



November 17, 2016

Chris Mathys
Rhine LP and Morro 94 LLC
2141 Tuolomne Street
Fresno, CA 93721

RE: Biological Assessment Letter Report for the Fuel Tank Demolition Project located at 3300 Panorama Drive, Morro Bay, California (APN: 065-038-001)

Dear Mr. Mathys,

Per your request, Terra Verde Environmental Consulting, LLC (Terra Verde) conducted biological surveys of the property located at 3300 Panorama Drive, Morro Bay, California (APN: 065-038-001) (see Attachment A: Figure 1 – Project Vicinity Map). Results of the biological surveys and subsequent report were in support of permit applications submitted to the City of Morro Bay (City) for the demolition activities. Proposed demolition activities include removal of two fuel holding tanks, one water tank, associated pumps and piping, and shotcrete from the berms surrounding the holding tank areas. Collectively these demolition and removal activities are referred to as the project herein. Three existing operations buildings, asphalt parking lots, and a concrete containment area surrounding the pumps are also present near the site entrance adjacent to Panorama Drive. These facilities are proposed for removal at a later date, under a separate permit. During the surveys Terra Verde biologists and botanists assessed the entire property for potential waters and wetlands, special-status plant and wildlife resources, nesting birds, and roosting bats which, if present, have potential to be impacted by the proposed project. This report addresses each of the environmental resource concerns discussed with City Environmental Planner, Whitney McIlvaine, in support of the City's CEQA review process on June 16, 2016 and public comments received by the Morro Bay Stakeholders on October 17, 2016. This includes identification and mapping of all Environmentally Sensitive Habitat Area (ESHA), as described per the City's Local Coastal Plan (LCP), on the project site for avoidance during proposed demolition activities.

Background

Prior to conducting the biological surveys, background research was conducted of literature and studies pertaining to sensitive resources in the project area. Specifically, the California Department of Fish and Wildlife (CDFW) California Natural Diversity Database (CNDDDB) was accessed to identify potential sensitive plant and wildlife species which have potential to occur on the site or in the immediate surrounding area. The United States Geologic Survey (USGS)



topographic maps were utilized to identify potential aquatic resource areas and the United States Fish and Wildlife Service (USFWS) Critical Habitat maps were evaluated for designated Critical Habitat within the project area. Further, local technical documents that specifically address the sensitive resources of Morro Bay, including the *Atlas of Sensitive Species of the Morro Bay Area* (Sims, 2010) were reviewed.

It should be noted that the County has experienced below average rainfall from 2012 to 2015 which has affected plant communities and drainages throughout the County including those occurring within the project area. However, the field survey that Terra Verde staff conducted was of sufficient detail and biological expertise to determine species presence and/or their likelihood of occurrence during construction and future operations. The field survey was conducted within the typical blooming period for most plant species. Further, habitat requirements were specifically evaluated for any special-status plant and wildlife species documented within the vicinity of the survey area based on the CNDDB records.

Survey Methodology

The initial survey was completed by Terra Verde Biologist Rhett Blanton during the morning hours of February 25, 2016 with focus on identification of nesting birds and/or roosting bats in the subject property. Weather conditions were favorable for detection of nesting birds and roosting bats (65 – 71 degrees Fahrenheit [°F], calm, and clear).

The second biological survey was conducted by Terra Verde botanist, Amy Golub-Tse, along with Mr. Blanton on the afternoon of May 18, 2016. Conditions were partially overcast, light winds, and 60 – 64 °F. The primary goal of the second survey was to assess the property for any special-status botanical resources (i.e., Eastwood's larkspur [*Delphinium parryi* ssp. *eastwoodiae*], Jones' layia [*Layia jonesii*], San Luis Obispo owl's clover [*Castilleja densiflora* var. *obispoensis*], etc.) per the results of the CNDDB query (see Appendix A: Figure 2 – 5-mile Botanical CNDDB Map). The survey was appropriately timed to coincide with the blooming period for all potentially occurring special-status plant species.

During the May 18th survey, the property was also assessed for suitable habitat for the federally threatened California red-legged (*Rana draytonii* [CRLF]) (Federally Threatened [FT], State Species of Special Concern [CSC]) and all other potentially occurring special-status wildlife species identified in the CNDDB query (see Appendix A: Figure 3 – 5-mile Wildlife CNDDB Map). Aquatic resource areas on the site were thoroughly examined during the effort for potential to support CRLF. This area was limited to the small ephemeral drainage feature transecting the northwestern boundary of the site (see Appendix A: Figure 4 – Plant Community and Sensitive Resources Map).



