

**CALENDAR ITEM
C93**

A 73
S 35

03/29/12
WP 8651.9
D. Simpkin

AMENDMENT OF LEASE

LESSEE:

Municipal Water District of Orange County
P.O.Box 20895
Fountain Valley, CA 92728

AREA, LAND TYPE, AND LOCATION:

0.525 acre, more or less, of sovereign land in the Pacific Ocean, offshore of the city of Dana Point, Orange County.

AUTHORIZED USES:

The construction and installation of a test slant well extending approximately 370 feet from the uplands at Doheny State Beach to an area beneath the Pacific Ocean, near Dana Point, Orange County; the test well is part of a subsurface intake system feasibility investigation in connection with the proposed Dana Point Ocean Desalination Project. Additional uses include installation of a buried discharge pipeline, outfall diffuser and temporary installation of a submersible pump in the existing test slant well.

LEASE TERM:

Five years, beginning December 8, 2005. Lease amended in 2008 to extend lease expiration date to May 31, 2012.

CONSIDERATION:

The public use and benefit, with the State reserving the right at any time to set a monetary rental if the Commission finds such action to be in the State's best interest.

SPECIFIC LEASE PROVISIONS:

Section 1, Term, would be amended to extend the term of the lease by two years, to May 31, 2014.

All other terms and conditions of the lease shall remain in effect without amendment.

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OTHER PERTINENT INFORMATION:

1. Lessee has the right to use the uplands adjoining the lease premises.
2. On December 8, 2005, the Commission authorized the issuance of a five-year General Lease – Public Agency Use, Lease No. PRC 8651.9, to the Municipal Water District of Orange County (District) for the construction and installation of a test slant well extending offshore from Doheny State Beach. The project is part of an on-going feasibility investigation for the Dana Point Ocean Desalination Project. The lease authorized the installation of a 16-inch diameter slant well extending approximately 370 feet under the ocean to a vertical depth of 156 feet.
3. On August 22, 2008, the Commission authorized an Amendment to the lease to extend the term of the lease to May 31, 2012, amend the description of the lease premises, and authorize the installation of a buried discharge pipeline, outfall diffuser, and temporary installation of a submersible pump in the existing test slant well.
4. The District commenced the Phase 3 Extended Pumping Test in July 2010. This test is intended to measure water quality and composition as the water changes from brackish to predominantly ocean water. Salinity, mineral content, temperature, dissolved oxygen, and microbials will also be measured. The information obtained will help the District refine the ground water model and help in the design of the reverse osmosis system. The extended pump test period is 18 months and is scheduled to be completed by April 30, 2012. However, the District believes that additional testing may be needed within the next two years to further refine their project and therefore would like to maintain the facilities in a non-operational, standby mode until such time as they may be needed. The District will provide Commission staff advance notice of any reactivation of the facilities. The District is now applying for an amendment to the existing Lease to extend the lease term two years, to May 31, 2014.
5. An Initial Study/Mitigated Negative Declaration, State Clearinghouse No. 2008051050, was prepared by the Municipal Water District of Orange County and adopted on July 2, 2008, for this project. California State Lands Commission staff has reviewed such document.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 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

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through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

California Coastal Commission
California Department of Parks and Recreation
U.S. Army Corps of Engineers
Santa Ana Regional Water Quality Control Board

EXHIBITS:

- A. Site and Location Map
- B. Mitigation and Monitoring Report Plan

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that a Mitigated Negative Declaration, State Clearinghouse No. 2008051050, was prepared by the Municipal Water District of Orange County and adopted on July 2, 2008 for this Project and that the Commission has reviewed and considered the information contained therein.

