (pages 2 through 5 of this notice). Supporting documents are available online (see link at the end of this notice) or from the address below.

Interested parties are hereby notified that a Prospectus has been received in order to establish a mitigation bank for the purpose of providing compensatory mitigation for unavoidable impacts to waters of the United States (U.S.) authorized by the Corps, or enforcement actions resolved under Section 404 of the Clean Water Act. Interested parties are invited to provide their comments on the proposed mitigation bank, which will become a part of the administrative record and will be considered by the Corps in making its determination whether there is potential for the bank to provide compensatory mitigation.

Comments should be mailed to:

Los Angeles District, U.S. Army Corps of Engineers
Regulatory Division
ATTN: Pam Kostka (CESPL-RGN-L)
915 Wilshire Boulevard, Suite 930
Los Angeles, California 90017

Alternatively, comments can be sent electronically to: pamela.k.kostka@usace.army.mil

Additional Information

The Mitigation Rule ("Rule") established a process and defined requirements for the establishment and management of mitigation banks, in-lieu fee (ILF) programs, and Permittee-responsible mitigation (33 C.F.R. § 332). In addition, the Rule established a public review process and timeline for the development of mitigation banks and in-lieu fee programs. This Bank establishment process will include the following: 1) public review and comment on the Prospectus, 2) Interagency Review Team (IRT)¹ coordination on the Prospectus and the Bank Enabling Instrument (BEI), 3) development of a program account, and 4) development of a credit release schedule.

Background

The Sponsor has submitted a Prospectus (dated September 30, 2016) to the Corps for the establishment of the Upper Los Cerritos Wetland Mitigation Bank ("Bank"). If authorized, this mitigation bank would receive monies from individuals or entities ("project proponent") receiving Corps authorization under Section 404 of the Clean Water Act and/or Section 10 of the Rivers and Harbors Act, when appropriate, to provide compensatory mitigation credit as part of Section 404 or 10 permit or enforcement actions within the proposed service area (Exhibit 13). Additionally, the proposed mitigation bank may be utilized to offset unavoidable impacts to waters of the State that are regulated by the Regional Water Quality Control Board under Section 401 of the Clean Water Act or Section 13260 of the Porter-Cologne Act, impacts to Essential Fish Habitat regulated by the National Marine Fisheries Service under the Magnuson Stevenson Fisheries Management Act, impacts to wetlands or other sensitive

¹ The Interagency Review Team (IRT) consists of member Agencies, and may include U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Fish and Game, and the Regional Water Quality Control Board(s).

habitats within the Coastal Zone regulated by the California Coastal Commission under the Coastal Zone Management Act, impacts to waters of the State regulated by the California Department of Fish and Wildlife, and impacts to ESA listed species and/or their critical habitat regulated by the U.S. Fish and Wildlife Service under the Endangered Species Act.

The proposed 77.3 acre Upper Los Cerritos Wetland Mitigation Bank is located within the currently active, 150-acre Synergy Oil Field (formerly known as the Bixby Oil Field), owned by Los Cerritos Wetlands, LLC. The Sponsor, Synergy Oil & Gas, LLC, is an entity owned by Los Cerritos Wetlands, LLC. The property is located within the larger Los Cerritos Wetland Complex (565 acres) which has been subject to various anthropogenic disturbances including urban development, oil extraction, farming, landfills, and burn dumps in the past century. Presently only remnant wetlands persist through out the overall Los Cerritos Wetland Complex. Remnant wetlands on the project site include Steamshovel Slough (approximately 30 acres), which the proposed Bank would preserve and enhance. With the exception of Steamshovel Slough and limited areas that currently are subject to tidal influence south of the existing berm, the remaining portions of the 77.3 acre proposed Bank area exhibit limited biological function due to years of disturbance from ongoing oil extraction. The proposed bank would bring back tidal influence to the Bank property to reestablish tidal salt marsh and related habitats. Oil infrastructure located directly south of the proposed Bank area would continue to be operated after the Bank is completed. Surface oil drilling would not continue within the proposed Bank area (77.3 acres), however the Bank Sponsor is requesting to maintain their mineral rights 500 feet below the surface so they could continue extracting oil from below the bank using directional drilling or similar methods. An earthen berm or sheet piles would be installed as a part of the Bank construction to inhibit any tidal exchange between the Bank site and the active oil field to the south of the Bank site.