Further, in accordance with the City's LCP, those communities identified on site as coastal streams/riparian habitats and suitable habitat for rare and endangered species (i.e., ephemeral drainage) were mapped using a Global Positioning System (GPS) as ESHA.

The surveys were conducted by walking meandering transects throughout the entire project area and a visual scan beyond (collectively, survey area). Wildlife species observed in the survey area were identified to species level and plant communities were characterized.

Existing Conditions

The majority of the property is highly disturbed containing a mixture of nonnative, annual grasses and weeds. Fuel tank containment areas are dominated by nonnative annual grasses with several ornamental and Monterey cypress trees (*Cupressa macrocarpa*) along with various pipeline components including those within the fuel tank containment areas (see Attachment B – Site Photographs 1 and 2). A third, smaller metal water tank is set between and upland of the two fuel tank areas and is surrounded by Monterey cypress trees. Operations buildings and a paved entrance are present to the south of the fuel tank containment areas bordering Panorama Drive. Above ground pumps and a concrete containment for the pumps are located immediately adjacent to the northernmost operations building (i.e., control building).

According to the Natural Resources Conservation Service (NRCS) soil report, the majority of the survey area (78 percent) is comprised of Diablo and Cibo clays, 9 – 15 percent slopes. A small portion of the survey area (4 percent) adjacent to Panorama Drive is characterized as Cropley clay, 2 – 9 percent slopes, while the remaining 18 percent of the survey area (the northern extent of the property including the unnamed drainage area) is comprised of the Los Osos-Diablo complex, 30 – 50 percent slopes.

The unnamed drainage present along the northwestern perimeter of the property conveys flows from the upslope hillside into a culvert located north of the control building, pump area, and paved parking lot, and ultimately into the Pacific Ocean. The drainage is mapped as a blue line stream according to the USGS topographic maps and is ephemeral in nature. No water was present in the drainage during either of the surveys. This may be due to the below average precipitation throughout the County from 2012 to 2015 and/or from the ephemeral nature of the drainage system. At the northernmost portion of the property, the drainage is characterized as riparian scrub dominated by Arroyo willow (*Salix lasiolepis*) with an understory of herbaceous vegetation including California rose (*Rosa californica*), poison oak (*Toxicodendron diversilobum*), and California blackberry (*Rubus ursinus*). Further south of the riparian scrub, conditions surrounding the drainage are highly disturbed. A linear row of Monterey cypress trees is present along the top of the drainage bank interspersed with ornamental pine trees (*Pinus* sp.) along the westernmost bank. No vegetation was present within understory of the Monterey cypress trees or within the drainage feature at this location (refer to Attachment B).



The unnamed tributary and the associated riparian corridor (riparian scrub) are considered ESHA and were mapped via GPS for avoidance during proposed demolition work. Banks of the unnamed drainage and associated riparian vegetation are within the jurisdiction of CDFW while the bed of the tributary, below the ordinary high water mark, is within the jurisdiction of the U.S. Army Corps of Engineers (Corps) and Regional Water Quality Control Board (RWQCB). No disturbance is proposed within the limits of ESHA for the unnamed tributary as a result of project activities.

Survey Results and Special-status Species Discussion

Based on results of the CNDDDB query, 18 special-status plant species and 17 special-status wildlife species have potential to occur based on occurrences within a 5-mile radius of the project area (refer to Figures 2 and 3). Most of the special-status species were determined to have no potential to occur based on lack of suitable habitat. No special-status plant species were discovered during the appropriately timed botanical survey and thus are not discussed further in this report.

According to the CNDDDB, nine occurrences of CRLF (FT, CSC) have been documented within a five-mile radius of the project site. The closest CRLF occurrence (CNDDDB Occurrence 426) is at the confluence of the unnamed drainage and a second unnamed drainage at the northern extent of the property (based on coordinates within the CNDDDB). According to the CNDDDB record, CRLF were observed in 2000 at this location.

CRLF is generally found along marshes, streams, ponds, and other permanent sources of water where dense scrubby vegetation such as willows, cattails, and bulrushes dominate and water quality is suitable. Breeding sites occur along watercourses with pools that persist long enough for breeding and larval development. Breeding time depends on winter rains but is usually between late November and late April (Jennings 1986).

