MINUTE ITEM

vas approved as Minute Item No. 20 by the State Lands Commission by a vote of 3to 0 at its 12/32/83. I meeting.

CALLNDAR ITEM

20 3 .

12/22/83 WP 2763 Maricle Cohen R. Ludlow

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LEASE TERMINATION AGREEMENT AND ACCEPTANCE OF QUITCLAIM DEED

LESSEE:

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Texaco, Inc. 3350 Wilshire Boulevard Los Angeles, California 90051 Attention: Mr. Robert Wark

AREA, TYPE LAND AND LOCATION: A 167-acre parcel of tide and submerged land, located at Morro Bay, San Luis Obispo County.

LAND USE: Maintenance and use of two submarine pipelines.

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TERMS OF URIGINAL LEASE:

Initial period:

15 years from June 16, 1961.

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Renewal options: Two successive periods of ten years each.

Consideration: \$2,432.19 per annum.

CALENDAR ITEM NO. 29(CONTE)

BACKGROUND AND PRESENT SITUATION:

- 1. The State's lessee, Texaco, Inc., is the owner of two pipelines occupying sovereign land. The pipelines are each ten inches, inside diameter, and both reach from the high water mark of the Pacific Ocean to a point about 3,300 feet seaward. from the town of Morro Bay.
 - 2. The lease under which the pipelines were authorized expired at the close of June 15, 1976. The lines were formerly used by Texaco to offload crude oil. When that use was discontinued, the lines were cleaned. They were then made available to the City of Morro Bay for use as a municipal outfall facility.
 - After much deliberation, the City of 3. Morro Bay declined the use of the pipelines. The staff then instructed Texaco, in : 979, to remove a portion of the lines located between the high water mark and the lowest surf zone. In compliance with that instruction, Texaco applied to the Coastal Commission for a permit to do the work. Such was not granted, however, on the basis that the area is environmentally sensitive and that the work could not proceed without a favorable environmental impact report. The staff then re-examined the entire question, for environmental considerations, whether the pipelines should be partially removed, entirely removed, or left entirely in place.
 - 4. In consultation with other permitting jurisdictions, and with local communities and individuals, the staff invited comment as to the disposition of the pipelines. Such consultation included distribution of an assessment prepared by HDR Sciences, of Santa Barbara, in 1981. The assessment concluded that the pipelines should be left in place,

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CALENDAR ITEM NO. 20 (CONTD)

with a covering reef over the seaward terminous to anchor the exposed portions of the pipelines, and to serve as a fish habitat. Of 50 parties who received the circulated information, one private property owner stated that the pipelines should be removed; ten other parties stated that the pipelines be left in place, and the balance did not comment.

- 5. The pipelines are buried except for a portion of their seaward ends. The seaward portion of the lines were exposed for a distance of 100 feet in 1978, and up to 300 feet in 1980. On April 22, 1983, a four-member diving team examined the area again; at that time, about 20 feet was exposed in 55-foot depth water near a rock-outcropping, and about 30 feet of the lines were exposed where they cross each other. Further inland, the lines are covered by sand; two excavations (1901 and 1962) failed to expose the lines within the tideland area which they traverse.
- 6. The staff has concluded that partial or complete removal of the pipelines would have an adverse environmental impact in the Morro Bay vicinity. Such action would affect the recreational use of the adjacent beach for approximately three months; it would also cause noise and visual disturbances and would affect local beachfront residents for the duration of removal operations; temporary increases in turbidity and temporary loss of certain beach-dwelling organisms would additionally occur.
- 7. To preclude the effects described above, che staff believes chat it is environmentally sound and in the public interest, to leave the pipelines in place subject to conditions of strict accountability and liability.

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CALENDAR ITEM NO. 20(CONTD)

- 8. Texaco and the staff have agreed in principle with respect to the disposition of the subject pipelines in the collowing particulars:
 - a) The pipelines shall be abandoned in place.
 - b) Texaco will anchor the seaward terminous of the pipelines with riprap cover to create an artificial fishing reef under a plan approved by the State Department of Fish and Came.
 - c) Texaco will quitclaim to the State all of Texaco's interest within the lease area.
 - d) Texaco will indemnify the State against any and all loss, damage or claim connected with the pipelines.
 - e) Texaco will remove the pipelines, or any portion thereof, or riprap cover, should they ever become a public hazard or extreme public nuisance, as the Executive Officer may direct.
 - f) Texaco will post a continuous proof of ability to assure performance of removal.
 - g) Texaco will provide an annual report of the tideland portion of the abandoned pipeline to confirm that it remains unexposed and presents no public hazard.

