

Staff Report 48

PARTY:

California State Lands Commission (Commission)

PROPOSED ACTION:

Request delegation of authority for the Executive Officer to solicit Statements of Interest for consultant services, negotiate fair and reasonable prices, and award and execute agreements for the preparation of environmental documentation for the proposed San Francisco Bay and Delta Sand Mining Project in the central San Francisco Bay and Suisun Bay/San Joaquin River, San Francisco, Contra Costa, Sacramento, and Solano counties.

BACKGROUND:

The Commission manages tidelands, submerged lands, and beds of navigable waterways for the benefit of all people of the State for statewide Public Trust purposes, which include waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space. The Commission may grant leases on these State lands for such purposes as, but not limited to, marine oil terminals, marinas, docks and wharves, mineral extraction, open space, wetlands, increasing public access, and dredging.

The mining of sand for use as a construction material has occurred within the Central San Francisco Bay and Delta for more than eight decades. Channel and harbor dredging to remove sand and other sediment deposits from the Bay began in the 1800s, and construction-grade sand mining within the Bay-Delta estuary began in the 1930s. On June 19, 1998, the Commission authorized sand and gravel extraction Leases 709, 2036, and 7780 to Moe Sand Company; Lease 7779 to Olin Jones Sand Company (Olin); and Lease 7781 to Suisun Associates, a joint venture between Olin and Jerico Products, Inc. (Suisun Associates) ([Item C33, June 19, 1998](#)). The Leases were issued for terms of 10 years with an option to renew for additional 10-year periods contingent upon completion of the environmental review and permitting processes. On December 3, 1999, the Commission authorized

an assignment of Lease 7779 and 7781 from Olin to Jones Marine Operations, Inc. (Jones) ([Item C20, December 3, 1999](#)). Hanson Marine Operations (Hanson) acquired Jones in 1999 and succeeded to Olin's interest in the Suisun Associates joint venture. With the Jerico Products, Inc. (Jerico) acquisition of Morris Tug and Barge, Hanson and Jerico became joint venture partners in Suisun Associates. Hanson is the managing partner in the joint venture with Jerico, which changed its name to Lind Marine Inc. (Lind) in June 2014.

On October 19, 2012, the Commission certified an Environmental Impact Report (EIR) in compliance with the California Environmental Quality Act (CEQA), and authorized Leases 709, 2036, 7779, and 7780 to Hanson, beginning January 1, 2013 ([Item C101, October 19, 2012](#)). On February 22, 2013, the Commission authorized sand and gravel extraction Lease 7781 to Suisun Associates ([Item C42, February 22, 2013](#)). Although the validity of the EIR was upheld during a legal challenge, the Hanson leases were reauthorized by the Commission in 2016 after including an express Public Trust analysis as directed by the court ([Item C33, June 28, 2016](#)). All five leases expire on December 31, 2022.

PROJECT DESCRIPTION:

The Commission received an application from Hanson and Lind, collectively the Applicants, for new mineral extraction leases to continue dredge mining of construction-grade sand from certain lease parcels in the central San Francisco Bay (Central Bay), Suisun Bay, and the western Sacramento-San Joaquin River Delta area (Delta) (see Exhibits A-1 and A-2 for maps of the proposed lease areas).

Staff seeks a delegation of authority to the Executive Officer to secure the services of an environmental consultant team to analyze the proposed San Francisco Bay and Delta Sand Mining Project (Project) in the central San Francisco Bay and Suisun Bay/San Joaquin River in San Francisco, Contra Costa, and Solano counties. Staff anticipates a 3-year contract term (with an option to extend) with the consultant team to organize stakeholder and environmental justice outreach, support Tribal consultation, prepare various sand resource models, conduct a scientific literature review, evaluate the potential effects and impacts that could occur if new sand mining leases are authorized, and prepare an environmental review document in compliance with CEQA and to assist in preparing a robust Public Trust analysis for the Commission's consideration.

Staff is considering developing a new CEQA document to facilitate the lease application process. Based on the status of the current sand mining activities and the existing EIR, staff determined that a Supplemental EIR is the appropriate CEQA document for this environmental analysis. The Commission would use the

Supplemental EIR to evaluate the potential environmental and Public Trust impacts in considering approval of new 10-year mineral extraction leases to the Applicants to continue mining construction-grade sand.