The proposed bank site currently serves as foraging area for ESA listed California least tern (*Sterna antillarum browni*) and has the potential to serve as habitat for the Pacific green sea turtle (*Chelonia mydas*). Sea turtles have been documented immediately upstream of Steamshovel Slough within the Los Cerritos Channel. Essential Fish Habitat (EFH), as defined by the Magnuson-Stevens Fishery Conservation and Management Act, occurs within the proposed Bank area. The proposed Bank area includes EFH for various federally managed fish species within the Coastal Pelagic Species and Pacific Coast Groundfish Fishery Management Plans. The Bank proposes to conduct beneficial impacts to both EFH and ESA species habitats through the enhancement and expansion of the existing tidally influenced areas within the Bank property.

The objectives of the proposed Bank are as follows:

- Reestablish 22.38 acres of tidal salt marsh habitats through strategic grading and removal of segments of a constructed berm that restricts historic tidal connections between the Steamshovel Slough and the oil field (south of bank area)
- Reestablish 6.18 acres of transitional wetland with high-marsh species
- Rehabilitate 7.57 acres of coastal salt marsh habitat
- Enhance 0.72 acre of mulefat scrub in the upland area
- Enhance 31.23 acres of tidal salt marsh within the Steamshovel Slough

- Enhance 0.19 acre of transitional wetland within the Steamshovel Slough
- Construct the Studebaker trail within the upland scrub area near the eastern boundary of the property
- Enhance 8.56 acres of upland saltbush/goldenbush scrub area
- Perform 5-year monitoring and reporting program for the Bank
- Perform long-term management and maintenance for the Bank

Proposed Long Term Management Strategy

The Bank Sponsor has proposed the Los Cerritos Wetland Authority as the party responsible for long-term management of the Bank property. Long-term management of the Bank property would be financed by an endowment funded by the Bank Sponsor and would include on-going maintenance and management to ensure the long-term persistence of the Bank's biotic resources. The Bank Sponsor has also proposed the Los Cerritos Wetland Authority would hold the Bank property in fee title, and therefore no Conservation Easement has been proposed.

Proposed long-term management activities include: site inspection/conservation area enforcement, vegetation management, invasive species follow-up treatment, trash and debris removal, signage/fencing, erosion control, trail maintenance, and vector control.

Proposed Service Area

The proposed service area includes both primary and secondary service areas. The proposed primary service area includes all areas within the California Coastal Commission Coastal Zone from the border of Los Angeles County with Ventura County through northern San Diego County, and areas up to six miles inland of the Coastal Zone boundary within Los Angeles, Orange, and northern San Diego Counties (Exhibit 13).

The proposed secondary service area includes areas up to four miles inland of the primary service area, within Los Angeles, Orange, and northern San Diego Counties occurring within the same 10-digit HUCs as the primary service area, as well as all of the San Gabriel HUC-8 watershed (18070106).

Mitigation Approval and Permitting Processes

Mitigation requirements for a particular project are discussed between the project proponent and the Corps. The project proponent must first submit a compensatory mitigation proposal to the Corps describing the proposed use of an ILF Program or Mitigation Bank. Per the Mitigation Rule, preference is first given to use of Mitigation Banks over ILF Programs and Permittee-responsible mitigation types, as Bank credits are usually in place prior to the permitting of a proposed project.

As part of the process of establishing a Bank, the IRT would determine the types and number of potential Bank credits that may be generated. Upon meeting either administrative milestones (e.g., BEI completion, funding of long-term management endowment) or performance-based milestones (e.g., 1-year, 3-year, 5-year conditional assessments), potential credits then become released credits and are available for sale. The sponsor proposes to generate wetlands reestablishment, restoration (rehabilitation), enhancement, and preservation credits as well as upland buffer credits. All credit sales would be tracked and reported by the Bank sponsor to the Corps at minimum on an annual basis, and also uploaded to the Corps' Regulatory In-lieu Fee and Banking Information Tracking System (RIBITS).

In addition to the final IRT approvals of the Prospectus and completion of the final BEI, the Sponsor would also need to obtain the appropriate federal, state, and local permits required to implement the Bank restoration activities. The Bank sponsor would submit an application for Corps permit(s)² should the proposed Bank mitigation activities involve a discharge of dredge or fill material within waters of the U.S. The Corps would complete consultation, if appropriate, under the Endangered Species Act, the National Historic Preservation Act and other applicable federal laws, prior to any DA permit authorization.