CRLF are found widespread throughout drainages in San Luis Obispo. The survey area is located within the current and historic range of CRLF (Stebbins 2003, USFWS 2005) and is located in close proximity to USFWS designated Critical Habitat (refer to Figure 3). Population declines have been attributed to loss of habitat and an increase in predator densities. Habitat loss may stem from a variety of land use practices such as urbanization, agriculture, farming, and livestock grazing (USFWS 2005).

Disturbed, annual grasslands within the project site are poorly suited for CRLF, however the unnamed drainage along the northern site boundary provides suitable forage, sheltering, and dispersal capability for the species with the potential increasing during favorable conditions (i.e., wet conditions). Specifically, the upper portion of the drainage with riparian scrub provides suitable habitat conditions and is protected from anthropogenic and other



disturbances by permanent fencing. Downstream of the riparian scrub portion of the unnamed drainage, habitat conditions are less advantageous for CRLF. Drainage banks are steeply sloped and completely lack vegetive cover. No small mammal burrows, undercut banks, exposed root wads, or other refugium sites were noted. No deep pools (i.e., breeding habitat) were discovered in the survey area. Further, no CRLF were observed during either of the survey efforts. Although the disturbed interior of the site (annual grasslands) are generally poorly suited for CRLF, the species is capable of dispersing up to two miles between aquatic habitats.

Based on the CNDDDB records coupled with habitat conditions within the riparian scrub portion of the unnamed drainage and dispersal capability of this species, there is low potential for CRLF to occur in the project site, specifically the unnamed drainage. Further, it is considered unlikely that CRLF would occupy the interior of the site (i.e., tank containment areas) due to lack of suitable habitat.

Ornamental shrubs, Monterey cypress trees, pine trees, and building structures within the project site provide suitable nesting habitat for a variety of raptor and passerine species. Specifically, mature Monterey cypress trees and pine trees throughout the site offer suitable canopy and structure for nesting raptors including Cooper's hawk (*Accipiter cooperii*), a CDFW Watch List species during nesting which has been documented within five miles of the project site. Numerous passerine species were identified during the survey efforts and one active barn swallow nest was observed within the rafters of the control building during the May 18th survey which are expected to be fledged by the end of June. Several other inactive nests were observed in the vacant metal building near the site entrance adjacent to Panorama Drive (refer to Attachment B). No roosting bats, or sign thereof, were observed within the vacant building structures, overhangs, or trees on the site.

Based on current site conditions and results of the biological surveys, no other special-status wildlife species are expected to occur on the site.

Impact Discussion

The project area is primarily comprised of disturbed, nonnative annual grasslands. Two, large containment areas surround the two fuel tanks planned for removal. Occasional ornamental trees and Monterey cypress trees are present within the containment areas along with nonnative annual grasses. Containment basins contain various piping components associated with the tanks and are surrounded by shotcrete covered slopes. The piping, shotcrete covering the slopes, and foundations under the tanks are also planned for removal as part of the project. Outside the containment basins, associated pumps and piping are planned for removal adjacent to the control building and south of the unnamed tributary. The control building, two other existing buildings near the site entrance, concrete containment surrounding the pumps, and the asphalt parking lot will be removed at a later date once appropriate permitting is in place.



An unnamed drainage is present along the northwestern portion of the site. The drainage is considered ESHA and within the jurisdiction of CDFW, Corps, and RWQCB. The northern portion of the drainage is comprised of riparian scrub dominated by willow scrub habitat. Lower portions of the drainage are deeply incised and lack vegetation.

One sensitive wildlife species, California red-legged frog as well as nesting birds, have potential to occur on the site. Mitigation measures are recommended to avoid impacts to ESHA and these sensitive wildlife resources during proposed demolition activities.

ESHA

Indirect impacts to the drainage feature and associated ESHA may occur during demolition and removal work via sedimentation, introduction of pollutants, and deposition of fugitive dust. Equipment access and excavation work is likely to temporarily disturb soils in the vicinity of ESHA while pipe removal work north of the control building and near the culvert entrance would occur adjacent to the top of the drainage bank. No pipe removal work is proposed within the drainage. Disturbed soils may be washed into the drainage during the subsequent rain season or directly discharged while exposing underground piping. Equipment operating near ESHA has potential to introduce petroleum based pollutants associated with equipment leaks, spills, or line breaks. Additionally, dismantling and exposing piping could result in inadvertent discharges into the waterway. Lastly, fugitive dust impacts may occur to the unnamed drainage and associated vegetation during earthmoving, demolition of shotcrete covered slopes, concrete foundation removal under the tanks, as well as future masonry building demolition. The following avoidance and mitigation measures are recommended to minimize and/or avoid impacts to ESHA as a result of current proposed demolition and future building removal activities:

