



**DEPARTMENT OF THE ARMY**  
SAN FRANCISCO DISTRICT, U.S. ARMY CORPS OF ENGINEERS  
1455 MARKET STREET  
SAN FRANCISCO, CALIFORNIA 94103-1398

JUN 08 2015

**DEPARTMENT OF THE ARMY PERMIT**

**PERMITTEE:** Michael Roth, Hanson Marine Operations

**PERMIT NO.:** 2013-00132S

**ISSUING OFFICE:** San Francisco District

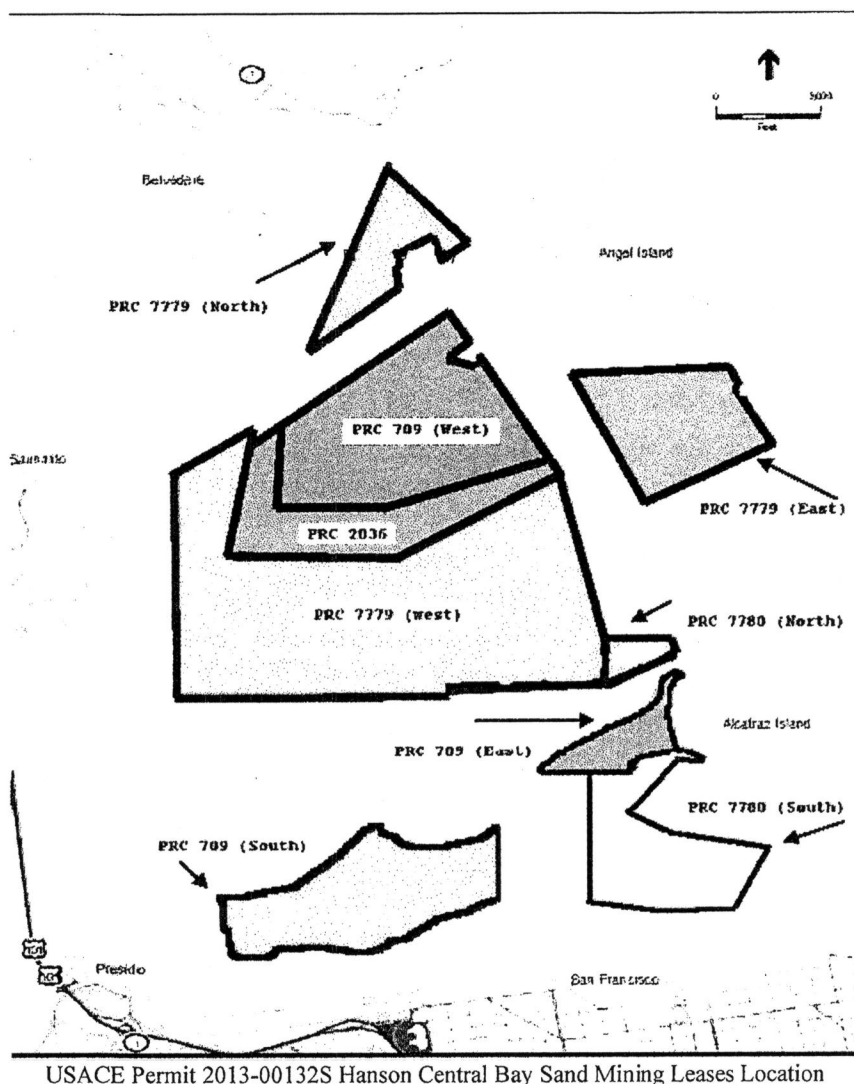
**NOTE:** The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate District or Division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below:

**PROJECT DESCRIPTION:** Conduct sand mining operations of up to 1,540,000 cubic yards of sand annually between 2015 and 2025 from a 2,601-acre area consisting of 9 parcels of submerged lands that comprise 4 leases from the California State Lands Commission (SLC), designated as Mineral Extraction Lease Nos. 709.1, 2036.1, 7779.1, and 7780.1 (Central Bay Leases).