To ensure a high level of confidence that the Sponsor's Mitigation Plan³ would be successfully completed in accordance with applicable mitigation performance standards, the Bank Sponsor, in coordination with the Corps, would secure sufficient financial assurances following Corps approval. Examples of acceptable financial assurances include performance bonds, letters of credit, and escrow accounts.

The Corps is soliciting comments from the public; Federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to help inform the Corps and the IRT as to the overall merits of the proposed Bank, the scope of the proposed mitigation bank, the delineation of the service area, the ecological suitability of the individual sites to achieve wetlands restoration, and to identify project aspects that should be addressed during the development of a draft BEI. Any comments received will be considered by the Corps to determine whether the proposal has the potential to provide mitigation opportunities for project proponents (permittees) authorized to impact waters of the U.S. under Section 404 of the Clean Water Act and/or Section 10 of the Rivers and Harbors Act or as a means of resolving Section 404 and/or Section 10 enforcement actions.

Additional details and project plans are provided in the Prospectus, available online at the following link: <https://ribits.usace.army.mil>. After clicking on the link, please follow the below steps or follow this direct link to download the [Prospectus](#):

- Under the Navigation Heading, click on "Banks & ILF Sites"
- Using the yellow drop-down arrow under the Banks and ILF Sites heading, filter state to "CA"

² The proposed mitigation activities may also require separate approvals from the Regional Water Quality Control Board and California Department of Fish and Wildlife.

³ The content of a complete Mitigation Plan is described in the Mitigation Rule, at 33 CFR 332.4(c)(2-14).

- Scroll down the alphabetized listing and click on “Upper Los Cerritos Wetland Mitigation Bank”
- Click on “Cyber Repository” located underneath the frog image
- Click on “Documents for Review”
- The prospectus and any associated support/technical documents are available in this folder. Please note that the Prospectus is a large file and may take several minutes to download.

Additionally, these documents are also available at the Corps’ Los Angeles office at the address below. For additional information please contact Pam Kostka at (213) 452-3420 or via e-mail at pamela.k.kostka@usace.army.mil.

This public notice is issued by the Chief, Regulatory Division.



Regulatory Program Goals:

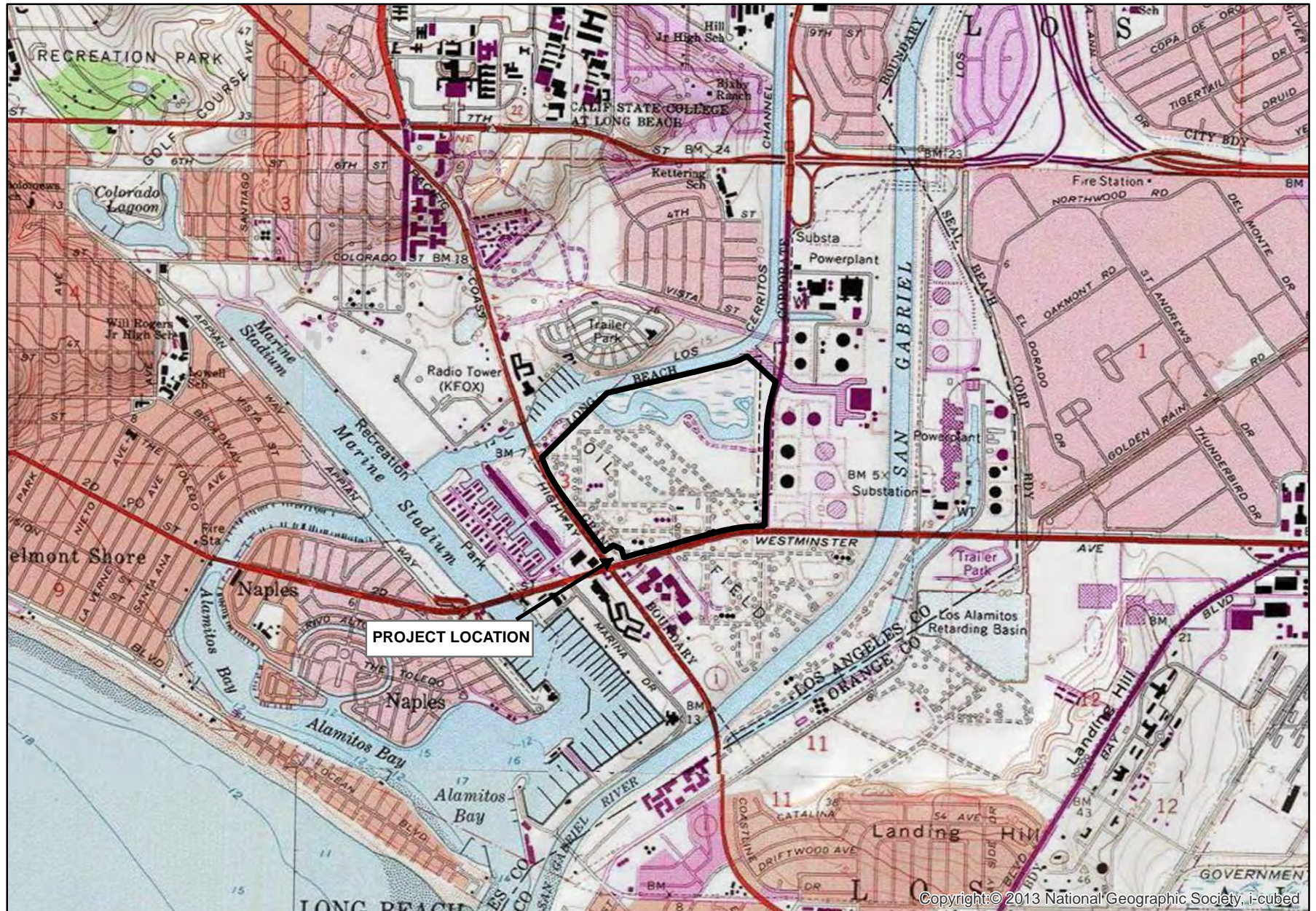
- To provide strong protection of the nation's aquatic environment, including wetlands.
- To ensure the Corps provides the regulated public with fair and reasonable decisions.
- To enhance the efficiency of the Corps’ administration of its regulatory program.