- Limits of ESHA shall be clearly delineated using brightly colored construction fencing prior to implementation of any demolition activity. ESHA fencing shall be maintained in good order for the duration of the project.
- No equipment access, excavation, or other land disturbing activities will occur within the limits of ESHA.
- If disturbance to ESHA cannot be avoided, appropriate permits (i.e., CDFW Lake and Streambed Alteration Agreement) will be obtained prior to work.
- Appropriate erosion and sediment control measures will be installed and maintained for soil disturbances which could lead to sedimentation impacts to the unnamed tributary. Upon completion of demolition and removal activities, all disturbed areas adjacent to ESHA will be appropriately stabilized (i.e., erosion control hydroseed, biodegradable wattles, mulch, etc.).
- Erosion control materials shall not contain monofilament materials as these materials are known to entangle wildlife.



- Any equipment or vehicles operated adjacent to ESHA shall be checked and maintained daily, to prevent leaks that could be harmful to wildlife.
- Emergency spill kits shall be present at the site and personnel shall be trained in proper use of the spill kit during all demolition and removal activities.
- Appropriate amounts of water will be used to suppress fugitive dust during demolition and earth disturbing work.

CRLF and other Wildlife Species

CRLF and other common wildlife species have the potential to be directly impacted by project activities through crushing, trampling, and other construction related disturbances. To avoid and/or minimize these potential impacts to CRLF and other common wildlife species, the following measures are recommended:

- A qualified biologist shall survey the project site no more than 48-hours before the start of work activities. If CRLF are detected within the unnamed tributary and out of harm's way, a biological monitor shall monitor all demolition and removal activities within 50 feet of suitable habitat. If CRLF is found within any of the areas planned for disturbance, the USFWS shall be contacted for guidance on how to proceed. No work shall occur until receipt of authorization to proceed from the USFWS.
- Work shall halt if CRLF are discovered during the course of project activities within demolition and removal areas. The USFWS shall be contacted prior to any future work.
- All common wildlife species encountered during the course of project activities shall be allowed to leave the area unharmed on their own volition.
- No project-related materials and/or equipment shall be allowed within the designated ESHA area without prior approval from regulatory agencies.

Special-status and Nesting Birds

Impacts to nesting birds, including those protected by Fish and Game Code and the Migratory Bird Treaty Act (MBTA), may occur if demolition and removal, ground disturbance, or vegetation removal occurs during the typical nesting period (February 1 to September 15). Potential direct impacts include nest disruption or abandonment from vegetation clearing or trimming, construction noise, and equipment vibration. Indirect impacts to nesting birds may include loss of nesting and foraging habitats. Mitigation measures are recommended to avoid impacts to special-status and nesting bird resources:

- Demolition and removal activities, earth disturbance, and vegetation clearing shall be avoided during the typical nesting season (February 1 – September 15) to the extent feasible. If avoiding project activities during this season is not feasible, a qualified biologist shall survey the area within one week prior to activity beginning on the site. If nesting birds are located, they shall be avoided until they have successfully fledged or are no longer reliant on parental care. A buffer zone of 250 feet will be placed around all

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non-sensitive passerine bird species and 500 feet for all raptor species unless buffer reductions are coordinated with CDFW based on compelling biological and ecological reasoning. Activity will remain outside of buffers until a qualified biologist has determined that the young have fledged or the young are no longer reliant on parental care. If special-status bird species are located, no work will begin until an appropriate buffer is determined by consultation with the City, the local CDFW biologist, and/or the USFWS.

Conclusion

The proposed project involves the removal of two fuel tanks, one water tank, tank foundations, associated pumps and piping, and shotcrete covering the slopes around the tank containment areas. Future demolition work under a separate permit would involve removal of the control building, concrete pump containment adjacent to the control building, two buildings near the site entrance, and the asphalt parking lot. The proposed activity has potential to impact ESHA, CRLF (if present), and nesting birds. Measures are recommended in this report for avoiding and/or minimizing potential impacts to these sensitive resources.

If you should have any questions and/or require additional information for review purposes, please contact me at rblanton@terraverdeweb.com or 805-458-3451.

Sincerely,

A handwritten signature in black ink that reads "Rhett Blanton". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.

