MEGA SAND, INC.

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June 24, 1992

SOLANO COUNTY DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT
601 Texas Street
Fairfield, California

Gentlemen:

SUBJECT:

Application for a Solano County Land Use Permit on our 473 acre portion of Decker Island which is located between Horseshoe Bend and the Sacramento River between mile 6.5 and mile 8.5 in Solano County.

APPLICANT:

MEGA SAND, INC.
110 "L" Street
P.O. Box 397 (mailing address)
Antioch, California 94509

PURPOSE:

To mine sand and small gravels for commercial re-sale in the San Francisco Bay Area, including Sacramento, Stockton and the Delta Levee Area's. We will also stockpile large amounts of this mineral material one to two million tons on our recently purchased 473 acre portion of Decker Island which will be readily available for Sacramento, San Joaquin and Delta Levee Rehabilitation, State Water Projects and Repair of Emergency Levee failures.

AREA DESCRIPTION:

The portion of the Island that we own (473 ac.) and will use as a sand and gravel harvesting area is man made. Prior to 1917 this area was attached to the Montezuma Hills is Solano County and had an approximate plus 3 feet elevation at M.H.H.W. Following an extensive flood control project from Grand Island to Collinsville, this Island was created from the dredging spoils to an elevation of plus 35 feet M.H.H.W.

It is now being leased out for cattle grazing purposes as it has for many years. The Corps of Engineers has an easement in perpetuality to place dredging spoils on our property from new and maintenance dredging and our project is a continuation of this practice.

PROJECT DESCRIPTION:

We propose to begin our sand harvesting project using two suction dredges with the combined monthly production rate of 440,000 (c.y.) throughout the length of the lease. These dredges are self-loading and self-unloading using a Hydraulic Water Jet Suction System to load and a Hydraulic Pump Off System to unload.

This material will be placed on Decker Island where it will be de-watered, screened for various commercial grades and the waste materials (clay, peat, and soil sediments) being used for road base and levee repair materials on the Island.

The waste water from this operation will be contained in a cross diked 30 acre ponding area (settling basin) on the Island where it will be tested to meet or surpass State Water Quality Standards before being slowly returned to the river. Some of this water will also be used to irrigate trees and plants in our designated mitigation areas. Waste water will also be used in any dust control areas.

We propose to begin dredging with one 20" suction dredge at river mile 6.5 to river mile 9.2 in the Sacramento Deep Water Channel and widen it from 300' to 350' as per our Corps of Engineers Dredging Permit.

We also propose to have another 20" suction dredge widening the Deep Water Channel above the Rio Vista Bridge from mile 12.7 to 14.2 and then excavate materials that are in the area's North of the Rio Vista Bridge and East of the Deep Water Channel to a point 1600' upstream of the Grand Island ECHO Board in Sacramento County all of our dredging equipment will be inspected by the Corps of Engineers, U.S. Coast Guard and Air Pollution Control District to ensure all Agency's that the State, Federal, County and Local Noise Levels, Exhaust Levels and Safety Features are met and maintain.

ULTIMATE PURPOSE:

At the completion of our sand harvesting project on Decker Island and in the Sacramento River between river miles 6.5 to 14.2, Mega Sand, Inc., proposes to use this property in it's present capacity, which is grazing and for future Corps of Engineers Dredge Spoils Disposal for which they hold an Easement in Perpetuality.

This site however, has great potential for a Sacramento River and Delta Recreational Program. It is ideal for fishing, wind surfing, bird watching, hunting, and all water related activities.

After the implementation of our proposed Revegetation Plan, the planting of windbreakers and shoreline erosion control, this site will have great potential for becoming a Mitigation Bank for State, Federal, and Private Construction Projects.

ENVIRONMENTAL CONCERNS:

In addition to the environmental concerns listed above, we propose to continue activities that contribute towards mitigation for cumulative impacts of the project.

1. A comprehensive environmental information and training program for all project employee's (weekly).

2. Participation in a recovery team for Winter Run Chinook Salmon in coordination with the Department of Fish & Game, U.S. Fish & Wildlife Service and the National Fisheries Service.

3. An approximately 32 acre mitigation set aside on Decker Island, located in three (3) different area's each of a distinct diversity. These area's will be developed in accordance with guidelines set by the District Conservation Service and the two of these area's will be primarily Riparian in nature and the third an upland setting of vetch, barley, sweet clover, multi-flora rose and willows for upland game.

4. The waste water from the dredging operation will be contained in a 30 acre settling pond on Decker Island until it reaches or surpasses State Water Quality Standards and then slowly released back into the river. Prior to the waste water's release, it will be tested in the ponding area and also in the river twice a day. We will maintain a Water Quality Testing Program that may be inspected by any Agency at anytime.

