

**CALENDAR ITEM
C37**

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06/24/08
PRC 4941.9
D. Oetzel

**TERMINATION AND ISSUANCE OF A
NEW DREDGING LEASE**

LESSEE/APPLICANT:

Valero Refining Company – California
3400 E. 2nd Street
Benicia, CA 94510

AREA, LAND TYPE, AND LOCATION:

Legislatively granted sovereign lands, with minerals reserved to the State, and ungranted sovereign land located in the Carquinez Strait at the Benicia Refinery, Solano County.

AUTHORIZED USE:

Dredge a maximum of 80,000 cubic yards of material annually to maintain a navigable depth. Of the total 400,000 cubic yards of material dredged over the five year term, 22,205 cubic yards will be new dredging from the deepening of the berth and tug moorage area. The remaining 377,795 cubic yards is to be generated from maintenance dredging. Dredged materials will be disposed of at United States Army Corps of Engineers (USACE) designated disposal sites SF-9 (Carquinez Strait), SF-10 (San Pablo Bay), SF-11 (Alcatraz), SF-DODS (Deep Ocean Disposal Site), and a USACE approved upland disposal site at Montezuma Wetland LLC.

LEASE TERM:

Five years, beginning June 24, 2008.

CONSIDERATION:

No monetary consideration will be charged as the project will result in a public benefit. The dredged material may not be sold.

OTHER PERTINENT INFORMATION:

1. On August 19, 2003, the Commission authorized issuance of a Dredging Lease to Valero Refining Company – California to dredge 80,000 cubic yards of material annually. The lease will expire on

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August 20, 2008. The Applicant is now applying for a new dredging lease to cover the additional deepening of the channel.

2. **New Dredging:** The applicant is to dredge two feet deeper than the current permitted depth to reduce the required dredge frequency and to obtain more efficient dredging operations: 42-foot Mean Lower Low Water with two-foot overdredge in Zone I and 10-foot Mean Lower Low Water with one-foot overdredge in Zone II of Exhibit A.
3. **Termination of Lease:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, Section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code Section 21065 and Title 14, California Code of Regulations, Sections 15060(c)(3) and 15378.

4. **Issuance of a New Lease:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land Title 14, California Code of Regulations, section 15304.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

5. 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 Corps of Engineers
San Francisco Bay Regional Water Quality Control Board

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FURTHER APPROVALS REQUIRED:

San Francisco Bay Conservation and Development Commission.

EXHIBIT:

A. Location and Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

TERMINATION OF LEASE: FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060 (c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

ISSUANCE OF A NEW LEASE: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 4, MINOR ALTERATIONS TO LAND; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15304.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