Central Bay Leases	Annual Average Permit Volume	Peak Year Volume	Total 10-Year Total Volume
Presidio Shoals (PRC 709.1)	170,000 cy	235,000 cy	
Point Knox Shoal South (PRC 2036.1)	360,000 cy	450,000 cy	
Point Knox Shoal (PRC 7779.1)	484,000 cy	550,000 cy	
Alcatraz South Shoal (PRC 7780.1)	127,000 cy	160,000 cy	
Central Bay Leases Total Volume	1,141,000 cy	1,395,000 cy	11,410,000 cy

**PROJECT LOCATION:** Nine sand mining lease project sites located in open water in central San Francisco Bay (Central Bay) in an area extending from the Golden Gate Bridge to the Oakland-San Francisco Bay Bridge to the Richmond-San Rafael Bridge. This area is bounded by the Tiburon peninsula on the north, Angel Island on the east, the City of San Francisco and Alcatraz Island on the south and the City of Sausalito and the Golden Gate on the west. The four lease areas, PRC 709.1 (Presidio Shoals); PRC 2036.1 (Point Knox Shoal South); PRC 7779.1 (Point Knox Shoal); and PRC 7780.1 (Alcatraz South Shoal) consist of one to three parcels per lease, and together total 2,601 acres in size.



#### PERMIT CONDITIONS:

#### GENERAL CONDITIONS:

1. The time limit for completing the work authorized ends on June 1, 2025. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the

Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
5. For your convenience, a copy of the water quality certification or waiver is attached. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit.
6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.
7. You understand and agree that, if future operations by the United States require the removal, relocation or other alteration of the structure or work authorized herein, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, you will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the United States. No claim shall be made against the United States on account of any such removal or alteration.

**SPECIAL CONDITIONS:**

1. To remain exempt from the prohibitions of Section 9 of the Endangered Species Act, the non-discretionary Terms and Conditions for incidental take of federally-listed Species shall be fully implemented as stipulated in the Biological Opinion(s) entitled, "Marine Sand Mining 10-year Leases within the San Francisco Bay, Suisun Bay, and Sacramento San Joaquin Confluence Project, Solano and Contra Costa Counties, California (Corps File SPK-2000-249413N)" (pages 25-27) dated October 22, 2014. "Endangered Species Act (ESA) Section 7(a)(2) Biological Opinion and Magnuson-Stevens Fishery Conservation and Management Act Essential Fish Habitat Consultation 10-Year Permit for Hanson Aggregates and Lind Marine Products Sand Mining Operations in San Francisco Bay Estuary. NMFS Consultation Number: SWR-2013-9570" (pages 48-50) dated January 26, 2015. Project authorization under this permit is conditional upon compliance with the mandatory terms and conditions associated with incidental take. Failure to comply with the terms and conditions for incidental take, where a take of a federally-listed species occurs, would constitute an unauthorized take and non-compliance with the authorization for your project. The USFWS and NMFS are, however, the authoritative federal agency for determining compliance with the incidental take statement and for initiating appropriate enforcement actions or penalties under the Endangered Species Act.
2. The permittee shall monitor the changes to Bay bathymetry through bathymetric change analysis, utilizing multibeam surveys of the lease area and an adjoining control area. Two multibeam surveys of the lease areas shall be completed between January 1 and June 1, 2018 and January 1 and June 1, 2023, consistent with the previously required five-year surveys. The bathymetric change analysis shall be conducted by surveying of the lease area and control areas using the same methodology of the original multibeam survey conducted in January 2014, at five year intervals.
3. By October 1, 2018 and October 1, 2023, the permittee shall submit to the Bay Conservation and Development Commission (BCDC) staff and USACE staff, a written report and analysis including: (a) the bathymetric survey of the lease area, (b) an analysis of the changes in bathymetry, areas of depletion, accretion or other trends; (c) a discussion of the findings, and (d) a quality control analysis completed by an independent third party. The first survey and report shall be provided not later than October 1, 2018. The second survey and report shall be provided not later than October 1, 2023.
4. By November 30, 2015, the permittee shall install, use and maintain an automatic Global Positioning System (GPS) tracking system upon all barges used during mining operations under this permit. Once the GPS is installed, the permittee shall submit to BCDC staff and USACE staff documentation verifying the installation.

