

MINUTE ITEM

This Calendar Item No. C04 was approved as Minute Item No. 04 by the California State Lands Commission by a vote of 3 to 0 at its 4-9-02 meeting.

CALENDAR ITEM

C04

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L. Burks

GENERAL LEASE - RIGHT OF WAY USE

APPLICANT:

Delta Gas Gathering, Inc.
2981 Gold Canal Drive
Rancho Cordova, California 95670

AREA, LAND TYPE, AND LOCATION:

0.55 acres, more or less, of tide and submerged lands in the San Joaquin River (Stockton Deep Water Ship Channel), between Roberts Island and Rindge Tract, near the city of Stockton, San Joaquin County.

AUTHORIZED USE:

Installation of a horizontal directionally drilled six-inch diameter welded steel natural gas pipeline. The proposed pipeline crossing will be part of a pipeline project that will transport natural gas from a new natural gas discovery on Rindge Tract to an existing pipeline on Roberts Island.

LEASE TERM:

Twenty (20) years, beginning April 9, 2002.

CONSIDERATION:

\$190 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Liability Insurance: Combined single limit coverage of \$1,000,000.

Bond: \$10,000.

OTHER PERTINENT INFORMATION:

- 1. Applicant has the right to use the uplands adjoining the lease premises.

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2. Delta Gas Gathering (DGG) plans to install a six-inch diameter welded steel natural gas pipeline on Rindge Tract to interconnect with an infield gathering pipeline constructed and operated by Occidental Resources California (OXY) to DGG's newly constructed pipeline from OXY Speckman #1-4 well on Roberts Island. The purpose of the project is to extend DGG's existing pipeline system from its current termination point at the Speckman #1-4 well.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15025), the staff has prepared a Proposed Mitigated Negative Declaration and Mitigation Monitoring Program identified as CSLC ND 713 , State Clearinghouse No. 2002012074. Such Proposed Mitigated Negative Declaration was prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the Initial Study, the Proposed Mitigated 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; Title 14, California Code of Regulations, section 15074 (b).

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

United States Army Corps of Engineers; State Reclamation Board; Reclamation District No. 2037; Reclamation District No. 684; Sacramento County Public Works Department; San Joaquin County Public Works Department; California Department of Fish and Game.

EXHIBITS:

- A. Site Plan and Location Map
- B. Mitigation Monitoring Program

PERMIT STREAMLINING ACT DEADLINE:

August 14, 2002.

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RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. CERTIFY THAT A PROPOSED MITIGATED NEGATIVE DECLARATION, CSLC ND NO. 713, STATE CLEARINGHOUSE NO. 2002012074 WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA, THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN AND IN THE COMMENTS RECEIVED IN RESPONSE THERETO AND THAT THE MITIGATED NEGATIVE DECLARATION REFLECTS THE COMMISSION'S INDEPENDENT JUDGMENT AND ANALYSIS.
2. ADOPT THE PROPOSED MITIGATED NEGATIVE DECLARATION AND DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN EXHIBIT C, ATTACHED HERETO.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO DELTA GAS GATHERING, INC. OF A GENERAL LEASE - RIGHT OF WAY USE, BEGINNING APRIL 9, 2002, FOR A TERM OF 20 YEARS, FOR INSTALLATION OF A HORIZONTALLY DRILLED SIX-INCH DIAMETER WELDED STEEL NATURAL GAS PIPELINE ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$190, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; SURETY IN THE AMOUNT OF \$10,000.

