

MINUTE ITEM
This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
to 0 at its 1-21-88
meeting.

CALENDAR ITEM

A 4, 10, 11

28

01/21/88

W 24049

PRC 7157

Martinez

S 2, 5

NON-EXCLUSIVE DREDGING PERMIT

APPLICANT: Sacramento-Yolo Port District
Attn.: Dennis G. Clark
World Trade Center
West Sacramento, California 95691

AGENT: Mike Sotak
Harding Lawson Associates
7655 Redwood Blvd.
Novato, California 94947

AREA, TYPE LAND AND LOCATION:
Tide and submerged lands in the State-owned
portions of the Sacramento River Deep Water
Channel, Solano, Yolo, Sacramento and Contra
Costa Counties.

PROPOSED LAND USE:

Dredging will be performed to deepen and widen
the Sacramento River Deep Water Channel between
New York Slough and the Port of Sacramento. A
total volume of 21.5 million cubic yards of
material will be removed using a hydraulic
cutterhead dredge and transported for disposal
by a slurry pipeline. A total volume of 5.3
million cubic yards of material will be dredged
from lands under State Lands Commission
jurisdiction shown in Exhibit "A".

CALENDAR ITEM NO. 28 (CONT'D)

The dredged material will be disposed at upland areas near the ship channel which are currently being used for agricultural or grassland purposes, or are existing diked disposal areas. Upon completion of the dredged material dewatering and drying process, the disposal areas will be allowed to revert to preproject uses. All of the disposal sites will be acquired and maintained for future dredge disposal by the Port District.

TERMS OF THE PROPOSED PERMIT:

Initial Period: Eight years effective
February 1, 1988.

Royalty: No royalty shall be charged because the project is for public benefit. It is understood that should the dredged spoils ever be used or sold for commercial purposes, then the State shall be paid 10% of the gross sales price but not less than a refund of \$0.25 per cubic yard.

APPLICANT STATUS:

Port Manager and Disposal Site Owner.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing and Processing Fees have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

AB 884: 03/22/88.

CALENDAR ITEM NO. 26 (CONT'D)

OTHER PERTINENT INFORMATION:

1. The entire proposed project is the widening and deepening of the Sacramento River Deep Water Ship Channel from the mouth of New York Slough, near Collinsville, to the Port of Sacramento via the manmade channel. This project is under the auspices of the U. S. Army Corps of Engineers, Sacramento District (USACE) with the Sacramento-Yolo Port District as the local sponsor. The USACE and the Port District are the lead agencies for NEPA and CEQA, respectively. The USACE first prepared a Feasibility Report and Environmental Impact Statement for Navigation and Related Purposes in 1980, eventually followed by a General Design Memorandum and Final Supplemental Environmental Impact Statement (SCH No. 85091719) for the project in March 1986, with a Record of Decision on May 14, 1987. To fulfill the slightly different requirements of the CEQA, the Port District prepared and adopted a Final Environmental Impact Report (SCH No. 87011307) in June 1987, with a Notice of Determination on July 10, 1987. The State Lands Commission's staff has reviewed such document and believe that it complies with the requirements of the CEQA.
2. Staff has identified four significant effects which involve the part of the project that the Commission will be considering for approval. Exhibit "C" contains a discussion of these impacts, and changes or alterations which should be required in or incorporated into the proposed project to mitigate such impacts.
3. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370 et. seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

4. The State reserves the right to lease the subject lands for the extraction of natural resources and the right to grant additional permits or leases not inconsistent or incompatible with the rights of the Port District including but not limited to dredging permits.

APPROVAL REQUIRED:

