

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071



Fr7a

May 19, 2009

TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: PETER M. DOUGLAS, Executive Director
John Ainsworth, Deputy Director
Al J. Padilla, Ports Coordinator

SUBJECT: Staff Recommendation on Port of Los Angeles Port Master Plan Amendment No. 24 [to provide new disposal sites to accommodate the remaining dredge material generated by the approved Main Channel Deepening Project (PMPA No. 21), including additional dredging: 400,000 cubic yards at the East Turning Basin; 170,000 cubic yards at the Southwest Slip; and 500,000 cubic yards for Main Channel entrance widening. Disposal sites include: 5 acres at Berths 134-135 in the Northwest Slip; 8 acres at Berths 243-245 (former Southwest Marine Shipyard); 50 acres at the Cabrillo Shallow Water Habitat site; and LA-2 ocean disposal site. The Southwest Marine Shipyard will be utilized as a Confined Disposal Facility for contaminated sediments. The land uses for the fill site at the Northwest Slip (Berths 134-135) will include "General Cargo" and "Other" (rail yard, roadways, utilities, etc.) and the Southwest Marine Shipyard fill will be designated as "Other" .]. For Commission consideration at meeting of June 10-12, 2009.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends the Commission certify the Port of Los Angeles Master Plan Amendment No. 24, which would allow: new disposal sites to accommodate the remaining dredge material generated by the approved Main Channel Deepening Project (PMPA No. 21), including additional dredging: 400,000 cubic yards at the East Turning Basin; 170,000 cubic yards at the Southwest Slip; and 500,000 cubic yards for Main Channel entrance widening. Disposal sites include: 5 acres at Berths 134-135 in the Northwest Slip; 8 acres at Berths 243-245 (former Southwest Marine Shipyard); 50 acres at the Cabrillo Shallow Water Habitat site; and LA-2 ocean disposal site. The land uses for the fill site at the Northwest Slip (Berths 134-135) will include "General Cargo" and "Other" (rail yard, roadways, utilities, etc.) and the Southwest Marine Shipyard fill will be designated as "Other". The staff recommends that the Commission find that the proposed amendment conforms with and carries out the port development, water quality, and marine resource policies of Chapter 8 of the Coastal Act.

I. Port Master Plan Amendment Procedure. Section 30716(a) and California Code of Regulations, Title 14 Section 13636 call for port master plan amendments to be certified in the same manner as provided in Section 30714 of the Coastal Act for certification of port master plans. Section 13628 of the regulations states that upon the determination of the Executive Director that the master plan amendment and accompanying materials required by Section 13628(a) are sufficient, the master plan amendment shall be deemed submitted to the Commission for purposes of Section 30714 of the Coastal Act. The subject amendment was deemed submitted on May 11, 2009. Within 90 days (August 9, 2009) of this submittal date, the Commission, after public hearing, shall certify or reject the amendment, in whole or in part. The Commission may not modify the amendment as a condition of certification. If the Commission fails to take action on the amendment submittal within the 90-day period, without a waiver of the time period by the applicant, the proposed amendment is deemed certified.

Section 30714 also states that the Commission shall certify the amendment if the Commission finds both that:

1. The certified portions of the amendment conform with and carry out the policies of Chapter 8 of the Coastal Act.
2. Where the amendment provides for development listed as appealable in Section 30715, such development is in conformity with all the policies of Chapter 3 of the Act.

The proposed amendment provides for: new disposal sites to accommodate the remaining dredge material generated by the approved Main Channel Deepening Project (PMPA No. 21), including additional dredging: 400,00 cubic yards at the East Turning Basin; 170,000 cubic yards at the Southwest Slip; and 500,000 cubic yards for Main Channel entrance widening. Disposal sites include: 5 acres at Berths 134-135 in the Northwest Slip; 8 acres at Berths 243-245 (former Southwest Marine Shipyard); 50 acres at the Cabrillo Shallow Water Habitat site; and LA-2 ocean disposal site. The land uses for the fill site at the Northwest slip (Berths 134-135) will include General Cargo and Other (rail yard, roadways, utilities, etc.) and the southwest Marine Terminal will be designated as "Other".

The proposed amendment does not include appealable development under Section 30715. Therefore, the sole standard of review would, thus, be the policies of Chapter 8.

II. STAFF RECOMMENDATION:

The staff recommends the Commission adopt the following resolution:

MOTION: ***I move that the Commission certify the Port of Los Angeles Port Master Plan Amendment No. 24.***

STAFF RECOMMENDATION OF CERTIFICATION:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Port Master Plan Amendment and adoption of the following resolution and findings. The motion to certify passes only upon an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY PORT MASTER PLAN AMENDMENT:

The Commission hereby certifies the Port of Los Angeles Master Plan Amendment No. 24 and adopts the findings set forth below on grounds that the amendment is consistent with Chapter 8 of the Coastal Act. Certification of the amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the port master plan amendment.

III. FINDINGS AND DECLARATIONS

The Commission finds and declares as follows:

A. Previous Commission Port Master Plan Action.

The Commission certified the Port of Los Angeles Port Master Plan on March 19, 1980, and April 15, 1980. The Commission has reviewed twenty-one amendments to the master plan since that date, most recently in January 2006 (ordering is not sequential due other amendments being delayed or processing was not completed for those amendments).

With regards to Commission's past actions on Main Channel dredging and disposal, the Commission has reviewed a CDP that was submitted to the Commission and three separate Port master plan amendments. In 1993, the Commission approved amendment No. 12 for dredging of 48 million cubic yards within the main channel, turning basins, and approach channels. In 1997, the Commission approved Coastal Development Permit 5-96-163 (Port of Los Angeles) for deepening to -50 feet MLLW a 3,800 foot long section of the Main Channel, extending from the S.P. Slip north to Berths 84 and 234 (Port submitted a coastal development permit application to the Commission for the proposed channel deepening because the project was not listed in the port master plan).

In June 1998, the Commission approved amendment No. 19 for deepening the Main Channel, Inner Harbor Turning Basin, West Basin, East Basin, East Basin Channel, and selected container berths from -45 feet mean lower low water (MLLW) to -50 feet MLLW; and designating two dredged material borrow and disposal sites (an approximately 50-acre site located in the Main Channel just inside Angel's Gate; and an approximately 60-acre site located southeast of Pier 400) as allowable in-water use in the outer harbor in order to

manage the handling of dredged material from the proposed Main Channel Deepening Project and the under-construction Pier 400/Deep Draft Navigation Project.

In May 2002, the Commission approved port master plan amendment No. 21 for, in part: (1) Deepening of the Main Channel, Inner Harbor Turning Basin, West Basin, East Basin, East Basin Channel, North Channel, Cerritos Channel, and selected container berths (100-102, 121-131, 136-147, 206-209, 212-221, and 226-236), from the current -50 feet MLLW depth to -53 feet; (2) dispose 4.7 million cubic yards of clean dredged material at the Pier 400 submerged storage site; and (3) 54-acre expansion of the Cabrillo Shallow Water habitat site.

A consistency determination (CD-046-08) for the development proposed under PMPA No. 24 has been submitted to the Commission and is currently scheduled to be heard by the Commission concurrently with this amendment at the June 2009 meeting.

