

MINUTE ITEM
This Calendar Item No. 33
was approved as Minute Item
No. 33 by the State Lands
Commission by a vote of 3
to 0 at its 4/29/91
meeting.

CALENDAR ITEM

A 35

33

04/02/91

W 3399

S 18

C 9023

Hall

APPROVE THE INCREASE IN ESTIMATED EXPENDITURE
FOR PLUGGING AND ABANDONING THE
SUMMERLAND SEEPING OIL/GAS WELLS AND
REPRIORITIZE THE HAZARDS TO BE REMOVED
AS IDENTIFIED WITHIN THE COMMISSION'S HAZARDS INVENTORY
AS A PREREQUISITE TO FUNDING REMOVAL FROM
CURRENT CAPITAL OUTLAY APPROPRIATIONS

APPLICANT:

State Lands Commission
1807 - 13th Street
Sacramento, California 95814

BACKGROUND

On the Commissioner's August 22, 1990 meeting, authority was within Calendar Item 82 added the Summerland project to the Hazards Inventory and authorized "the Executive Officer to solicit bids, award and execute the contract to the lowest qualified bidder in accordance with State policies and procedures for the capping of the 'abandoned wells at Summerland'".

The hazard has since been added to the Commission's Hazard Inventory by notification of the Joint Legislative Budget Committee. The solicitation for bids has been made and only one bid was received. The methodology presented has met the criteria required by the Request for Proposals. Sole Source Justification is currently being requested of the Office of Small and Minority Business. The estimated cost presented within the calendar item was \$500,000. The estimated cost to plug and abandon the five wells presented in the request for proposals is now \$894,664.

CALENDAR ITEM NO. 33 (CONT'D)

Staff proposes that the remaining unencumbered balance of the appropriation of \$397,000 be directed to this project. This action will preclude the removal of any other hazards until additional appropriations are provided in the 1992-93 fiscal year. A listing of projects included in that request and the five-year plan is included in Exhibit "A". Hazard removal funds requested for the 1991-92 fiscal year were denied due to the current State budget situation.

EXHIBITS:

- A. Five-year Hazard Removal Plan and Listing of 1992-93 Requests by County
- B. Proposed Letter to Joint Legislative Budget Committee

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THESE ACTIVITIES ARE NOT PROJECTS AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE THE EXECUTIVE OFFICER TO NOTIFY THE JOINT LEGISLATIVE BUDGET COMMITTEE THAT THE ANTICIPATED EXPENDITURE FOR THE "PLUG AND ABANDONMENT OF WELLS AT SUMMERLAND, SANTA BARBARA COUNTY" WILL BE \$894,664.

EXHIBIT "A"

STATE LANDS COMMISSION

HAZARD REMOVAL PROGRAM

ESTIMATED REMOVAL COSTS BY COUNTY

County	EXPENDITURES & OBLIGATIONS 1987-90	1989-90 APPROPRIATIONS NOT ENCUMBERED	1992-93 CAPITAL OUTLAY REQUEST	1993-94	1994-2000	Total
Alameda	\$		\$62,755	\$	\$157,858	\$220,613
Contra Costa			351,326		4,130,798	4,482,132
Del Norte					11,300	11,300
Humboldt				28,705	1,093,715	1,122,420
Los Angeles	27,686			15,670	271,120	953,640
Marin	24,650		494,760		579,528	1,098,938
Mendocino				146,340	86,813	233,153
Sacramento	325,000		7,815		1,204,853	1,212,673
San Diego	0				26,018	26,018
San Francisco			60,160		61,540	121,700
San Joaquin			75,648		873,051	948,699
San Luis Obispo				35,620	59,095	114,715
San Mateo			35,850		234,762	290,612
Santa Barbara	365,336	894,664	1,000,000	1,000,000		3,260,000
Santa Cruz				93,460	222,920	316,380
Solano					2,686,137	2,686,137
Sonoma			66,328		155,208	221,536
Ventura				5,595	4,105	9,700
Yolo					20,425	20,425
Total	\$742,672	\$894,664	\$2,154,650	\$1,345,390	\$11,899,251	\$17,350,791

1987-1990 - Extreme risk hazards throughout the State removed.

1989-1990 - The addition of the Summerland Project and the "Neptune" to the Hazards Inventory along with the identification of extreme hazards in excess of original estimates has utilized funds provided for the removal of moderate hazards located within the Northern California Bay Area and Delta. Approximately \$395,000 remains of the 1989-90 appropriation that has not been committed to projects. These funds are currently being considered for use in the Summerland project for which the \$500,000 estimated cost for the first year was insufficient to cover the contractors bid response.

1992-1993 - All moderate risk hazards in Bay Area and Delta.

1993-1994 All remaining moderate hazards removed in balance of State.

1994-2000 All low risk hazards removed on a geographical basis depending on

PROPOSED HAZARD REMOVAL PROGRAM
CAPITAL OUTLAY
STATE FISCAL YEAR 1992-93

Total Cost: \$2,154,650

County	No.	Risk	Disposal Cost
-----	---	----	-----
ALAMEDA	#5	Moderate	\$22,722

DESCRIPTION: East side of South San Francisco Bay, SE of San Lorenzo; immediately north of the mouth of Sulphur Creek; 0.8 miles north of the former Hayward Landing. Double row of poles (est. 150) extending off old pipeline (sewer outfall?) 500 feet from shore.