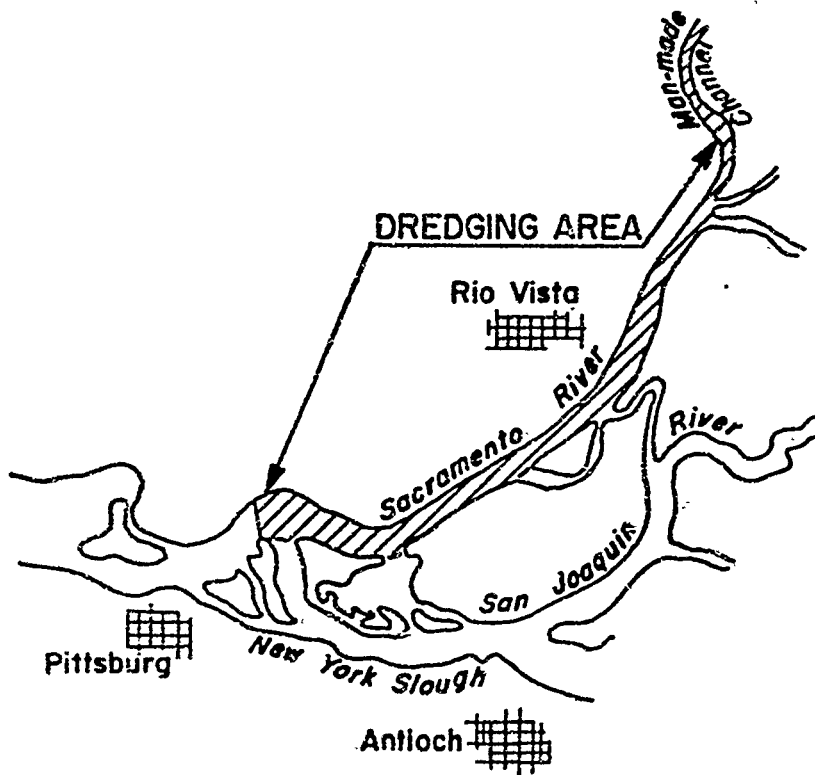
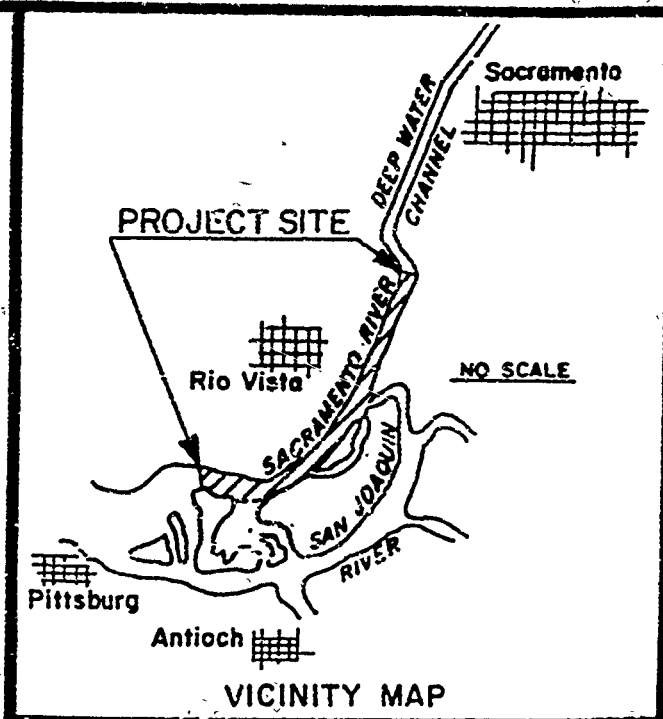
U. S. Army Corps of Engineers.
Regional Water Quality Control Board.
California Department of Fish and Game.

EXHIBITS:

- A. Site Map.
- B. EIR Summary.
- C. CEQA Findings.
- D. Permit.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT AN EIR WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE SACRAMENTO-YOLO PORT DISTRICT AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN;
2. ADOPT THE FINDINGS HERETO ATTACHED AS EXHIBIT "C" IN CONNECTION WITH THE PROJECT IN COMPLIANCE WITH THE CEQA (P.R.C. SECTION 21000 AND ET SEQ.) AND THE STATE EIR GUIDELINES;
3. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET. SEQ.
4. AUTHORIZE STAFF TO ISSUE TO THE SACRAMENTO-YOLO PORT DISTRICT THE NON-EXCLUSIVE DREDGING PERMIT ATTACHED AS EXHIBIT "D". SAID PERMIT SHALL ALLOW DREDGING A MAXIMUM VOLUME OF 5.3 MILLION CUBIC YARDS OF MATERIAL OVER AN 8-YEAR PERIOD FROM THE SACRAMENTO RIVER DEEP WATER CHANNEL, YOLO, SACRAMENTO, SOLANO AND CONTRA COSTA COUNTIES. NO ROYALTY SHALL BE CHARGED BECAUSE THE PROJECT IS FOR PUBLIC BENEFIT. SUCH PERMITTED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL AGENCIES.