Rhett Blanton
Biologist

Attachment A – Project Maps

Figure 1: Project Vicinity Map

Figure 2: 5-mile Botanical CNDDDB Results Map

Figure 3: 5-mile Wildlife CNDDDB Results Map

Figure 4: Plant Community and Sensitive Resources Map

Attachment B – Site Photographs



References

- California Natural Diversity Database Rarefind. 2016. The California Department of Fish and Game Natural Diversity Database, version 3.1.1 Available Online at: <http://www.dfg.ca.gov/biogeodata/cnddb/mapsanddata.asp>. Accessed May and June 2016.
- Jennings, M. R., and M. P. Hayes, 1986. *Decline of ranid frog species in western North America: are bullfrogs (Rana catesbiana) responsible?* Journal of Herpetology, Vol. 20, No. 4: 490-509.
- Natural Resources Conservation Service (NRCS)/United States Department of Agriculture (USDA), 2012. Available Online at: <http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>. Accessed June 2016.
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- Stebbins, R.C., 2003. *Western Reptiles and Amphibians, Third Edition*. Houghton Mifflin. Boston, Massachusetts.
- United States Department of Agriculture, National Cooperative Soil Survey. 1984. Soil Survey of San Luis Obispo County.
- United States Department of the Interior, Geological Survey (USGS). Morro Bay North, California 7.5-minute Quadrangle. Geological Survey.
- United States Fish and Wildlife Service Critical Habitat Map. Available Online at: <http://fws.maps.arcgis.com/home/webmap/viewer.html>. Accessed May, 2016.



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Attachment A – Project Maps

Figure 1: Project Vicinity Map

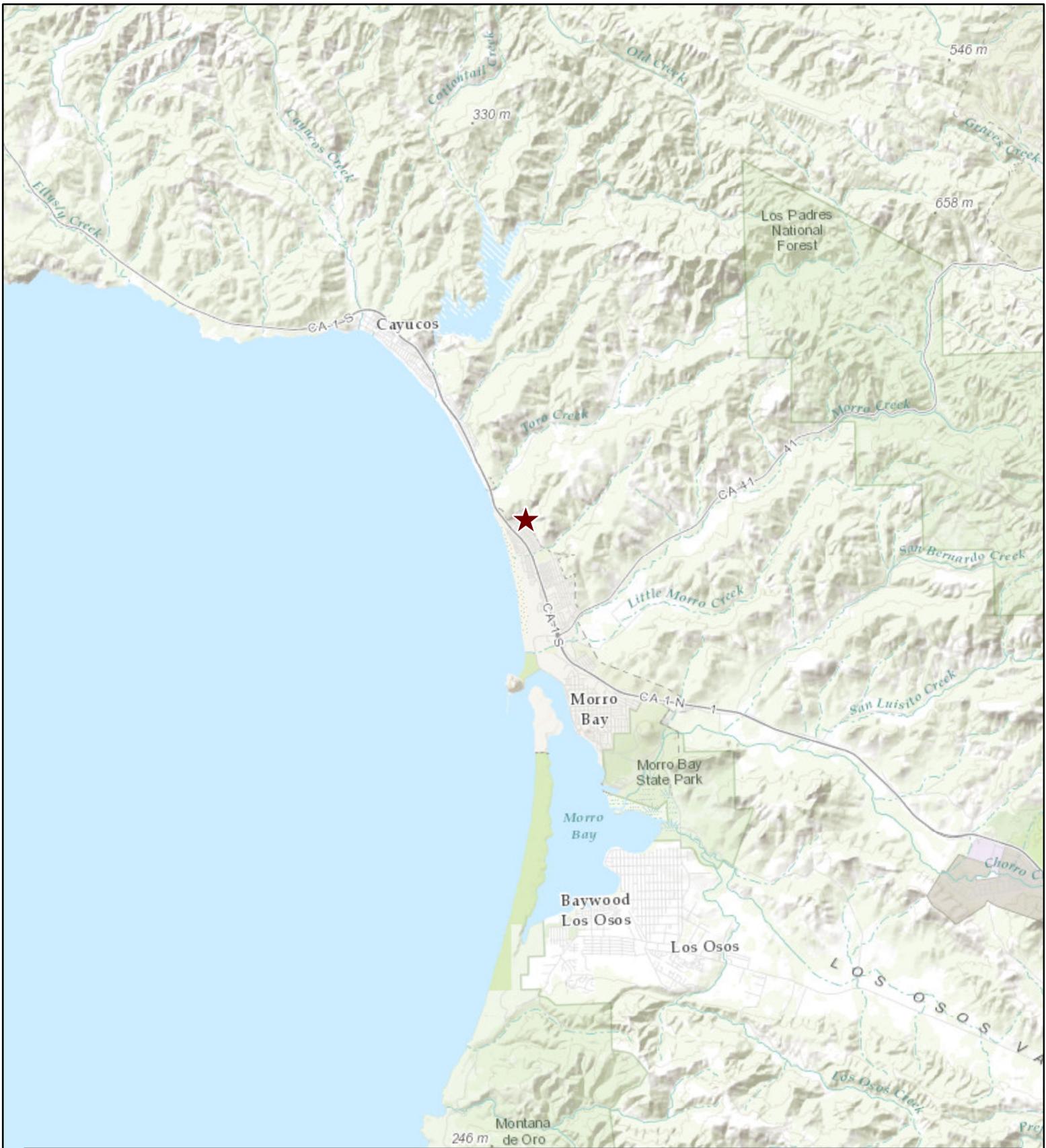
Figure 2: 5-mile Botanical CNDDDB Results Map