SIGNIFICANT LANDS INVENTORY FINDING:

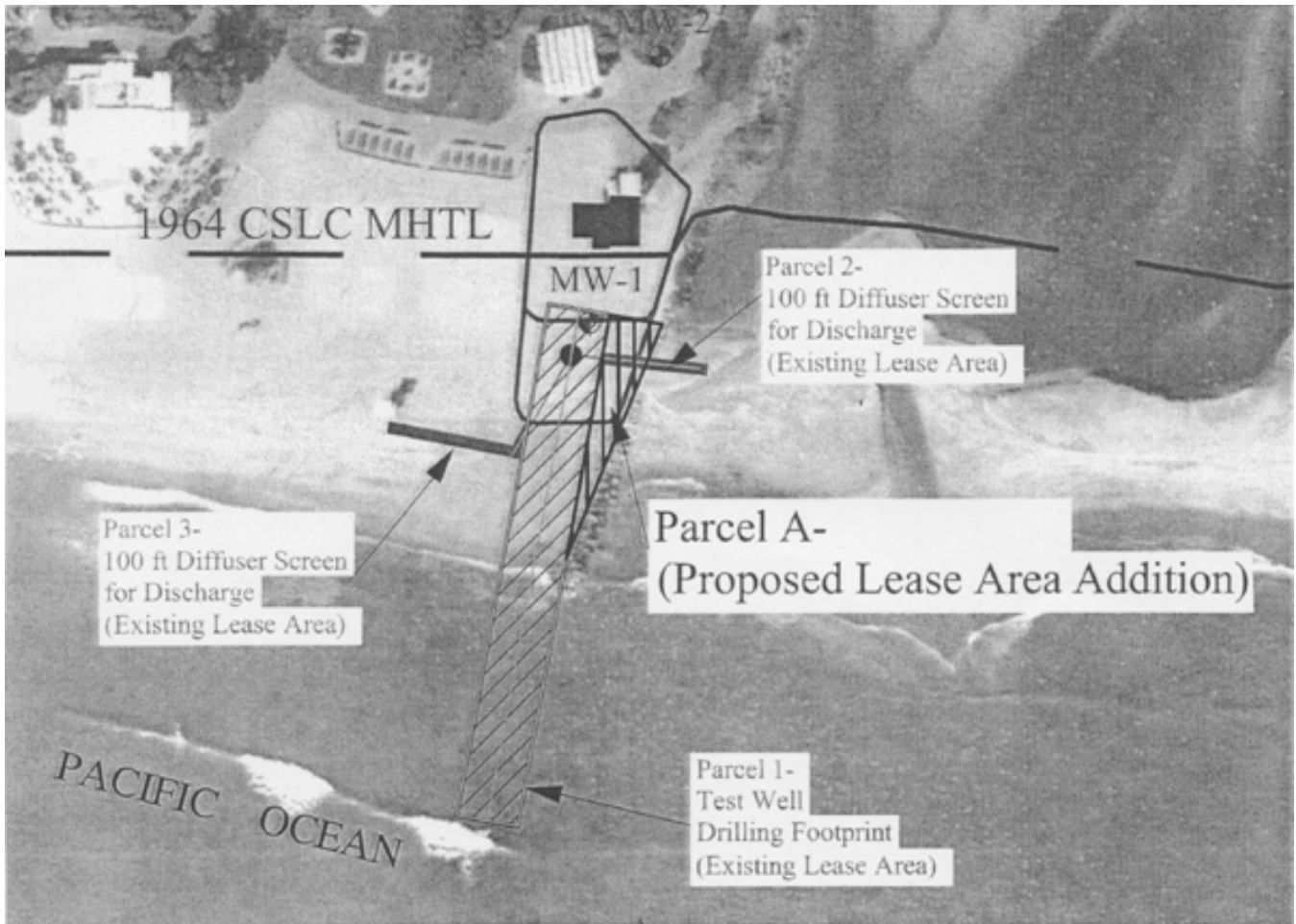
Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize the Amendment of Lease No. PRC 8651.9, a General Lease – Public Agency Use, to amend the term of the lease to expire on May 31, 2014 as shown on Exhibit A (for reference purposes only), effective March 29, 2012; all other terms and conditions of the lease as previously amended will remain in effect without amendment.

