1.0 PROJECT AND AGENCY INFORMATION

1.1 PROJECT TITLE
Hercules LLC/Prologis Hercules Pipeline Removal Project (Project)

1.2 LEAD AGENCY AND PROJECT APPLICANT

Lead Agency
California State Lands Commission (CSLC)
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

Contact person:
Jennifer DeLeon, Environmental Program Manager
California State Lands Commission
Division of Environmental Planning and Management
Jennifer.Deleon@slc.ca.gov
(916) 574-0748

Project Applicant
Hercules LLC/Prologis (Applicant)
Pier 1, Bay 1
San Francisco, CA 94111

Contact person:
Steve Campbell, Senior Vice President
Environmental, Engineering & Sustainability Department
Scampbell@prologis.com
(415) 733-9506

1.3 PROJECT LOCATION
The proposed Project is located in and adjacent to San Pablo Bay (Bay) within the city of Hercules (City), Contra Costa County (Figure 1-1).
Figure 1-1. Project Location
1.4 ORGANIZATION OF MITIGATED NEGATIVE DECLARATION

This Mitigated Negative Declaration (MND) is intended to provide the CSLC, as lead agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.), and other responsible agencies with the information required to exercise their discretionary responsibilities with respect to the proposed Project. The document is organized as follows.

- Section 1 provides the Project background, agency and Applicant information, Project Objectives and anticipated agency approvals, and a summary of the public review and comment process.
- Section 2 describes the proposed Project including its location, layout, equipment, and facilities. Section 2 also provides an overview of the Project’s operations and schedule.
- Section 3 provides the Initial Study (IS), including the environmental setting, identification and analysis of potential impacts, and discussion of various Project changes and other measures that, if incorporated into the Project, would mitigate or avoid those impacts, such that no significant effect on the environment would occur. The IS was conducted by the CSLC pursuant to section 15063 of the State CEQA Guidelines.¹
- Section 4 includes an environmental justice analysis and discussion consistent with CSLC Policy.
- Section 5 presents the Mitigation Monitoring Program (MMP).
- Section 6 presents information on report preparation and references.
- The Appendices include specifications, technical data, and other information supporting the analysis presented in this MND.
  - Appendix A: Mailing List of MND Recipients
  - Appendix B: Greenhouse Gas Emission Estimates
  - Appendix C: Biological Assessment

1.5 PROJECT BACKGROUND AND OBJECTIVES

The existing non-operational 2,160-foot-long, 8-inch-diameter wastewater pipeline, likely composed of asphalt mastic and mortar-coated Schedule 40 steel, was originally constructed as part of the operations 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

¹ The State CEQA Guidelines are found in Title 14 of the California Code of Regulations, commencing with section 15000.
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.

During decommissioning of the refinery and other onshore infrastructure, an adjacent free-standing marine oil terminal (MOT) and its associated five hydrocarbon pipelines\(^2\) remained in place until 2010 when they were decommissioned following approval by the CSLC (2009) of the Coscol Petroleum/El Paso Corporation Marine Terminal Deconstruction and Pipeline Abandonment Project (Coscol Project) and termination of CSLC Lease No. PRC 3414.1. Removal of the wastewater pipeline was not included as part of the Coscol Project, as it is under a different lease. The Applicant is seeking authorization from the CSLC to amend Lease No. PRC 7985.1 to allow removal of the pipeline and to terminate the lease upon successful Project completion.

At the end of the lease term, the Applicant is obligated to remove all improvements and return the premises to conditions existing prior to construction. To meet its lease obligations, the Applicant has identified the following Project objectives:

- Remove the existing non-operational 2,000-foot-long offshore wastewater pipeline, diffusers, and steel plates under CSLC jurisdiction;
- Remove approximately 20 feet of existing onshore pipeline (covered by riprap) under CSLC jurisdiction;
- Grout and cap (leave in place) the remaining 140-foot-long onshore portion of the wastewater pipeline onshore under the Union Pacific Railroad’s (UPRR) and City’s jurisdiction. Place back the removed riprap to (1) cover the cut and capped end of the wastewater pipeline resulting in a shoreline similar to existing conditions, and (2) continue covering the remaining abandoned MOT pipelines associated with the Coscol Project; and
- Terminate CSLC Lease No. PRC 7985.1 upon successful Project completion.