B. Contents of Port Master Plan Amendments.

Section 30716(a) of the Coastal Act and California Code of Regulations Title 14, Section 13656 call for Port Master Plan Amendments to be certified in the same manner as port master plans. Section 30711 of the Coastal Act provides, in part, that a port master plan shall include all the following:

1. *The proposed uses of land and water, where known.*
2. *The proposed design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.*
3. *An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impacts.*
4. *Proposed projects listed as appealable in Section 30715 in sufficient detail to determine their consistency with the policies of Chapter 3 (commencing with Section 30200) of this division.*
5. *Provisions for adequate public hearings and public participation in port planning and development decisions.*

The Commission finds that the proposed Port Master Plan Amendment conforms with the provisions of Section 30711 of the Coastal Act. There are adequate details in the Port Master Plan Amendment submittal and associated materials for the Commission to make a determination of the proposed amendment's consistency with Chapter 8 policies of the Coastal Act.

The draft Port Master Plan Amendment was approved for public distribution by the Board of Harbor Commissioners on October 24, 2008. Written comments were solicited and a public hearing on the draft amendment was held during the January 8, 2009 Board of Harbor Commissioners meeting. On April 16, 2009, the Board of Harbor Commissioners approved the amendment for submittal to the Coastal Commission.

C. Appealable Development.

In determining the standard of review for the proposed master plan amendment, Section 30714 of the Coastal Act provides guidance and states in part that:

The Commission shall certify the plan, or portion of the plan, if the Commission finds both of the following:

(a) The master plan, or certified portions thereof, conforms with and carries out the policies of this chapter.

(b) Where a master plan, or certified portions thereof, provide for any of the developments listed as appealable in Section 30715, the development or developments are in conformity with all policies of Chapter 3 (commencing with Section 30200).

Section 30715(a) of the Coastal Act provides, in part, that:

(a) ...After a port master plan or any portion thereof has been certified,... approvals of any of the following categories of development by the port governing body may be appealed to the commission:

(1) Developments for the storage, transmission, and processing of liquefied natural gas and crude oil in such quantities as would have a significant impact upon the oil and gas supply of the state or nation or both the state and nation. A development which has a significant impact shall be defined in the master plans.

(2) Waste water treatment facilities, except for those facilities which process waste water discharged incidental to normal port activities or by vessels.

(3) Roads or highways which are not principally for internal circulation within the port boundaries.

(4) Office and residential buildings not principally devoted to the administration of activities within the port; hotels, motels, and shopping facilities not principally devoted to the sale of commercial goods utilized for water-oriented purposes; commercial fishing facilities; and recreational small craft marina related facilities.

(5) Oil refineries.

(6) Petrochemical production plants....

The port's plan amendment does not provide for development listed as appealable in Section 30715(a). Therefore, the standard of review for the proposed amendment is Chapter 8 of the Coastal Act.

D. Summary of Proposed Plan Amendment.

The purpose of this amendment is to include project modifications initiated by the United States Army Corps of Engineers and provide new disposal sites to accommodate the remaining dredge material generated by the Main Channel Deepening (MCD) project (Amendment No. 21) previously approved by the Commission. The modifications, which were approved by the Commission in 2003 and 2004 through two negative determinations (ND-044-03 and 042-04), expanded the scope of the project approved under Amendment No. 21 by increasing the volume of material generated from the MCD Project. However, due to greater than estimated bulking and less than expected settling of dredged material, the disposal sites developed under the MCD Project are not sufficient to complete the MCD project. The Port estimates that approximately 3 million cubic yards of additional disposal capacity is needed to complete the MCD Project.

The Port of Los Angeles proposes to amend its port master plan by obtaining Commission certification of the following:

- Dredging 400,000 cy within the East Turning Basin to facilitate safer vessel movements into and out of the Cerritos Channel;
- Dredging 170,000 cy with the Southwest Slip to stabilize the Southwest Slip disposal site;
- Dredging 500,000 cy within the Main channel to widen entrance at the Pilot Station to allow for enhanced navigational safety for passing vessels that are entering and leaving the Main Channel;

Additional dredge disposal locations:

- Berths 134-135 in the Northwest Slip (5 acres, 128,000 cy)
- Berths 243-245, the former Southwest marine Shipyard (8 acres, 368,000 cy)
- Expansion of Cabrillo Shallow Water Habitat (50 acres, 1.7 million cy)
- LA-2 ocean disposal site, south-southwest of the Port (.8 million cy)

The uses permitted at the Northwest Slip (Berths 134-135) would be "General Cargo" and "Other" (rail yard, roadways, utilities, etc.), which are the Port Master Plan use designations that permit container and container support operations. The new landfill will be used to improve vehicle access to the wharf area for the existing container terminal.

The land use designation for the fill at the former Southwest Marine Shipyard site will be designated as "Other". There is no current plan for the use of this fill site. The existing slips are proposed to be utilized as a Confined Disposal Facility (CDF) for the existing contaminated materials from past shipyard activities within the slips, including contaminated dredge material generated by the main channel deepening project. It is estimated that the eight acre fill will accommodate 368,000 cubic yards of sediment, which includes 80,000 cubic yards of contaminated sediments and 288,000 cubic yards of clean sediments.

The expansion of the CSWH will accommodate approximately 1.7 million cubic yards of clean dredge material to raise a 50 acre area of deep water to -15 feet MLLW. Fill material would be supported by a new submerged dike constructed along the north side of the existing CSWH.

The filling of the various areas allowed under this amendment would result in the loss of approximately 12.4 acres of Inner Harbor habitat. The loss of marine habitat due to the inner harbor fill would be unavoidable since the project is infeasible without the landfill. To compensate for the loss of marine resources, the Port intends to apply mitigation credits from the Harbor Landfill Mitigation Credit Account and/or the port's Bolsa Chica mitigation account. Impacts to marine resources are discussed in Section 3, below. The creation of the 50 acre Cabrillo Shallow Water Habitat (CSWH) could create additional mitigation credits but at this time the resource agencies have not determined the amount of credits and will not make a determination until a post construction analysis has been completed. Therefore, the Port is not including any generation of credits from the CSWH at this time.

E. Conformance with the Coastal Act.

In order for the Commission to certify the proposed amendment, the Commission must determine that the amendment conforms to the following Chapter 8 policies of the Coastal Act. The following sections discuss the proposed development and its conformance with the applicable Chapter 8 policies.

1. Allowable Development

Section 30705 of the Coastal Act states:

(a) Water areas may be diked, filled, or dredged when consistent with a certified port master plan only for the following:

(1) Such construction, deepening, widening, lengthening, or maintenance of ship channel approaches, ship channels, turning basins, berthing areas, and facilities as are required for the safety and the accommodation of commerce and vessels to be served by port facilities.

(2) New or expanded facilities or waterfront land for port-related facilities.

- (3) *New or expanded commercial fishing facilities or recreational boating facilities.*
- (4) *Incidental public service purposes, including, but not limited to, burying cables or pipes or inspection of piers and maintenance of existing intake and outfall lines.*
- (5) *Mineral extraction, including sand for restoring beaches, except in biologically sensitive areas.*
- (6) *Restoration purposes or creation of new habitat areas.*
- (7) *Nature study, mariculture, or similar resource-dependent activities.*
- (8) *Minor fill for improving shoreline appearance or public access to the water.*

The Port Master Plan states that the objective of the plan is to:

...consistently develop, expand, alter the port in both the short-term period and long-range period for purposes of commerce, navigation, fisheries, port-dependent activities and general public recreation...

The amendment will allow for the completion of the Main Channel Deepening project and to adequately dispose of dredged material. The amendment also provides for the creation of new landfills where structurally suitable dredge material will be deposited (Exhibit No. 1).

The new landfill at the Northwest Slip is located adjacent to an existing container terminal and the proposed land use designations for the landfills will allow this terminal to become more efficient, but will not increase throughput (Exhibit No 3). The new landfill at the Southwest Marine Shipyard will allow the future expansion of port related facilities along the waterfront. As a result, the amendment will minimize or eliminate the necessity for future dredging and filling in new areas of the state.