NO SCALE

SITE



DOHENY STATE BEACH,
APN 121-34-84

NO SCALE

LOCATION

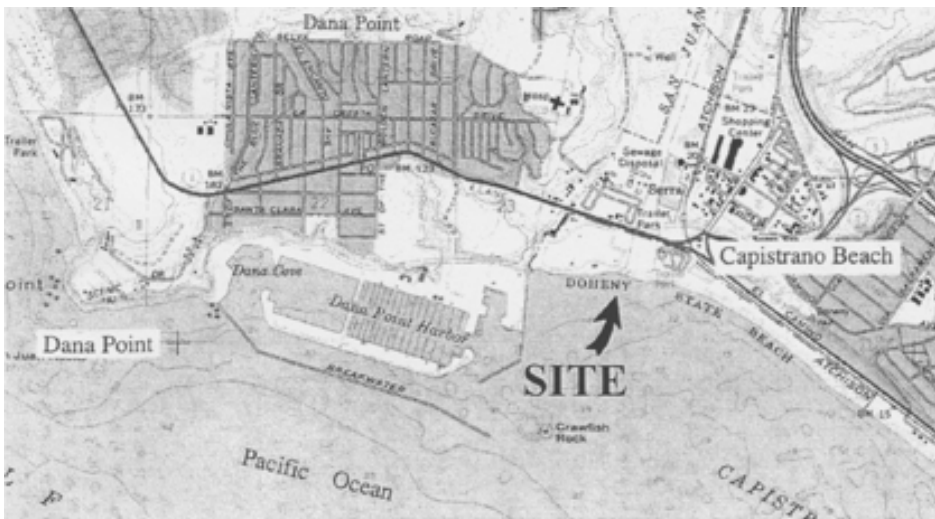


Exhibit A
 WP 8651
 MUNICIPAL WATER
 DISTRICT OF
 ORANGE COUNTY
 GENERAL LEASE
 PUBLIC AGENCY



SITE

MUF 8/1/08

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.

MAP SOURCE: USGS QUAD

Mitigation Monitoring and Reporting Plan
Phase 3 Extended Pumping and Pilot Plant Testing
Dana Point Ocean Desalination Project

June 2008

MITIGATION MONITORING and REPORTING PLAN (MMRP)

In the following MMRP, each mitigation measure included in the Mitigated Negative Declaration for the Dana Point Ocean Desalination project is listed according to resource area. The project shall incorporate these environmental protection measures as part of the project and shall be carried forward and implemented in accordance with project activities.

The time frame for implementation of each mitigation measure is listed. The agency or agencies responsible for monitoring the satisfactory implementation of mitigation measures also is identified. The timing and method of verification also is included.

Mitigation Measure	Implementing Action	Method of Verification	Timing of Verification	Responsible Party
Air Quality				
Reduce speeds on unpaved areas to 15 mph.	Review of Plans and Specifications	Onsite supervisor to assure compliance with mitigation measure	During project construction	MWDOC
Water unpaved construction areas 4x per day.	Review of Plans and Specifications	Onsite supervisor to assure compliance with mitigation measure	During project construction	MWDOC
All diesel-fueled equipment that is ten years or older shall have particulate traps with a minimum of 85 percent efficiency installed within the exhaust system.	Review of Plans and Specifications	Contractor shall provide evidence of installation of particulate traps with a minimum 85 percent efficiency in exhaust systems of ten year or older diesel fueled equipment	During project construction	MWDOC
Biological Resources				
A snowy plover monitor will be present during project activities to insure that no activities occur if snowy plovers are present within any of the work areas until the plovers have left the site.	MWDOC will hire a qualified snowy plover monitor prior to construction activities on the beach	Monitoring reports shall be submitted by the qualified snowy plover monitor to MWDOC	During construction on the beach	MWDOC