5. All toxic materials, including diesel fuel, gasoline, lubricants and the waste's from these products (oil filters, used oil, wiping rags etc.) and project garbage in general will be stored in a bunkered, diked area which will be lined underground with an impervious material to prevent it from seeping into any ground water or waste water return.

6. Dust and wind blown sand will be kept to minimum by using water trucks, a sprinkler system and snow fences. We will also re-seed to legumes and g grasses all disturbed area's.

7. Mega Sand Proposes to plant and monitor, several hundred fast growing trees of several varieties, along the windward sides of all designated mitigation areas. These trees when established will on the short term, help stabilize wind and water erosion sites (if any) and long term provide habitat for wildlife and overall esthetics as the planting areas are currently marginal rangeland.

8. When our equipment for the project is ready to begin working, we will contract the Local Air Pollution Control Board and have it inspected for Air Emissions, Objectionable Odors and for Excessive Noise. All equipment will meet CAL-OSHA safety standards and Air and Noise Pollution Standards before being placed for work at our project.

9. There are some area's of the Island, both on State Land and our property that are being eroded by wind, water, and boating activities. We will place Rip-Rap on these area's to protect the entire Island.

10. In regards to all animal, plant, bird and fish life on or near the Island, we will coordinate with all Agencies concerned to enhance their environment.

PROJECT BENEFITS;

Sand will be dredged from a 7.7 mile stretch of the Sacramento River in Solano and Sacramento Counties near Rio Vista using two or more suction dredges over a period of (4 months) as prescribed by the National Marine Fisheries Service in the Environmental Window.

This stretch of river averages 3000′ in width 300′ to 350′ which is maintained by the U.S. Corps of Engineers at a depth of 30′ soon to be deepened to 35′.

The original channel in this 5 mile stretch had a average depth of 15′ and a width of 800′. Between 1917 and 1937 the river channel was widened to 3000′ at depths of 25′ to 30′. Today this area with exception of the Deep Water Channel has re-filled with sand to an average depth of 8′ to 25′. This stretch of river is used by recreational boaters, wind surfers, water skiers and has a significant fisheries resource. The dredging methods we propose will meet the strictest of water quality controls and will not result in any significant impact on the Fisheries or Habitat.

SUMMARY STATEMENT: Potential Impacts and Beneficial Aspects of Dredging Project.

As noted throughout the Use Application, the Sacramento River provides a very valuable resource for fish and wildlife. Project dredging plans and operating rules have been specified in order to protect those values. No impact is anticipated and in fact if one believes certain newspaper articles (see figures) fishing could possibly be enhanced as depths of the river will be increased without touching the fish feeding areas. The newspaper article suggests that the best fishing during hot summer months is in the deeper cool waters. In addition, it can be hypothesized that the availability of cooler waters during the warmer seasons could provide a conduit for enhanced fish migration. The newspaper articles also recommend 30 plus feet for fishing during run off periods. Beneficial aspects of the dredging project include the following:

1. FLOOD CONTROL: Increasing the depths in this stretch of river will help control flooding and thereby decrease hazards associated with flooding. This 7.7 mile stretch will be able to carry added runoff and freshet water due to the removal of sand.

2. SHORE EROSION: Decreased shore erosion is anticipated as increased water depths will slow the river current during times of high water.

3. DOWNSTREAM MAINTENANCE DREDGING: Less frequent downstream maintenance dredging will (at taxpayer expense) will be needed as river-carried sediment will be deposited in dredged areas.

4. SLOWER DELTA SPREAD: Similarly, the spread of the Delta into the Bay will be slowed because much of the sediment will drop out in the dredged areas.

5. WIDEN SHIP CHANNEL: The Port of Sacramento will soon initiate dredging to widen and deepen the deep water ship channel. This sand project would benefit that project since the ship channel would be widened by the current dredging plan (free of charge).

6. SOURCE OF COMMERCIAL SAND: The San Francisco Bay area has demands for sand t hat exceed supply as sand is a necessary aspect of almost every construction project. No other sources are available and in yielding to environmental pressures from leaving permanent scars in the earth. Profusion of this sand to the Bay area will also have a positive effect on the costs of construction as the economics of this project will allow delivery of sand at much reduced prices than current suppliers. In addition, the sand in the river is angular shaped (as opposed to round) and is excellent for earthquake resistant types of construction projects.