**DEPARTMENT OF THE ARMY
LOS ANGELES DISTRICT, U.S. ARMY CORPS OF ENGINEERS
915 WILSHIRE BOULEVARD, SUITE 930
WWW.SPL.USACE.ARMY.MIL/MISSIONS/REGULATORY**

Adapted from USGS Los Alamitos, CA quadrangle



0 1,000 2,000 4,000
Feet



UPPER LCW WETLANDS MITIGATION BANK PROSPECTUS

Vicinity Map

GLENN LUKOS ASSOCIATES

Exhibit 2





Legend

- Project Boundaries
- Synergy Site Phasing Boundary
- Phase 1 - Proposed Mitigation Bank (77.3 ac.)
- Phase 2 - Future Restoration NOT a part of the currently proposed Mitigation Bank(72.8 ac.)



0 275 550 1,100
Feet

1 inch = 550 feet

Coordinate System: State Plane 5 NAD 83
Projection: Lambert Conformal Conic
Datum: NAD83
Map Prepared by: K. Kartunen, GLA
Date Prepared: April 28, 2016

UPPER LCW WETLANDS MITIGATION BANK PROSPECTUS

Project Components Map


GLENN LUKOS ASSOCIATES

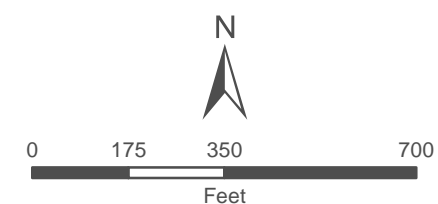
Exhibit 3





Legend

-  Tidal Marsh Re-establishment (22.38 ac.)
-  Transitional Wetland Re-establishment (5.00 ac.)
-  Transitional 2 Re-establishment (1.18 ac.)
-  Tidal Marsh Rehabilitation (7.57 ac.)
-  Upland Buffer Establishment (8.56 ac.)
-  Steamshovel Slough Enhancement (31.23 ac.)
-  Transitional 2 Enhancement (0.19 ac.)
-  Upland Buffer Enhancement (0.72 ac.)
-  Trail (0.47 ac.)
-  Project Boundary



1 inch = 350 feet

Coordinate System: State Plane 5 NAD 83
 Projection: Lambert Conformal Conic
 Datum: NAD83
 Map Prepared by: K. Kartunen, GLA
 Date Prepared: April 28, 2016

