

This Calendar Item No. C12 was approved as Minute Item No. 12 by the California State Lands Commission by a vote of 3 to 0 at its 04-05-04 meeting.

**CALENDAR ITEM
C12**

A 11
S 7

04/05/04
PRC 4975.9 W 25985
D. Oetzel

DREDGING LEASE

APPLICANT:

ConocoPhillips Company, San Francisco Refinery
1380 San Pablo Avenue
Rodeo, California 94572

AREA, LAND TYPE, AND LOCATION:

Sovereign lands at the ConocoPhillips Terminal in San Pablo Bay at Davis Point, Contra Costa County.

AUTHORIZED USE:

Dredge a maximum of 90,000 cubic yards of material annually over five years to maintain a navigable maximum depth of 40 feet MLLW. Dredged materials will be disposed of at United States Army Corps of Engineers' designated disposal site SF-9 (Carquinez Strait) and/or other Dredged Material Management Office approved sites, including upland reuse areas.

LEASE TERM:

Five years, beginning April 5, 2004.

CONSIDERATION:

No royalty will be charged for material disposed at sites in the San Francisco Bay Estuary, the Deep Ocean Disposal Site, or upland disposal sites approved by the Dredged Material Management Office so long as the material is not sold or used for private benefit.

ConocoPhillips, or a contractor engaged by ConocoPhillips, shall be allowed to dredge a maximum of 2,200 cubic yards in a one-time pilot event in order to ascertain the feasibility of selling or using the material for private benefit. If the pilot material is ultimately sold or used for private benefit, \$1.00 per cubic yard will be charged, unless otherwise determined by the Commission. Thereafter, material shall not be sold or used for private benefit unless otherwise approved by the Commission.

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OTHER PERTINENT INFORMATION:

1. It is the policy of the Dredged Material Management Office (DMMO) – the San Francisco Bay Regional Water Quality Control Board, the San Francisco Bay Conservation and Development Commission, the US Environmental Protection Agency, the US Corp of Engineers, and the California State Lands Commission – to encourage dredged material to be taken upland rather than be disposed in San Francisco Bay. Therefore, upon the urging of the member agencies of the DMMO, ConocoPhillips has requested permission that a marine sand mining firm be allowed to maintenance dredge one barge of the material (a maximum of 2,200 cubic yards) as a pilot program. Presumably, if the material is found to be marketable sand, it will be sold. The purpose of the single dredging episode will be to determine if the sand dredging project is feasible.
2. The area to be dredged is partially incorporated in the PRC 600 Lease to Tosco Corporation for Operation of a Marine Terminal, dated September 1, 2001 (Marine Terminal Lease). (On January 1, 2003, Tosco Corporation merged into ConocoPhillips Company). The maintenance dredging area will enhance navigation to and from the Terminal.
3. The Dredged Material Management Office has issued a Tier I classification for the project.
4. 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(g).

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

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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:

Regional Water Quality Control Board issued a certification on March 1, 2004.

FURTHER APPROVALS REQUIRED:

San Francisco Bay Conservation and Development Commission, U.S. Army Corps of Engineers.

EXHIBITS:

A. Location and Site Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

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(g).

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 THE ISSUANCE OF A DREDGING LEASE TO CONOCO PHILLIPS COMPANY, BEGINNING APRIL 5, 2004, AND EXTENDING THROUGH APRIL 4, 2009, FOR DREDGING A MAXIMUM OF 90,000 CUBIC YARDS OF MATERIAL ANNUALLY FROM SAN PABLO BAY AT THE CONOCO PHILLIPS MARINE TERMINAL AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS

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REFERENCE MADE A PART HEREOF. DREDGED MATERIALS WILL BE DISPOSED OF AT THE U.S ARMY CORPS OF ENGINEERS DESIGNATED DISPOSAL SITE SF-9 (CARQUINEZ STRAIT) AND/OR OTHER DREDGED MATERIAL MANAGEMENT OFFICE APPROVED SITES, INCLUDING UPLAND REUSE AREAS. SUCH PERMITTED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS, OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENTS. APPLICANT, OR A CONTRACTOR ENGAGED BY APPLICANT, SHALL BE ALLOWED TO DREDGE A MAXIMUM OF 2,200 CUBIC YARDS IN A ONE-TIME PILOT EVENT FOR A CHARGE OF \$1.00 PER CUBIC YARD IN ORDER TO ASCERTAIN THE FEASIBILITY OF SELLING OR USING THE MATERIAL FOR PRIVATE BENEFIT. THEREAFTER, THE MATERIAL SHALL NOT BE SOLD OR USED FOR PRIVATE BENEFIT UNLESS OTHERWISE APPROVED BY THE COMMISSION.