The Supplemental EIR would also provide information needed by other State and local agencies that issue permits associated with the Project to exercise their responsibilities in issuing those permits. These agencies include the San Francisco Bay Conservation and Development Commission (BCDC), San Francisco Bay Regional Water Quality Control Board (SFBRWQCB), State Mining and Geology Board (SMGB), and California Department of Fish and Wildlife (CDFW). In addition, approval of the U.S. Army Corps of Engineers (USACE), in conjunction with required consultation and coordination with the U.S. Fish and Wildlife Service and National Marine Fisheries Service, would be necessary.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6106, 6216, 6301, 6890, 6895, 6897, 6898, and 6899; Government Code sections 4526 and 19130; Public Contract Code sections 6106 and 10335; State Contracting Manual, vol. 1, ch. 11; California Code of Regulations, title 2, section 2980 et seq., and title 14, section 15045.

STATE'S BEST INTERESTS ANALYSIS:

Since the Commission's authorization to the Applicants to mine sand in the five identified lease areas (see Exhibit A), staff has coordinated extensively with the USACE, CDFW, BCDC, SFBRWQCB, SMGB, California Air Resources Board Harbor Craft Program, and other federal and State resource agencies to ensure that sand mining activities are performed in accordance with the lease provisions and associated permits.

If authorization to develop the CEQA document is approved, the stakeholder and public outreach process would include early consultation with at-risk communities identified by the latest version of Cal EnviroScreen, environmental organizations, and any Tribal groups who request consultation. Staff's goal is to elicit ideas, facts, and opinions on the impacts of sand mining activities and to identify potential alternatives to the proposed sand mining activities. A prospective consultant should have resources, local contacts or the ability to establish them, and expertise in organizing and managing this outreach process.

Benthic and other sand modeling studies will be performed during the impacts analysis phase of developing the Supplemental EIR which will be one of the tasks in

the prospective consultant's scope of work. These studies will examine the movement of sand resources and disturbance to benthic organisms. These studies will be completed as part of the impact analyses within the Supplemental EIR and circulated for review by agencies, organizations, tribes, and other interested parties.

Consultant selection will be conducted pursuant to the requirements of the California Public Contract Code and current State policies and procedures, including those specified in the Commission's regulations and the State Contracting Manual and will be based on demonstrated competence and professional qualifications necessary for the satisfactory performances of the services required. Additionally, ensuring that the process is fair and open to a wide applicant pool (including small business and veterans) and that successful applicants have the best qualifications to do the work is in the best interests of the State.

The CEQA analysis undertaken would evaluate potential impacts to sensitive habitat of state and federally listed species, cultural resources, air quality, and all other potentially significant impacts from proposed Project activities. If the proposed Project would cause significant impacts that could not be avoided, the document would include proposed mitigation measures to reduce impacts to the extent feasible. Before considering the lease applications for continued sand mining, the Commission must certify the environmental document and adopt a monitoring plan pursuant to CEQA (Pub. Resources Code, § 21081.6) to ensure that any mitigation measures imposed to mitigate or avoid significant effects will be implemented.

CONCLUSION:

For the reasons above, staff believes the proposed authority for the Executive Officer to solicit Statements of Interest for consultant services is in the State's best interests.

OTHER PERTINENT INFORMATION:

1. Authorization to solicit proposals is not a project as defined by CEQA because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

2. Approval of the recommended action by the Commission does not constitute approval of a proposed sand mining Project; it authorizes consultant contracts

for engineering and environmental review to assess the impacts of proposed future activities associated with sand mining activities in San Francisco Bay and Delta lease areas.

3. This action is consistent with the "Meeting Evolving Public Trust Needs," "Prioritizing Social, Economic, and Environmental Justice," "Partnering with Sovereign Tribal Governments and Communities," and "Committing to Collaborative Leadership" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.

EXHIBITS:

- A. A-1 PRC 709, 2036, 7779, 7780 Map of proposed Central Bay lease areas.
- B. A-2 PRC 7781 Map of proposed Suisun Bay, Broad Slough and Sacramento River Lease areas.