Figure 3: 5-mile Wildlife CNDDDB Results Map

Figure 4: Plant Community and Sensitive Resources Map



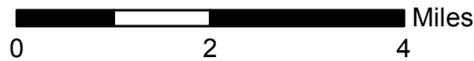
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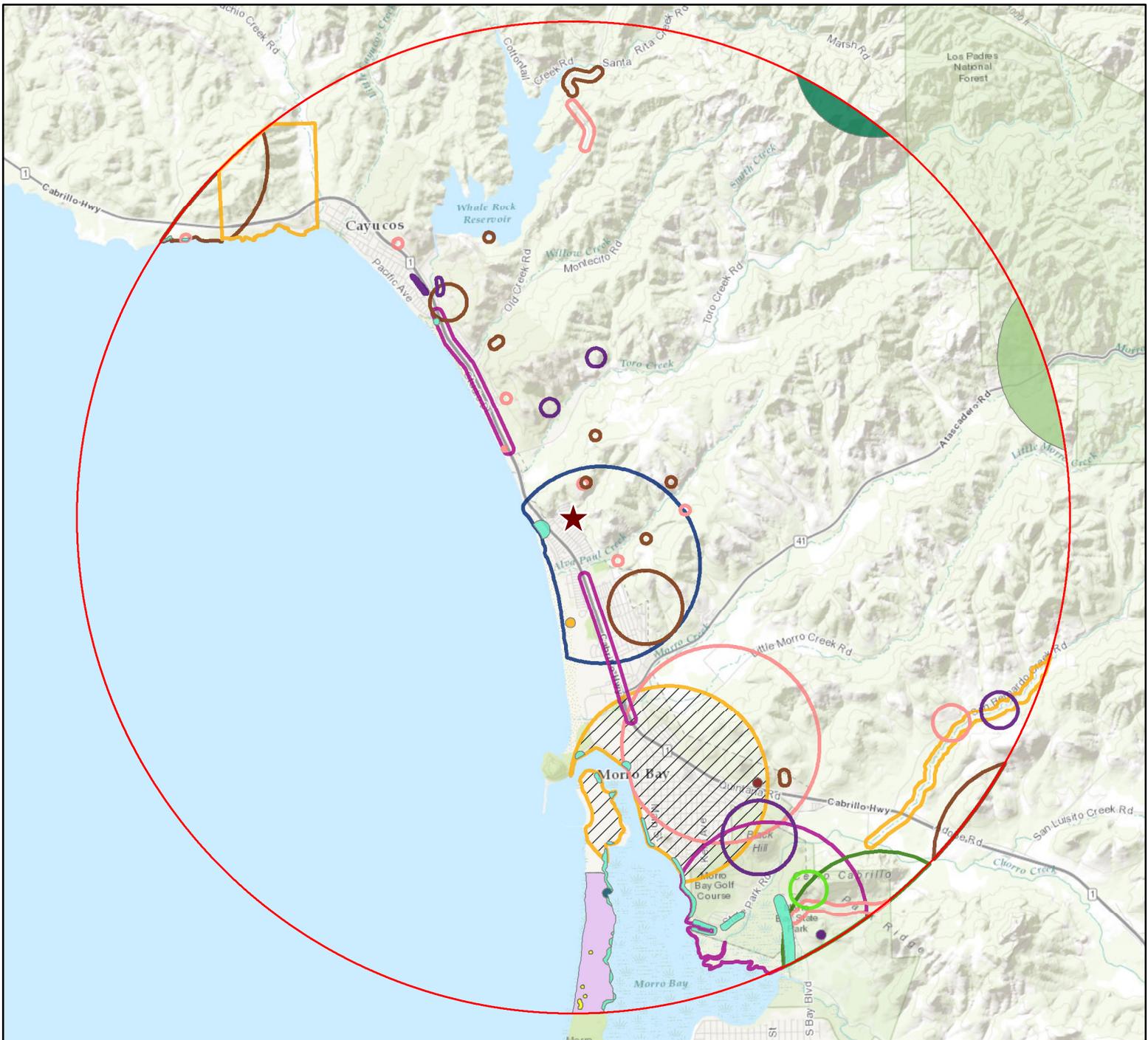