\(^2\) Due to the draft limitations near shore, oil deliveries to the refinery were received through the MOT, which was located about \(\frac{3}{4}\) mile out in the Bay, and transported to and from shore through five hydrocarbon pipelines located in a trench buried under the bottom of the Bay.
Figure 1-2. Site Map – Offshore Location of Pipeline
Figure 1-3. Boundary and Topographic Survey
1.6 PUBLIC REVIEW AND COMMENT

Pursuant to State CEQA Guidelines sections 15072 and 15073, a lead agency must issue an MND in draft form for a minimum 30-day public review period. Local, regional, State, and federal agencies and the public will have the opportunity to review and comment on the draft document. Responses to written comments received by the CSLC during the 30-day public review period will be incorporated as appropriate into the final MND. In accordance with State CEQA Guidelines section 15074, subdivision (b), the CSLC will review and consider the proposed final MND, together with any comments received during the public review process, prior to taking action on the MND and Project.

1.7 APPROVALS AND REGULATORY REQUIREMENTS

The CSLC’s authority is set forth in Division 6 of the California Public Resources Code and it is regulated by the California Code of Regulations, Title 2, sections 1900–2970. The CSLC has authority to issue leases or permits for the use of sovereign lands held in the public trust, including all ungranted tidelands, submerged lands, and the beds of navigable lakes and waterways, as well as certain residual and review authority for tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub. Resources Code, §§ 6301, 6306). All tidelands and submerged lands, granted or ungranted, as well as navigable lakes and waterways, are subject to the protections of the Common Law Public Trust. As general background, the State of California acquired sovereign ownership of all tidelands and submerged lands and beds of navigable lakes and waterways upon its admission to the U.S. in 1850. The State holds these lands for the benefit of all people of the State for statewide Public Trust purposes, which include but are not limited to waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation and open space. On tidal waterways, the State’s sovereign fee ownership extends landward to the mean high tide line, except for areas of fill or artificial accretion. For the proposed Project, the CSLC has received an application for the subject pipeline removal.

The CSLC must comply with CEQA when it undertakes an activity defined by CEQA as a “project” that must receive some discretionary approval (i.e., the CSLC has the authority to deny the requested lease, permit, or other approval) which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment. CEQA requires the CSLC to identify the significant environmental impacts of its actions and to avoid or mitigate those impacts, if feasible.

In addition to the CSLC, the Project is subject to the review and approval of other agencies with statutory and/or regulatory jurisdiction over various aspects of the Project (see Table 1-1).
### Table 1-1. Other Agencies with Review/Approval over Project Activities

<table>
<thead>
<tr>
<th>Permitting Agency</th>
<th>Anticipated Approvals/Regulatory Requirements</th>
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<tbody>
<tr>
<td><strong>U.S.</strong></td>
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<tr>
<td>U.S. Army Corps of Engineers (USACE)</td>
<td>Clean Water Act (CWA) Section 404 (under Nationwide Permit No. 12)</td>
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<tr>
<td>National Marine Fisheries Service (NMFS)</td>
<td>Section 7 Consultation under Federal Endangered Species Act (if necessary)</td>
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<tr>
<td>U.S. Fish and Wildlife Service (USFWS)</td>
<td>Essential Fish Habitat Consultation under National Marine Fisheries Act (if necessary)</td>
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<td><strong>State</strong></td>
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<tr>
<td>California Department of Fish and Wildlife (CDFW)</td>
<td>California Endangered Species Act permit</td>
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<td>Streambed Alteration Agreement</td>
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<td>California Department of Transportation (Caltrans)</td>
<td>California Streets and Highways Code sections 660-734</td>
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<td>Encroachment Permit</td>
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<td>Transportation Permit (tentative)</td>
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<td>San Francisco Bay Regional Water Quality Control Board (SFBRWQCB)</td>
<td>Clean Water Act Section 401 Water Quality Certification</td>
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<td>San Francisco Bay Conservation and Development Commission (BCDC)</td>
<td>Coastal Development Permit</td>
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<tr>
<td><strong>Other</strong></td>
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<tr>
<td>Union Pacific Railroad (UPRR)</td>
<td>Right of Entry</td>
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In addition, the U.S. Coast Guard would be notified of the proposed work and would issue a Notice to Mariners alerting other marine traffic to the potential navigation hazard posed by the marine equipment. As part of the permitting process, both BCDC and the USACE issue public notices before final permitting and before any construction may be initiated.

Table 3-1 identifies coastal-related U.S. and California laws and programs that are relevant to the Project; specific policies are listed in Section 3, Environmental Analysis and Checklist, of this MND for each environmental issue area.