EXHIBIT B

Table 1. Mitigation Monitoring Plan for the Conestrama Pipeline Project

Impacts and Mitigation Measures	Implementing Responsibility and Timing	Monitoring/Reporting Responsibility and Timing	Level of Impact After Mitigation
AGRICULTURAL RESOURCES			
<p>Impact: Potential Disruption of Normal Planting Activities and Potential Crop Damage Because of Trenching and Boring Activities</p> <p>Mitigation Measure AG-1: Avoid Damaging Crops or Pay for Crop Damages Resulting from Construction Activities</p> <p>If possible, construction activities will be conducted in agricultural areas while fields are fallow. However, if construction activities damage any crops, DGG will pay the landowners fair market value for the crops damaged.</p>	<p>DGG will pay for any damage to crops as agreed upon in landowner right-of-way agreements.</p> <p>During construction.</p>	<p>SLC or their representative will verify that landowners have been compensated for crop damages.</p> <p>During construction.</p>	<p>Less than significant</p>
BIOLOGICAL RESOURCES			
<p>Impact: Potential Disturbance to Nesting Raptors from Construction Activities</p> <p>Mitigation Measure B-1: Conduct Preconstruction Surveys for Nesting Raptors</p> <p>A qualified biologist will conduct preconstruction surveys of the project route for nesting raptors and burrowing owls. If active Swainson's hawk, northern harrier, or white-tailed kite nests are located within 0.25 mile of the project, DGG will consult with DFG regarding mitigation and/or avoidance options. If western burrowing owl burrows are located within 500 feet of the project site, DGG will consult the burrowing owl guidelines regarding options.</p>	<p>DGG will hire a qualified biologist to conduct preconstruction surveys for nesting raptors. If any nest raptors are identified during surveys, DGG will consult with DFG on appropriate mitigation/avoidance measures.</p> <p>Prior to construction.</p>	<p>SLC or their representative will confirm surveys have been conducted. If any nesting raptors are identified during surveys, SLC or their representative will ensure DGG complies with any additional mitigation/avoidance measures outlined by DFG.</p> <p>Prior to construction.</p>	<p>Less than significant</p>
CULTURAL RESOURCES			
<p>Impact: Possible Damage to Unidentified Buried Cultural Resource Site or Human Remains from Construction Activities</p> <p>Mitigation Measure C-1: Stop Work if Cultural Resources are Discovered during Construction Activities</p> <p>If buried cultural resources, such as chipped or ground stone, historic debris, building foundations, or human bone, are inadvertently discovered during ground-disturbing activities, work will stop in that area and within 100 feet of the find until a qualified archaeologist can assess the significance of the find and, if necessary, develop appropriate treatment measures in consultation with the CSLC, the State Historic Preservation</p>	<p>DGG or their representative will halt all construction activities within 100 feet of a cultural resource find until a qualified archaeologist, in consultation with SLC, SHPO and other appropriate agencies, authorizes construction activities to continue.</p> <p>During construction.</p>	<p>SLC or their representative will be responsible for responding to notification if cultural resources are encountered on the project site and for ensuring notification of SHPO and other agencies.</p> <p>During construction.</p>	<p>Less than significant</p>

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Impacts and Mitigation Measures	Implementing Responsibility and Timing	Monitoring/Reporting Responsibility and Timing	Level of Impact After Mitigation
<p>Officer (SHPO), and other appropriate agencies.</p> <p>Mitigation Measure C-2: Comply with State and Federal Laws Pertaining to the Discovery of Human Remains</p> <p>If human remains of Native American origin are discovered during project construction, it will be necessary to comply with state laws relating to the disposition of Native American burials, which fall within the jurisdiction of the NAHC (Pub. Res. Code Sec. 5097). If any human remains are discovered or recognized in any location other than a dedicated cemetery, there will be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until:</p> <ul style="list-style-type: none"> ■ the coroner of the county has been informed and has determined that no investigation of the cause of death is required; and ■ if the remains are of Native American origin, <ul style="list-style-type: none"> □ the descendants of the deceased Native Americans have made a recommendation to the landowner or the person responsible for the excavation work for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in Pub. Res. Code Section 5097.98, or □ the NAHC was unable to identify a descendant or the descendant failed to make a recommendation within 24 hours after being notified by the commission. <p>According to the California Health and Safety Code, six or more human burials at one location constitute a cemetery (Section 8100) and disturbance of Native American cemeteries is a felony (Section 7052). Section 7050.5 requires that construction or excavation be stopped in the vicinity of discovered human remains until the coroner can determine whether the remains are those of a Native American. If the remains are determined to be Native American, the coroner must contact the NAHC.</p>	<p>DGG or their representative will halt all construction activities if human remains are discovered and will contact SLC, the coroner and NAHC, if necessary.</p> <p>During construction.</p>	<p>SLC or their representative will be responsible for responding to notification if human remains are encountered on the project site and for ensuring notification of the coroner and NAHC, if necessary.</p> <p>During construction.</p>	<p>Less than significant</p>