Dredge disposal (clean sediment) will also be used to expand the Cabrillo Shallow Water Habitat (CSWH). See Exhibit No. 4. Additional fill, .8 million cubic yards will be disposed of at LA-2 site (Exhibit No. 5). The LA-2 site is an EPA approved outer harbor dredge disposal site located approximately 5.8 miles south-south-west of the Port entrance on the outer continental shelf margin.

The Commission, therefore, finds that the proposed dredging and landfills, for the accommodation of commerce and vessels to be served by port facilities, is for port-related facilities and creation of habitat areas, and is allowable under Section 30705(a).

2. Project Need.

Section 30701 of the Coastal Act states:

The Legislature finds and declares that:

(a) The ports of the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry.

(b) The location of the commercial port districts within the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state and local regulations. Coastal planning requires no change in the number or location of the established commercial port districts. Existing ports, including the Humboldt Bay Harbor, Recreation, and Conservation District, shall be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

Section 30706 of the Coastal Act states:

In addition to the other provisions of this chapter, the policies contained in this section shall govern filling seaward of the mean high tide line within the jurisdiction of ports:

(a) The water area to be filled shall be the minimum necessary to achieve the purpose of the fill.

The Coastal Act policies require that any approved landfill be the minimum necessary in order to achieve the purpose of the project. In this regard, the Commission has required that the port demonstrate the need for any proposed landfill through the use of a well-documented and conservative approach to justify the requested landfill acreage.

As stated by the Port, the purpose of the amendment is to allow the Main Channel Deepening project to be completed through the creation of additional dredge disposal sites and use of the approved LA-2 ocean disposal site; and expansion of the Cabrillo Shallow Water Habitat. The proposed project amendment would allow filling approximately 63 acres of water surface within the Port. The landfills will allow expansion of marine terminals, creation of shallow water habitat, and allow the storage and confinement of contaminated fill materials. The Port states that the new landfill at the Northwest Slip is located adjacent to an existing container terminal and the proposed land use designations for the fill will allow for increased terminal efficiency and as a result, will minimize or eliminate the necessity for future dredging and filling in new areas of the state.

The Port has previously indicated that the Port of Los Angeles handled 4.99 million TEUs (twenty-foot equivalent units) in fiscal year 2002, an increase of 137 percent from fiscal year 1990. Forecasts project that the port will continue to experience significant growth as

overall trade with Asia grows, primarily due to trade with China, and the port's rail operations enter a new phase with the completion of the Alameda Corridor Transportation Project. According to forecasts, by the year 2020, cargo throughput at the San Pedro Bay ports is estimated to exceed 12 million TEUs, more than tripling current cargo flows (Mercer/DRI 1998).

For the Port to accommodate this increasing flow of international cargo, additional cargo handling facilities are necessary. Additional cargo handling capacity is typically created through expansion of existing facilities or construction of new facilities on available land or new landfill sites. Where possible, the Port has acquired private land areas within the Harbor District and surrounding area to accommodate the construction of new facilities on existing land area. Without a major landfill, the Port is attempting to increase the operating efficiencies within the Port by reuse of existing parcels of land and minor land fills. In addition, the Port has administered a policy of consolidating ancillary uses and oil operations located throughout the Harbor District to allow expansion of existing marine terminals. The Port has also been constructing on-dock and near-dock rail yards and other rail related infrastructure improvements to limit congestion and improve the movement of cargo through the terminals and the Port. As available land areas within the San Pedro Harbor District are developed for marine cargo terminal purposes, landfill projects, such as those that would be allowed by this amendment, will postpone the need for future major landfill expansion projects within the Port or other areas of the State.

The proposed landfill is the minimum necessary to expand the existing terminals and increase operating efficiencies within the existing port. The Commission, therefore, finds, that the proposed dredging and landfill will be the minimum necessary in order to achieve the purpose of the project, will provide additional area for a high priority port use and will be consistent with Section 30701(a) and (b) and 30706(a) of the Coastal Act. Furthermore, the Commission also finds that the use of dredged sediments as landfill for the project, minimizing ocean disposal conforms with Section 30708(d), which states in part that port-related development shall provide for other beneficial uses consistent with public trust. The Commission and other state and federal regulatory agencies that review port development and expansion in southern California consistently urge the Port of Los Angeles (and other ports and agencies that dredge in coastal waters) to pursue alternatives to ocean dumping.

3. Water Quality

Section 30705 of the Coastal Act provides in part that:

(c) Dredging shall be planned, scheduled, and carried out to minimize disruption to fish and bird breeding and migrations, marine habitats, and water circulation. Bottom sediments or sediment elutriate shall be analyzed for toxicants prior to dredging or mining, and where water quality standards are met, dredge spoils may be deposited in open coastal water sites designated to minimize potential adverse impacts on marine organisms, or in confined coastal waters designated as fill sites by the master plan where such spoil can be isolated and contained, or in fill basins on upland sites. Dredge material shall not be transported from coastal waters into estuarine or fresh water areas for disposal.

(d) For water areas to be diked, filled, or dredged, the commission shall balance and consider socioeconomic and environmental factors.

Section 30706 of the Coastal Act provides in part that:

In addition to the other provisions of this chapter, the policies contained in this section shall govern filling seaward of the mean high tide line within the jurisdiction of ports:

(a) The water area to be filled shall be the minimum necessary to achieve the purpose of the fill.

(b) The nature, location, and extent of any fill, including the disposal of dredge spoils within an area designated for fill, shall minimize harmful effects to coastal resources, such as water quality, fish or wildlife resources, recreational resources, or sand transport systems, and shall minimize reductions of the volume, surface area, or circulation of water. . . .

Section 30708 of the Coastal Act provides in part that:

All port-related developments shall be located, designed, and constructed so as to:

(a) Minimize substantial adverse environmental impacts.

. . .

(d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible. . . .

Water quality issues associated with development under this amendment are examined in this staff report from two perspectives: (1) water quality protection measures associated with project construction; and (2) analysis of the water quality-related reports (sediment

disposal decisions, circulation and water quality modeling, and post-project water quality monitoring).

a) Water Quality protection measures

The associated SEIS/SEIER documented the existing water quality conditions in the Port of Los Angeles, and examined the potential project impacts and proposed mitigation measures. Those documents are incorporated by reference into this report.

Water quality would be affected during dredge and fill operations, due primarily to increases in turbidity, decreases in dissolved oxygen, increases in nutrients, and increases in contaminants in the immediate vicinity of operations. These localized water column impacts will in turn affect fish and marine birds in the project area. However, any adverse effects will be limited due to the nature of the dredged materials, the short-term nature of the water column changes, and the ability of fish and birds to avoid the turbidity plumes generated by project operations.

In addition, the landfill in the Southwest Marine Shipyard (Berths 243-245) will serve as a Confined Disposal Facility (CDF) for contaminated materials dredged from the Main Channel Deepening (MCD) project, and will also cap existing contaminated sediments found within the Berths, prevent resuspension of the contaminated sediments, and prevent release of contaminants into the water column. Dredging of an estimated 80,000 cubic yards of contaminated sediments (368,000 cubic yards of total sediments) from the MCD project and placement in the Southwest Marine Shipyard site will provide significant, long-term water quality benefits in the Port of Los Angeles.

The development proposed under this amendment would be subject to Federal and State water quality protection measures, including:

- An amended Section 401 (of the Clean Water Act) Certification from the RWQCB for dredging and filling activities that contains conditions including standard Waste Discharge Requirements (WDR).
- Monitoring to ensure that return water flow from disposal of dredge material behind landfill dikes meets RWQCB requirements for settleable solids and toxic pollutants.
- Contaminated sediments will be placed and confined in the in-harbor disposal site in such a manner that the contaminants cannot enter harbor waters after the fill is complete.

