MINUTE ITEM
This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 2
to 0 at its 12/23/86
meeting.

CALENDAR ITEM

25

12/23/86
WP 6765 PRC 6765
Poe

A 34

S 25

SALVAGE PERMIT

APPLICANT: Malcolm D. Stewart
P. O. Box 90
Grenada, California 96038

AREA, TYPE LAND AND LOCATION:
A 37.6±-acre parcel of sovereign land, from the bed of Owens Lake, Inyo County.

LAND USE: Salvage of silver and artifacts from a sunken vessel, or vessels, at Owens Lake.

TERMS OF PROPOSED PERMIT:
Initial period: One year beginning December 1, 1986; extendable for one additional year at the discretion of the Commission.

Public liability insurance: Combined single limit coverage of $500,000.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
Filing fee and environmental costs have been received.

STATUTORY AND OTHER REFERENCES:
A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884: 02/18/87.

(PAGES 134-134.12 ADDED 12/19/86)

OTHER PERTINENT INFORMATION:

1. This project involves the potential salvage of a ve l known to be carrying precious bullion ich is believed to have sunk between 1863 and 1865.

   The salvage operations will include the conduct of various seismic testing procedures using various sophisticated measurement devices and equipment. Such tests will not involve any use of explosives.

   Based on the results of the tests, six core holes, each one-inch in diameter, will be excavated. The holes will be dug to a depth of 40 to 50 feet.

   Should the test holes prove positive, the salvage area will be excavated by initially dozing the surrounding site to a depth of approximately ten feet and further to the proposed depth by use of mechanical shovel.

   The project site will be backfilled and restored upon completion of this operation. The site is exposed, dry sovereign land, originally the water-covered lake bed of Owens Lake. It was made dry when the lake's feeder streams were diverted for water supplies to southern California.

2. All items removed from the site will be inspected and appraised by competent appraisers. From all that is sold on the open market, or kept by the Permittee, the State will be compensated according to the terms of the Salvage Permit. For any items retained by the State, the Permittee will be credited against percentage rentals otherwise due the State.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15025), the staff has

prepared a Proposed Negative Declaration identified as EIR ND, 409, State Clearinghouse No. 86111003. Such Proposed Negative Declaration was prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment. (14 Cal. Adm. Code 15074(b)).

4. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. However, the Commission has declared that all tide and submerged lands are "significant" by nature of their public ownership (as opposed to "environmental significant"). Since such declaration of significance is not based upon the requirements and criteria of P.R.C. 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by 2 Cal. Adm. Code 2954 is not applicable.

APPROVALS OBTAINED:
None.

FURTHER APPROVALS REQUIRED:
None.

EXHIBITS:
A. Land Description.
B. Location Map.
C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 409, STATE CLEARINGHOUSE NO. 86111003, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

2. DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

3. AUTHORIZE ISSUANCE TO MALCOLM D. STEWART OF A ONE-YEAR SALVAGE PERMIT BEGINNING DECEMBER 1, 1986, WITH AN OPTION OF ONE ADDITIONAL YEAR EXTENSION AT THE DISCRETION OF THE STATE LANDS COMMISSION AND UPON SUCH REASONABLE TERMS AND CONDITIONS AS MAY BE IMPOSED BY THE COMMISSION, IN CONSIDERATION OF $940 LAND RENTAL, AND 25 PERCENT OF THE NET SALVAGE VALUE OF $25,000 OR LESS, AND 50 PERCENT OF THE NET SALVAGE VALUE IN EXCESS OF $25,000; SAID SUM TO BE DUE ON THE FIRST OF THE MONTH FOLLOWING THE SALE AND BEAR INTEREST AT THE RATE OF 12 PERCENT PER ANNUM, IF NOT PAID WITHIN 15 DAYS OF THE DUE DATE; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF $500,000; FOR THE SALVAGE OF PRECIOUS BULLION AND ARTIFACTS OF HISTORICAL AND ARCHAEOLOGICAL VALUE ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

(ADDED 12/19/85)

WP 6765

EXHIBIT A

LAND DESCRIPTION

A parcel of State owned land within the bed of Owen's Lake, T. 16 S., R. 37E., MDM; the exact location being on file with the State Lands Commission.