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- C. *

9. A Negative Declaration was prepared by the Commission staff, pursuance to CEQA and the State CEQA Guidelines. Staff has found that the artificial reef project will not have a significant effect on the environment.

-4-

CALENDAR ITEM NO. 20 (CONTD)

10. The project is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1 and is classified in a use category "B" which authorizes Limited Use. The project as proposed will not have a significant effect upon the identify d environmental values.

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: N/A.

OTHER PERTINENT INFORMATION:

After the period within which to respond to the Negative Declaration had ended, two commercial fishermen notified the staff that the artificial reef may possibly be detrimental to gill net fishing; that is, that the nets could be caught and torn in the rocks comprising the reef. The staff consulted with them and the president of the local Fishermen's Association, and with the State Department of Fish and Game. After such consultation, it is the considered opinion of the staff that the area of the proposed reef is quite small in relation to the overall area of Estero Bay, and that the presence of the reef structure will have only a negligible effect on commercial fishing operations. For that reason, the staff keeps to the recommendations presented today. The staff has also invited the commercial fishermen to appear personally, or by representation, to present their arguments to the Commission for review and consideration.

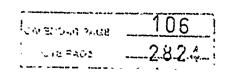
APPROVALS OBTAINFD:

united States Army Corps of Engineers, United States Coast Guard, United States Fish and Wildlife Service, and State Department of Fish and Game.

FURTHEF APPROVALS REQUIRED: California Coastal Commission.

EXHIBITS:

A. Location Map.B. Negative Declaration.



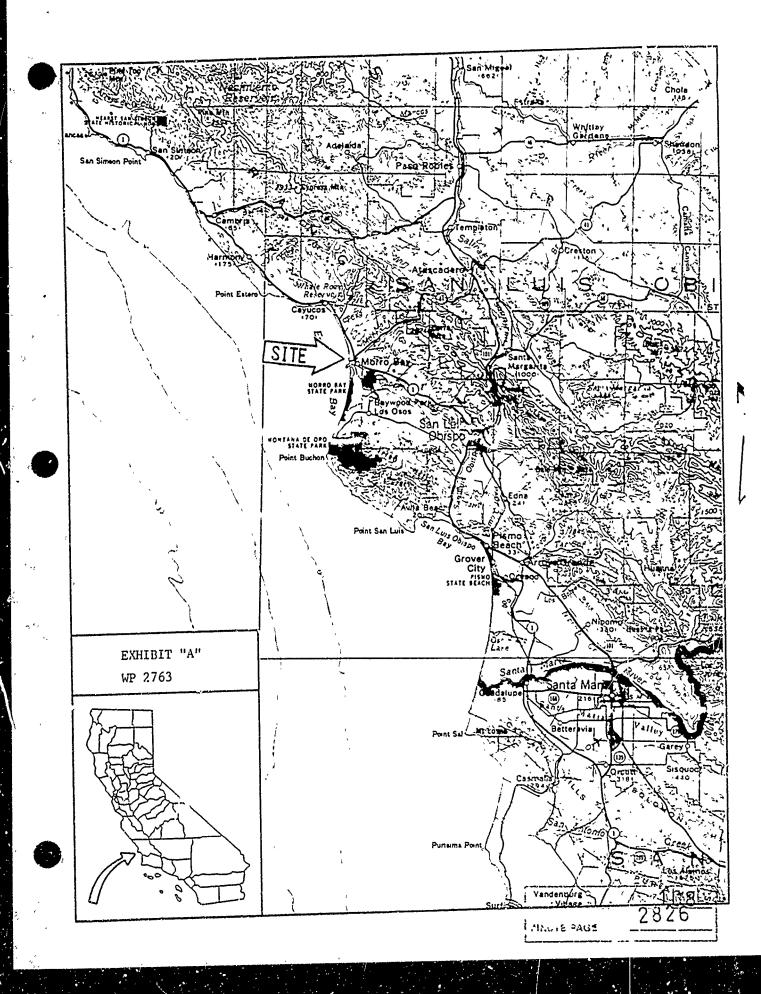
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CALENDAR ITEM NO. 29 CONTED)