Mitigation Measure	Implementing Action	Method of Verification	Timing of Verification	Responsible Party
Hazardous Materials/Water Quality				
Measures in the Spill Prevention and Response Plan shall be implemented. Prior to the commencement of drilling operations, a containment area underlain by heavy plastic sheeting will be constructed to enclose the drill rig and other equipment to minimize the potential for releasing fuel, hydraulic fluid, or water from drilling operations to the surrounding environment. Additionally, absorbent materials will be maintained onsite during work operations as part of a spill prevention plan. Fuel will be delivered by bulk truck to the site daily and will be handled in accordance with a fuel containment plan. No fuel or oil products, other than that which is in equipment fuel tanks, will be stored onsite.	Review of Plans and Specifications	Onsite supervisor to assure compliance with Spill Prevention and Response Plan	During construction and drilling	MWDOC
Noise				
Drilling and other noisy construction activities only will be conducted between 10 am and 6 pm, Monday through Friday.	Review of Plans and Specifications	Onsite supervisor to assure compliance with mitigation measure	During project construction	MWDOC
Sound walls will be installed around the drilling rig's engine.	Review of Plans and Specifications	Onsite supervisor to assure compliance with mitigation measure	During project construction	MWDOC
Recreation				
Drilling areas and equipment staging areas will be fenced for public safety.	Review of Plans and Specifications	Site Safety officer to assure compliance with mitigation measure	During project construction	MWDOC

Mitigation Measure	Implementing Action	Method of Verification	Timing of Verification	Responsible Party
<p>Prior to drilling operations, there will be a meeting between MWDOC, its consultants, California State Parks personnel, and the Drilling Contractor to review the plan of work, park rules, safety considerations, and environmental commitments. Each exploratory borehole drilling site will be visited during the pre-construction meeting.</p>	<p>MWDOC will arrange meeting</p>	<p>Onsite supervisor to assure compliance with mitigation measure</p>	<p>During project construction</p>	<p>MWDOC</p>
<p>In addition to the drilling crew, there will be one person (Site Safety Officer) onsite to interact with the public and answer questions from the public. This person will not be integral to actual drilling operations. In addition to answering public inquiries, it will be this individual's job to ensure that the perimeter around the drilling operations is safe and secure.</p>	<p>MWDOC will hire Site Safety Officer</p>	<p>Onsite supervisor to assure compliance with mitigation measure</p>	<p>During project construction</p>	<p>MWDOC</p>
<p>MWDOC will prepare signage to be posted at the site of drilling operations. The sign will explain the project and provide a MWDOC telephone number where public inquiries can be directed. MWDOC will mail an informational notice to the residents of the bluff overlooking the Doheny State Beach campground and all other property owners located near the Park prior to commencement of the pilot plant testing and exploratory borehole drilling.</p>	<p>MWDOC will prepare signs and notices</p>	<p>MWDOC and onsite supervisor to assure compliance with mitigation measure</p>	<p>Immediately prior to and during project construction</p>	<p>MWDOC</p>
<p>MWDOC will comply with all measures requested by the California Department of Parks and Recreation as terms of the Right of Entry Permit.</p>	<p>Review of Plans and Specifications</p>	<p>Onsite supervisor to assure compliance with mitigation measure</p>	<p>During project construction</p>	<p>MWDOC</p>

Mitigation Measure	Implementing Action	Method of Verification	Timing of Verification	Responsible Party
Traffic, Circulation and Parking				
Drilling operations will take place on the sand such that drilling equipment will not obstruct bike paths or other access roadways. Where bicycle paths and roadways may be temporarily blocked, an alternative route/detour will be clearly marked. The Site Safety Officer will also redirect pedestrian and bicycle traffic in the event that the drilling operations obstruct a traffic route.	Review of Plans and Specifications	Onsite supervisor and Site Safety Officer	During project construction	MWDOC
Water Quality				
All discharges to the surf zone will meet NPDES permit requirements. Oxygen will be added to well discharge water to meet 5 mg/l dissolved oxygen requirement	Specified in operation plans and instructions	Monitoring of discharge water.	During operations	MWDOC