RECOMMENDED ACTION:

It is recommended that the Commission:

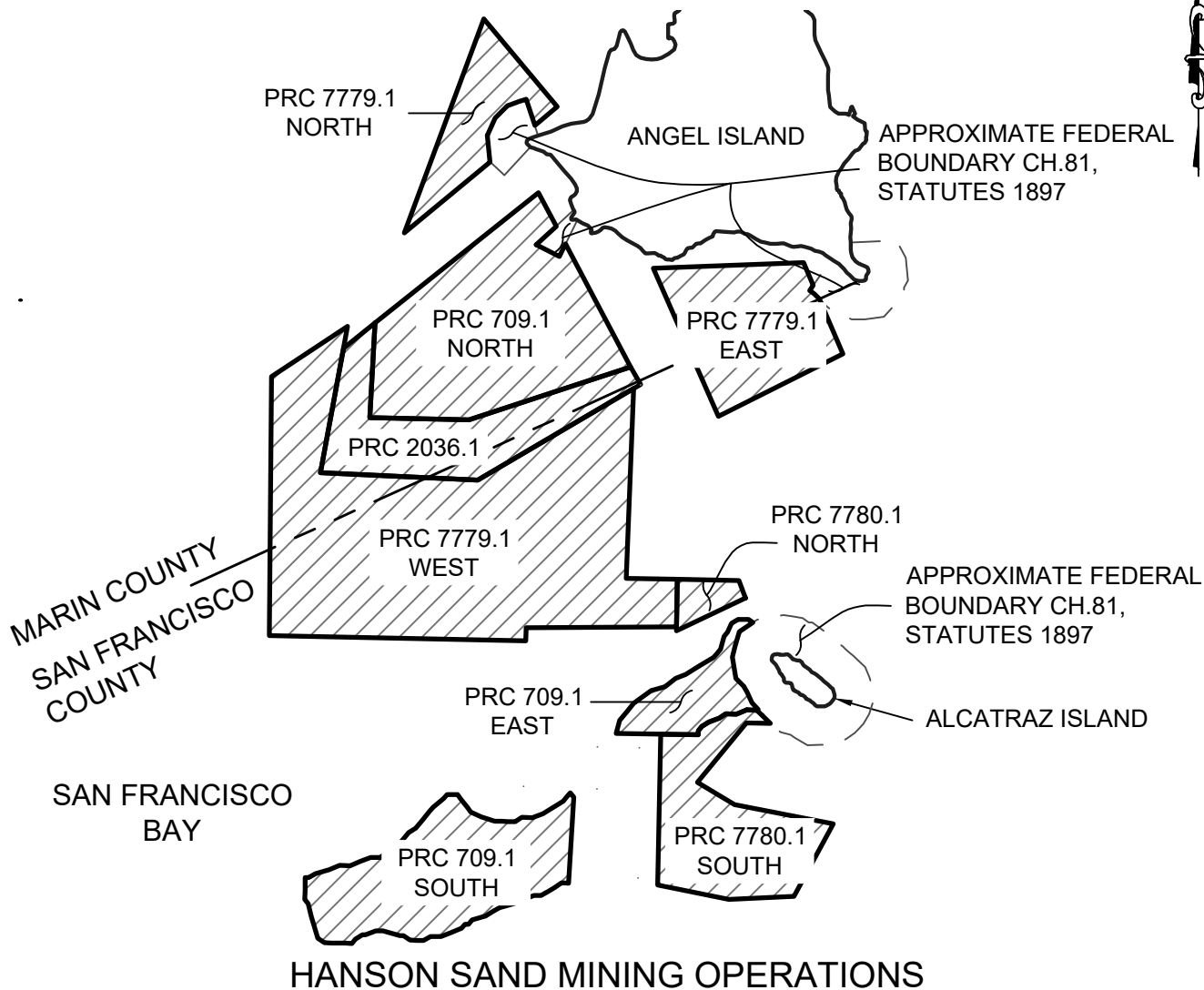
1. Find that the tasks within the project scope are highly specialized and intermittent in nature and hiring such industry-specific specialties would not be cost effective, are not available in civil classifications, are of limited duration and are of such urgent, temporary, and occasional nature that the delay in their implementation under civil service would frustrate their purpose as specified in Government Code section 19130, subdivisions (b)(3) and (10).
2. Find that the selection of consultants under this process does not affect small businesses as defined in California Government Code section 14837, subdivision (d)(1)(B) because they will be accorded equal opportunity to submit statements of qualifications and performance data.
3. Find that the selection of consultants under this process for professional services of architectural, landscape architectural, engineering, environmental, land surveying or construction project management services will be consistent with procedures and policies adopted by the Commission as specified in Government Code section 4526 and California Code of Regulations, title 2, sections 2980 et seq.