Alameda	#8	Moderate	\$22,160
---------	----	----------	----------

DESCRIPTION: East side of South San Francisco Bay; San Leandro Bay; South end of airport channel immediately east of Oakland International Airport. Arrowhead Marsh part of San Leandro Regional Shoreline Park. Piling and dolphins (est. 150) remaining from old docks and wharves. Identified as Item 19-7 in Reference 1.

Alameda	#10	Moderate	\$17,873
---------	-----	----------	----------

DESCRIPTION: East side of San Francisco Bay; north side of Oakland Inner Harbor Chilton Basin, Seabreeze Yacht Center. Sunken steel vessel lying immediately southwest of marina; 1-3 feet exposed at low water, completely covered at high water.

Contra Costa	#1	Moderate	\$30,182
--------------	----	----------	----------

DESCRIPTION: San Francisco Bay, Richmond Inner Harbor, north side of Brooks Island. Southeastern part of Hazard Falls within Granted Lands. Numerous wooden piles (est. in excess of 100), sunken barge reported, but not observed. Identified as Item 16-1 in Reference 1.

Contra Costa	#6	Moderate	\$75,568
--------------	----	----------	----------

DESCRIPTION: San Francisco Bay, east side, south of Point San Pablo and north of Point Orient. Remains of timber piers, wharves, mooring dolphins, and power line poles. Identified as 15-2 in Reference 1.

Contra Costa	#9	Moderate	\$5,250
--------------	----	----------	---------

DESCRIPTION: San Francisco Bay, San Pablo Bay; 0.0 to 0.5 miles east of Pinole Point within Pinole Point Regional Shoreline Park. Remains of 1,000-foot long timber pier; estimated 100 piles, few crossbeams. Row of about 50 piles extending near shoreline south-southeast from foot of old pier. Corroded metal debris along shoreline, including numerous steel drums apparently used for shore protection. Identified as Item 14-2 in Reference 1.

Contra Costa	#12	Moderate	\$86,523
--------------	-----	----------	----------

DESCRIPTION: Former Hercules Wharf on the eastern shore of San Pablo Bay. Remains of timber Wharf, the end of which is 1600 feet northwest of the railway lines.

Contra Costa	#65	Moderate	\$50,500
--------------	-----	----------	----------

DESCRIPTION: Dutch Slough, divided by a sandbar. The hazard is the wreck lying on the near side of the sandbar; it is estimated to be 70 feet in length.

Contra Costa	#67	Moderate	\$3,523
--------------	-----	----------	---------

DESCRIPTION: Delta region; southern margin of Franks Tract State Recreation area, across from Bethel Island. Small group of piles (less than 20) along north bank of Piper Slough, across from Bethel Island near marinas and numerous private docks, adjacent to Franks Tract State Recreation area.

PROPOSED HAZARD REMOVAL PROGRAM
CAPITAL OUTLAY
STATE FISCAL YEAR 1992-93

Page 2 of 4

County	No.	Risk	Disposal Cost
-----	---	---	-----
CONTRA COSTA (continued)	#68	Moderate	\$1,236

DESCRIPTION: Southern margin of Franks Tract State Recreation Area, across from Bethel Island; adjacent to Piper Slough. Small groups of piles (less than 20) along the north side of Piper Slough; adjacent to Franks Tract State Recreation area. Near Bethel Island marinas and private docks.

Contra Costa	#79	Moderate	\$51,134
--------------	-----	----------	----------

DESCRIPTION: The hazard consists of the rows of piles. They appear to be the remains of a timber wharf.

Contra Costa	#80	Moderate	\$4,228
--------------	-----	----------	---------

DESCRIPTION: Delta region; west end of Indian Slough at junction with Werner Dredger Cut; northwest corner of Discovery Bay Development. Dilapidated dock, piles, adjacent to numerous private docks of Discovery Bay Housing Development.

Contra Costa	#81	Moderate	\$34,550
--------------	-----	----------	----------

DESCRIPTION: Delta region; west end of Indian Slough, with Orwood Tract to north and Byron Tract to south. Double row of piles in middle of Indian Slough Channel (more than 50); adjacent to numerous private docks.

Contra Costa	#82	Moderate	\$8,638
--------------	-----	----------	---------

DESCRIPTION: Delta region; central Indian Slough, between Orwood Tract to north and Byron Tract to south. Remains of former timber dock adjacent to Marshy Island in middle of Indian Slough; near numerous private docks of Discovery Bay.

MARIN	#1	Moderate	\$75,140
-------	----	----------	----------

DESCRIPTION: Bolinas Bay at town of Bolinas; immediately west of entrance to Bolinas Lagoon. Dilapidated concrete groin, broken, with steel bolts and rods exposed. Row of piles run adjacent to concrete groin. Numerous (20-30) piles scattered on beach west of groin; bolts and spikes protrude. Dilapidated concrete and timber seawalls.