7. SALT WATER INTRUSION: Approximately three million cubic yards of sand are expected to be removed from this area each year. At this rate, 1,860 acre feet of fresh water would be retained in the Delta each year to provide an effective barrier against salt water. Over the life of the project, 20 years, 37,200 acre feet of fresh water would be stored.

8. ROYALTIES: Added revenue in quantities large enough to be quite beneficial, for the State in the sum of $.70 per cubic yard would provide $2,100,000.00 per year to already stressed State Budgets.

9. SHOALING: The removal of the large shoals (sand bars) at the mouth of the Sacramento River and Coast Guard lighted buoy #46A would prevent backup flooding in the cities of Isleton and Walnut Grove. The removal of these shoals would also remove a serious hazard to navigation for large pleasure boats, cruise boats, and tugs and barges navigating the Sacramento River.

10. ENVIRONMENTAL: The deepening of the areas adjoining the deep water channel would provide deeper, fresher water during hot summer months for the dwindling population of striped bass and sturgeon.

11. LEVEE ROADS; Less Truck and Trailer Traffic on the Fragile Delta Levee roads due to transport of materials by Tug & Barge.

12. LEVEE REPAIR: There will be approximately 1.5 million tons of high grade mineral materials readily available for emergency Levee Repair. This materials proximity to the Delta will result in substantial savings to tax payer funded repairs.

13. NAVIGATION: Improve Deep Water Channel Navigation for Ships, Tugs, and Barges at no Tax Payer Expense.

14. SMALL BOAT RECREATION: Improve Recreational Boating due to removal of shoals, especially at the mouth of the original Sacramento River where there is severe shoaling due to the down stream currents meeting the incoming tides and west and south west winds in this area.

15. RENEWAL RESOURCE; The harvesting (sand & gravel) of a renewable resource that replenishes itself at the rate of one million tons per year instead of opening up new upland pits, quarries or strip mining to obtain mineral soils of lesser quality then river run for an ever increasing market.

16. STATE HIGHWAY DEPARTMENT: This project will provide a less expensive source of sand for the State Highway Department, thereby resulting in savings for the State taxpayers.

17. RIO VISTA ECONOMY; Dockspace and offices will be located in Rio Vista. It is currently anticipated that at least 45 new good-paying jobs will be created. Resulting salaries could directly bolster the Rio Vista economy by $1.5 to 2 million annually with ripple effects of up to $10 million annually.

18. TAX REVENUES: This project would provide a significant source of new tax revenues for State and Local Governments.

19. FRESH WATER STORAGE; As we deepen and widen this area, it will store more fresh water to stabilize the salt water encroaching on Farmers and Citizens fresh water intakes. This area when deepened will store Fresher Cooler Water to protect an excellent Fisheries during Hot Summer Months.

ADDITIONAL INFORMATION;

We have surveyed the Island to establish property lines, topography and have taken soil samples both in the river and on the Island to test for organic and in-organic toxicity residues. The results of these tests you will find enclosed.

The ultimate physical condition of the 473 acre parcel of Decker Island, owned by Mega Sand, Inc., will remain relatively unchanged upon the completion of our sand harvest project. This condition will be accomplished by re-filling any excavations that we may make with sand dredged from our Corps of Engineers Permitted areas in the Sacramento River.

These areas will be re-seeded to native plants, grasses and legumes to prevent wind erosion and provide wildlife food and habitat as our project proceeds.

Please re-fer to U.S. Corps of Engineers Environmental Impact Statement, Port of Sacramento E.I.R. and Cal-Trans NEG-DEC for a complete description of the plants, wildlife and fish on and in the area surrounding Decker Island.

If you need more information on this project before you can make a determination of our project requirements, please contact Richard D. Block, Project Manager at (510) 757-2000 or my mail at P.O. Box 397, Antioch, California 94509.

Sincerely yours,

Richard D. Block
Project Manager

RDB/r

NOTE 3

The surrounding properties of our portion of Decker Island consist of the Sacramento River to the North, West and Southwest. The Horseshoe Bend of the Sacramento River to the South, Southwest and to the Northeast.

The State of California owns 34.5 acres bordering our property to the North and has been set aside as a recreation area in the future. It is currently being used for cattle grazing.

The Port of Sacramento owns a 139.8 acres parcel bordering our property on the East. This property has an area of approximately 60 acres that is wetlands and irrigated pasture. It is flooded twice daily by a tide gate structure that allows river water to flow in at high tide.

The remaining 80 acres is a seasonal wetlands area that is flooded by high tides during freshets in early winter and spring. This area has a significant amount of cottonwood, willow and black locust trees along the Eastern shoreline. It is a prime habitat for all types of bird and animals living in the area. The Horseshoe Bend Shoreline supports a prime stand of bull rushes, cattails and willows and is an excellent source of shade and cover for juvenile fishes.