DREDGING AREA

EXHIBIT "A"
APPLICATION FOR
DREDGING PERMIT
SACRAMENTO-YOLO
PORT DISTRICT
W24049
SACRAMENTO RIVER
DEEP WATER CHANNEL
SOLANO-YOLO-SACRAMENTO
& CONTRA COSTA COUNTIES



CALENDAR PAGE 191.4
 MINUTE PAGE 237



SACRAMENTO RIVER DEEP WATER
SHIP CHANNEL, CALIFORNIA
ENVIRONMENTAL IMPACT REPORT

1.0 SUMMARY

This Environmental Impact Report (EIR) has been prepared for the Port of Sacramento in accordance with the guidelines of the California Environmental Quality Act of 1970 (CEQA). This EIR, which is based upon the U.S. Army Corps of Engineers' 1980 Environmental Impact Statement (EIS) for the Sacramento River Deep Water Ship Channel (USACE, 1980) and subsequent Final Supplemental Environmental Impact Statement (FSEIS) (USACE, 1986), is designed to fulfill the projects' CEQA requirements. Because CEQA requirements differ slightly from the National Environmental Policy Act (NEPA), which dictates the content of an EIS, this EIR contains information presented in both the U.S. Army Corps of Engineers' 1980 EIS and the 1986 FSEIS, as well as other sources, as appropriate.

1.1 Major Conclusions and Findings

The navigation problems and needs of the Sacramento River Deep Water Ship Channel were investigated in response to resolutions of the House of Representatives Committee on Public Works, adopted on July 10, 1968 and December 11, 1969. Four alternative plans were considered: (1) increased usage of Lighter Aboard Ship (LASH), (2) intermodal transportation of cargo to alternative ports, (3) deepening the channel, and (4) no action. Of the alternatives considered, only the deepening alternative would substantially meet the needs of the study area.

The selected plan would consist of: (1) deepening the existing channel alignment to 35 feet, (2) widening the New York Slough to Junction Point reach to 350 feet (the existing 300-foot width between Junction Point and channel mile 18.6 remains the same), and (3) widening the entrance to the man-made channel to the Port of Sacramento reach to 250 feet. Project construction would require the disposal of 21.5 million cubic yards of

dredged material at 15 disposal sites, totaling 4,464 acres, along the existing navigation channel.

Several areas of concern were identified during the course of the study.

- The proposed project would result in loss of 45 acres of marsh and riparian vegetation. This vegetation would be lost as a result of widening the man-made portion of the ship channel.
- The dredging would result in the disposal of dredged material on 4,464 acres of land which presently serve agricultural and wildlife habitat uses. Associated with this disposal would be the loss of wildlife habitats. To offset these losses Fish and Wildlife mitigation is proposed. Mitigation would consist of an earthmoving and replanting program to convert a 63-acre former dredged material disposal (DMD) site to a tidal marsh.
- Short-term dredging impacts to benthic organisms and fish. Although unavoidable, they would not be long-term adverse impacts.
- The concern that salinities would increase in the Bay-Delta estuary. Through extensive physical and mathematical model testing it was demonstrated that no adverse changes in salinities would occur as a result of project construction.

1.2 Reports Incorporated by Reference

The following reports are incorporated by reference:

- (1) Feasibility Report and Environmental Impact Statement for Navigation and Related Purposes, Sacramento River Deep Water Channel, California. U.S. Army Corps of Engineers, Sacramento District, July, 1960.
- (2) General Design Memorandum Sacramento River Deep Water Ship Channel, March, 1966.
- (3) Final Supplemental Environmental Impact Statement, Sacramento River Deep Water Ship Channel project. U.S. Army Corps of Engineers, Sacramento District, March, 1966.

CALENDAR PAGE	191.6
MINUTE PAGE	239

FILE REF.: W 24049

EXHIBIT "C"

CEQA FINDINGS

These findings are made by the State Lands Commission pursuant to Section 15091, Title 14, California Administrative Code, on the proposed dredging to widen and deepen the Sacramento River Deep Water Ship Channel.