AUTHORIZATION:

Authorize the Executive Officer or her designee to solicit Statements of Interest for consultant services, negotiate fair and reasonable prices, award and execute agreements, and take any other steps reasonably necessary to undertake public outreach, and prepare a feasibility report and environmental documentation for the proposed San Francisco Bay and Delta Sand Mining Project, pursuant to the requirements of the Public Contract Code and current State policies and procedures.

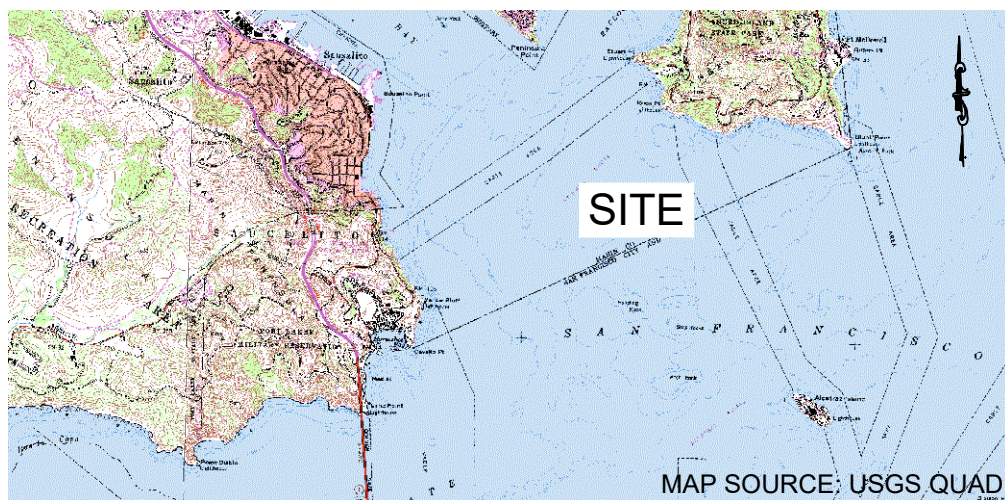
NO SCALE

SITE



NO SCALE

LOCATION



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.