NOTE 4

The Western, Southern and South Easterly shorelines of property support a significant growth of trees, shrubs, multi-flora rose and blackberry vines. The areas which we have defined as our working area contain 6 willow trees and will not be affected by our project.

NOTE 5

Changes in site contours during our projected project will be from slight to moderate. The changes will be primarily in the following area's.

1. Sediment basins & cross dikes.

2. Stockpiles.

3. Island access ramp.

4. Access roads.

5. Fuel storage area.

6. Native vegetation consisting of annual forbs and grasses including wild oats, common foxtail, cheeseweed, and Italian rye grass will be disturbed on approximately 50 acres. These area's will be re-seeded and stabilized as soon as feasible to prevent any wind erosion.

NOTE 6

We plan to begin phase one of out project on May 1, 1993 and operate continuously on the Island until our sand harvesting project is completed in approximately 15 years (2007). We plan to begin our dredging operation on June 1, 1993 and suspend operations during our endangered specie environmental window. This phase will also last approximately 15 to 20 years depending on future markets and river aggradation.

NOTE 7

The noise generation from our operation will be of the standard marine construction nature and of the typical sand processing nature.

1. Diesel motors and generators aboard all floating equipment, boats, dredges, barges etc.

2. Bull dozers, front end loaders, service trucks, fuel trucks, cranes etc.

3. Sand screening plants and conveyors.

4. When our equipment for the project is ready to begin working, we will contact the Local Air Pollution Control Board and have it inspected for air emissions, objectionable odors and for excessive noise. All equipment will beet CAL-OSHA Safety Standards and Air and Noise Pollution Standards before being placed for work at our project.

NOTE 8

In the water surrounding the Island positioned so as to not cause and environmental damage to wetlands or riparian habitat, we will have moored and anchored the following equipment.

1. 2 - 180′ x 30′ x 7′ moveable material loading & unloading docks.

2. 1 - 30′ x 40′ x 4′ crew change and supply dock (also moveable).

3. 1 - LCVU with ramp (loading craft vehicle utility) for transporting equipment to and from the Island.

The temporary movable docks will be complete with mooring spuds and mooring winches to be used for loading material transport barges and for unloading materials from our pump off (self unloading) dredges. The movable docks will be constructed of used lash barges (60′ x 30′ x 7′) and designed to be moved from stockpile to stockpile or to be moored in our designated mooring area in Horseshoe Bend during non-dredging periods (September 30 to June 1 each year).

NOTE 9

We will have on the Island standard construction equipment and a sand screening plant. The list below describes the heights and stories of our components.

1. 2 - 3 deck screening plants 18′ high.

2. 6 - standard modular trailers for field offices and crew quarters and a water quality testing lab. There will also be a Aquatic Resources Monitoring Lab.

3. Several gasoline and diesel storage tanks 10′ high.

4. Several groups of sand stockpiles while waiting to transport them by barge for re-sale. These stockpiles will be approximately 1500′ long, 100′ wide and 10′ high.

NOTE 10

The types of outdoor lighting for our dredging project will be as follows:

1. All floating pipeline, anchor buoys, spare scows and barges will be marked by yellow flashing lights to be visible for two miles as directed by the U.S. Coast Guard.

2. The sand harvesting dredges will have standard operational exterior lighting and will be marked with operational green and red passing lights as directed by the U.S. Coast Guard.

The types of exterior lighting to be used on Decker Island will be described below:

1. All earth-moving equipment will be equipped with standard manufactures lights and inspected and approved by CAL-OSHA.

2. The screening plants and conveyors will be lighted in the same manner.

3. Stockpiles being loaded onto barges and the temporary movable docks will be illuminated by portable diesel powered light plants.

NOTE 11

Permits needed for our project applied for and their status are named and described as follows:

FEDERAL:

1. We have been issued a Sacramento River Dredging Permit by the U. S. Army Corps of Engineers (Sacramento District) from River Mile 6.5 to River Mile 14.2. The Sacramento County Line intersects the Deep Water Channel at River Mile 12.3 and at River Mile 13.0 and this section of the Dredging Permit is deleted as Sacramento County has yet to define their Dredging Rules. You will find a copy of this Permit and the Corps Special Conditions Enclosed.

These Special Conditions are a Consensus of Environmental Concerns voiced by N.M.F.S., U.S.F&W, E.P.A., The STATE D.F.& G and THE STATE LANDS COMMISSION.