Extensive water quality monitoring conducted during the Pier 400 Deep Draft Navigation Improvement Project (CD-050-00), including the dredging and disposal of sediments of similar physical, chemical, and locational characteristics when compared to sediments proposed for dredging under the proposed amendment, failed to detect any significant,

adverse, long-term impacts to water quality in the outer harbor as a result of dredging or disposal activities, and none are anticipated for the similar inner and outer harbor operations associated with development under the proposed amendment.

Additionally, the Port of Los Angeles is subject to the requirements of the Los Angeles County Storm Water Permit for operation of Port facilities and the Construction Activities Storm Water General Permit for Port construction activities. The Port is actively involved in ensuring compliance with these NPDES permits, including (1) participation by various Port divisions in storm drain maintenance activities, street sweeping, implementation of BMPs, spill response activities, etc.; (2) ongoing participation in various City-wide and regional task forces (including the Dominguez Channel Watershed Advisory Committee, the LA Region Contaminated Sediment Task Force) to facilitate interagency coordination and remain current on applicable storm water regulations and activities; (3) periodic training of Port employees, contractors and tenants to ensure compliance; (4) development of guidance documents for use by Port employees, contractors and tenants to ensure permit compliance; (5) inspection of construction sites by Port inspectors to ensure compliance with construction BMPs; (6) application of the recently adopted SUSMP criteria in the design of Port facilities to capture and treat the first 0.75 inches of rainfall from storm events; and (7) active participation in various studies to support Total Maximum Daily Load (TMDL) development in the harbor area, including the Dominguez Channel.

b) Water Quality Reports

The Corps' Contaminated Sediment Management Plan (CSMP) (January 2002) and addendum (May 2009) describes in detail the plans for dredging and disposal of the project's contaminated sediments. The CSMP also includes water quality monitoring protocols for contaminated sediment dredging and disposal operations. The monitoring plan states that "for every item where the [monitoring] requirements are not met, the discharger shall submit a statement of actions undertaken or proposed which will bring the discharge into full compliance with requirements at the earliest time and submit a timetable for correction." Dredging and fill operations will continue in compliance with the 2002 CSMP and with the 2009 addendum.

The dredging and additional fill has been developed in accordance with the goals of the Long Term Management Strategy defined by the Los Angeles Regional Contaminated Sediments Task Force (CSTF). The CSTF, comprised of one representative each from U.S. EPA, California Regional Water Quality Control Board – Los Angeles Region, California Department of Fish and Game, California Coastal Commission, and the environmental group Heal the Bay, was formed to create a long term strategy for managing contaminated sediments within Los Angeles County. The CSTF developed the Los Angeles Contaminated Sediment Long Term Management Strategy, which established a goal of 100 percent beneficial reuse of contaminated dredge materials. This goal complies with the requirements of the Clean Water Act and marine Protection, Research and Sanctuaries Act to maximize beneficial reuse of dredged materials and minimizing discharges of dredged materials to the aquatic or ocean environment.

The proposed amendment has been reviewed by the CSTF and has preliminarily approved the proposed project. As of the date of this report final written approval from the CSTF has not been received, but is expected to be submitted prior to the Commission hearing. The Commission concurs with CSTF determination and finds that the proposed option is consistent with the water quality and marine habitat protection policies of the Coastal Act.

(c) Modeling of Water Circulation and Quality at Cabrillo Beach.

A lengthy and detailed technical report, Water Quality and Hydrodynamic Analysis of the Cabrillo Beach Shallow Water Habitat (February 2002), by the Corps was completed for the development proposed under amendment No. 21. The report describes four modeling scenarios as follows:

Scenario 1: plan-form geometry and bathymetry of San Pedro Bay as they existed in year 2001, except that pre-construction depths are specified in the Cabrillo Shallow Water Habitat (CSWH).

Scenario 2: as-built configuration and depth of the CSWH are included.

Scenario 3: incorporates the recommended plan for expanding the Port of Los Angeles, which includes the proposed expansion of the CSWH.

Scenario 4: incorporates the recommended plan expansions and also includes an opening in the San Pedro Breakwater.

The utility of these modeling scenarios is then addressed:

Comparison of modeling results between scenarios 1 and 2 permits assessing the impact that the construction of the habitat has had on water circulation and water quality, and comparison of modeling results between scenarios 2 and 3 provides insight into potential impacts that an expansion may have on water circulation and water quality. . . [Scenario 4] investigates whether an exchange in waters between the study area and the open ocean improves water circulation and water quality at the inner Cabrillo beach.

The report includes extensive technical information on hydrodynamic testing, hydrodynamic modeling of the four scenarios, the water quality model, water quality modeling results, and a particle tracker to investigate circulation patterns in the Cabrillo Beach and Cabrillo Shallow Water Habitat.

Lastly, the report conclusion states, in part, that based on the modeling results of the four scenarios, the following conclusions were reached:

1. There are only minor differences between water circulation and water quality results for scenarios 1 and 2, indicating that the construction of the habitat had no

significant impact on waters within 300 ft to 500 ft of the inner Cabrillo Beach. Currents approximately 3000 ft from shore were strengthened as a result of its construction; however, water quality was not impacted within western San Pedro Bay.

2. There are only minor differences between water circulation and water quality results for scenarios 2 and 3, indicating that expanding the habitat will have no significant impact on water circulation and water quality in western San Pedro Bay.

3. An opening in the breakwater can have some positive impact on water circulation and water quality in western San Pedro Bay. This improvement is attributed to the mixing of open-ocean and bay waters. However, the opening had little impact on waters immediately adjacent to the beach (i.e. in the area used for swimming).

Scenario 4 was conducted at a “proof-of-concept” level for determining whether an opening warrants further study. This study was therefore limited, in terms of hydrodynamics, to currents and did not investigate potential impacts imposed by waves propagating through the opening and into the open water area east of Cabrillo Beach. Although the potential impacts described below have not been studied, and are therefore conjecture, an opening in the breakwater leads to several issues that should be addressed before giving this option further consideration. These issues include breakwater stability, erosion of the harbor bottom (including the CSWH), harbor resonance, beach stability/erosion, and public use of beaches and their safety.

For the additional dredging and filling proposed under this amendment, the potential long-term effects on the quality of water was evaluated in a report prepared by the USACE (USACE, 2008). The report provided results of the hydrodynamic computer modeling of existing conditions, conducted pursuant to the Main Channel Dredging project, and comparison to existing conditions. The report found that water quality differences between existing conditions and conditions that would exist after project implementation were usually less than a one percent maximum change at most of the eight water quality modeling stations.

The Commission finds that the water circulation (and inferred water quality effects) modeling work undertaken by the Corps for the water area between Cabrillo Beach and the Main Channel satisfactorily documents that the existing Cabrillo Shallow Water Habitat (CSWH), and the proposed 50 acre expansion of the CSWH does not, and will not, generate significant adverse impacts on water circulation or water quality at Cabrillo Beach and adjacent offshore areas, and is consistent with the water quality and marine habitat protection policies of the Coastal Act.

(d) Post-Project Water Quality Monitoring.

A Cabrillo Beach Monitoring Plan (March 2002) was prepared for the Main Channel dredging and expansion of the Cabrillo Shallow Water Habitat approved under Amendment No. 21. The Executive Summary states in part that:

Data will be collected to supplement the ongoing hydrodynamic and water quality measurements by the Corps and local partners. Circulation data include water levels, currents, dispersion, and dilution measurements. Water quality data include dissolved oxygen, temperature, turbidity, and transparency. The data will be supported by environmental and morphologic measurements including atmospheric pressure, temperature, wind velocity, and wading-depth beach profiles. Analysis of the data and assessment of changed conditions will be reported.