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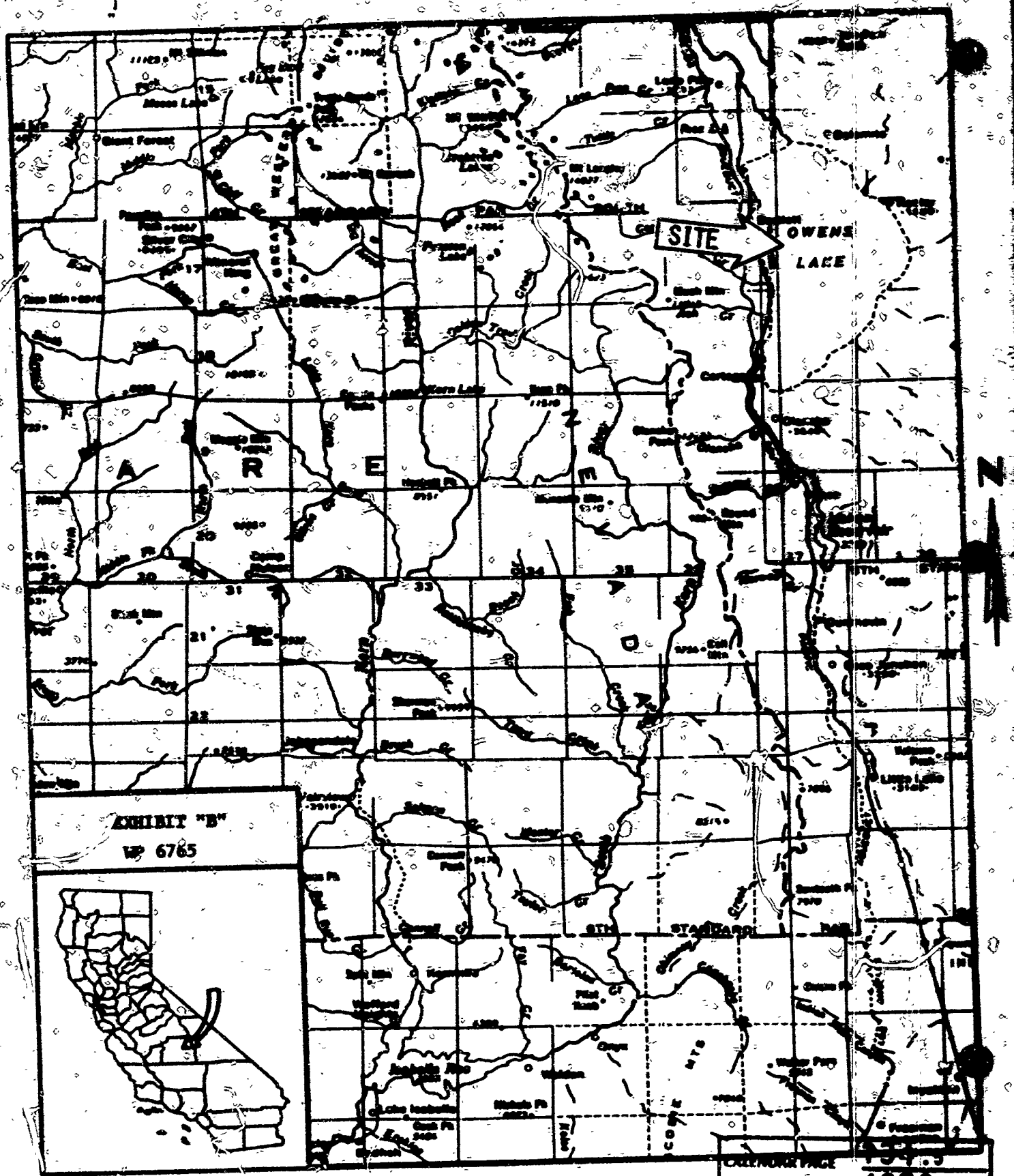
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OWENS LAKE
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EXHIBIT "B"
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STANDARD
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STATE OF CALIFORNIA STATE LANDS COMMISSION

GEORGE DEUKMEJIAN, Governor

STATE LANDS COMMISSION
1807 13TH STREET
SACRAMENTO, CALIFORNIA 95814

EXHIBIT "C"

PROPOSED NEGATIVE DECLARATION

[illegible] 400

File Ref.: W 6765

[illegible]

Project Title: Salvage Permits for Remains of "Molly Stevens"

Project Proponent: Mr. David Stewart

Project Location: Owen's Dry Lake, in Inyo County

Project Description:

Mr. Stewart requests a permit to authorize the salvage of valuable cargo supposedly lost from the steamer "Molly Stevens" in Owen's Lake. See the attached Initial Study for more details.

