

**CALENDAR ITEM  
C61**

A 34  
S 18

06/21/13  
PRC 8079.9  
D. Simpkin

**AMENDMENT OF LEASE**

**LESSEE:**

City of Los Angeles  
Department of Water and Power  
111 North Hope Street  
Los Angeles, CA 90012

**AREA, LAND TYPE, AND LOCATION:**

Sovereign land in the dry lake bed of Owens Lake, Inyo County.

**AUTHORIZED USE:**

Research and monitoring at the South Sand Sheet, implementation of shallow flooding and monitoring at the North Sand Sheet, and the construction and operation of the South Zone Dust Control Project. Construction, installation, operation, and monitoring of shallow flooding dust control measures (DCMs) associated with Phases IV, V, and VII of the Owens Lake Dust Control Project. Construction, installation, operation, and monitoring of 0.5 square mile of channel area improvements. Construction of sand fence and vegetation enhancement in Cell T1A-1, in support of the Phase VII Owens Lake Dust Control Project. Construction, use, and maintenance of two access roads (one access road to cell T37-1, and one access road to cell T37-2); and, implementation of soil tillage totaling 3.12 square miles on dust control cell areas T1A-3, T1A-4, T12-1, T32-1, T37-1, and T37-2. Construction, operation, and maintenance of 2.03 square miles of DCMs associated with Phase VIII of the Owens Lake Dust Control Project including placement of gravel on top of permeable geotextile fabric, placement of road material to expand an existing roadway, construction of earthen berms, and placement of gravel for maintenance purposes. Placement of above-grade sprinkler systems within the Channel Area and Area T1A-1. The construction, use, and maintenance of a 30-inch high-density polyethylene (HDPE) submain and access road from cell area T35-1 to cell area T37-1.

**LEASE TERM:**

20 years, beginning May 1, 1999.

CALENDAR ITEM NO. **C61** (CONT'D)

**CONSIDERATION:**

The public health and safety, 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.

**PROPOSED AMENDMENT:**

Extend the Term of the Ninth Lease Amendment to June 28, 2015, as it pertains only to the implementation, maintenance, and monitoring of 3.12 square miles of soil tillage for dust control purposes associated with Phase 7 of the Owens Lake Dust Control Project (OLDCP). All other terms and conditions of the Lease (as previously amended) shall remain in effect without amendment.

**OTHER PERTINENT INFORMATION:**

1. On June 14, 1999, the California State Lands Commission (Commission) authorized the issuance of Lease No. PRC 8079.9, a General Lease – Public Agency Use, to the City of Los Angeles Department of Water and Power (City) for a period of 20 years, for the Owens Lake South Sand Sheet Air Quality and Sand Fence Effectiveness Monitoring System. Since that time, the Commission has authorized 12 amendments to the Lease for the construction, operation, and maintenance of additional components of dust control.
2. On June 28, 2010, the Commission authorized the Ninth Amendment to Lease No. PRC 8079.9, to the City to construct and maintain 3.12 square miles of tillage dust control measures on the bed of Owens Lake. The amendment provided the City a term of three years. The term will expire on June 28, 2013.
3. The City began installing the soil tillage in October 2011. According to the City, due to unfavorable weather conditions and high levels of soil saturation in the test cell, construction crews will not be able to complete the tillage test by June 28, 2013.
4. The City has submitted an application to extend the Term of the Ninth Amendment to June 28, 2015, to allow for the continued implementation, maintenance, and monitoring of 3.12 square miles of soil tillage for dust control purposes associated with Phase 7 of the OLDCP.
5. The City expects that a lease amendment for construction of the Phase 7a Project will be considered by the Commission sometime in 2013. If approved, the tillage lease amendment would be superseded and the Tillage Study would be included in the Phase 7a lease amendment.

CALENDAR ITEM NO. **C61** (CONT'D)