The Port will continue to monitor and collect data consistent with the Cabrillo Beach Monitoring Plan for the project proposed under this amendment. The Commission finds that the proposed post-project water quality monitoring program for the area between Cabrillo Beach and the Main Channel will adequately generate the type of technical information needed to confirm or disprove the results of the Corps' water circulation modeling results for this area. The commitment to monitor this area for potential changes in water quality characteristics as a result of the construction of the Cabrillo Shallow Water Habitat expansion provides the Commission with the ability to ensure that project components will not over time adversely affect water quality and related recreational resources in this area.

In conclusion, the Commission finds that the development proposed by this amendment will generate only minor, short-term effects on water quality and marine resources in the Port of Los Angeles. With the proposed mitigation measures required through the State and Federal permitting processes, and compliance with those standards, the adverse effects on water quality and marine habitat will not be significant and the proposed amendment is consistent with Sections 30705, 30706, and 30708 of the Coastal Act.

4. Environmentally Sensitive Habitat.

Section 30705 of the Coastal Act states in part:

(b) The design and location of new or expanded facilities shall, to the extent practicable, take advantage of existing water depths, water circulation, siltation patterns, and means available to reduce controllable sedimentation so as to diminish the need for future dredging.

(c) Dredging shall be planned, scheduled, and carried out to minimize disruption to fish and bird breeding and migrations, marine habitats, and water circulation. Bottom sediments or sediment elutriate shall be analyzed for toxicants prior to dredging or mining, and where water quality standards are met, dredge spoils may be deposited in open coastal water sites designated to minimize potential

adverse impacts on marine organisms, or in confined coastal waters designated as fill sites by the master plan where such spoil can be isolated and contained, or in fill basins on upland sites. Dredge material shall not be transported from coastal waters into estuarine or fresh water areas for disposal.

Section 30706 of the Coastal Act states in part:

In addition to the other provisions of this chapter, the policies contained in this section shall govern filling seaward of the mean high tide line within the jurisdiction of ports... (b) The nature, location, and extent of any fill, including the disposal of dredge spoils within an area designated for fill, shall minimize harmful effects to coastal resources, such as water quality, fish or wildlife resources, recreational resources, or sand transport systems, and shall minimize reductions of the volume, surface area, or circulation of water.

Section 30708 of the Coastal Act states in part:

All port-related developments shall be located, designed, and constructed so as to...a) Minimize substantial adverse environmental impacts.

The development proposed by this amendment could potentially affect environmentally sensitive marine habitat used by two federally endangered species: the California least tern and the California brown pelican. The amendment would allow for additional dredging to deepen the Main Channel and constructing a five and eight acre fill at Berths 134-135 and Berths 243-245. These inner harbor locations are not considered significant foraging areas for terns or pelicans, and dredging, filling, and the related turbidity effects that will occur in these areas are not expected to adversely affect either species. Mitigation for the additional approximately thirteen acres of inner harbor landfills will be obtained from existing credits in the port's harbor mitigation account and/or the port's Bolsa Chica mitigation account.

According to the SEIS/SEIR, there are a total of approximately 116 credits available to mitigate landfill projects (see Exhibit No. 7). Based on mitigation ratios established by the Port and the various resource agencies (Department of Fish and Game and the U.S. Fish and Wildlife Service), which are consistent with, or exceed, previous ratios approved by the Commission, the proposed landfills (approximately 12 acres) will require approximately 6.2 inner harbor credits (based on the established mitigation ratio of 1:2 for "inner-harbor" landfills and 1:1 for "outer-harbor" landfills). The creation of the 50 acre Cabrillo Shallow Water Habitat (CSWH) could create additional credits but at this time the resource agencies have not determined the amount of credits and will not approve any credit generation until a post construction analysis has been completed, therefore, the Port is not including any generation of credits from the 50 acre CSWH expansion at this time. Based on the surplus of credits there is an adequate amount of credits to mitigate the loss of the approximately 12 acres of inner harbor habitat that will be impacted.

Furthermore, according to the Final SEIS/SEIR, there is approximately 1,830 sq.ft. of pickleweed (*Salicornia virginica*) located at the back end of the Northwest Slip. The Port and Corps have agreed to mitigate this loss at 3:1. Mitigation will include salvaging and replanting the removed pickleweed in the harbor or off-site in accordance with agreements that will be prepared with the appropriate resource agencies.

a) California Least Tern.

The California least tern (*Sterna antillarum brownii*) is a federally and state listed endangered species. The species has nested during the summer on Terminal Island (including Pier 300) and is currently nesting on Pier 400. Least terns feed on small fish directly under the water surface. They have been observed to forage over shallow water (generally less than 20 feet deep) in the Outer harbor, adjacent to the Pier 300 nesting site, but not in the Inner Harbor area.

Construction activity may cause turbidity in the water column which would affect foraging species ability to see food normally visible in the water. In addition, construction activity using heavy equipment could generate noise in the water column that would disturb fish and other species normally present upon which foraging least terns would normally feed.

According to the SEIS/SEIR the existing wharves and landfill at Berths 243-245 and the Northwest Slips (Berths 134-135) provide no breeding or important resting or foraging habitat for the least tern. However, the Cabrillo Shallow Water Habitat (CSWH) provides foraging habitat for the least tern and construction activities would overlap with their entire nesting season (April through August). The construction activities have the potential to adversely affect least tern foraging by causing a decline in availability of forage fish in and adjacent to the construction area. However, it is predicted that some of the fish in and adjacent to the construction area will migrate to nearby undisturbed areas within the CSWH, thus continuing to provide food for the least tern. Furthermore, the proportion of area impacted by construction, including the temporary turbidity plume, compared to the total area (326 acres) of the CSWH is not considered substantial. Approximately 6.5 acres of the existing 326 acres of habitat is expected to be temporarily impacted.

To ensure protection of the least tern during project activities proposed mitigation includes: limiting the turbidity plume to no greater than 6.5 acres over the shallow water habitat; monitoring by a qualified least tern biologist in coordination with California Department of Fish and Game and United States Fish and Wildlife Service; and protection of least tern nests found outside of the known least tern colonies during construction..

Upon completion, the expanded shallow water area would provide an additional 50 acres of habitat for fish and invertebrates and increase the foraging area for the least tern. In conclusion, the Commission finds that the proposed project modifications will not generate significant, adverse effects on environmentally sensitive marine habitat in San Pedro Bay. With the proposed mitigation measures outlined in the Draft SEA and required

through the State and Federal permitting processes, and compliance with those standards, the adverse effects on marine resources will not be significant and the proposed amendment is consistent with Sections 30705(b)(c), 30706(b) and 30708(a) of the Coastal Act.

5. Recreation

Section 30706(b) of the Coastal Act provides:

In addition to the other provisions of this chapter, the policies contained in this section shall govern filling seaward of the mean high tide line within the jurisdiction of ports:

(b) The nature, location, and extent of any fill, including the disposal of dredge spoils within an area designated for fill, shall minimize harmful effects to coastal resources, such as water quality, fish or wildlife resources, recreational resources, or sand transport systems, and shall minimize reductions of the volume, surface area, or circulation of water. . .

Section 30708 of the Coastal Act provides, in part:

All port-related developments shall be located, designed, and constructed so as to:

(a) Minimize substantial adverse environmental impacts.

. . .

(d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible. . . .