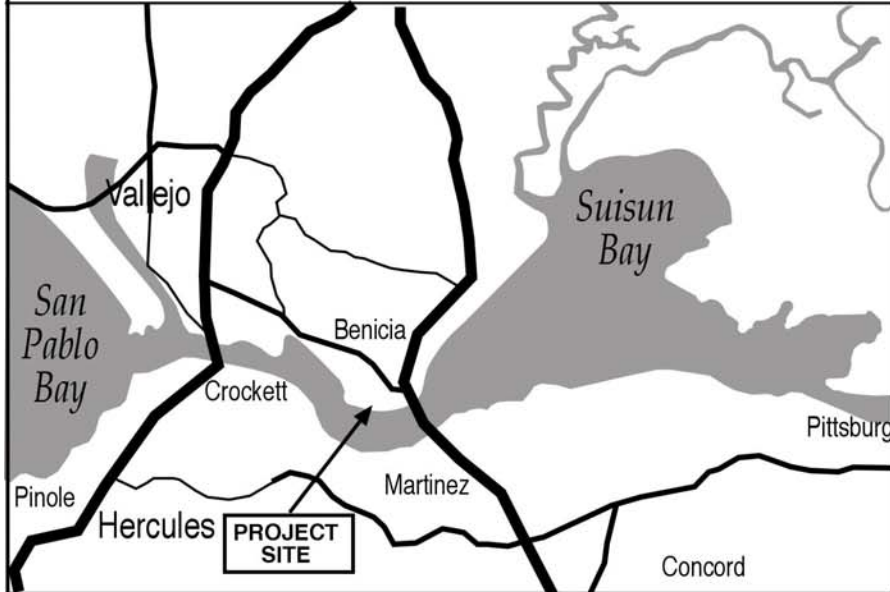
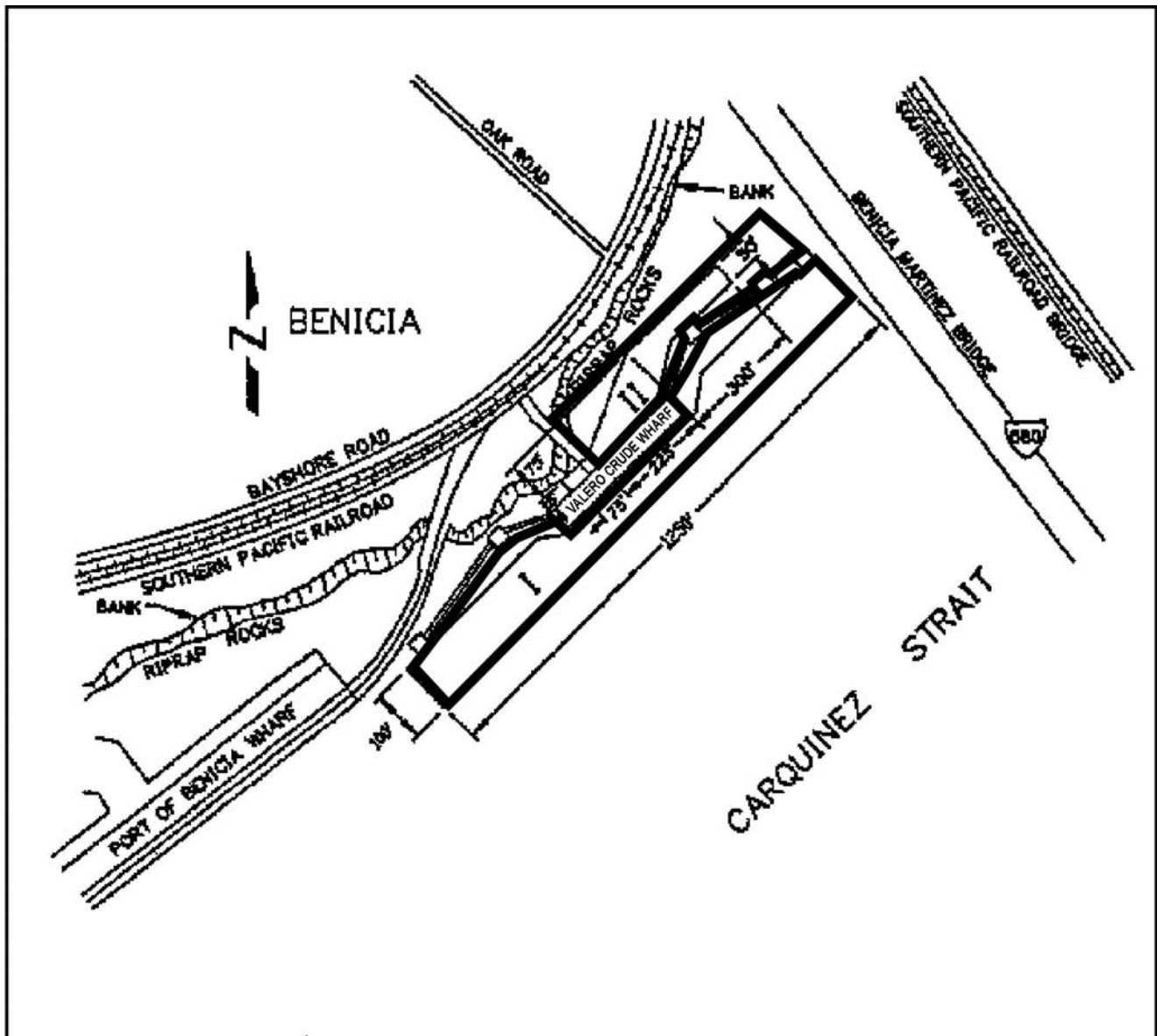
AUTHORIZATION:

AUTHORIZE TERMINATION, EFFECTIVE JUNE 23, 2008, OF LEASE NO. PRC 4941.9, A DREDGING LEASE, ISSUED TO VALERO REFINING COMPANY – CALIFORNIA.

AUTHORIZE THE ISSUANCE OF A DREDGING LEASE TO VALERO REFINING COMPANY – CALIFORNIA, BEGINNING JUNE 24, 2008, AND EXTENDING THROUGH JUNE 23, 2013, FOR DREDGING A MAXIMUM OF 80,000 CUBIC YARDS OF MATERIAL ANNUALLY, INCLUDING 22,205 TOTAL CUBIC YARDS OF NEW DREDGING, FROM THE CARQUINEZ

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STRAIT AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF. DREDGED MATERIALS WILL BE DISPOSED OF AT THE U.S ARMY CORPS OF ENGINEERS DESIGNATED DISPOSAL SITES SF-9 (CARQUINEZ STRAIT), SF-10 (SAN PABLO BAY), SF-11 (ALCATRAZ), SF-DODS (DEEP OCEAN DISPOSAL SITE), AND U.S. ARMY CORPS OF ENGINEERS APPROVED UPLAND DISPOSAL SITE AT MONTEZUME WETLAND LLC. SUCH PERMITTED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS, OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENTS. NO MONETARY CONSIDERATION SHALL BE CHARGED AS THE PROJECT WILL RESULT IN A PUBLIC BENEFIT. THE DREDGED MATERIAL MAY NOT BE SOLD.



**EXHIBITA
PRC 4941**
Location and Site Maps
Carquinez Strait
Solano County



DO 5/2008

This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties, and is not intended to be, nor shall it be construed as a waiver or limitation of any State interest in the subject or any other property.