6. The Great Basin Unified Air Pollution Control District (Great Basin), acting as Lead Agency under the California Environmental Quality Act (CEQA), certified the Final Subsequent Environmental Impact Report (EIR) for the 2008 Owens Valley PM10 Planning Area Demonstration of Attainment State Implementation Plan (2008 SIP FSEIR) (SCH No. 2007021127) and adopted a Mitigation Monitoring Program on January 28, 2008. The 2008 SIP FSEIR evaluated the implementation of 15.1 square miles of DCMs for Owens Lake, including 3.5 square miles of moat and row DCMs.
7. Revisions to the proposed moat and row DCM design necessitated additional CEQA review. The City, acting as Lead Agency under CEQA, certified the Final Supplemental EIR for the Owens Lake Revised Moat and Row Dust Control Measures (2009 Moat and Row FSEIR) (SCH No. 2008121074) and adopted a Mitigation Monitoring Program on September 15, 2009. The 2009 Moat and Row EIR tiered off the 2008 SIP Final Subsequent EIR.
8. At its December 17, 2009, meeting, the Commission approved a portion of the project evaluated in the 2009 Moat and Row Final Supplemental EIR, consisting of sand fences and vegetation enhancement in Cell T1A-1. As part of its approval, the Commission adopted CEQA Findings made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096), adopted a Mitigation Monitoring Program, and adopted a Statement of Overriding Considerations (Exhibits F, H, and G, respectively, to Calendar Item 41, on file in the Sacramento Office of the Commission).
9. The City's application to construct moat and row in the six remaining emissive areas in Phase VII was denied by the Commission on April 6, 2010. To reduce PM<sub>10</sub> emissions as required by Great Basin on the remaining areas, the City proposes to continue implementation of tillage as a temporary measure on 3.12 square miles previously evaluated for moat and row DCMs. In May 2010, the City prepared an addendum to the 2009 Moat and Row Final Supplemental EIR, "Owens Lake Revised Moat and Row Dust Control Measures Addendum No. 1 to the 2009 Supplemental Environmental Impact Report" (Addendum) (Exhibit C to Calendar Item C33, June 28, 2010), to address changes in the project since the 2009 Moat and Row Final Supplemental EIR was certified.
10. The environmental analysis contained in the Addendum concluded that the impacts and mitigation requirements identified in the 2009 Moat and Row Final Supplemental EIR remain substantively unchanged by the modification of the project description to implement tillage. The City found that tillage does not raise any new issues and does not exceed the level of impacts identified in the previous 2009 Moat and Row Final Supplemental EIR.

CALENDAR ITEM NO. **C61** (CONT'D)

11. Before the Commission considered the soil tilling project on June 28, 2010, the Commission's staff reviewed the above documents and Mitigation Monitoring and Reporting Program for the proposed project and concurred with the City's Addendum. The CEQA Findings made by the Commission at its December 17, 2009, meeting apply to the proposed project to implement tillage. The Mitigation Monitoring Program adopted by the Commission at its December 17, 2009, meeting, applies to the proposed project to implement tillage, except for measures identified in section 4.0 of the Addendum pertaining to fences, fence posts, and standing water that will not be part of the tillage project.
12. A revised Statement of Overriding Considerations applicable to the soil tillage project was made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15093) on June 28, 2010.
13. Findings applicable to the soil tillage project were made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096) on June 2, 2010.
14. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code section 6370 et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by California Code of Regulations, Title 2, section 2954 is not applicable.

**EXHIBIT:**

- A. Site/Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that a Subsequent EIR, State Clearinghouse No. 2007021127, was prepared by the Great Basin Unified Air Pollution Control District and certified on January 28, 2008, for the Phase VII project that included moat and row dust control measures, and that the Commission has reviewed and considered the information contained therein.

CALENDAR ITEM NO. **C61** (CONT'D)

Find that a Supplemental EIR, State Clearinghouse No. 2008121074, for the Owens Lake Revised Moat and Row Dust Control Measures, was prepared by the City of Los Angeles, Department of Water and Power and certified on September 15, 2009 and that the Commission has reviewed and considered the information contained therein.

Find that an Addendum, "Owens Lake Revised Moat and Row Dust Control Measures Addendum No. 1 to the 2009 Supplemental Environmental Impact Report," was prepared by the City of Los Angeles, Department of Water and Power in May 2010, to address changes in the Phase VII project since the 2009 Moat and Row FSEIR was certified, and that the Commission has reviewed and considered the information contained therein.

Re-adopt the Mitigation Monitoring and Reporting Program, as contained on file in the Sacramento Office of the Commission as Exhibit H to Calendar Item 41, December 17, 2009, as modified by the Addendum, section 4.0.

Re-adopt the Findings made in conformance with Title 14, California Code of Regulations, sections 15091 and 15096(h), as contained on file in the Sacramento Office of the Commission as Exhibit F to Calendar Item 41, December 17, 2009.

