

**CALENDAR ITEM
C53**

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DREDGING LEASE

APPLICANT:

BAE Systems San Diego Ship Repair Inc.
2205 East Belt Street, Foot of Sampson
San Diego, CA 92113

AREA, LAND TYPE, AND LOCATION:

Legislatively granted sovereign lands to the San Diego Unified Port District (Chapter 67, Statutes of 1962, and as amended), with minerals reserved to the State, and ungranted sovereign lands located in San Diego Bay at the Port of San Diego, between Piers 2 and 3 of the BAE Systems San Diego Dry Dock Sump, city of San Diego, San Diego County.

AUTHORIZED USE:

Maintenance dredge of approximately 7,000 cubic yards of material over five years to maintain a navigable depth. Dredged material will be disposed of at an approved upland site.

LEASE TERM:

Five years, beginning October 29, 2010.

CONSIDERATION:

No monetary consideration will be charged as the project will result in a public benefit. The dredging will enhance water-related commerce and navigation in San Diego Bay and facilitate the repair of U.S. naval vessels. The dredged material may not be sold.

OTHER PERTINENT INFORMATION:

1. BAE Systems Ship Repair is the nation's largest non-nuclear ship repair, overhaul, and conversion company. The company's prime customers are the U.S. Navy, other governmental agencies, and owners of large commercial ships. The current dredging project is needed to restore the operational depth of a floating drydock located at the BAE Systems San Diego Ship Repair (BAE) facility in

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San Diego Bay. At present, the drydock is “tide restricted” so that the larger vessels like Navy warships can only be dry-docked during the higher tide ranges.

2. BAE plans to remove sediments that have migrated into the operating sump of the floating drydock *Pride of San Diego*. The sump is a dredged depression in San Diego Bay that accommodates the full submergence of the drydock. To avoid undermining the shipyard’s seawall and adjacent piers, the sump is located offshore and to the southwest of the drydock’s fixed mooring position. To use the drydock for a docking or undocking evolution, the drydock is released from its fixed mooring fittings and moved approximately 100 feet to the southwest so as to be positioned over the sump.

The drydock sump was originally dredged in 1984. The purpose of this project is to remove sediments that have migrated into the sump, thus preventing the drydock from achieving full submergence. This maintenance dredging project will remove approximately 7,000 cubic yards of sediments. Dredging would take place using a barge-mounted clamshell dredge, which will deposit the material on an adjoining barge. Both barges will have a watertight containment area for holding the dredged sediment and water and preventing it from spilling into the Bay. During dredging operations, a silt curtain or floating turbidity control curtain will be deployed around both barges to contain the turbidity created by the dredging activities. The dredge material will then be transported to Pier 1 where it will be moved to a drying area and mixed with a cement-based reagent to accelerate the drying.

3. A portion of this project lies within the footprint of the San Diego Regional Water Quality Control Board’s (SDRWQCB) “Shipyard Sediment Site,” which is currently the subject of a Tentative Cleanup and Abatement Order (Order) to be adopted at some future date by the SDRWQCB. The Order targets marine sediment located within and adjacent to the BAE shipyard and the neighboring General Dynamics-NASSCO shipyard. All sediments removed from this maintenance dredging project, as well as the bay water brought up with each bucket load of sediment, will be subject to precautionary collection measures. Dredged sediments will be controlled throughout the dredging and handling process to prevent harm to personnel and the environment. Bay water deposited on the dredge material barge will be collected in tanks and

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characterized for disposal in accordance with the facility's Industrial User Discharge Permit. The dredged material will be spread out in an upland drying/loading area and frequently turned over to further accelerate drying. When a batch of dredged material appears ready for transport, the drying/loading coordinator will call for a paint filter test and another analytical characterization, as required for acceptance by the disposal site, the Otay Landfill.

The SDRWQCB determined that the current proposal is maintenance dredging and not remediation that would be subject to the Cleanup and Abatement Order and has no immediate concerns about the project that cannot be addressed through its Clean Water Act, Section 401, Certification or Waste Discharge Requirement process. Approval by the Commission will not preempt any decision-making authority of the SDRWQCB as to its jurisdictional determination.

4. The initial dredging for the drydock sump that occurred in 1984 was analyzed as part of the Environmental Impact Report (EIR) titled "Marine Shipyard Redevelopment" (SCH No. 82112405), which was certified by the San Diego Unified Port District (Port of San Diego) Board of Port Commissioners in April 1983. The EIR evaluated dredging of the sump site to a bottom depth of -70 feet Mean Low Water (MLLW). On September 14, 2010, the Port of San Diego, as Lead Agency under the California Environmental Quality Act (CEQA), determined that (1) dredging depth under the current proposal is consistent with the project evaluated in the EIR and is considered maintenance dredging; and (2) the project is determined to be Categorical Exempt pursuant to CEQA Guidelines Section 15301 (Existing Facilities) because it is maintenance dredging for an existing sump and will not expand the use beyond the existing use.
5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff has determined this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities Title 14, California Code of Regulations, section 15301.

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

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6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq., but such activity will not affect those significant lands. 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:

U.S. Army Corps of Engineers
San Diego Unified Port District

APPROVAL TO BE OBTAINED:

San Diego Regional Water Quality Control Board

EXHIBITS:

- A. Location and Site Map
- B. Land Description

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, Section 15061 as a categorically exempt project, Class 1, Existing Facilities: Title 14, California Code of Regulations, section 15301.

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 BAE Systems San Diego Ship Repair Inc. beginning October 29, 2010, for a term of five years, to dredge approximately 7,000 cubic yards of material during the lease term from between Piers 2 and 3 of the BAE Systems San Diego Dry Dock Sump in San Diego Bay, as shown on Exhibit A attached and by this reference made a part hereof; such permitted activity is contingent upon applicant's compliance with applicable permits, recommendations, or limitations issued by

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federal, State, and local governments; no monetary consideration will be charged as the dredging project will result in a public benefit. The dredged material may not be sold.