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. DETERMINE THAT A NEGATIVE DECLARATION HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION AFTER CONSULTATION WITH RESPONSIBLE AND TRUSTEE AGENCIES.
- 2. CERTIFY THAT A NEGATIVE DECLARATION, NO. 344, HAS BEEN COMPLETED IN ACCORDANCE WITH CEQA, THE STATE CEQA GUIDELINES, AND THE COMMISSION'S ADMINISTRATIVE REGULATIONS; AND THAT THE COMMISSION HAS REVIEWED AND CONSIDLRED THE INFORMATION CONTAINED THEREIN TOGETHER WITH COMMENTS RECEIVED DURING THE REVIEW PROCESS.
- 3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT, AND FIND THAT THE PROJECT IS CONSISTENT WITH THE LAND'S USE CLASSIFICATICN, PURSUANT TO PRC 6370.1.
- 4. ACCEPT A QUITCLAIM DEED FROM TEXACO, INC., AS TO THE LAND DESCRIBED IN LEASE PRC 2763.1.
- 5. AUTHORIZE EXECUTION, BY THE EXECL. /E OFFICER OR ASSISTANT EXECUTIVE OFFICER, CF & LEAGE TERMINATION ACREEMENT WITH TEXACO, INC., SUBSTANTIALLY IN THE FORM PRESENTLY ON FILE WITH THE COMMISSION, PROVIDING FOR THE CONDITIONS IN PARAGRAPH 8 HEREINABOVE SET FORTH.

-6-



STATE LANDS COMMISSION

EXECUTIVE OFFICE 1807 13th Street Sacramento California 95814

Exhibit "B"

Prove an NEGATIVE SECTION

ETR ND 344

File Ret.: WP 2763

SCH#: 83041911

Project fitle: Texaco Pipeline Abandonment/Artificial Fishing Reef Construction

Project Location: Pacific Ocean, Estero Bay, San Luis Obispe County

Project Description: The construction of an artificial fishing reef to secure the terminous of two abandoned pipeline approximately 3,000 feet offshore.

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

Based upon the attached Initial Study, it has been found that:

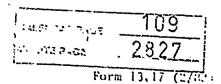
the project will not have a significant effect on the environment.

7 the attached mitigation measures will avoid toten fally significant effects.

Contact Person:

Ted T. Fukushima 1807-13th Street Sacramento, CA 95831

Telephone: (916) 322-7813



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STATE LANDS COMMISSION

| Date | Eiled: | - 6 | / 24 | / 83 |
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File Ref .: WP 2763

ENVIRONMETITAL IMPACT ASSESSMENT FORM – Part I (To be completed by applicant) FORM 69.3(11/22)

A. GENERAL INFORMATION

1. Name, address, and telephone number:

a. Applicant

Mr. R. J. Wark Texaco, Inc. Post Office Box 3756 Los Angeles, CA 90051 (213) 385-0515 b. Contact person if other than applicant:

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2. a. Project location: (Please reference to nearest town or community and include county)

Pacific Ocean, Estero Bay, San Luis Obispo County

(Off Atascadero State Beach)

b. Assessor's parcel number: _____N/A

3. Existing zoning of project site: _____ Un zoned

4. Existing land use of project site: ____ Ocean___

5. Proposed use of site: <u>Placement of artificial fishing reef at terminus of</u>

abandoned pipeline.

6. Other permits required: Coastal Commission

B. PROJECT DESCRIPTION

1. For budding construction projects, complete "ATTACHMENTA". N/A

2. For non-best to a construction projects. Describe fully, the proposed activity, its purpose and intended use, e.g. for projectory mineral prospecting permits, include the number of test holes, size of holes, amount of material to be excavated, maximum surface area of deturbance, hole locations, depth of holes, etc. Attach plans or other <u>drawaes as necessary</u>.

See Initial Study.

C. ENVIRONMENTAL SETTING

- Describe the project site as it exists before the project, including information on topography, soil stability, plants and animals, and any cultural, historical, or scenic aspects. Describe any existing structures on the site, and the use of the structures.
 See Initial Study.
- Describe the surrounding properties, including information on plants and animals and any cutrural, historical, or scenic aspects indicate the type of land use (residential, commercial, etc.), intensity of land use (one-family, apartment houses, shops, depart ment stores, etc.), and scale of development (height, frontage, set-back, rear yard, etc.).

