EXECUTIVE SUMMARY

This Mitigated Negative Declaration (MND) has been prepared by the California State Lands Commission (CSLC), as lead agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.), to analyze and disclose the environmental effects associated with the Hercules LLC/Prologis Pipeline Removal Project (Project). Hercules LLC/Prologis (Applicant) is proposing the Project as part of its request to terminate CSLC Lease No. PRC 7985.1, which expires on August 31, 2017. The CSLC prepared a MND because it determined that, while the Initial Study identified potentially significant impacts related to Project activities, revisions and/or requirements have been incorporated into the Project that avoid or mitigate those impacts to a point where no significant impacts would occur.

The Project involves a combination of removal and abandonment-in-place of an approximately 2,160-foot-long, 8-inch-diameter, nonoperational wastewater outfall pipeline that was part of an upland refinery in Hercules. The upland refinery and transfer wharf were originally built by Sequoia Refining Corporation in 1966 and operated for 31 years. The refinery complex, including offshore wharf facilities and the wastewater outfall pipeline, was later acquired by Gulf Oil Corporation, then Pacific Refining Company, which subsequently became Coscol Corporation (Coscol). The pipeline was used until 1997 for wastewater discharge associated with refinery operations, and from 1997 until 2001 for groundwater extraction and treatment when Coscol decommissioned the refinery and wharf. The pipeline has been out of service since 2001.

PROJECT LOCATION/EXISTING CONDITIONS

The proposed Project is located offshore in San Pablo Bay and onshore within the city of Hercules (City), Contra Costa County (Figures ES-1 and ES-2). The Project pipeline is located on lands under the jurisdiction of the CSLC and City as shown below.

Pipeline section length (ft)	Location	Proposed activity	Jurisdiction
2,000	Offshore	Remove pipeline section and associated offshore diffusers	CSLC (Lease No. PRC 7985.1) [a]
20	Onshore on shoreline	Remove pipeline section	
140	Onshore	Grout, cap and abandon pipeline section in place	City of Hercules [b]

[a] PRC 7985.1 is currently held by Hercules LLC (or its successor), the developer of Victoria by the Bay.
[b] Assessor's Parcel Numbers 404-030-021 and 404-030-045.

The shoreline in the immediate Project vicinity is covered with riprap that overlies five hydrocarbon pipelines that were abandoned in place as part of the 2010 Coscol Petroleum/El Paso Corporation Marine Terminal Deconstruction and Pipeline

Abandonment Project (Coscol Project; CSLC 2009). Removal of the wastewater pipeline was not included as part of the Coscol Project, as it is under a different lease.

CSLC Jurisdiction. The CSLC has jurisdiction over a 2,020-foot-long pipeline segment, of which 2,000 feet are offshore and 20 feet are onshore under riprap (Figure ES-3). Some of the offshore pipeline is exposed and some is buried in, on average, about 2 feet of sediment. Three diffusers rise about 2 feet above the floor of San Pablo Bay, with three steel plates securing both the diffusers and pipeline offshore. Onshore, the pipeline is about 8 feet below ground surface and is secured by the riprap.

City of Hercules Jurisdiction. The City has jurisdiction over the 140-foot-long onshore portion of pipeline that passes under riprap and Union Pacific Railroad (UPRR) Right-of-Way, and terminates in the proposed San Francisco Bay Trail alignment in the undeveloped Shoreline Park as seen in Figure ES-2.

PROPOSED PROJECT

The Applicant proposes to remove approximately 2,020 feet of existing 8-inch-diameter pipeline segment under the CSLC's jurisdiction, and abandon in-place the remaining 140-foot segment (see Figure ES-3). The proposed work would require about 3 weeks to complete (1 week for onshore and 2 weeks for offshore). The Applicant proposes to perform the onshore activities first, which generally consist of the following.

- Remove riprap between the railroad track ballasts on the western side of the tracks (Figure ES-3) and the Bay to expose the pipe. Access to the riprap will be from a barge with a mounted crane; the barge will be stabilized using spuds and may rest on the sediment at low tide
- Cut and remove a section of pipe between approximately the western side of the UPRR property line and the mudline.
- Grout and seal the remaining pipe between approximately the western side of the UPRR tracks and the pipeline terminus underground inside Shoreline Park.
- Return the riprap to its pre-construction location.

Following completion of onshore activities, the Applicant will remove the remainder of the pipeline starting at the bayward terminus near the diffusers and proceeding toward shore. Two barges will be used to remove the pipeline; each barge will be equipped with two spuds and four anchors, which are controlled by deck-mounted winches. Depending on the need to move or hold position, both spuds and anchors may be used simultaneously; if needed, the anchors will be deployed and recovered with the use of a tugboat. The pipeline will be lifted from the sediment by a winch, pulled onto the barge, and cut into sections of approximately 50 feet. Removed pipeline sections will be transported to Mare Island or Alameda for eventual disposal.

