MINUTE ITEM

This Calendar Item No. <u>C30</u> was approved as Minute Item No. <u>30</u> by the California State Lands Commission by a vote of <u>3</u> to <u>6</u> at its <u>06/26/06</u> meeting.

CALENDAR ITEM C30

A 2, 8, 9 06/26/06 PRC 8679 W 26143 S 4, 5, 6, 8 D. Jones

GENERAL LEASE - PROTECTIVE STRUCTURE USE

APPLICANT:

California Department of Water Resources 1416 Ninth Street Sacramento, California 95814

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in the Sacramento River, Colusa County near Princeton (Sites I and 2); Sacramento River, Colusa County near the Colusa Bypass (Sites 3 and 4); Sacramento River, Colusa County near Meridian (Site 5); Bear River, Sutter County near Rio Oso (Site 7); Sacramento River, Yolo County near Knights Landing (Sites 8, and 9); Sacramento River, Yolo County near the city of West Sacramento (Site 10); Sacramento River, Sacramento County, near Steamboat Slough (Site 11); Sacramento River near Walnut Grove (Sites 12 and 13); Steamboat Slough, Solano County near city of Rio Vista (Sites 14); and Cache Slough, Solano County near Rio Vista (Sites 15 and 16).

AUTHORIZED USE:

The construction, use and maintenance of bank protection.

LEASE TERM:

20 years, beginning June 26, 2006.

CONSIDERATION:

The public use and benefit; 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.

OTHER PERTINENT INFORMATION:

- 1. Applicant has the right to use the uplands adjoining the lease premises.
- 2. On February 24, 2006, Governor Arnold Schwarzenegger declared a state of emergency (Declaration of State of Emergency of California Levee

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System and March 7, 2006, Executive Order S-01-06) with respect to California's levee system. The Governor's proclamation focused on the imminent threat of 24 critical levee-erosion sites in the counties of Colusa, Sacramento, Solano, Sutter, Yolo and Yuba. The proclamation stated the 24 critical sites create conditions of extreme peril to the public and property protected by the levees, to the environment, and to the state's general economic well being. Eight of these 24 critical sites are located in the Pocket area in the city of Sacramento and are proposed to be constructed by the Reclamation Board and the U.S. Army Corps of Engineers under a separate application. An additional five sites along the Sacramento River are contained in another application submitted by the Reclamation Board. In total, 29 sites are to be affected. Under this application, the Department of Water Resources (DWR) has applied to the Commission to conduct bank protection work for the remaining 16 levee sites. Fifteen of the 16 sites are under the jurisdiction of the Commission.

Each of the levee sites was selected based on a comprehensive erosion site evaluation prepared for the U. S. Army Corps of Engineers. The evaluation was based on field surveys and quantitative ranking of characteristics, such as bank slope, berm width, length and location of erosion, radius of curvature, bank stability, dynamic geomorphology, vegetation cover, tree hazards, soil type, water velocity, wave action, economic factors, human use, seepage potential and tidal fluctuation.

The erosion damage at each of the sites generally consists of scour, surface erosion, slumping, or undermining, or a combination of these factors. It has been determined that DWR will install a rock and soil-rock mixture at each site to fill the scoured or lost areas in order to re-establish the supporting slope and bench that were previously present. On appropriate sites, DWR will incorporate "woody debris", willow plantings, and shrub vegetation to promote bank stabilization and enhance fish habitat. The designs for repair will identify any existing special status species habitat and designate buffers or restoration measures to assure their persistence after levee repair.

3. This activity involves lands 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.

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4. The Commission has also received two applications from the Reclamation Board for levee repairs at an additional 13 sites along the Sacramento River. The Reclamation Board has prepared and approved Mitigated Negative Declarations for the work described in each application. Each of these analyses conclude, with the incorporation of specified mitigation measures, that all identified environmental impacts will be less than significant. According to the DWR, all of the projects subject to the proposed lease will incorporate mitigation measures that are comparable to those previously adopted for the above projects as set forth in the May 26, 2006, "Mitigation Monitoring Plan for Riparian, Aquatic, and Valley Elderberry Longhorn Beetle Habitat" on file in the Sacramento Office of the Commission.

Additional mitigation consists of placing instream woody material, placing small diameter substrate, planting vegetated benches near summer water levels, and planting trees and shrubs that will improve shaded riparian areas. Should these onsite features not fully offset project impacts, mitigation, in the form of a setback levee or other fluvial-function restoring measure(s), will be implemented as specified.

In addition, the Draft Biological Opinion prepared by the U.S. Fish and Wildlife Service for all project sites determines, based on compliance with all its terms and conditions, "that this level of anticipated take in this opinion is not likely to result in jeopardy to the delta smelt, valley elderberry longhorn beetle, or giant garter snake, and will not result in the destruction or adverse modification of designated critical habitat."

5. 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 under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Title 14, California Code of Regulations, section 15061 (b) (3).

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APPROVALS REQUIRED:

U.S. Army Corps of Engineers, NOAA Fisheries, U.S. Fish and Wildlife Service, California Department of Fish and Game, the Reclamation Board, and the California Regional Water Quality Control Board

EXHIBIT:

A. Site Map and Location Map

PERMIT STREAMLINING ACT DEADLINE:

August 13, 2006

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 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b) (3).

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.

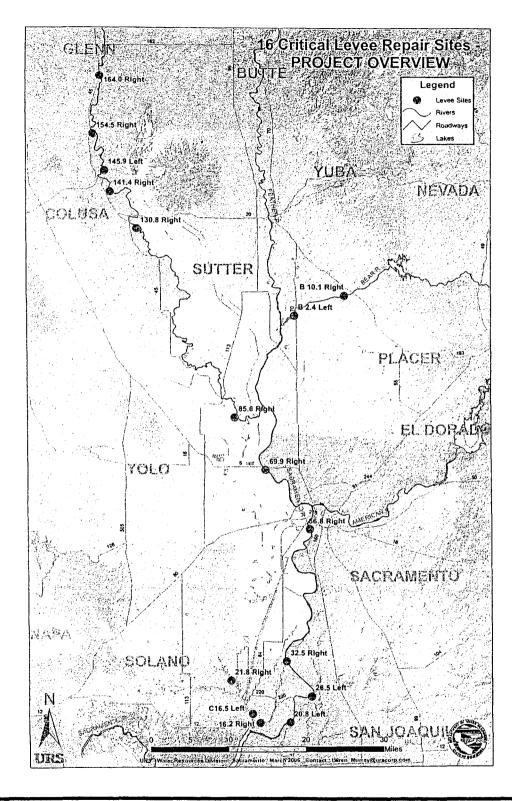
AUTHORIZATION:

AUTHORIZE ISSUANCE TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES OF A GENERAL LEASE - PROTECTIVE STRUCTURE USE, BEGINNING JUNE 26, 2006, FOR A TERM OF 20 YEARS, FOR THE CONSTRUCTION, USE AND MAINTENANCE OF BANK PROTECTION AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION BEING THE PUBLIC USE AND BENEFIT, 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.

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This exhibit is solely for purposes of generally defining the leased premises, is based on unverified information provided by lessee or other parties, and is not intended to be, nor shall it be construed to as a waiver or limitation of any state interest in the subject or any other property.

Exhibit A W 26143

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