

MINUTE ITEM

This Calendar Item No. C15 was approved as
Minute Item No. 15 by the California State Lands
Commission by a vote of 3 to 0 at its
9-17-01 meeting.

**CALENDAR ITEM
C15**

A 33
S 18

PRC 8329

09/17/01
W 25743
B. Dugal

GENERAL LEASE - BEACH REPLENISHMENT USE

APPLICANT:

Duke Energy Morro Bay, LLC
1290 Embarcadero Road
Morro Bay, California 93442

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Pacific Ocean, offshore of the city of Morro Bay, San Luis
Obispo County.

AUTHORIZED USE:

Deposit a maximum of 5,000 cubic yards of sand, silt or clay per dredging event
and up to a maximum of 15,000 cubic yards of sand, silt or clay total during the
term of the lease.

LEASE TERM:

Five years, beginning September 1, 2001.

CONSIDERATION:

The public use and benefit; with the State reserving the right at any time to set a
monetary rent if the Commission finds such action to be in the State's best
interest.

SPECIFIC LEASE PROVISIONS:

Insurance:

Combined single limit coverage of no less than \$1,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the uplands adjoining the lease premises.
2. The maintenance dredging activities will be performed to remove the
littoral sand accumulation from the area of the Morro Bay Power Plant
cooling water intake structure. The maintenance dredging is required to

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maintain adequate functioning of the existing cooling water intakes and minimize the intake flow velocities.

3. The Applicant will be performing periodic maintenance dredging activities on patented State tidelands. In that the tidelands were sold into private ownership without the minerals being reserved to the State, a lease from the Commission for the maintenance dredging is not required. However, the patented tidelands remain subject to the Public Trust easement under the Commission's jurisdiction. Staff of the Commission believes the proposed project is not incompatible with the Public Trust.
4. The deposition of the dredged material will take place on State sovereign lands and the Applicant has submitted an application to obtain a lease for this use. The dredged material will be deposited at one or both of the existing United States Army Corps of Engineers (USACE) approved dredged disposal sites. Placing the dredged material at the approved disposal sites will place the material back into the same littoral cell from which it came. The area to be dredged has been sampled and analyzed in accordance with the requirements of the USACE and is free of contaminants and is suitable for beach replenishment.
5. A Finding of No Significant Impact (FONSI) was prepared and adopted for this project by the USACE. The document was circulated for public review as broadly as state and local law may require and notice was given meeting the standards in Title 14, California Code of Regulations, section 15072 (a). Therefore, pursuant to Title 14, California Code of Regulations, sections 15221 and 15225, the staff recommends the use of the federal FONSI in place of a Negative Declaration.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 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.

APPROVALS OBTAINED:

United States Army Corps of Engineers
City of Morro Bay

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FURTHER APPROVALS REQUIRED:

California Coastal Commission

EXHIBIT:

A. Site/Location Map

PERMIT STREAMLINING ACT DEADLINE:

November 30, 2001.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE FINDING OF NO SIGNIFICANT IMPACT, PREPARED AND ADOPTED FOR THIS PROJECT BY THE UNITED STATES ARMY CORPS OF ENGINEERS, MEETS THE REQUIREMENTS OF THE CEQA. THEREFORE, PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15221 AND 15225, ADOPT SUCH FEDERAL DOCUMENT FOR USE IN PLACE OF A NEGATIVE DECLARATION.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON THOSE RESOURCES FOR WHICH SUCH LANDS ARE IDENTIFIED.