Contact Person: Goodyear K. Walker
Division of Research & Planning

Telephone: (916) 322-0530

This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Administrative Code), and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Administrative Code).

*See attached sheet.

Based upon the attached Initial Study and this Proposed Negative Declaration, it has been found that:

**See attached sheet.

☐ the project will not have a significant effect on the environment.

☒ mitigation measures included in the project will avoid potentially significant effects.

***See attached sheet.

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EIR ND 409
W 6763

* Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Admin. Code Section 15025), the staff has prepared this Proposed Negative Declaration identified as EIR ND 409, State Clearinghouse No. . This Declaration is being circulated for public review pursuant to the provisions of the California Environmental Quality Act (CEQA).

** "It is recommended that the Commission:

1. Certify that a Negative Declaration, EIR ND 409, State Clearinghouse No. , was prepared for this project pursuant to the provisions of the California Environmental Quality Act (CEQA) and that the Commission has reviewed and considered the information contained therein.

2. Determine that the project, as revised and approved, will not have a significant effect on the environment."

*** The attached Initial Study concludes that the only potential effect on the environment would be the change in topography and view posed by the excavation and spoils generated by the project. This effect will be mitigated by the return of all spoils to the excavation upon completion of the project and the return of the surface to its original condition.

INITIAL STUDY
SALVAGE PERMIT AT OWEN'S LAKE
(W 6765)

Project Description

Mr. David Stewart proposes to salvage cargo from the steamship MOLLY STEVENS from beneath the dry lake bed of Owen's Lake in Inyo County, California.

After boring with a hand-held one inch core drill to determine subsurface structure and cargo location, the surface will be staked out. Depending on the depth at which possible targets are located, the top cover will be removed by either a backhoe or a clamshell bucket.

Following the completion of the proposed salvage, all surface materials will be removed. The excavation will be refilled with the spoil removed, and the lake bed surface returned to its previous contours and condition, using a skiploader.

The proposed project will take place within Township T.16.S, R.37.E, MDM. This location is on the dry lake bed of Owen's Lake and is part of the State's ungranted sovereign lands.

Environmental Setting

Owen's Lake was initially a closed basin at the southern end of the Owen's Valley, with a water level fluctuating with the amount of sparse rain received in the mountains, to the east and west. Generally, the lake was 23 miles long by 14 miles wide and reached an ultimate depth (in 1872) of about 50 feet. The water was highly mineralized.

With the transfer of water from the Owen's Valley to the Los Angeles basin, the lake began to dry out, a process that has virtually complete by 1935. The lake bed that remains is a virtually flat (less than 30 feet of elevation change over the entire surface) sand and alkali desert. Beneath this stable surface is a soda-brine mud that extends to the original bottom of the lake. This caustic mud is from 12 to 40 feet thick, depending on the distance of the location from the original shore line.

Currently, the lake bed has very little use with the exception of some salt wells and soda evaporators, e.g., there is no agricultural use, etc.

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Environmental Effects

A. Geology — The project area is within a seismically active region, with major earthquakes recorded from 1872 up to the present. Due to the nature of the lake bed surface the major potential risk would be from liquefaction.

The project does not pose any risk to the geological environment itself because of its temporary nature, the relatively shallow depth of excavation, and the fact that all spoil will be returned to its point of origin. No structures (except tents) will be erected on the site so any seismicly induced liquefaction would have only the temporary effect of filling in the excavation.

B. Biology — Because of the extreme alkalinity of the surface and subsurface soils there is no plant or animal life at the project site. Some birds transit the area, but the temporary salvage operations will not have any effect on them.

C. Air Quality — Near constant winds, often of high velocity, and blowing sand and dust are a natural feature of the site. (See the State Lands Commission's report of 1984, "Final Report: Research Plots at Owens Dry Lake") When excavation begins, it is possible that there will be a slight, but insignificant increase in fugitive dust. The wet spoil from the excavation will, however, be less likely to blow around than the soil upon which it rests. The operation will be supported by two or three vehicles which will cause an insignificant increase in emissions to the area compared to those generated by nearby Highway 395.