See Initial Study.

D. ENVIRONMENTAL IMPACT ASSESSMENT

Answer the following quartions by placing a check in the appropriate box. Discuss all items checked "yes" or "maybe". (Attach additional sheets as necessary)

| | 11337 | the project involve: | YES | MAYBE | NO |
|----|----------|---|------|-----------|-------------|
| | | | П | [] | X |
| 1 | | a change in existing features of any bays, tidelands, beaches, lakes, or hills, or substantial alteration | | | |
| 2 | 2. | a change in scenic views or vistas from existing resideatial areas or public lands or roads? | | | X |
| : | 3. | a change in pattern, scale, or character of the general area of project? | | | N) |
| k, | | a significant effect on plant or animal life? | | | Ľ |
| | ··· | significant amounts of solid waste or litter? | | | X |
| ; | 5. | a change in dust, esh, smc.ke, fumes, or odors in the vicinity? | Ľ | | <u>[X]</u> |
| (| | | | | П |
| * | 7. | a change in ocean, bay, lake, stream, or ground water quality or quantity, or alteration | لما | <u> </u> | |
| | 8. | a change in existing noise or vibration levels in the vicinity? | | | X |
| | 9. | construction on filled land or on slope of 10 percent or more? | | | $[\Sigma]$ |
| | o. 0. | use or disposal of potentially hazardous materials, such as toxic or radioactive | _ | | [X] |
| | • | a change in demand for municipal services (police, fire, water, sewage, etc.)? | | | [X] |
| 1 | 1. | | | | X |
| 1 | 2. | an increase in follis fuel consumption (electricity, oil, natural gas, etc.)? | | | |
| 1 | 3, | a larger project or a series of projects? | | ∟ ife. | (X) |
| c | • | CERTIFICATION #7 Alteration of ocean floor by construction of | l re | pef. | |

I hereby certify that the statements furnished above and in the attached exhibits present the data and information re quired for this initial evaluation to the best of my ability, and that the fucts, statements, and information presented are true and correct to the best of my knowledge and belief

Date _____June 24, 1985

16 Signed:

for Texaco, Inc.

STATE LANDS COMMISSION

| | | ONMENTAL IMP .20 (7/82) | ACT ASSESSMENT CHECKLIST - PA | ат II | File Ref.: WP _2763 | 5 |
|----------------------|-----------|------------------------------------|--|---|--|------------|
| | | | | | SCH No.: 83041 | 911 |
| ۰ ا . | BA | CKGROUND INF | ORMATION | | | |
| , | А. | Applicant | Texaco, Inc. Los Angeles, Californi | 31 | | * . |
| , . | | | | <u> </u> | | |
| • | _ | - | | a nagazott da aya, ay zo abir dan zarih dana | | • • • |
| | | | 4 / 28 / 83 . Nun Cabas | | | |
| • | C. | | Dan Cohen | | | |
| | _ | • | 916) 522-7805 | f two ninelines or | nd anhanca tha m | onina |
| · · · · | D. | • | secure the terminus o | t two priperimes at | id enhance the m | arine |
| | i. | | conment. | ······································ | | · ••• |
| | Έ. | Location. Pa | cific Ocean, Estero Bay | , san <u>Luis Obispe</u> | <u>county</u> | |
| | È. | Description | Construction of an art: | ficial fishing re | ef <u>as</u> discussed | - in |
| , | | the a | ttached stady. <u>Noty</u> : | The design altern | ative_proposing | a |
| | c | combi | nation of rock and con- gen designated as prefe | rete debris_salva rred (pages 23-29 | ged_from_D.ablo | Canyun |
| | <u>ц,</u> | Carsons Contacter | | · · · · · · · · · · | | 4 × |
| | | See p | ages 34-38 and 56-60 of | atrached_study. | | |
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| <u>`IJ</u> , | ΕŅV | IRONMENTAL I | MPACTS. (Explain all "yes" and "mayb | e"answers) | | |
| , i | A, 1 | <i>ta th</i> . Will the pro | oposal result on | | Yes | Maybe No |
| | | 1. Unstable earth | conditions or changes in geologic substru | ctures? | | [] [x] |
| <. i | | 2, Disruptions, dis | placements, compaction, or overcovering | of the soil? QCCAR . LLC | oor [X] | |
| | | 3. Change in topo | graphy or ground surface relief features? | ocean floor | [X] | |
| | 4 | I. The destruction | i, covering, or must be, tion of any uniqu | geologic or physical features? | [1] | [[X] |
| | 5 | 5. Any increase in | wind or water erosion of soils, either on | or off the site? | | I I IXI |
| | f | Changes in dep- modify the char | outou of eloyou of insets sands of ch use of a river or stream or the bed of th | ange, ar sitation deposition o Coran or any bay, met, or fak | erosion which may | रा हे। |
| 15 1 | J | | people or property to geologic Lazards | • | | |