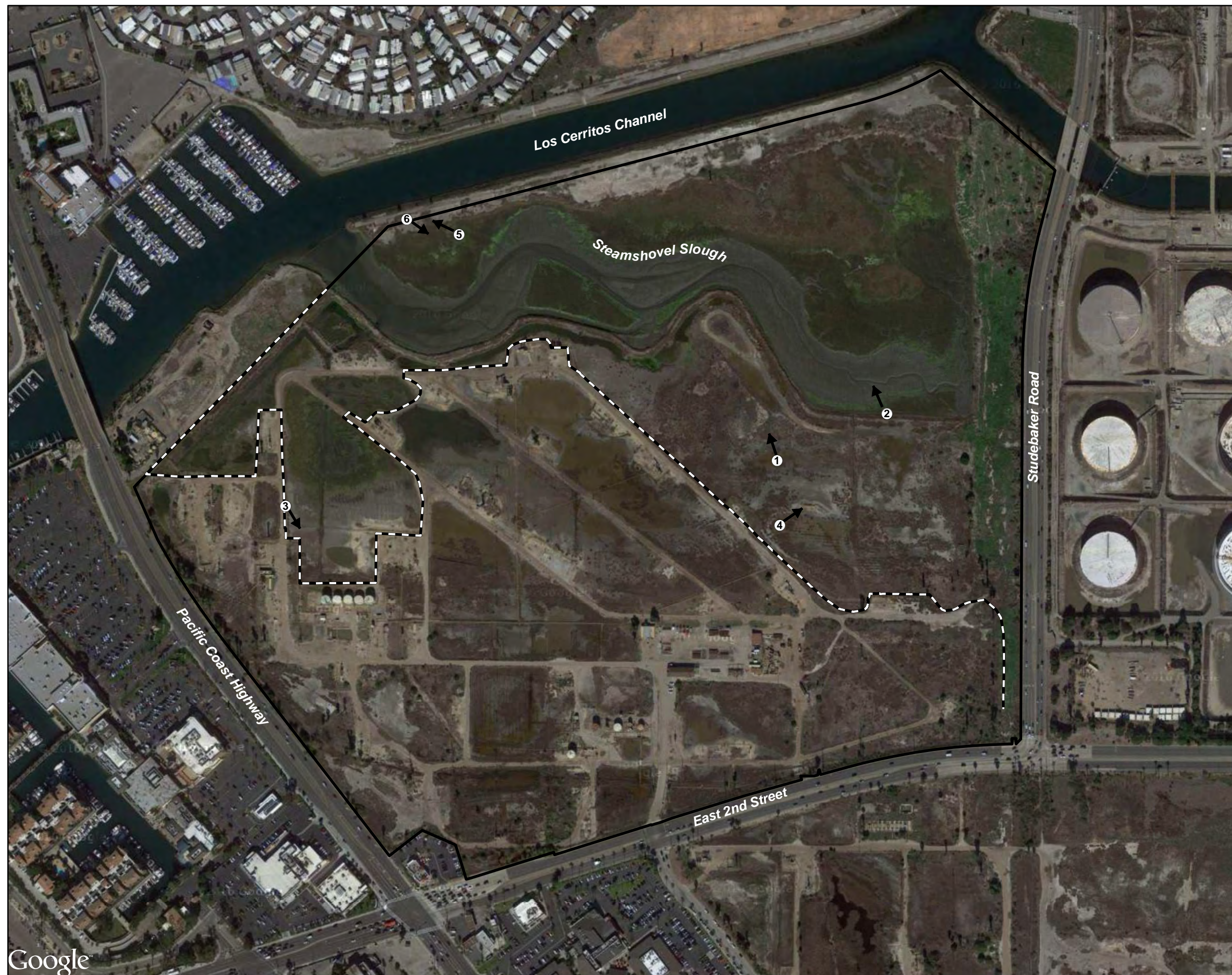
UPPER LCW WETLANDS MITIGATION BANK PROSPECTUS

Synergy Oil Field - Proposed Restoration



GLENN LUKOS ASSOCIATES

Exhibit 7





Legend

-  Synergy Site Phasing Boundary
-  Photo Location



0 175 350 700
Feet

1 inch = 350 feet

Coordinate System: State Plane 5 NAD 83
Projection: Lambert Conformal Conic
Datum: NAD83
Map Prepared by: K. Kartunen, GLA
Date Prepared: April 28, 2016