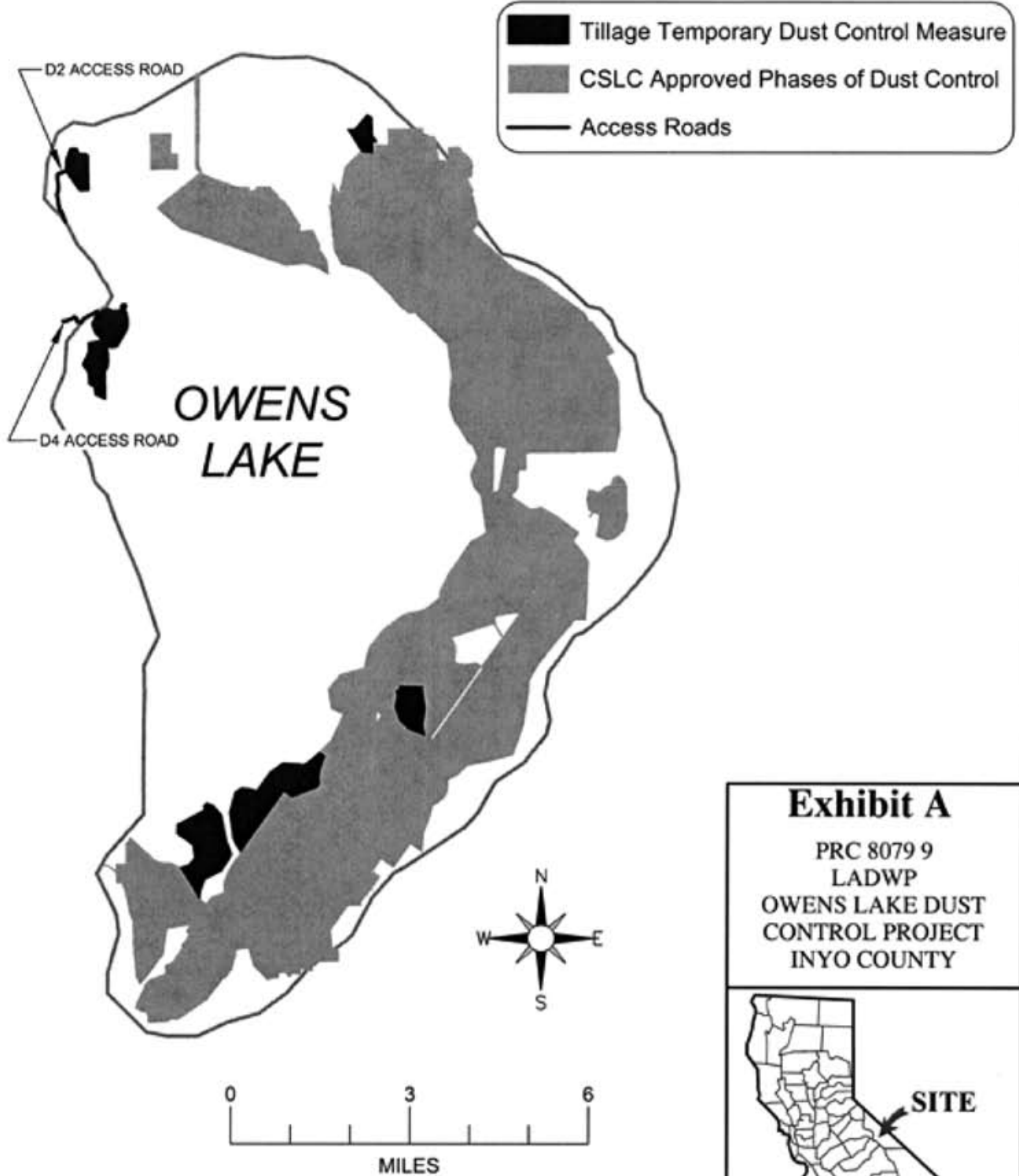
Re-adopt the revised Statement of Overriding Considerations made in conformance with title 14, California Code of Regulations, sections 15093 and 15096(h) as contained on file in the Sacramento Office of the Commission as Exhibit D to Calendar Item C33, June 28, 2010.

**AUTHORIZATION:**

Authorize the Amendment of Lease No. PRC 8079.9, a General Lease – Public Agency Use, to extend the Term of the Ninth Amendment to June 28, 2015, as it pertains only to the implementation, maintenance, and monitoring of 3.12 square miles of soil tillage as specified in the Ninth Amendment to the Lease and as shown on Exhibit A (for reference purposes only); all other terms and conditions of the lease as previously amended will remain in effect without amendment.

NO SCALE

# SITE



## Exhibit A

PRC 8079 9  
LADWP  
OWENS LAKE DUST  
CONTROL PROJECT  
INYO COUNTY



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