**3300 Panorama Drive: Fuel Tank Demolition Project
Figure 1: Project Vicinity Map**



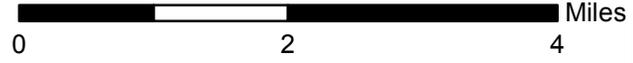
★ Project Location





3300 Panorama Drive: Fuel Tank Demolition Project
Figure 2: 5-mile Botanical CNDDB Map

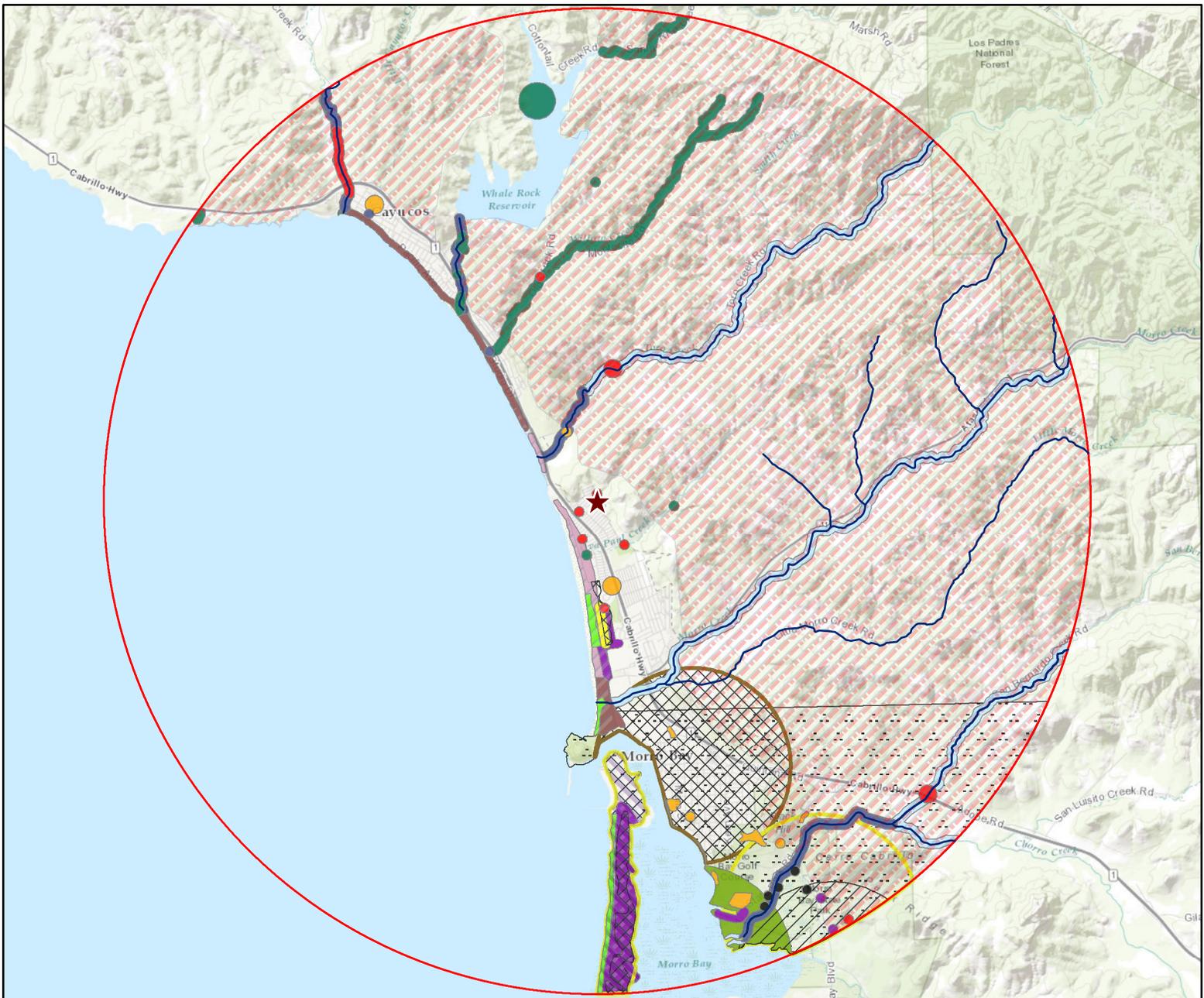
- | | | |
|-------------------------------|-------------------------|--------------------------------|
| ★ Project Location | ■ Cambria Morning-glory | ▨ San Joaquin Spearscale |
| □ 5-mile Buffer | □ Eastwood's Larkspur | □ San Luis Obispo Owl's-clover |
| □ Arroyo de la Cruz Manzanita | □ Jones' Layia | □ Beach Spectaclepod |
| □ Betty's Dudleya | □ Miles' Milk-vetch | □ Coast Woolly-heads |
| □ Blochman's Dudleya | □ Morro Manzanita | □ Salt Marsh Bird's-beak |
| □ Blochman's Leafy Daisy | □ Oso Manzanita | □ Umbrella Larkspur |
| □ California Seablite | □ San Benito Fritillary | |