Figure ES-1. Project Site Location

Figure ES-2. Site Map

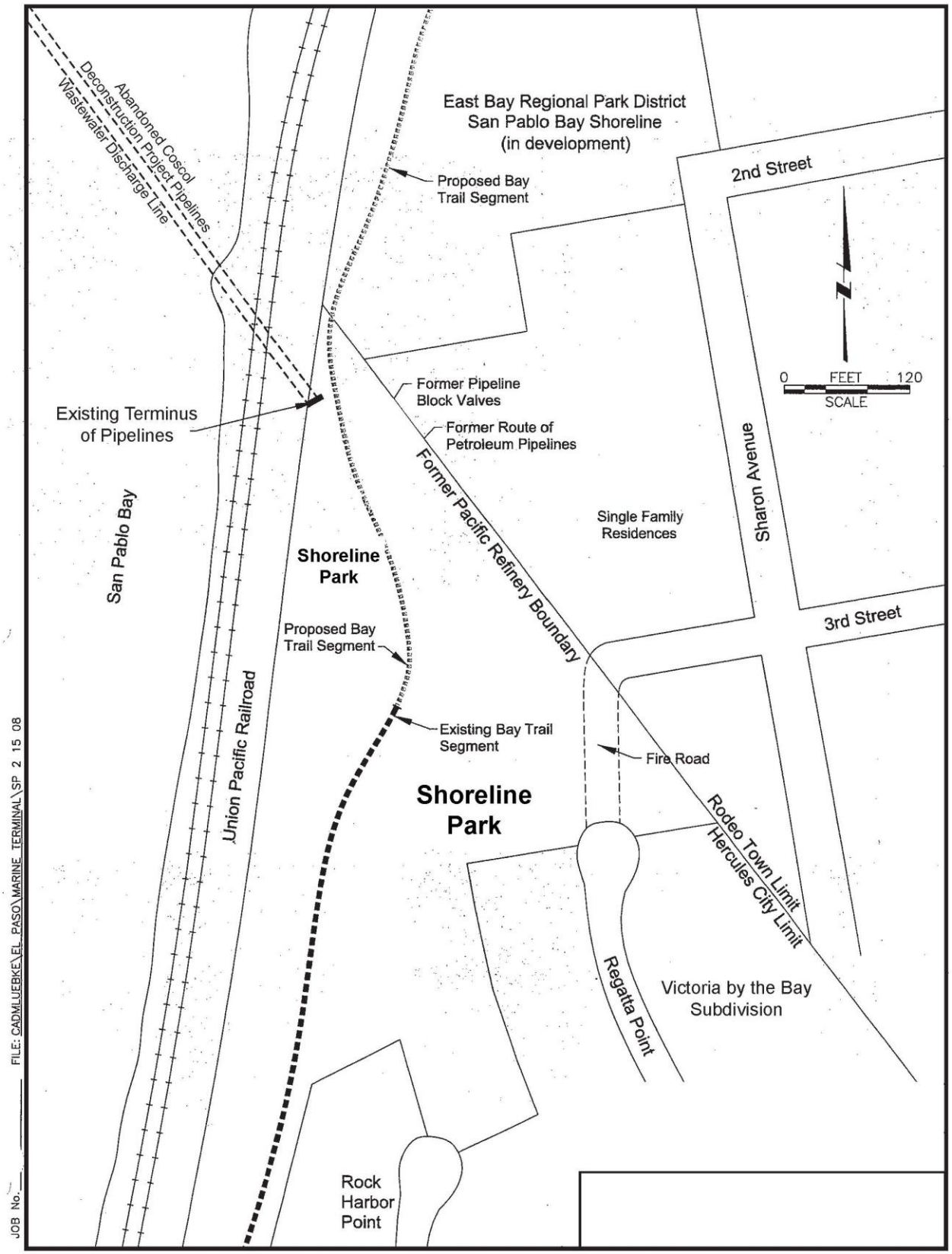
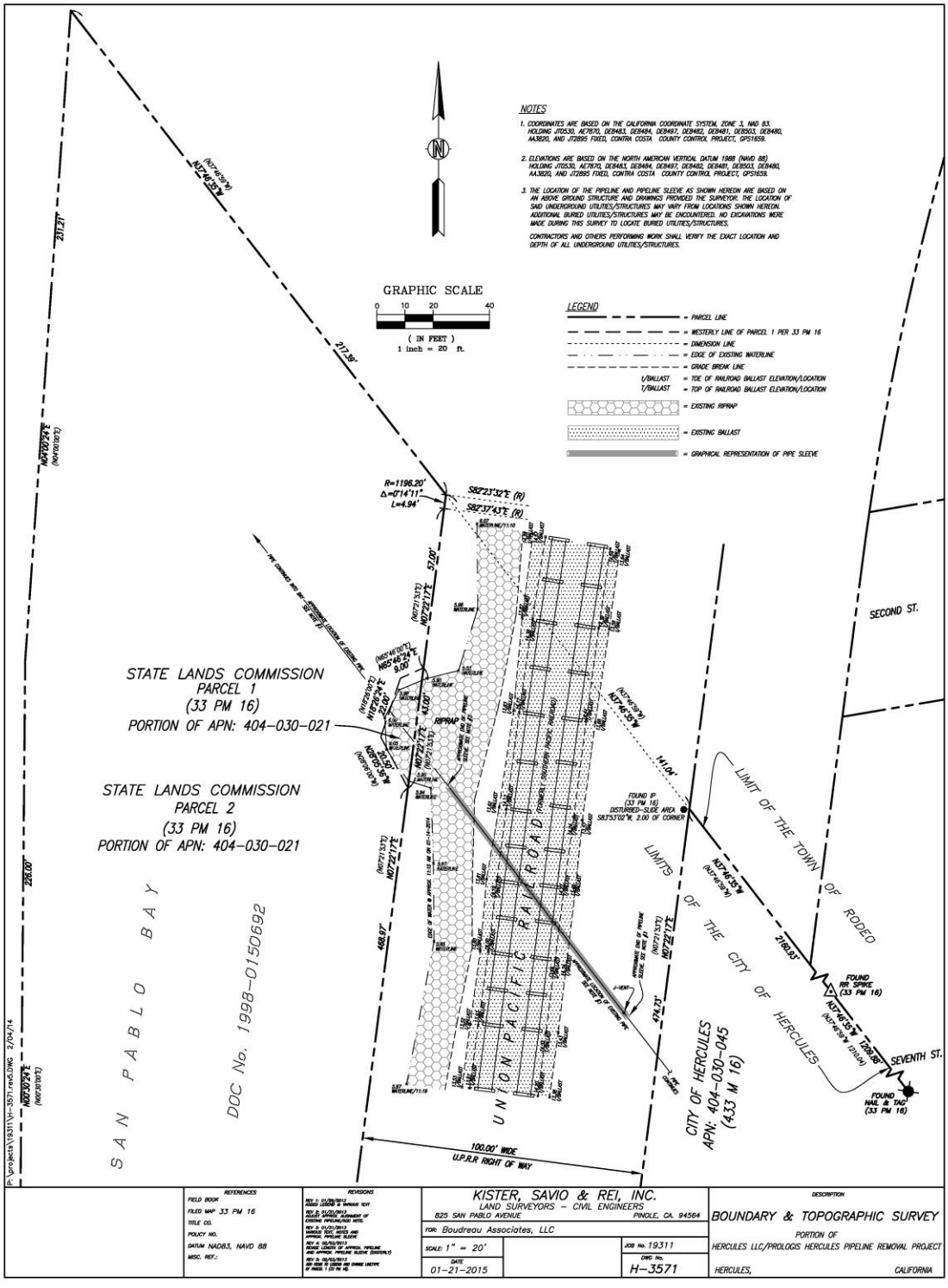


