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Secretary for
Environmental Protection

California Regional Water Quality Control Board San Diego Region

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August 6, 2010

Certified Mail – Return Receipt Requested
Article Number: 7010 1060 0000 4952 5651

Jason Michael
DKN Holdings, L.L.C.
P.O. Box 890896
Temecula, CA 92589

In reply refer to:
241924: cloflen

Dear Mr. Michael:

**SUBJECT: Amendments to CWA Section 401 Water Quality Certification
No. 02C-037**

On June 1, 2010 the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) received a request from Teracor Resource Management, representing DKN Holdings L.L.C., to amend the **DKN Holdings Murrieta Development** (Project) 401 Water Quality Certification, file no. 02C-037 (Certification), to allow for updated mitigation plan following the relocation of a bridge constructed as part of the Project.

The Project has been fully constructed and included a 30 acre commercial development, re-creation of a 2,000 linear feet tributary to Warm Springs Creek, and bridge access to the commercial site over the re-created creek. In November 2007, the San Diego Water Board authorized via e-mail the relocation of the proposed bridge crossing to a point farther downstream. The relocation of the bridge resulted in an additional 0.24 acres of permanent impacts and 0.73 acres of temporary impacts to waters of the State. In 2008, as a result of these impacts, creation of 0.24 acres of waters of the State was done on-site at the original bridge site, and temporary impacts were restored to pre-project condition.

To compensate for temporal losses and additional impacts beyond those certified, DKN Holdings LLC has proposed conducting additional 5-year enhancement and monitoring activities within the 2,000 linear feet mitigation channel, as well as a one-time restoration of 0.13 acres off-site in the California Oaks Basin. Teracor Resource Management has submitted a Revised Habitat Mitigation and Monitoring Plan to account for the additional proposed mitigation.

After a review of the Project's file, and the mitigation proposed for the impacts to jurisdictional waters of the U.S./State, I concur that the proposed changes are reasonable modifications to the section 401 Water Quality Certification. As a result, the section 401 Water Quality Certification No. 02C-037 for the DKN Holdings Murrieta

California Environmental Protection Agency

August 6, 2010

Development has been amended to reflect these changes. The amendments are included as Enclosure 1 with changes shown in underline/strikeout format.

On June 1, 2010, receipt of the request to amend the original Certification was posted on the San Diego Water Board web site to serve as appropriate notification to the public. No public comments were received on the request to amend the original Certification.

The heading portion of this letter includes a Regional Board code number noted after "In reply refer to:" In order to assist us in the processing of your correspondence please include this code number in the heading or subject line portion of all correspondence and reports to the Regional Board pertaining to this matter. If you have any questions regarding this notification, please contact Chad Loflen at (858) 467-2727 or cloflen@waterboards.ca.gov.

Respectfully,



DAVID W. GIBSON
Executive Officer

Enclosure 1:
Amendments to Clean Water Act Section 401 Water Quality Certification No. 02C-037,
with Attachments

Enclosure 2:
Clean Water Act Section 401 Water Quality Certification No. 02C-037, dated October
25, 2002

cc (via e-mail):

California Department of Fish and Game,
Inland Deserts Region
Anna Milloy: amilloy@dfg.ca.gov

U.S. Environmental Protection Agency,
Region 9, Wetlands Regulatory Office
R9-WTR8-Mailbox@epa.gov

State Water Resources Control Board,
Division of Water Quality,
401 Water Quality Certification and Wetlands Unit
Stateboard401@waterboards.ca.gov

Teracor Resource Management
Sam Reed: sam@teracor.net

Tech Staff Info & Use	
File No.	02C-037
WDID	9000001039
Place ID	241924
Party ID	12984

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION**

AMENDMENT No. 1 TO CLEAN WATER ACT

SECTION 401 WATER QUALITY CERTIFICATION FOR

DKN HOLDINGS MURRIETA DEVELOPMENT PROJECT (FILE NO. 02C-037)

Additional Condition 8 is modified:

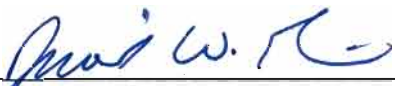
8. Mr. Bill Dendy and DKN Holdings, LLC shall construct and plant the low-flow channel in accordance with the plans submitted on August 30, 2002, ~~and~~ September 17, 2002, **and May 18, 2010**. No mowing or maintenance activities shall be performed within the open channel, except for the removal of exotic vegetation.
 - a. **Mr. Bill Dendy and DKN Holdings, LLC shall conduct additional mitigation and monitoring as follows, and as listed in the Revised Habitat Mitigation and Monitoring Plan, dated May 18, 2010, prepared by Teracor Resource Management:**
 - i. **Creation of 0.24 acres of on-site waters of the State at the former bridge crossing locations.**
 - ii. **Restoration of 0.073 acres of waters of the State at the bridge crossing.**
 - iii. **Enhancement and monitoring of the on-site 2,000 linear feet mitigation site for 5 years following amendment issuance.**
 - iv. **One-time restoration of 0.13 acres at the California Oaks Basin.**

This amendment creates Attachment 2.

WATER QUALITY CERTIFICATION:

I hereby certify that the proposed discharge from the **DKN Holdings Murrieta Development** (Certification No. 02C-037), as amended, will comply with the applicable provisions of sections 301 ("Effluent Limitations"), 302 ("Water Quality Related Effluent Limitations"), 303 ("Water Quality Standards and Implementation Plans"), 306 ("National Standards of Performance"), and 307 ("Toxic and Pretreatment Effluent Standards") of the Clean Water Act. This discharge is also regulated under State Water Board Order No. 2003-0017-DWQ, "General Waste Discharge Requirements for Dredged or Fill Discharges that have Received State Water Quality Certification," which requires compliance with all conditions of this Water Quality Certification. Please note that enrollment under this Order is conditional and, should new information come to attention that indicates a water quality problem, the San Diego Water Board may issue waste discharge requirements at that time.

Except insofar as may be modified by any preceding conditions, all certification actions are contingent on (a) the discharge being limited and all proposed mitigation being completed in strict compliance with the applicants' project description and/or on the attached Project Information Sheet [revised], and (b) on compliance with all applicable requirements of the *Water Quality Control Plan for the San Diego Basin (9)* (Basin Plan).



David W. Gibson
Executive Officer

6 Aug. 2010

Date



Photo 1 - Aerial photograph depicting the Cal Oaks Basin between Interstate 15 and Monroe Avenue, northwest of California Oaks Road.





MARGARITA VILLE, LLC
 REPORT DATE: MAY 2010

Exhibit 8
 Cal Oaks Basin Invasive Plant Canopy
 November 2009 Aerial Photograph



MARGARITA VILLE, LLC
 REPORT DATE: MAY 2010

Exhibit 12
 Cal Oaks Basin Planting Plan
 November 2009 Aerial Photograph



TERACOR
RESOURCE MANAGEMENT

MARGARITA VILLE, LLC
REPORT DATE: MAY 2010

Exhibit 11
On-Site Mitigation Area