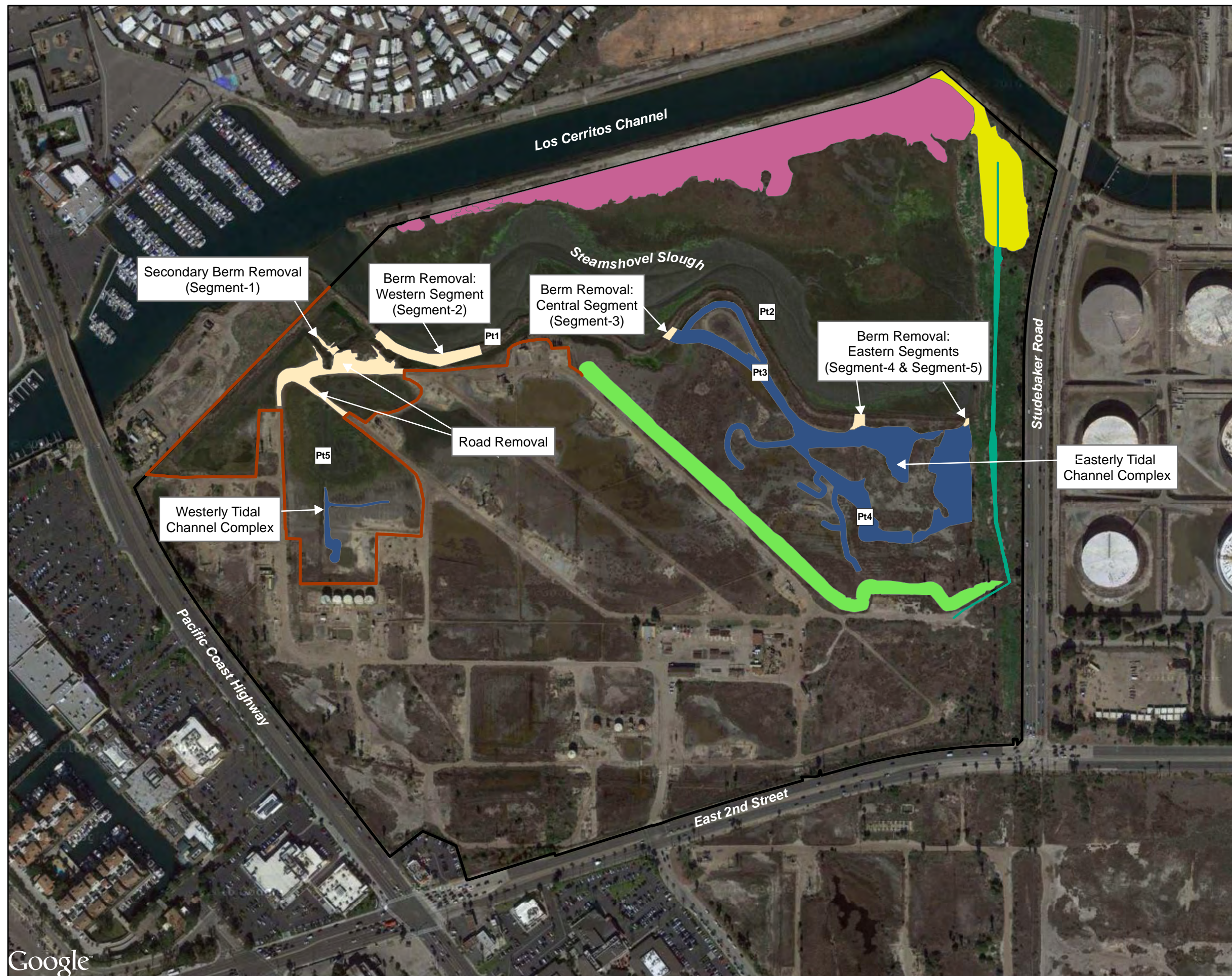
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Photo Location Map

GLENN LUKOS ASSOCIATES

Exhibit 8A





Legend

- Hydraulic Modeling Points
- Berm/Road Removal
- Overlook Terrace Fill
- Seawall Berm
- Sheetpile Wall
- Tidal Channel Grading
- Trail
- Transitional Wetland Grading
- Project Boundary