| ~ _ | | Yes Maybe Nu |
|--------|--|--|
| 8. | | |
| | 1. Substantial air emmissions or retenoration of ambient air quality? | |
| | 2 The cleanon of objectioname on a section and | |
| | 3. Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally? | 1 1 1 5 105 |
| C, | | |
| | 1. Changes in the currents, or the course or direction of water movements, in either marine or fresh waters? | |
| | 2 Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff? | |
| | 3 Alterations to the course of flow of flood waters? | |
| | 4. Change in the amount of surface water in any water body? | |
| : | 5. Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved cixygen or turbidity? | |
| • | 6. Alteration of the direct on or rate of flow of ground waters? | |
| | Change in the quantity of ground waters, either threagh direct additions or withdrawals, or through inter ception of an aquifer by cuts or excavations? | ! X ₁ |
| | 8. Substantial reduction in the amount of water otherwise available for public water supplies? | |
| | 9. Exposure of people or property to water-related huzards such as flooding or tidal waves? | |
| | 10. Significant changes in the temperature, flow or chemical content of surface thermal springs? | : [[] [X, |
| D. | Plant Life Will the proposal result in: | |
| | 1 Change in the diversity of species, or number of any species of plants (including trees, shrubs, grass, crops, and aquatic plants)? | |
| | 2. Reduction of the manhors of any unique state or enducing eduperiors of plants? | |
| | 3. Introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species? | ' Xi |
| | 4. Reduction in acreage of any agricultural crop? | i.i [[X] |
| ε | Animal Life - With the proposal result in | |
| | 1 Change in the diversity of species, or numbers of any species of animals (birds, land animals including reptiles, fish and shellfish, benthic organisms, or insects)? | |
| | 2. Reduction of the numbers of any unique, rare or endangered species of animals? | |
| | 3 Introduction of new species of animals into an area, or result in a barrier to the migration or movement of animals? | |
| | 4. Detenoration to existing fish or wildlife habitat? | |
| F | Norse, Will the proposal result in | |
| | 1 Increase in existing noise levels? | |
| | 2. Lapostore of people to severe noise levels? | |
| G | Light and Glare - Well the proposal result in | |
| | 1. The production of new light or glare? | |
| H | Land Use - Will the proposal result in | |
| | 1. A substantial alteration of the present or pranned kind use of an area? | |
| I | Natural Resources – Walt the proposal result in | , , , , , , |
| | 1. Increase in the rate of use of any natural resources." | |
| | 2 Substantial depletion of any noncenewable reloucies? | |
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| | ل | A risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chammeds or radiation) in the event of an accident or upset conditions? | (63 Mayb | e No x! X |
|------|----------|--|---------------------|---------------------|
| | | 2. Possible interference with emergency response plan or an emergency evacuation plan? | | |
| | к. | Population Will the proposal result in 1. The alteration, distribution, density, or growth rate of the human poperation of the area? | | LV. |
| , | | | | - |
| | ٤L, | Housing. Will the proposal result in. 1. Affecting existing housing, or create a demand for additional housing? | | [X] |
| | | | | |
| | М, | Transportation/Circulation. Will the proposal result in: | | [x] |
| • | | 1. Generation of substantial additional vehicular movements. | n n | $ \mathbf{x} $ |
| | | 2. Affecting existing parking facilities, or create a demand for new parking? | | \mathbf{x} |
| | | 3. Substantial impact upon existing transportation systems? | n n | |
| | | 4. Alterations to present patterns of circulation or movement of people and/or goods? | ה ה | [X] |
| | | 5. Alterations to waterborne, rail, or air traffic? | | [x] |
| | | 6. Increase in traffic hazards to motor vehicles, bicyclists, or pedestrians? | | |
| | N. | Public Services. Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas: | <u> </u> | I IXI |
| .' i | | 1. Fire protection? | | |
| | | 2. Police protection? | | 1 (Č) 1 (V) |
| | | 3 Schools? | | |
| | | 4. Parks and other recreational facilities?. | | |
| | | 5. Maintenance of public facilities, including roads? | | |
| | | 6. Other governmental services? | | الما ا |
| | 0. | Energy Will the proposal result in the second sec | | าสา |
| | | 1. Use of substantial amounts of fuel or energy? | |) (A) 1 (A) |
| | | Substantial increase in demand upon existing sources of energy, or require the development of new sources? | | |
| | ۶. | Unlines. Will the proposal result in a need for new systems, or substantial alterations to the following utilities: | | n Ci |
| | | 1 Power or natural gas?. | | |
| | | 2. Communication systems? | |] [A]] [A] |
| | | 2 W/star? | | |
| | | 4. Sewer or septic tanks? | |] <u>[x]</u> |
| | | 5. Storm water dramage? | | |
| | | 6. Solid waste and disposal? | | |
| | Q. | Human Health - Will the proposal result in. | <u> </u> | າ ເຫ |
| | | 1 Creation of any health bazard or potential health bazard (excluding mental health)? | | |
| | | 2. Exposure of people to potential health hazards? | | 1 2 1 |
| | R. | textlettes. Will the proposal result in | | |
| | | The obstroction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically affective site open to public view? | [][| <u>k</u> |
| | S | Recreation - Will the proposal result of | " (`A - 1 | 5.5.7 |
| | - | 1. An implict upon the quality or quantity of existing recreational opportunities? | 28 | <u>4</u> N 32 |
| | | 3 Alter and Andrew Alter and A | and a second second | 1 |