The proposed project modifications and final design decisions must be consistent with the aforementioned recreational resource policies of the Coastal Act. The proposed dredging and filling modifications that would occur would not generate adverse effects on recreational activities in the Port. These dredge and landfill sites, are not recreation areas due to the existing cargo and industrial activities that occur at these sites. No existing public access or recreation areas will be eliminated or created by the proposed project modifications. On-water recreational boating will be restricted in the immediate areas of active dredging and filling, and some inconvenience to recreational boaters traveling within the harbor will occur during project construction, but these restrictions would be temporary and are not considered significant impacts.

The Commission has previously expressed concerns about the potential effects that expanding the Cabrillo Shallow Water Habitat (CSWH) site will have on public recreation (boating and fishing). However, the Commission found that project dredging and filling will generate only temporary and minor effects on recreational boating and fishing in the vicinity of dredge and fill operations at CSWH. That finding was made with the commitment by the Corps to undertake further circulation/water quality modeling at this location and to produce a post-project water quality monitoring plan for this site, in order to

ensure that the CSWH expansion that has been previously approved by the Commission will not cause a degradation in water quality or recreational opportunities at Cabrillo Beach. As discussed in Section 3 of this report, modeling was undertaken and the study results confirmed that no adverse effects would occur; a post-project water quality monitoring plan for this area was developed and will be used to analyze the modeling predictions. Therefore, the Commission finds that the proposed amendment is consistent with the commercial and recreational fishing and boating policies of Sections 30706(b) and 30708(a)(d) of the Coastal Act.

6. Risk Management Plan

Section 30708(a) of the Coastal Act requires that all port-related developments be located, designed and constructed so as to minimize substantial adverse environmental impacts. The Commission certified the Ports' Risk Management Plan (RMP) in November 1983.

The certified RMP is to be used for the siting of new hazardous liquid cargo facilities and any proposed modification, expansion or relocation of existing hazardous liquid cargo facilities in a manner that minimizes or eliminates risks to life and property in and around the port through the physical separation of hazards and "vulnerable resources". Vulnerable resources are defined in the RMP as significant residential, recreational and working populations, and facilities that have high economic value or are critical to the economy or national defense.

The risk to "vulnerable resources" from hazardous materials is analyzed by determining the area in which people would be hurt and property would be damaged if a "worst case" accident occurred. The area where "vulnerable resources" could be injured or damaged by a worst case accident is called a "hazard footprint". The boundary of a hazard footprint is determined by calculating the distance at which impacts of the worst probable events will be reduced to levels that are not likely to cause injury or property damage.

This generally does not allow placement of vulnerable resources within a hazard footprint. The design criteria of the RMP recognizes that there are situations where vulnerable resources may be located within a hazard footprint area. Under these situations, application of additional protection measures such as the installation of an approved early warning system, development of a comprehensive emergency evacuation plan, or personal training, may be required.

In the Port's analysis of the project, there were no hazard footprints in the vicinity of the proposed project and the proposed cargoes that would be handled at the proposed expansions of existing marine cargo terminals would not include hazardous liquid bulk facilities and the terminals will not create any new hazardous liquid cargo facilities. Therefore, the Commission finds that the proposed project will be consistent with the Port's RMP and will minimize substantial adverse environmental impacts consistent with Section 30708(a) of the Coastal Act.

7. Summary

In summary, the Commission finds that the proposed port master plan amendment will allow the Port of Los Angeles to accommodate commerce and vessels to be served by port facilities and construct needed cargo and shipping facilities and other port related facilities, and all adverse impacts to the marine environment will be adequately mitigated. As proposed, the port master plan amendment is consistent with all applicable procedural provisions and policies of the California Coastal Act of 1976.

8. Consistency with the California Environmental Quality Act (CEQA).

The California Environmental Quality Act (CEQA) requires less environmentally damaging alternatives to be considered and the imposition of mitigation measures to lessen significant adverse effects that may result from the proposal. The Commission finds that for the reasons discussed in this report, all adverse effects have been mitigated to a level of insignificance thus there are no additional feasible alternatives or feasible mitigation measures available that could substantially reduce any adverse environmental impacts. The Commission further finds that the proposed Port Master Plan amendment will not result in significant environmental effects within the meaning of the California Environmental Quality Act.

Port of Los Angeles Channel Deepening Project

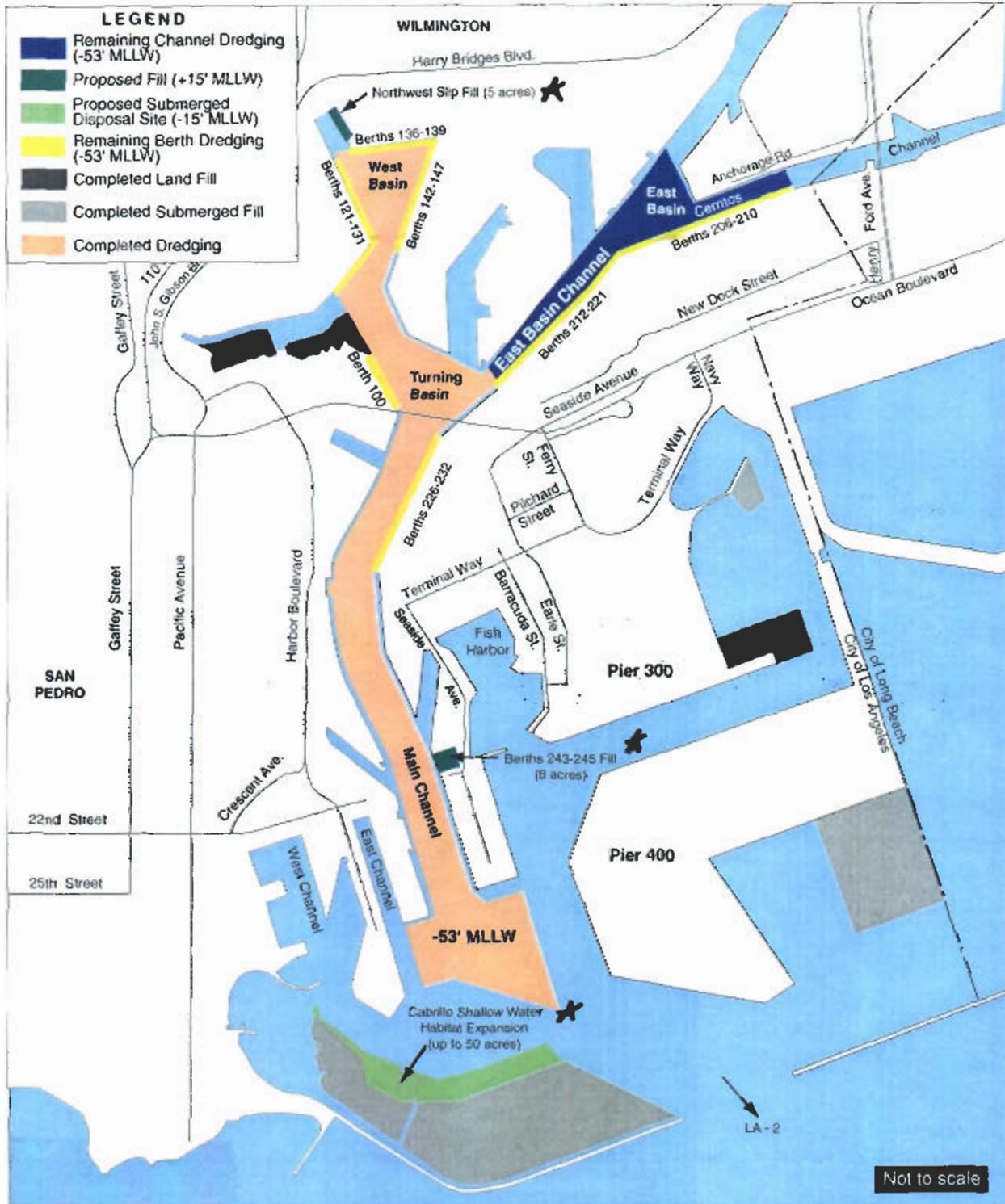
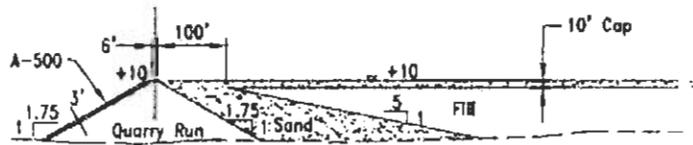