0 175 350 700
Feet

1 inch = 350 feet

Coordinate System: State Plane 5 NAD 83
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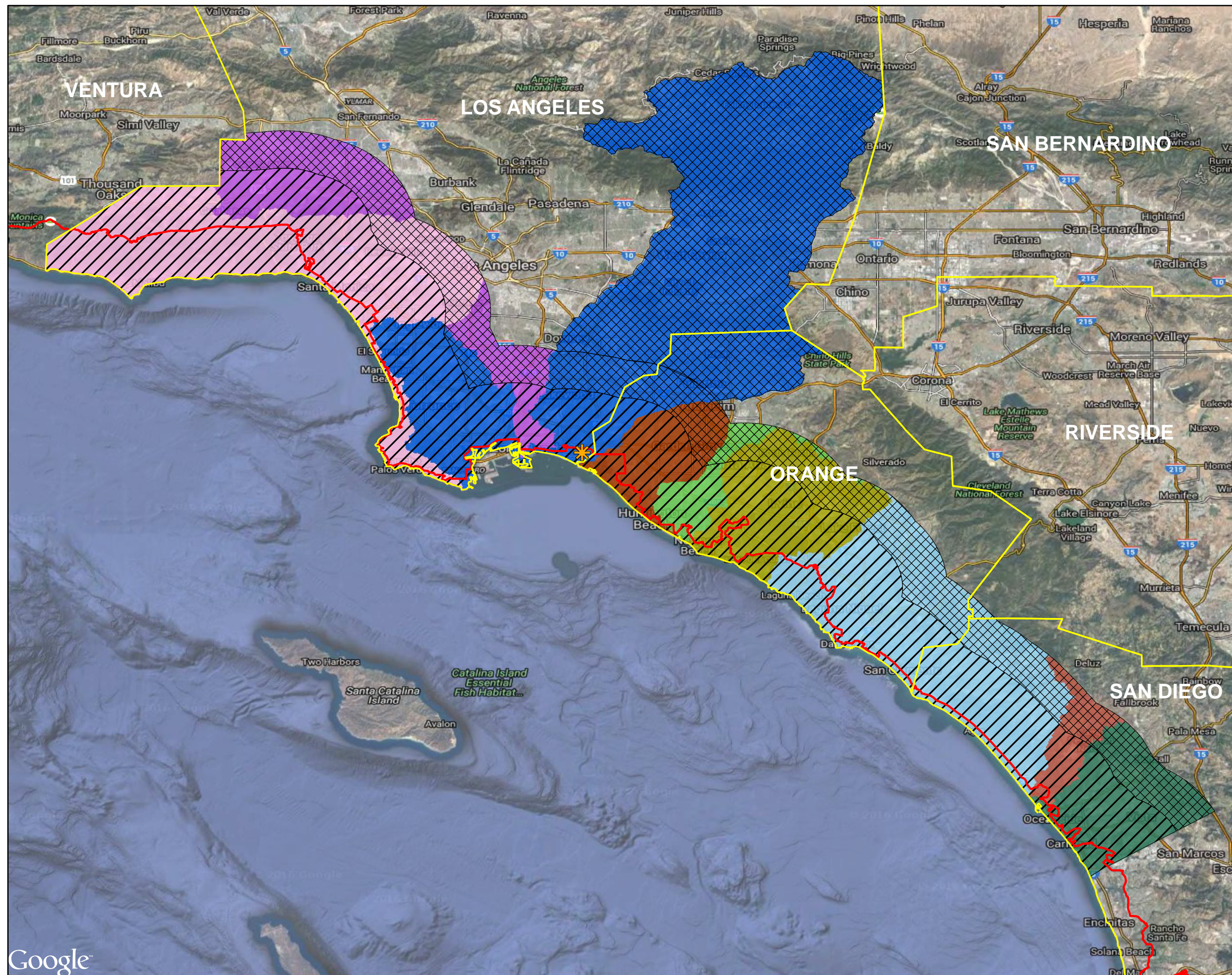
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Synergy Oil Field - Restoration Work Plan















GLENN LUKOS ASSOCIATES

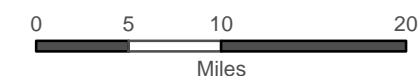
Exhibit 10A





Legend

-  Mitigation Bank
-  County Line
-  Coastal Zone Boundary
-  Primary Service Area
-  Secondary Service Area
- HUC 8**
-  Aliso-San Onofre
-  Los Angeles
-  Newport Bay
-  San Gabriel
-  San Luis Rey-Escondido
-  Santa Ana
-  Santa Margarita
-  Santa Monica Bay
-  Seal Beach



1 in = 10 miles

UPPER LCW WETLANDS MITIGATION BANK PROSPECTUS

Service Area Map

GLENN LUKOS ASSOCIATES



Exhibit 13