

**CALENDAR ITEM
C25**

A 8
S 7

04/09/09
PRC 4941.9
D. Oetzel

AMENDMENT OF DREDGING LEASE

LESSEE:

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

AREA, LAND TYPE, AND LOCATION:

Sovereign lands legislatively granted to the city of Benicia, Chapter 18, Statutes 1964 and Chapter 2018, Statutes 1965 and as amended, 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. 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 the USACE approved upland disposal site at Montezuma Wetland LLC.

LEASE TERM:

Five years, beginning June 24, 2008.

CONSIDERATION:

No royalty will be charged as the Project will result in a public benefit. The dredged material will not be sold.

PROPOSED AMENDMENT:

Amend the lease to add Hamilton Wetlands Restoration Site, Winter Island Farm Site, and all other Army Corps of Engineers approved sites as disposal sites for dredged material. All other terms and conditions of the lease shall remain in effect without amendment.

CALENDAR ITEM NO. **C25** (CONT'D)

OTHER PERTINENT INFORMATION:

1. On June 24, 2008, the Commission authorized the issuance of a five-year Dredging Lease, Lease No. PRC 4941.9, to the Valero Refining Company, California to maintenance dredge a maximum of 80,000 cubic yards of material annually from the lease premises and dispose of such material 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 at Montezuma Wetland LLC. The Lessee is requesting to add Hamilton Wetlands Restoration Site, Winter Island Farm Site, and all other Army Corps of Engineers approved sites for placement of dredged material in order to enhance the flexibility in disposing of material at permitted upland/reuse sites.

2. 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 the 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.

3. This activity involves lands which have been 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
San Francisco Regional Water Quality Control Board
San Francisco Bay Conservation and Development Commission

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CALENDAR ITEM NO. **C25** (CONT'D)

CEQA FINDING:

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.

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 THE AMENDMENT OF LEASE NO. PRC 4941.9 TO ADD HAMILTON WETLAND RESTORATION SITE, WINTER ISLAND FARM SITE, AND ALL OTHER ARMY CORPS OF ENGINEERS APPROVED SITES AS DISPOSAL SITES FOR THE DREDGED MATERIAL REMOVED FROM THE AUTHORIZED SITE AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF. SUCH PERMITTED ACTIVITY IS CONTINGENT UPON LESSEE'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS, OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENTS. ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.