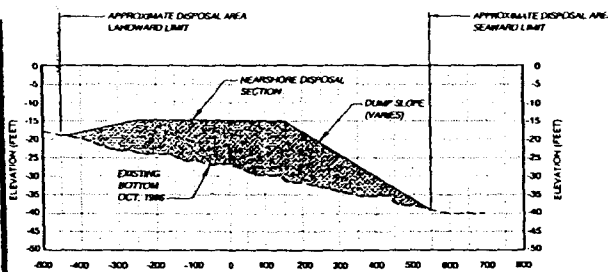
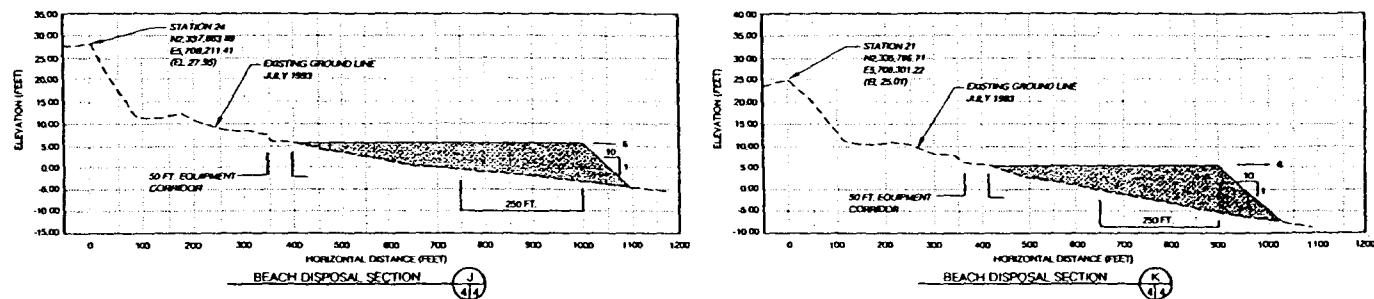
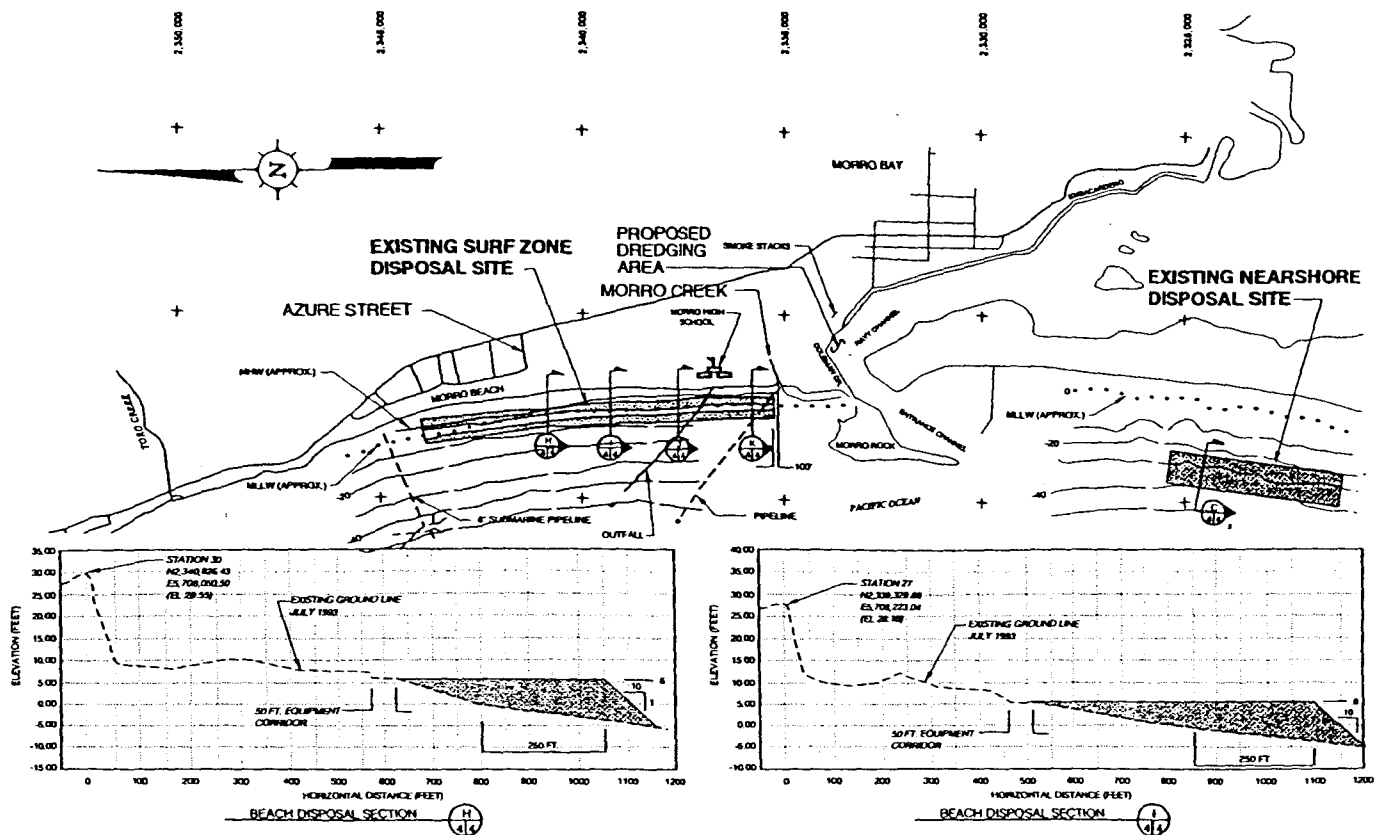
AUTHORIZATION:

AUTHORIZE ISSUANCE TO DUKE ENERGY MORRO BAY, LLC, OF A GENERAL LEASE - BEACH REPLENISHMENT USE, BEGINNING SEPTEMBER 1, 2001, FOR A TERM OF FIVE YEARS, FOR DEPOSITING A MAXIMUM OF 5,000 CUBIC YARDS OF SAND, SILT OR CLAY PER DREDGING EVENT AND A MAXIMUM OF 15,000 CUBIC YARDS OF SAND, SILT OR CLAY TOTAL DURING THE TERM OF THE LEASE, ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION BEING THE PUBLIC USE AND BENEFIT, WITH THE STATE RESERVING THE RIGHT AT ANY TIME TO SET A MONETARY RENT IF THE COMMISSION FINDS SUCH ACTION TO BE IN THE STATE'S BEST

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INTEREST; INSURANCE: COMBINED SINGLE LIMIT COVERAGE OF
NO LESS THAN \$1,000,000.

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This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver of limitation of any state interest in the subject or any other property.

EXISTING USACE SURF ZONE AND NEARSHORE DISPOSAL AREAS

SOURCE: US ARMY CORPS OF ENGINEERS, ENVIRONMENTAL ASSESSMENT 404(b)(1) EVALUATION PUBLIC INTEREST REVIEW, PERMIT APPLICATION NUMBER 95-50376-TW, ATTACHMENT C, SEPTEMBER 29, 1998. NEARSHORE DISPOSAL SECTION TAKEN FROM US ARMY CORPS OF ENGINEERS, ENVIRONMENTAL ASSESSMENT, THREE YEAR MAINTENANCE DREDGING PROGRAM AT MORRO BAY HARBOR, JUNE 1999.

DUKE ENERGY MORRO BAY LLC
 MORRO BAY POWER PLANT

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FIGURE 3