1758S

CALENDAR PAGE	191.7
MINUTE PAGE	240

WATER QUALITY

1. IMPACT: Channel widening and deepening may increase salinity in the Delta.

- FINDINGS:
- 1) Changes of alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - 2) Such changes or alterations are within the responsibility and jurisdiction of another public agency, specifically the Sacramento-Yolo Port District and the U.S. Army Corps of Engineers, and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

FACTS SUPPORTING THE FINDING:

The U.S. Army Corps of Engineers conducted physical model tests at the San Francisco Bay-Delta Model in Sausalito, to identify the location and magnitude of any changes in salinity distribution associated with proposed modifications of channel geometry. The tests showed no significant adverse salinity increases throughout the Delta for average or dry flow conditions. A potential for minor impacts was identified for infrequent critically dry flow conditions.

Although these detailed studies did not identify a clearly definable significant impact, the Corps and the Port District have agreed to: (1) conduct a salinity monitoring program designed to measure actual pre- and post-project salinity levels in the Sacramento River; and (2) in conjunction with the monitoring program, construct temporary sand sills in the deepened portion of the ship channel so as to re-establish pre-project channel grades during periods of drought. These sills would be installed downstream of Decker Island from mid-May through August during drought years, with the purpose of offsetting any potential for salinity impacts due to the channel deepening. A separate environmental analysis will be prepared to cover the temporary sills. If the salinity monitoring program shows that adverse salinity impacts result from the channel deepening, appropriate long-term mitigation measures will be implemented.

2. IMPACT: Ground and surface water quality may be contaminated by heavy metals or pesticides due to dredging or sediment disposal.

- FINDINGS:
- 1) Changes of alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - 2) Such changes or alterations are within the responsibility and jurisdiction of another public agency, specifically the Regional Water Quality Control Board, and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

FACTS SUPPORTING THE FINDING:

Studies by the U.S. Army Corps of Engineers Waterways Experiment Station indicate that pesticides and heavy metals, which are frequently adsorbed to sediment particles, are not usually released to the water column during dredging operations. However, sediment sampling and chemical analyses have been done by the Corps to evaluate any potential impacts on water quality due to dredging, disposal site leaching or effluent return flow. On the basis of a final, approved Report of Waste Discharge which documents these test results, the Central Valley Regional Quality Control Board will set Waste Discharge Requirements for the dredging and disposal activities. These requirements will include extensive monitoring before, during and after project construction as well as any other measures necessary to protect water quality.

CALENDAR PAGE	1919
MINUTE PAGE	242

BIOLOGICAL RESOURCES

1. IMPACT: Planktonic organisms could be adversely affected by increased salinity,

- FINDINGS:
- 1) Changes of alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - 2) Such changes or alterations are within the responsibility and jurisdiction of another public agency, specifically the Sacramento-Yolo Port District and the U.S. Army Corps of Engineers, and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

FACTS SUPPORTING THE FINDING:

The waters of the project area support large plankton populations. The mysid shrimp which consumes phytoplankton, is an abundant and extremely important zooplankton species in the Delta. Mysid shrimp are the principal food of young fish, notably striped bass. The salinity and the abundance of phytoplankton appear to be the most important variables determining mysid shrimp populations. Phytoplankton and shrimp densities are highest in the "entrapment zone." The entrapment zone, which generally occurs between Honker Bay and Antioch, is closely associated with the freshwater-saltwater mixing zones of Suisun Bay.

The proposed channel deepening and sill placement would probably have no effect on phytoplankton, and presumably zooplankton, populations in the western delta-Suisun Bay area. In the unlikely event that salinity intrusions do occur, the entrapment zone and those planktonic organisms associated with it could be moved upstream a short distance. Depending on flow conditions, the shift of the entrapment zone could change the total phytoplankton population, thus in turn resulting in a change in the food supply for mysid shrimp and ultimately striped bass juveniles.

The Port District and the Corps have committed to a program to monitor salinity and, if necessary, take remedial actions to protect water quality. (See further discussion in Water Quality Impact #1.)

CALENDAR PAGE	191.10
MINUTE PAGE	243

2. IMPACT: Channel dredging, removal of aquatic vegetation, and sediment disposal will result in loss of fish, wildlife, and wetland resources.