2. We have received an Environmental Window from N.M.F.S. to Dredge Sand from June 1, to September 30 each year that our project is permitted. This Environmental Window is the protect the migration of Winter Run Chinook Salmon Fingerlings through our Dredging area's. N.M.F.S. has also stated that we can dredge sand on a year around basis when we establish a Fish Entrainment Program that meets their criteria for Winter Run Salmon and Delta Smelt. You will find their letter enclosed.

3. We also have a letter of permission to proceed with our project from U.S.F&W.S. providing we meet with their Special Conditions which you will find enclosed.

STATE:

1. Waste water discharge monitoring requirements from the Regional Water Quality Control Board have been received.

2. California State Department of Fish and Game Navigation Dredging Permit and for our operational activities on Decker Island has been applied for and requirements are enclosed under Corps Special Conditions.

3. We have applied to the California State Lands Commission for a Dredging Permit and for a Land Use Permit on Decker Island and their response is enclosed.

4. We have applied to the Air Pollution Control District, San Francisco for authority to construct and a permit to operate. We will be well below Emission Standards and as soon as we purchase our project equipment, they will inspect it for noise and odors.

5. We have sent a letter with a project description to the State Division of Mines and Geology in Sacramento and they have informed us that our project will be placed under the California Surface Mining and Reclamation Act.

6. We have applied to the State Water Resources Control Board, Division of Water Rights for a Permit to appropriate Water for our project from the Sacramento River.

7. We have taken sand samples both from the Sacramento River and Decker Island and have submitted them for toxicity tests organic and inorganic and the results are enclosed.

8. We have contacted the State Division of Mining and Tunneling and they have informed us that they will do an onsite inspection for worker and equipment safety requirements as soon as we have purchased our equipment and are ready to proceed with out project.

9. We have applied to the Reclamation Board for a Permit to Encroach upon Levee's under their Jurisdiction needed by Mega Sand, Inc., for the morring of temporary crew change barges and walkways.

10. We have applied to the Department of Conservation for a Conditional Use Variance of the Williamson Act.

COUNTY:

1. We have applied to the Sacramento County Environmental Planning Department for a Land Use Permit to place a crew change and project supply dock on the Northeast corner of Lower Sherman Island. This dock will be a temporary movable dock and will be used to facilitate worker and supply transport to the Island. The parking area for employee vehicles will be located approximately 350 feet South of this temporary dock on private property.

2. We will contact the Sherman Island Reclamation District with regard to any encroachment under their jurisdiction. We will also contact the Sacramento County Road Department and notify them of increased traffic on their levee road.

NOTE 12

There is currently 740,000 tons of sand which was deposited on the Island in September, October, November of 1986 from a Corp's of Engineers Channel Maintenance Program. This sand has migrated 1500 feet from it's original placing due to very strong N/W and West winds which prevail in the area from April through September.

This area which encompasses approximately 70 ac is an area of soil instability as the winds blow it around. At present there is no vegetation present on these blowing sands. We intend to process this material as one of our first steps in our reclamation plan.

There will be some fumes and odors dispersed in and around the area's where our equipment is working. All of our equipment will be inspected by various agencies to meet State, County and Local Regulations.

NOTE 13

When we are in full production, our project will be using approximately 6,000,000 G.P.D. of Sacramento Ri er and Island ground water. Most of this water will be returned to the river after it meets State discharge requirements. The remainder of this waste water will sink into the Island soils and should recharge the ground water supply.

NOTE 14

As our project is located in an unusual and hard to reach area, the equipment noise and vibration that it will generate, will affect some wildlife in the general area. The wildlife affected should be able to easily avoid these area's with no substantive damage.

NOTE 15

All project materials that are potentially hazardous to man and wildlife will be stored in a diked bunkered and well marked area. These storage areas will be lined with an impervious material to prevent any accidental spills from seeping into ground water, waste water discharge or creating a dangerous environment for wildlife. These areas will be provided with adequate fire protection and all employee safety precautions.

NOTE 16

There will be times when our dredging equipment and our temporary docks will be moored in area's that are currently used for fishing, boating and wind surfing. However, we will constantly be moving our equipment and it will not cause any permanent disruption of these activities.

NOTE 17

There will be approximately 100 ac. of our 473 ac. parcel on Decker Island, that will be temporarily removed from the production of grasses used for grazing. At the end of our project (15 yrs) these areas may again be reclaimed for dry land pasture.

NOTE 18

Although our project is located in a flood plain, the 473 ac. parcel that we own is situated at an elevation of plus 35 feet and is well above the 100 year flood line. We do not anticipate any problems with high waters. In the case of an unusual stream run off, we will remove all pollutants from the area prior to flooding.