EXHIBIT NO. 7
 Application Number
 POLA PMPA #24
 Site Plan
 California Coastal Commission

Proposed Project

EXHIBIT NO. 2
Application Number POLA PMPA #24
Berth 243-25
Leadfill
California Coastal Commission



 ROCK/FILL TYPICAL SECTION

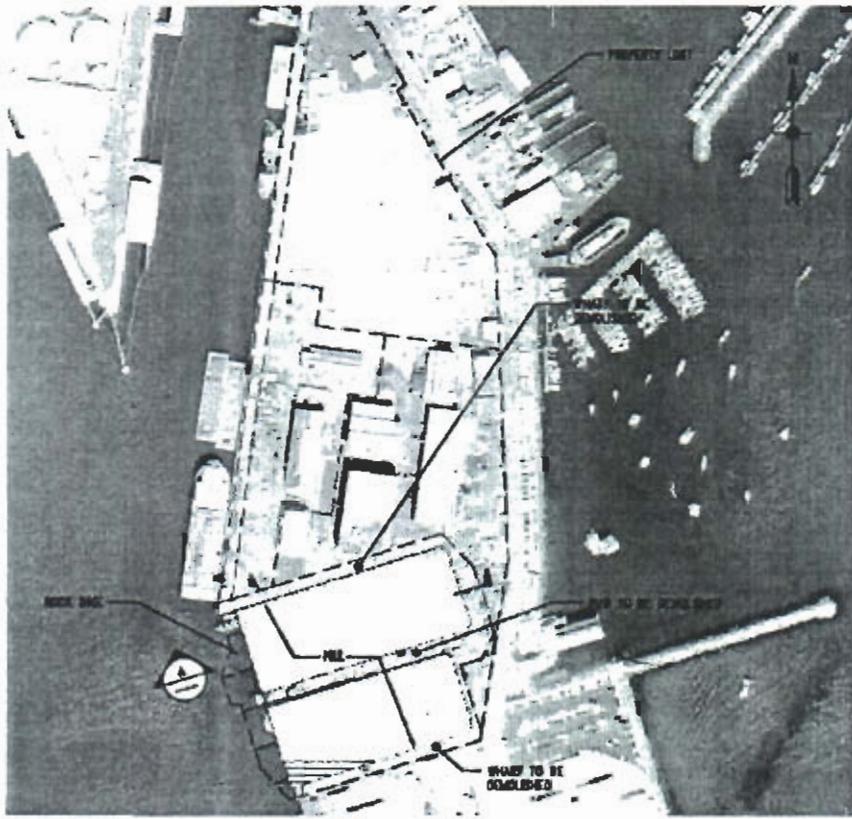


FIGURE 2-3
BERTH 243-245 TERMINAL
OCTOBER 24, 2006



Figure 2 - Berth 243-245 Terminal

EXHIBIT NO. 3
Application Number POLA PMPA #24
Northwest Slip Fill
California Coastal Commission

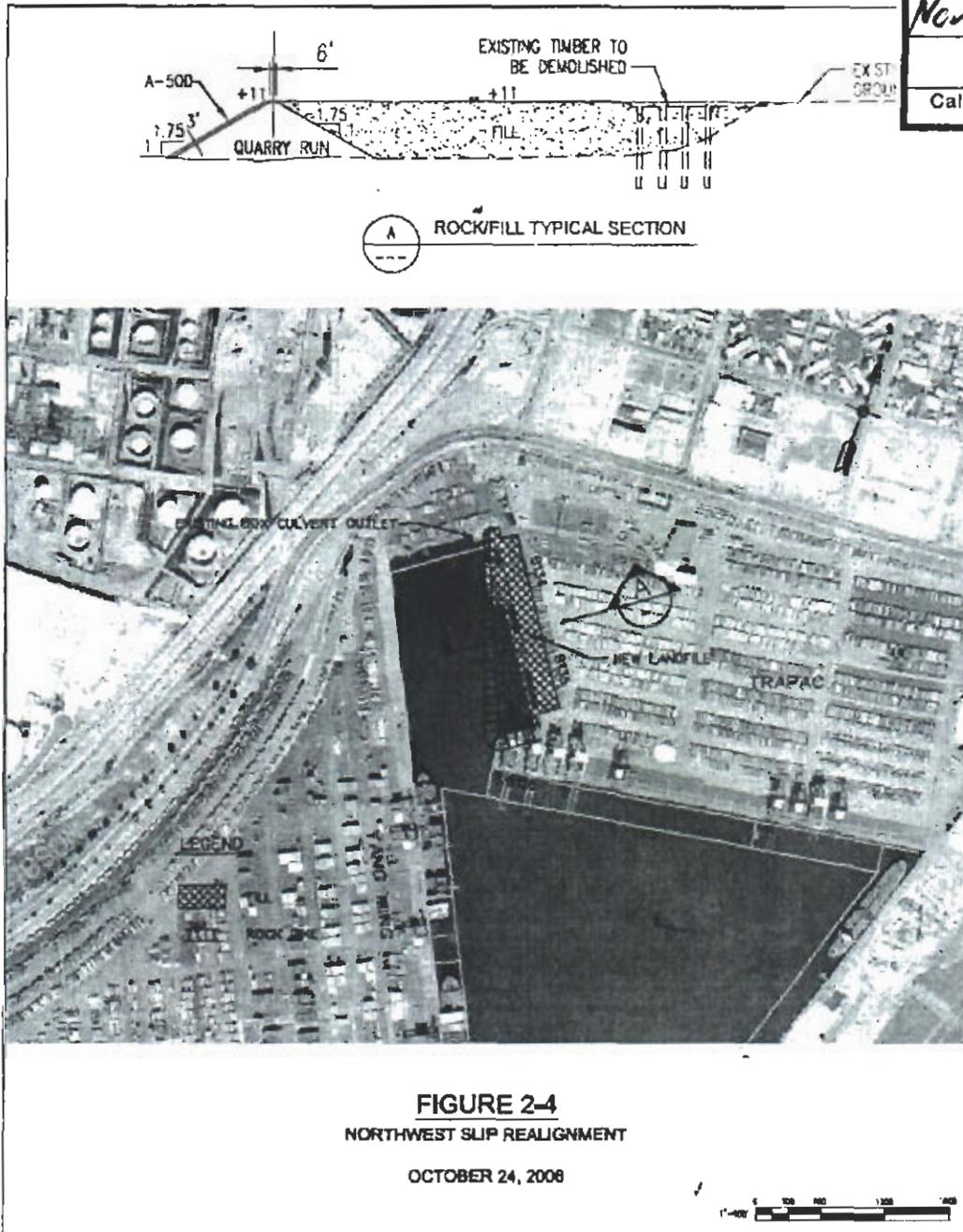


Figure 3 - Northwest Slip Fill

EXHIBIT NO. 4
 Application Number
 POLA RMPA #24
 Cabrillo Shallow Water
 Habitat Expansion
 California Coastal Commission