EXHIBIT A-1

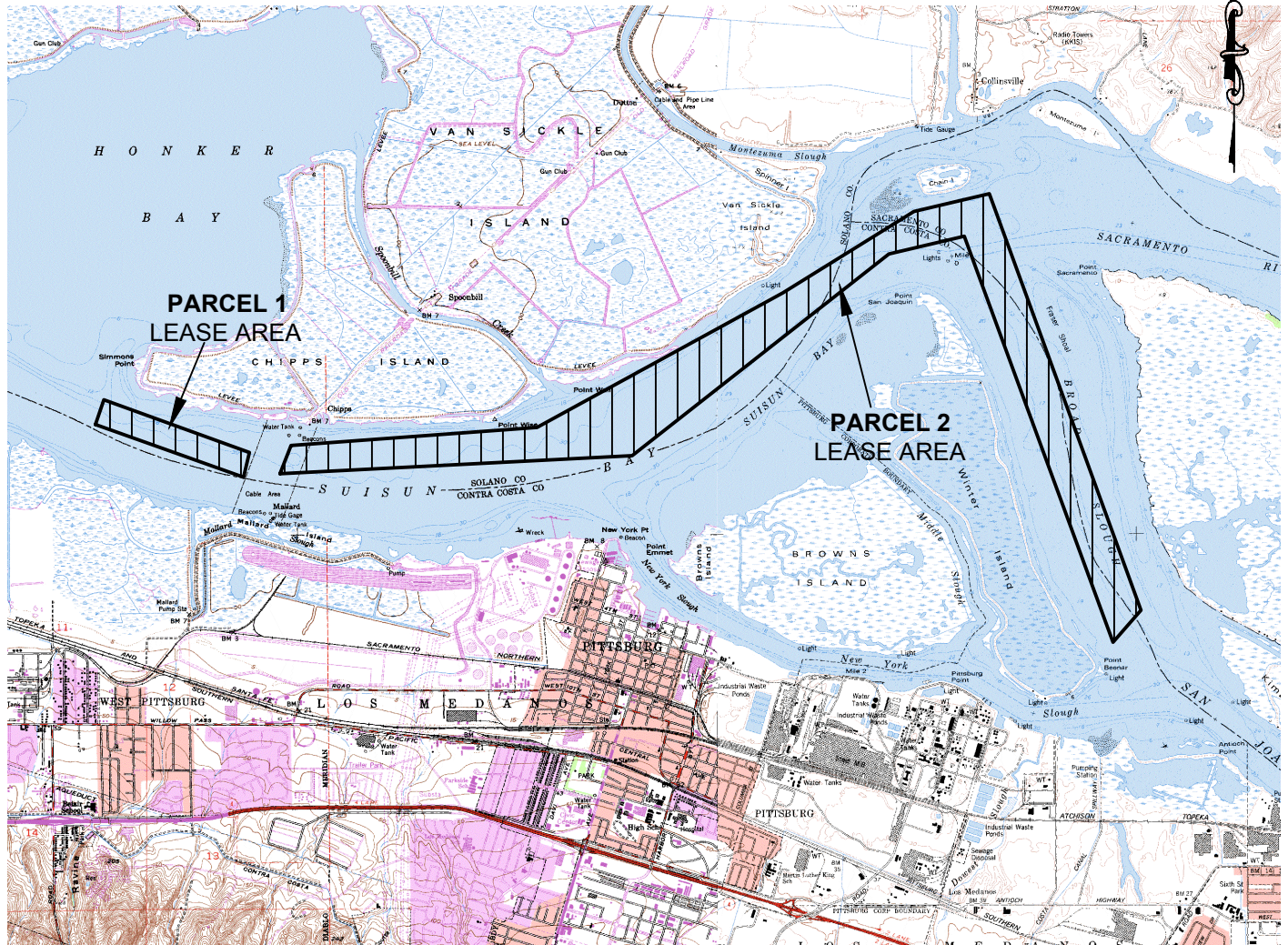
PRC 709.1, PRC 2036.1
PRC 7779.1, PRC 7780.1
HANSON MINING OPERATIONS
GENERAL LEASE
SAN FRANCISCO &
MARIN COUNTIES



DJF 06/09/2021

NO SCALE

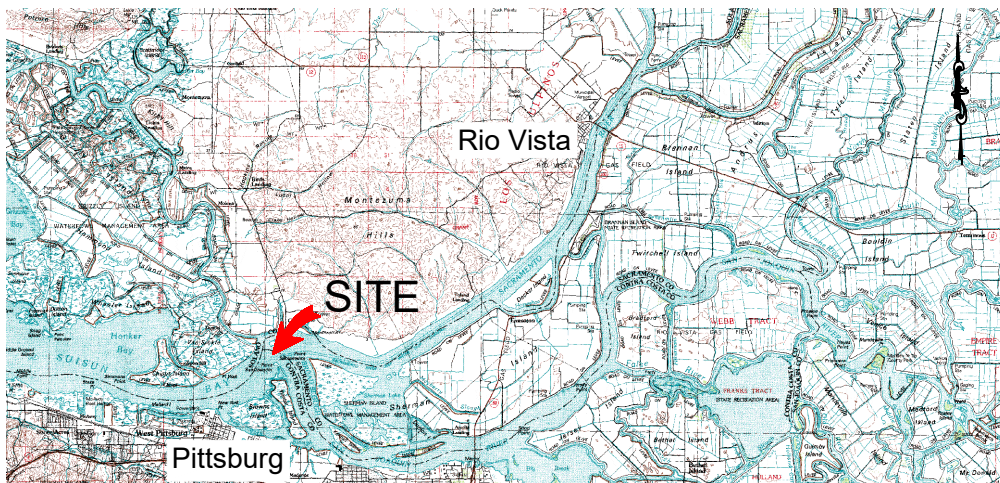
SITE



SUISUN BAY, BROAD SLOUGH & SACRAMENTO RIVER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A-2

PRC 7781
SUISUN ASSOCIATES
GENERAL LEASE -
MINERAL EXTRACTION
SOLANO, SACRAMENTO &
CONTRA COSTA COUNTIES



TS 06/09/2021