- FINDINGS:
- 1) Changes of alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - 2) Such changes or alterations are within the responsibility and jurisdiction of another public agency, specifically the Sacramento-Yolo Port District and the U.S. Army Corps of Engineers, and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

FACTS SUPPORTING THE FINDING:

Channel dredging and the removal of vegetation would degrade or possibly destroy fish habitats in the project area. Channel dredging could physically disrupt spawning and rearing habitats through physical channel changes, temporary reductions of the benthic organism population (potential food sources); and temporary increases in turbidity. While worst-case turbidity levels associated with dredging could impact sensitive fish such as striped bass, the mobility of these fish should permit their escape from turbidity maxima.

The removal of aquatic and riparian vegetation along the man-made channel would result in the loss of fish spawning, cover, and foraging habitats. Associated with the loss of vegetation would be the loss of detritus, utilized as food by fish, benthic, and planktonic organisms.

The widening of the manmade portion of the channel would, without mitigation measures, result in a loss of approximately 45 acres of marsh and riparian vegetation, which has become established as a result of the construction of the original channel. The loss of these habitats could displace individuals of a variety of wildlife species including beaver, muskrat, mallard, red-winged blackbird, brown towhee, blue grosbeak, western toad, and western pond turtle. In addition, use of agricultural land and upland habitat for dredged material disposal would temporarily eliminate wildlife use and reduce wildlife populations only associated with these agricultural lands in the immediate vicinity. However, both habitat and wildlife use would return after disposal and once area is again used for agricultural purposes.

MEMORANDUM PAGE	191.11
MEMORANDUM PAGE	244

A mitigation plan for fish and wetland habitat losses has been committed to by the Corps and the Port District, based on the results of the Habitat Evaluation Procedures (HEP) analyses conducted jointly by USACE, Fish and Wildlife Service, National Marine Fisheries Service, California Department of Fish and Game, and the Port of Sacramento. Components of the plan are discussed below:

Prospect Island will be developed as a mitigation area for fish and wildlife resources impacted by channel dredging and disposal of dredged materials. Prospect Island is currently used for agricultural purposes. During extreme high tides the entire island floods to an average of 5 feet of water.

Implementation of the plan will involve the conversion of 63 acres at the southern end of Prospect Island to a mosaic of tidal mudflat (beach bar), emergent marsh, and open water, with associated shrubs and small trees in the riparian area. Plan features include: 1) construction of a north retention levee to separate the proposed wetland area from the remainder of the dredge disposal site (S-12); 2) site sculpting and surface earthwork to create the appropriate surface elevations for each proposed habitat; 3) creation of open water channels excavated to below Mean Low Water (MLLW); 4) planting riparian plant species; 5) breaching the existing levee and flooding the site; and 6) periodic field checks to determine the success of the wetland development.

Although not anticipated, waterfowl food production in the Suisun Marsh could be impacted if the project induces changes in the delta's existing salinity gradient. Any impacts resulting from saline intrusions would be mitigated by monitoring and remedial actions as necessary. (See Water Quality Impact #1)

1758S

CALENDAR PAGE	191.12
MINUTE PAGE	245

EXHIBIT "D"

STATE OF CALIFORNIA-STATE LANDS COMMISSION

GEORGE DEUKMEJIAN, Governor

STATE LANDS COMMISSION
1867 13TH STREET
SACRAMENTO, CALIFORNIA 95814



February 1, 1988

File Ref.: W 24049

Sacramento-Yolo Port District
Attn: Dennis G. Clark
World Trade Center
West Sacramento CA 95691

Gentlemen:

Pursuant to your application and by the authorization of the State Lands Commission on January 21, 1988 you are hereby granted permission to dredge, during the term of the permit for the purpose of deepening and widening the Sacramento River Deep Water Channel, a maximum of 5.3 million cubic yards of sand, silt, clay and gravel, excluding all other minerals, including, but not limited to, oil, gas and geothermal from an area of tide and submerged lands in the Sacramento River Deep Water Channel, Sacramento County as designated in Exhibit "A" attached hereto, which is by this reference expressly made a part hereof. Said permission includes the right to deposit dredge spoils at approved upland U. S. Army Corps of Engineers and Sacramento-Yolo Port District disposal sites.