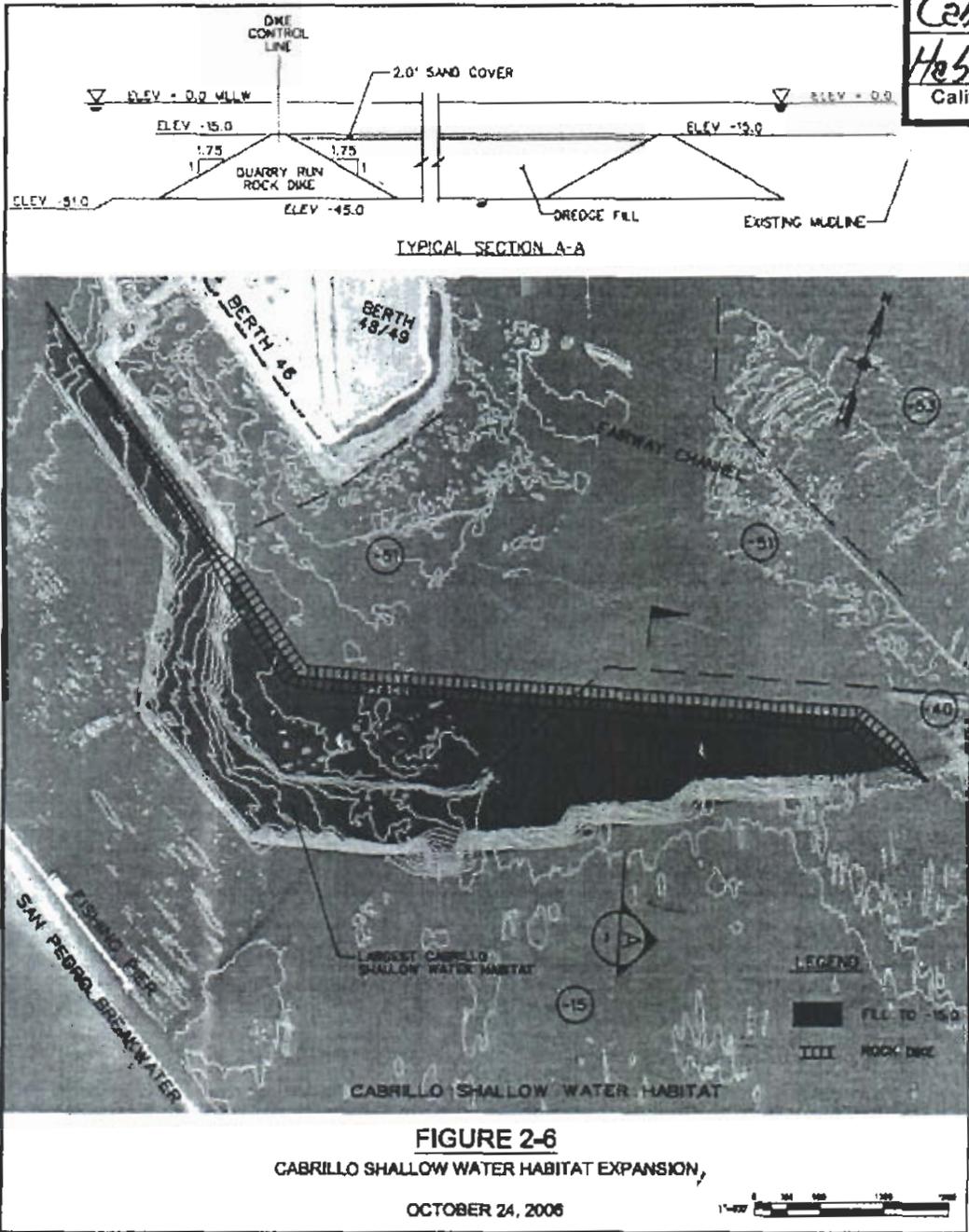
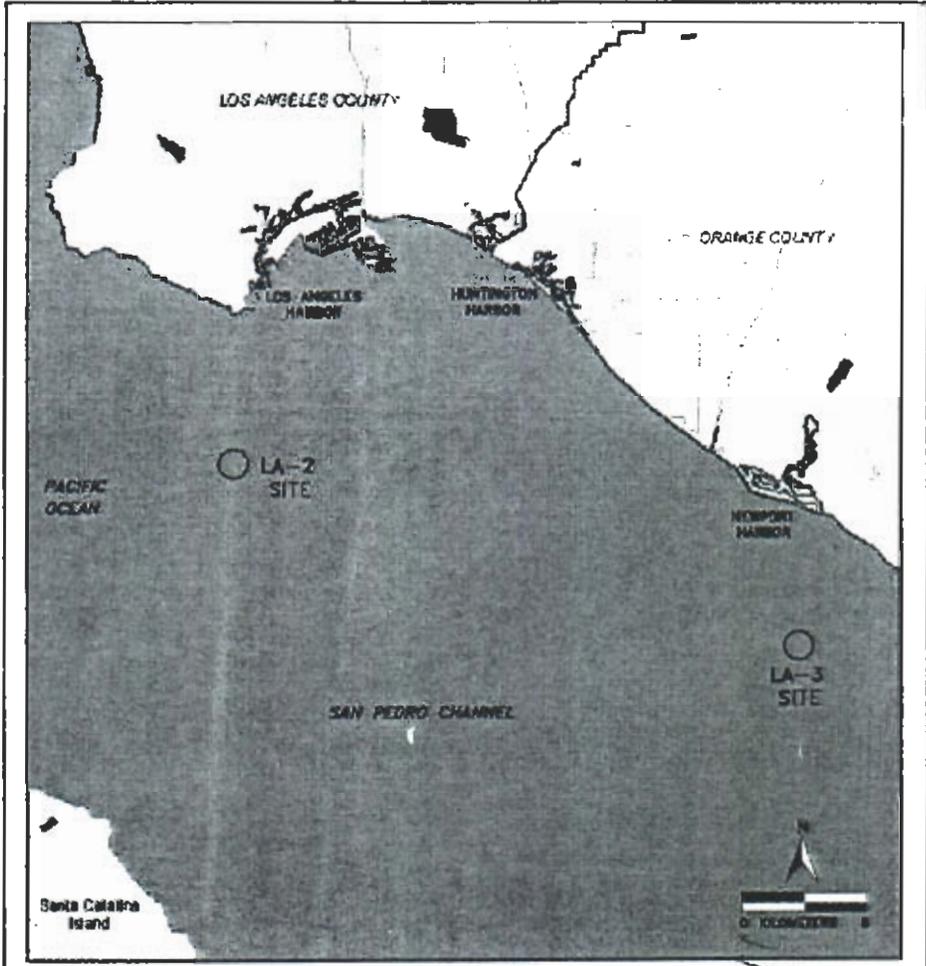


Figure 4 - Cabrillo Shallow Water Habitat Expansion

PORT OF LOS ANGELES - PORT OF LOS ANGELES CHANNEL DEEPENING PROJECT
CONTAMINATED SEDIMENT MANAGEMENT PLAN - ADDENDUM 2

D

EXHIBIT NO. 5
Application Number POLA PMPA#24
LA-2 Disposal Site
California Coastal Commission



LOCATIONS OF LA-2 AND LA-3

FIGURE 2-07
OCEAN DREDGED MATERIAL
DISPOSAL SITES LA-2 & LA-3
OCTOBER 24, 2008

Figure 5 - Location of LA-2 Offshore Disposal Site