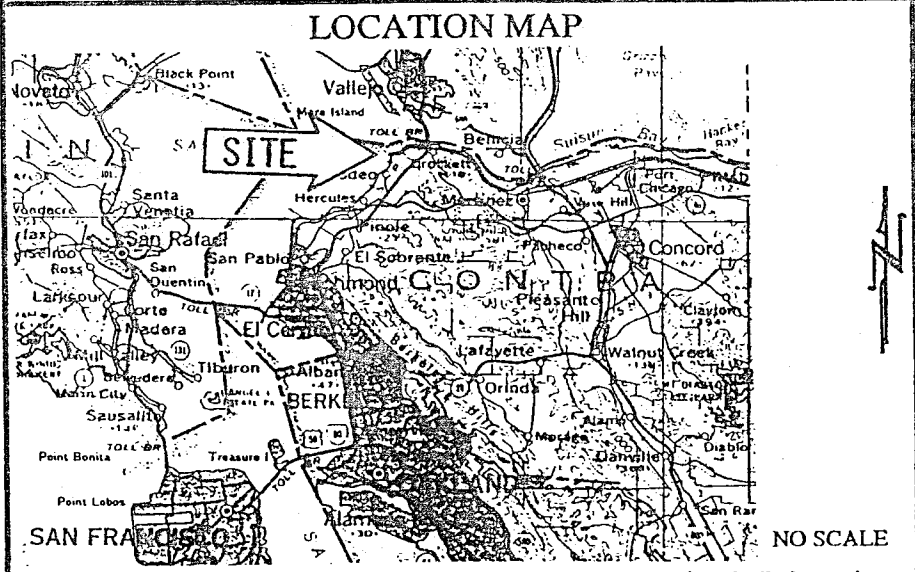
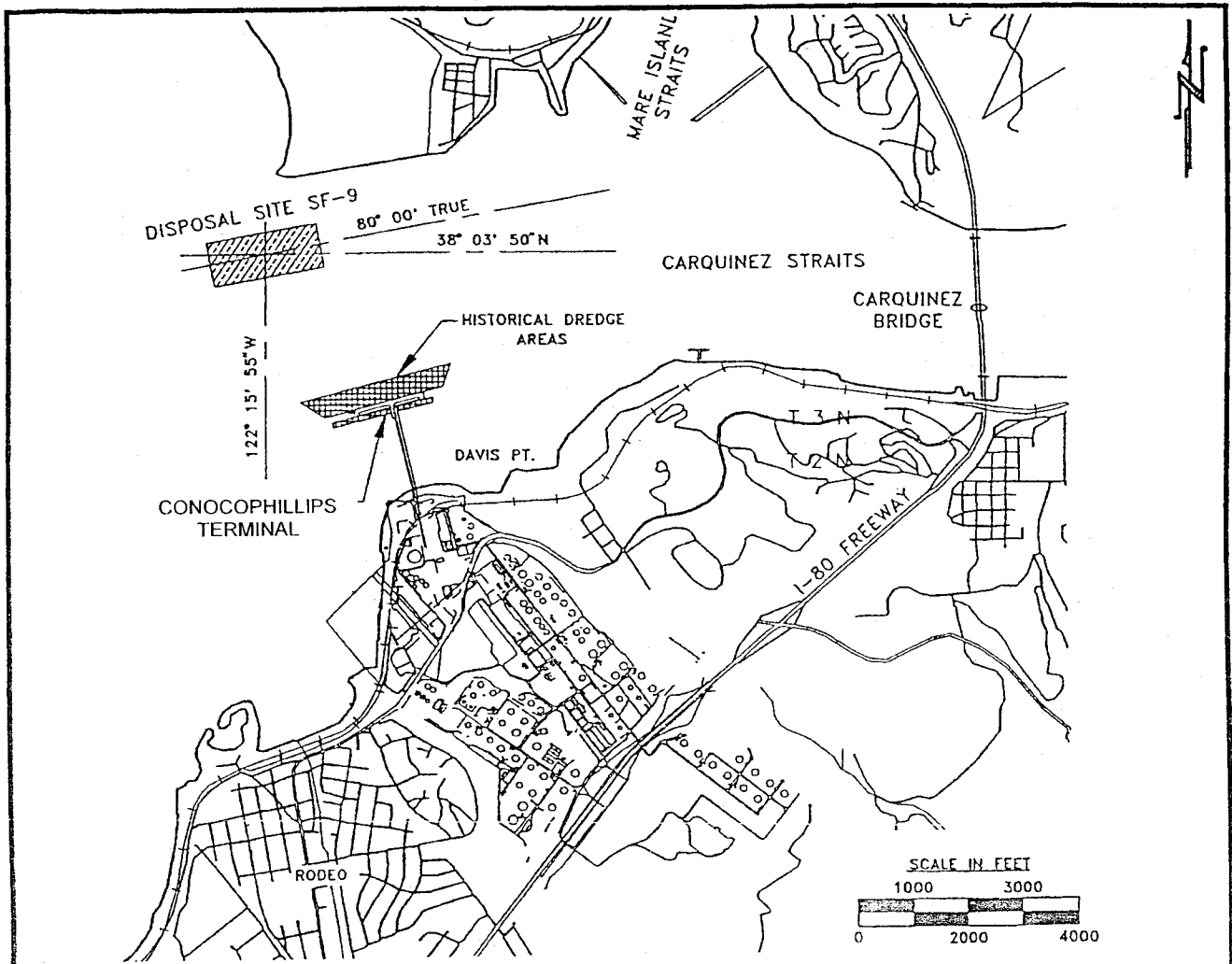
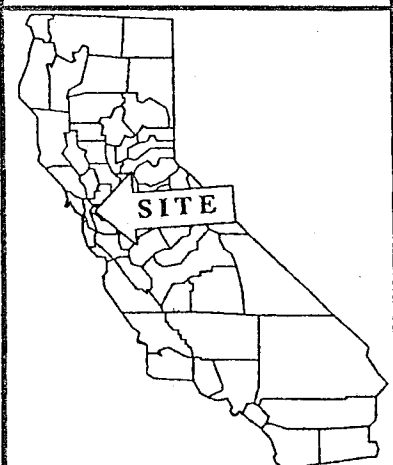


EXHIBIT A
W 25985
Dredging Lease
Application
CONOCOPHILLIPS
Contra Costa County



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 or limitation of any State interest in the subject or any other property.