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Impacts and Mitigation Measures	Implementing Responsibility and Timing	Monitoring/Reporting Responsibility and Timing	Level of Impact After Mitigation
GEOLOGY AND SOILS			
<p>Impact: Erosion During Construction Activities Due to Saturated Soil Conditions</p> <p>Mitigation Measure Geo-1: Temporarily Halt or Modify Construction Activities during Periods of Rain</p> <p>Should heavy rainfall occur during the construction period, DGG will halt construction until such time as the weather clears and the ground dries sufficiently to permit construction. The access of wheeled vehicles to the construction site will be limited and hay bales will be utilized to contain any excess mud that may be generated once construction resumes. If mud is collecting on equipment tires, tires will be cleaned before being driven on public roads to prevent mud tracking.</p>	<p>DGG or their representative will stop construction if soil conditions become saturated and that hay bales will be used, as necessary, to contain excess mud.</p> <p>During construction.</p>	<p>SLC or their representative will confirm construction activities have been stopped during periods of saturated soil conditions and that hay bales have been used, as necessary to contain excess mud.</p> <p>During construction.</p>	<p>Less than significant</p>
HAZARDS AND HAZARDOUS MATERIALS			
<p>Impact: Possible Release of Flammable Natural Gas Once Construction Has Been Completed</p> <p>Mitigation Measure Haz-1: Implement Emergency Response Procedures in the Event of a Pipeline Rupture</p> <p>The natural-gas flow through the pipeline is controlled by DGG's affiliate operator, Energy Operations Management, Inc. (EOM). EOM uses the latest Supervisory Control and Data Acquisition (SCADA) equipment to remotely monitor and control the flow of natural gas through the pipeline on a real-time 24-hour/7-days-a-week basis. In the unlikely event of a line rupture, EOM will implement their emergency response procedures to isolate and depressure the affected section of pipeline, using a combination of SCADA and dispatched personnel.</p>	<p>DGG's affiliate operator, EOM, will implement emergency response procedures in the event of a gas pipeline rupture. DGG will notify SLC if any pipeline ruptures occur.</p> <p>After construction and ongoing.</p>	<p>SLC or their representative will be responsible for responding to notification of a pipeline rupture.</p> <p>After construction and ongoing.</p>	<p>Less than significant</p>

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Impacts and Mitigation Measures	Implementing Responsibility and Timing	Monitoring/Reporting Responsibility and Timing	Level of Impact After Mitigation
<p>Impact: Possible Release of Hazardous Materials During Construction</p> <p>Mitigation Measure Haz-2: Implement a Hazardous Materials Contingency Plan, if Necessary</p> <p>Diesel fuel and petroleum-based lubricants will not be stored on site. All refueling and maintenance of equipment will occur off-site. In the event of an accidental fuel or lubricant spill occurs during construction activities, exposure will be limited to the actual tank capacity of the equipment. All hazardous material spills or threatened releases, including petroleum products such as gasoline, diesel, and hydraulic fluid, regardless of quantity spilled must be immediately reported if the spill has entered or threatens to enter a water of the State or has caused injury to a person or threatens injury to public health. A project-specific Hazardous Materials Contingency Plan will be implemented if an accidental spill occurred (appendix F). Provisions outlined in this plan include phone numbers of county and state agencies and primary, secondary, and final cleanup procedures.</p>	<p>DGG will implement the hazardous materials contingency plan in the event of an accidental spill.</p> <p>During construction.</p>	<p>SLC or their representative will be responsible for ensuring the hazardous materials contingency plan is implemented and all measures in the plan are followed.</p> <p>During construction.</p>	<p>Less than significant</p>
<p>HYDROLOGY AND WATER QUALITY</p>			
<p>Impact: Possible Temporary Water Quality Degradation from Discharge of Directional Drilling Slurry into Waterbodies</p> <p>Mitigation Measure Hyd-1: Implement Subsurface Rupture Contingency Plan</p> <p>In the event that a subsurface rupture occurs or that seepage of drilling slurry is noticed in the project area, operations will stop immediately as described in the Directionally Drilled River Crossing Subsurface Rupture Contingency Plan. This plan includes containment and control procedures, notification procedures (including notification of the DFG), and an evaluation plan to determine the execution of the Abandonment Contingency Plan. The construction area will be restored to its original condition after construction is completed. This would reduce impacts on water quality to a less-than-significant level.</p>	<p>DGG will implement the subsurface rupture contingency plan in the event of drilling slurry seepage.</p> <p>During construction.</p>	<p>SLC or their representative will be responsible for ensuring the subsurface rupture contingency plan is implemented and all measures in the plan are followed.</p> <p>During construction.</p>	<p>Less than significant</p>

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Impacts and Mitigation Measures	Implementing Responsibility and Timing	Monitoring/Reporting Responsibility and Timing	Level of Impact After Mitigation
NOISE			
<p>Impact: Temporary Exposure of Residences and Other Sensitive Receptors to Construction Noise</p> <p>Mitigation Measure N-1: Employ Noise Reducing Construction Practices</p> <p>All equipment used will have mufflers that conform to industry standards to ensure that noise is kept to a minimum. Construction activities will take place between 6 a.m. and 9 p.m. to conform to San Joaquin County's Noise Ordinance.</p>	<p>DGG will ensure that construction contractors use equipment that conforms to industry standards and that construction activities occur between 6 a.m. and 9 p.m.</p> <p>During construction.</p>	<p>SLC or their representative will ensure construction equipment conforms to industry standards and that construction activities occur only between 6 a.m. and 9 p.m.</p> <p>During construction.</p>	<p>Less than significant</p>

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