Figure ES-3. Boundary and Topographic Survey



ENVIRONMENTAL IMPACTS AND PROPOSED MITIGATION MEASURES

The environmental factors checked below in Table ES-1 would be potentially affected by this Project; a checked box indicates that at least one impact would be a "Potentially Significant Impact," except that the CSLC has incorporated Project revisions, including the implementation of mitigation measures (MMs), that reduce the impact to "Less than Significant with Mitigation," as detailed in Section 3 of this MND. Table ES-2 lists proposed MMs designed to reduce or avoid potentially significant impacts. With implementation of the proposed MMs, all Project-related impacts would be reduced to less than significant.

Table ES-1. Environmental Factors Potentially Affected

☐ Aesthetics	☐ Agriculture and Forest Resources	☐ Air Quality/Greenhouse Gas Emissions
☒ Biological Resources	☐ Cultural Resources	☐ Geology and Soils
☒ Hazards and Hazardous Materials	☒ Hydrology and Water Quality	☐ Land Use and Planning
☐ Mineral Resources	☐ Noise	☐ Population and Housing
☐ Public Services	☐ Recreation	☒ Transportation/Traffic
☐ Utilities and Service Systems	☐ Mandatory Findings of Significance	

Table ES-2. Summary of Project Mitigation Measures (MMs)

Biological Resources
MM BIO-1: Minimize Sediment Resuspension During Removal Activities
MM BIO-2: Environmental Work Window
Hazards and Hazardous Materials
MM HAZ-1: Oil Spill Prevention and Response Plan/Grout Management Plan
MM HAZ-2: Vessel Fueling Restrictions
MM HAZ-3: Onboard Spill Response Equipment
Hydrology and Water Quality
MM BIO-1: Minimize Sediment Resuspension During Removal Activities
Transportation/Traffic
MM TRA-1: U.S. Coast Guard (USCG) Notification