This permit is entered into with the agreement that its purposes are and its administration shall be consistent with the principle of multiple use of public lands and resources. This permit shall allow co-existence of other permits or leases of the same lands for deposits of the same and other mineral resources under applicable laws, and the existence of this permit shall not preclude other uses of this area covered hereby. However, operations under such other permits or leases or other such uses shall not unreasonably interfere with or endanger operations under this permit. Permittee agrees to give the State and its permittees and lessees 10 days written notice of its intent to conduct operations under this permit in areas where such permittees and lessees are operating. Operations under this permit shall not unreasonably interfere with the public easement for commerce, navigation, and fishing or endanger operations under any permit, lease, or other entitlement for use issued pursuant to the provisions of any other act. Nor shall this permit be construed as superseding the authority which any State department or agency has with respect to the management, protection, and utilization of the State lands and resources under its jurisdiction. The State may prescribe in its rules and regulations those conditions it deems to be necessary for the protection of other mineral resources.

ENCLOSURE PAGE
ENCLOSURE PAGE

19113

246

February 1, 1988

This permit does not confer upon the permittee any other privilege or right not expressly given herein.

Royalty is waived so long as the Port District does not sell any material for private or commercial benefit. If there is any sale of material for private or commercial benefit, the Port District agrees to pay the State a royalty of 10% of the gross sales price but not less than \$0.25 per cubic yard.

Said permission is given on the condition that all dredging and spoils deposition shall be done in accordance with all applicable Federal, State, and local government laws, rules, and regulations. Said permission shall be effective from February 1, 1988 through January 31, 1996.

It is hereby agreed that the operations authorized under this permit shall be performed with diligence, in a good and workmanlike manner, and with the use of due care and safety precautions.

It is further agreed that you shall submit copies of reports or contracts with the dredging operator substantiating the volume of materials dredged and any royalties due to the Commission on a quarterly basis, on forms supplied by the Commission (Form 30.9NC). It is agreed that you shall submit said forms on or before the fifteenth (15th) day of the month following the end of each permit quarter, together with payment for the royalty due on the volume removed during that quarter. The first permit quarter shall be the first three months following the effective date of this permit, and every three-month period thereafter shall be a permit quarter.

It is hereby agreed that, pursuant to Public Resources Code Section 6224, any installments of royalty accruing under the provisions of this permit that are not paid when due shall be subject to a five percent (5%) penalty and shall bear interest at the rate of one and one-half percent (1½%) per month from the date when the same was payable by the terms hereof.

It is agreed that you shall furnish the Commission with copies of final surveys or copies of any other computations used as a basis to verify dredge volumes within twenty-five (25) days of completion of the activity authorized hereunder.

It is agreed that you shall indemnify, save harmless and at the option of the State of California, defend said State, its officers, agents and employees, against any and all claims, demands, causes of action, or liability of any kind which may be asserted against or imposed upon the State of California or any of its officers, agents, or employees by any third person or entity, arising out of or connected with the issuance of this permit, operations hereunder, or the use by you or your agents, employees or contractors, of the above-described lands.

CALENDAR PAGE	191.14
MINUTE PAGE	247

February 1, 1988

Without limiting the generality of the foregoing, such indemnification shall include any claim, demand, cause of action or liability of any kind asserted against or impounded upon the State of California or any of its officers, agents or employees, arising out of or connected with any alleged or actual violation by you, your agents, employees or contractors of the property or contractual rights of any third persons or entity. It is agreed that you shall, at the option of the Commission, procure and maintain liability insurance for the benefit of the State in an amount satisfactory to the Commission.

You agree to comply with the terms and conditions hereof, and you further agree that any violation thereof shall constitute grounds for termination of this permit and shall allow the Commission to pursue any other remedy available to it under the law. It is further agreed that this permit may be suspended, modified, or terminated, whenever the State Lands Commission deems such action to be in the best interests of the State, and that no such action by the Commission shall be deemed to be a basis for any claim or cause of action for damages against the State or any officer, employee or agency thereof.

STATE OF CALIFORNIA
STATE LANDS COMMISSION

W. M. THOMPSON, Chief
Extractive Development Program

ACCEPTED:

By: _____

Title: _____

Date: _____

CHIEF'S PAGE	191.15
CHIEF'S PAGE	248