CNDDB data: California Department of Fish and Wildlife, 2013; accessed May 2016.

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community





3300 Panorama Drive: Fuel Tank Demolition Project
Figure 3: 5-mile Wildlife CNDDB and Critical Habitat Map

- | | | |
|---|----------------------------|--------------------------|
| ★ Project Location | California Red-legged Frog | Obscure Bumble Bee |
| — Steelhead Critical Habitat | Cooper's Hawk | Pallid Bat |
| □ 5-mile Buffer | Morro Bay Blue Butterfly | Sandy Beach Tiger beetle |
| ▨ California Red-legged Frog Critical Habitat | Morro Shoulderband Snail | Steelhead - S-Cen CA |
| ▨ Morro Shoulderband Snail Critical Habitat | Black Legless Lizard | Tidewater Goby |
| ▨ Western Snowy Plover Critical Habitat | Coast Horned Lizard | Western Pond Turtle |
| ■ California Black Rail | Globose Dune Beetle | Western Snowy Plover |
| ■ California Clapper Rail | Monarch Butterfly | |

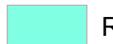


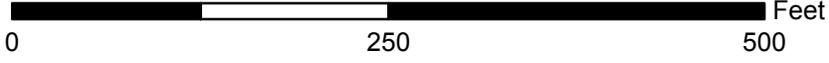
CNDDB data: California Department of Fish and Wildlife, 2013; accessed May 2016.
 Critical habitat data: US Fish & Wildlife Service, Geospatial Services 2005 and 2013; accessed May 2016.

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



3300 Panorama Drive: Fuel Tank Demolition Project
Figure 4 - Plant Community and Sensitive Resource Map

-  Culvert Entrance
-  Approximate Property Boundary
-  Riparian Scrub
-  Barn Swallow Nest
-  Ornamental
- AG: Nonnative Annual Grasslands
-  ESHA Boundary
-  Drainage Feature



Stream data: County of SLO, 2006; accessed March 2016.
 Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community



Attachment B: Site Photographs



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Photo 1. Southernmost fuel tank containment area surrounded by shotcrete covered slopes, view north (May 18, 2016).



Photo 2. Northernmost fuel tank containment area with piping in the foreground, view northeast (May 18, 2016).



Photo 3. Pump and piping structures adjacent to the control building in the vicinity of the drainage culvert entrance, view east (May 18, 2016).



Photo 4. Unnamed drainage feature conditions south of the Monterey cypress tree canopy at the culvert entrance, view north (May 18, 2016).



Photo 5. Unnamed drainage with linear row of Monterey cypress trees planted along the top of bank (limits of ESHA), view south (May 18, 2016).



Photo 6. View north of the unnamed drainage. ESHA transitions from the top of bank to the dripline of riparian scrub at the fence line, view north (Feb. 25, 2016).



Photo. 7 Riparian scrub surrounding the unnamed drainage at the northern extent of the property, view west (May 18, 2016).



Photo 8. View southwest of limits of the northernmost containment area (left) relative to the limits of ESHA (right) (Feb. 25, 2016).



Photo 9. Barn swallow nestlings in a mud nest under the carport of the control building (May 18, 2016).



Photo 10. Inactive nest under the overhang of the vacant metal building near the site entrance and Panorama Drive (May 18, 2016).