The permittees shall provide "mining track lines" to BCDC staff and USACE staff on a quarterly basis.

5. In order to minimize impacts to shallow water habitat and sensitive rocky subtidal habitat, the permittee shall not mine within 200 feet of any shoreline, or within 250 feet of any area with depths less than minus 9 feet Mean Lower Low Water (MLLW).
6. Sand Budget, Transport and Mining Effects. The permittee shall contribute \$960,168.00 (unless regulatory agencies determine that a lesser amount is adequate) towards scientific studies to increase the understanding of the following: (a) the San Francisco Bay sand budget; (b) sand transport into the Bay from the Delta and local tributaries; and to the outer coast (San Francisco Bar and Ocean Beach); (c) the amount and type of sand available for use; (d) and the impacts of mining on the sand resource. This funding will be combined with additional funding from Lind Marine Incorporated and Suisun Associates to provide a total of \$1.2 million to create a Sand Studies Technical Advisory Committee (SSTAC) and an Independent Science Panel and to implement the studies to address the above-described issues and potential impacts of sand mining on the sediment system. The permittees, in coordination with the SSTAC, shall provide reports after completion of each sand study as well as a final report of findings with recommendations for further consideration not later than October 1, 2020 or by such later date as established by the SSTAC.
7. The permittee shall contribute up to \$220,000.00 towards scientific studies to increase the understanding of the San Francisco Bay benthic ecology and effects of sand mining on that ecology, pursuant to the NMFS' 2015 biological opinion, dated January 26, 2015, and the BCDC permit, dated April 29, 2015. The final report must be submitted by March 31, 2018, for review and consideration by the Benthic Technical Advisory Committee (BTAC), the USACE, the BCDC, the RWQCB and the NMFS staff.
8. For the duration of this authorization, the permittees shall provide USACE with written Quarterly and Annual reports in accordance with the reporting requirements in BCDC permit no. 2013.004.00 (pages 9 and 10).

**FURTHER INFORMATION:**

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:
  - (X) Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. Section 403).
  - ( ) Section 404 of the Clean Water Act (33 U.S.C. Section 1344).
  - ( ) Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. Section 1413).
2. Limits of this authorization:
  - a. This permit does not obviate the need to obtain other Federal, State, or local authorizations required by law.
  - b. This permit does not grant any property rights or exclusive privileges.
  - c. This permit does not authorize any injury to the property or rights of others.
  - d. This permit does not authorize interference with any existing or proposed Federal project.
3. Limits of Federal Liability: In issuing this permit, the Federal Government does not assume any liability for the following:
  - a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.
  - b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

- c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.
  - d. Design or construction deficiencies associated with the permitted work.
  - e. Damage claims associated with any future modification, suspension, or revocation of this permit.
4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.
5. Reevaluation of Permit Decision: This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:
- a. You fail to comply with the terms and conditions of this permit.
  - b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate. (See Item 4 above.)
  - c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 C.F.R. § 325.7 or enforcement procedures such as those contained in 33 C.F.R. §§ 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 C.F.R. § 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions: General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Me. d. [Signature] (PERMITTEE)      6/5/15 (DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

[Signature] (DATE) 8 June 2015  
John C. Morrow  
Lieutenant Colonel, U.S. Army  
District Commander

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

\_\_\_\_\_  
(TRANSFeree)

\_\_\_\_\_  
(DATE)