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| | т | C | uttural Resources, | | Yes Maybe No |
|----|-----|-----------|--------------------------|--|-------------------|
| 1. | | 1 | . Will the proposal | risult in the alteration of or the destruction of a prehistoric or historic archeological site? | |
| P | | | | I result in adverse physical or aesthetic effects to a prohistorie or biscorie building | |
| | | | Does the proposa values? | I have the potential to cause a physical change which would affect unique ethnic cultural | |
| | | 4 | Will the proposal i | | |
| | U. | Mi | undatory Findings (| of Sign ficance. | |
| ;; | | 1 | a plant or animal | have the potential to degrade the quality of the environment, reduce the habitat of a fish or huse a tish or wildlife population to drop below self sustaining levels, threaten to eliminate community, reduce the number or restrict the range of a rare or endangered plant or e important examples of the major periods of California history or prehistory? | F) 1 x. |
| | | | gools | have the potential to achieve short term, to the disadvantage of long term, environmental | |
| | | 3. | Does the project h. | ave i sets which are individually limited, but cumulatively considerable? | f I I i ixi |
| | | 4. | Does the project h | ave environmental effects which will cause substantial adverse effects on human beings, advectly? | |
| Ш. | DIS | | | ONMENTAL EVALUATION (See Comments Attached) | |
| | | Α. | .2., 3. | Although the physical nature of the project area w modified, such activity is not expected to cause s cant impacts (see pages 30-31 of attached study). | ill be ıgnifi- |
| | | F | 1., 3. | Beneficial effects will occur on the area's mariae organisms (page 30). | |
| | | Ge | eneral | See pages 16-18 of the attached study for a discuss of other possible impacts. As indicated, these fac are not deemed to be of probable significance if pl and construction techniques are accomplished with a degree of care and skill. | tors |
| 1 | | <u>No</u> | <u>te</u> : | At this writing test boorings are scheduled to dete whether a filtration layer under the reef is necess | rmine ary. |
| | | | | | |

IV. PRELIMINARY DETERMINATION

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On the basis of this initial evaluation

 $\begin{bmatrix} \vec{X} \end{bmatrix}$ 1 find the proposed project COULD NO \vec{r} Lave a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case becaule the mitigation measures described on an attached sheet have been added to the project: A NEGATIVE DECLARATION will be prepared.

I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required

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Date: 4 / 28 / 83

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parts 1 was