D. Water Quality — There are no surface waters in the project area, and the subsurface water is completely unusable, being extremely alkaline and very mineralized.

E. Land Use — The project site is on sovereign State lands and is not being used for any purpose at the present time. It is completely unsuitable for construction, agricultural, or industrial use. There is some salt and soda ash recovery from the Southern end of the lake, but this project will not interfere with any possible future expansion of such efforts because the site will be restored to its previous appearance.

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F. Visual Impacts - The project site is relatively flat and there is no relief, no structures, and no plant life. The project will intrude on this with a large tent, two or three vehicles and a spoils pile. These objects will be onsite for up to six months, and then the site will be returned to its previous condition. This project will take place 3 1/2 miles from Keeler, the nearest town and about [illegible] miles from Highway 395. The size and temporary nature of the change in view makes this an insignificant effect.

G. Cultural Impacts - There are no anticipated impacts to Native American or historical sites from this project as the affected area was covered by water up until 1935. The sole potential impact is damage to the remains of the MOLLY STEVENS herself.

Various applications have been made to salvage the MOLLY STEVENS' cargo. These applications have cited dates and causes for the sinking of the vessel (by storm, by cargo shifting, or by sabatage) from 1863 through the present application's June 10, 1878. The large bulk of these stories can be discounted as the MOLLY STEVENS was not launched until 1877.

The Cerro Gordo Freighting Company was organized in 1873, primarily to ship silver and silver ore from the Cerro Gordo mines to the railhead at the south end of the valley. They soon acquired the steamer BESSIE BRADY to shorten delivery times of the precious metal. The MOLLY STEVENS was built by the Inyo Lumber and Coal Company to ferry lumber and charcoal across the lake from Cottonwood Creek to the smelter at Swansea. According to the records, she was never used to haul silver.

All available records indicate that the BESSIE BRADY was taken out of service and beached at Ferguson's Landing in 1879. Some accounts indicate that the MOLLY STEVENS was beached with her; others indicate that she was dismantled at this time. With the construction of a ten-stamp mill at Keeler there again was a need for transport ships and owners of the mill bought both the BESSIE BRADY and the MOLLY STEVENS (or her remains). Under this account the BESSIE was refitted with the engines from the MOLLY STEVENS, which were more powerful. However, shortly before her intended launching, the BESSIE BRADY was destroyed by fire on May 1, 1882. She was not rebuilt. From these records it is clear that: 1) both the BESSIE BRADY and the MOLLY STEVENS were

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accounted for from the beginning to the end of their careers; and 2) neither of them sank, with or without a cargo of silver.

Rumors and legends persist, however, that the silver was lost. The two most persistent stories, after the actual sinking, are that a cargo wagon full of silver broke loose and went overboard, or that a "barge" being towed capsized and sank. If, in fact, either case was true, the salvage project could still proceed with no significant damage to cultural resources. The lake bottom muds into which either the wagon or a barge would have settled became more and more concentrated with soda lime as the lake dried up. The alkalinity of the mud beneath the stable soil at the present time is such that all wood and iron pieces of such "vessels" will have been totally eaten away. It is even possible, that, if the cargo was lost in an area of high chloride content in the soil, the silver itself has been converted to worthless silver chloride. It is possible that major pieces of metal, such as boilers or engines, could have survived, but these are all accounted for and never sank.

Based on staffs review, it is not apparent that there are any significant environmental effects from this project. Some short-term visual impairment will be caused and there is the possibility of a minor increase in blowing sand during the first part of the project. Furthermore, information available to staff indicates that no part of the MOLLY STEVENS would be affected by the proposed salvage operation. Therefore, there will be no significant effects on cultural resources.

Mitigations

Mitigation necessary to avoid any potential significant impacts have already been incorporated into the proposed project. These are: 1) complete restoration of the original site appearance; 2) return of all spoils to the excavation; 3) and covering the excavation during periods of excessive wind. If any unexpected artifacts are discovered during excavation, digging will be halted and the State Office of Historic Preservation will be notified.

Consistency with Local Zoning

The bed of Owens Lake has been zoned for "open space," and this temporary use does not conflict with such zoning.

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Initial Study Preparation

This document was prepared by Goodyear K. Walker, Environmental Specialist, Division of Research and Planning, State Lands Commission (916/322-0530).

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