Marin	#2	Moderate	\$50,000
-------	----	----------	----------

DESCRIPTION: Bolinas Point at Agate Beach County Park. The hazard is the broken and grounded steel barge on the creek immediately south of Bolinas Point.

Marin	#9	Moderate	\$139,984
-------	----	----------	-----------

DESCRIPTION: East side of Tomales Bay immediately northwest of Millerton Point. Numerous stakes, piles, and fences covering intertidal and subtidal mud flats over area approximately 0.25 x 0.5 miles. All related to oyster and other shellfish mariculture operations of the Tomales Bay Oyster Company.

Marin	#28	Moderate	\$51,746
-------	-----	----------	----------

DESCRIPTION: Located on the western side of San Francisco Bay on the east side of Tiburon Peninsula, the hazard is the wrecked vessel lying on the left of the north jetty of Paradise Bay.

Marin	#34	Moderate	\$26,390
-------	-----	----------	----------

DESCRIPTION: Angel Island, north central San Francisco Bay; west side of island at west Garrison; within limits of Angel Island State Park. Remains of pier, primarily piles with some cross beams; less than 100 wooden and approximately 30 steel piles. Identified as Item 4-1 in Reference 1.

Marin	#36	Moderate	\$50,500
-------	-----	----------	----------

DESCRIPTION: Strawberry Point at Richardson Bay. Hazard is a sunken vessel (lower

CALENDAR PAGE	187
MINUTE PAGE	1301

PROPOSED HAZARD REMOVAL PROGRAM
CAPITAL OUTLAY
STATE FISCAL YEAR 1992-93.

Page 3 of 4

County	No.	Risk	Disposal Cost
Marin (continued)	#38	Moderate	\$101,000

DESCRIPTION: The shoreline of Richardson Bay at ; Marin City. The hazard comprises the two grounded barges.

SACRAMENTO	#45	Moderate	\$7,815
------------	-----	----------	---------

DESCRIPTION: Left bank of Sacramento River at Mile 53.9; at Oak Kall Bend; former Da Rosa Marina. Remains of docks (piles and floats).

SAN FRANCISCO	#3	Moderate	\$40,000
---------------	----	----------	----------

DESCRIPTION: The east side of San Francisco Bay. The hazard is the remains of two wrecks; part of one is shown on the shoreline.

SAN FRANCISCO	#4	Moderate	\$20,160
---------------	----	----------	----------

DESCRIPTION: The northwestern tip of the San Francisco Peninsula at Point Lobos. The hazard comprises part of the remains of the former Sutro Baths.

SAN JOAQUIN	#6	Moderate	\$36,167
-------------	----	----------	----------

DESCRIPTION: Empire Cut at Lower Jones Tract. The hazard comprises the sunken ferry boat visible on the shore of Lower Jones Tract and a group of pilings surrounding the structure.

San Joaquin	#11	Moderate	\$1,233
-------------	-----	----------	---------

DESCRIPTION: East shore of Turner Cut, 0.1 miles north of Private Bridge to McDonald Island; adjacent to Tiki Laguna Marina; 0.6 miles north of Empire Cut. Dilapidated structures and wreckage on unused islet adjacent to Tiki Laguna Resort Marina.

San Joaquin	#14	Moderate	\$2,970
-------------	-----	----------	---------

DESCRIPTION: Northwest corner of Acker Island, on left bank of San Joaquin River at mile 32.2. Row of piles (est. 15), and some timber cross bars.

San Joaquin	#22	Moderate	\$4,592
-------------	-----	----------	---------

DESCRIPTION: Inside Inlet on right bank of San Joaquin River at mile 37.1; west side of Sargent-Sarnhart Tract. Remains of small dock (?), piles (est. 20), cross beams, seawall. Adjacent to Recreational Marina.

San Joaquin	#24	Moderate	\$10,686
-------------	-----	----------	----------

DESCRIPTION: Stockton deep water channel at mile 40.8; northeast margin of turning basin margin of turning basin in Port of Stockton. Remains of dock; steel and timber piles, steel and timber decking; timber seawall.

SAN MATEO	#3	Moderate	\$33,850
-----------	----	----------	----------

DESCRIPTION: The Pacific Ocean coastline at Daly City, approximately 0.3 miles south of San Francisco city and county lines. The hazard comprises the six rows of piles; the rows are oriented perpendicular to the coast line and are presumed to be remains of timber piling.

PROPOSED HAZARD REMOVAL PROGRAM
CAPITAL OUTLAY
STATE FISCAL YEAR 1992-93

Page 4 of 4

County

SANTA BARBARA

No.

Risk

Moderate

Disposal Cost

\$1,000,000

DESCRIPTION: Summerland at Look-Out County Park; second year funding required to plug and abandon oil/gas wells that were constructed between 1895 and 1917. The original estimate when the project was added to the Hazards Inventory of \$500,000 was insufficient based on bid results.

#1

Moderate

\$46,323

SONOMA

DESCRIPTION: South spit, mouth of Russian River; Goat Rock Beach, Sonoma Coast State Beach; 0.5 mile west of town of Jenner. Concrete seawall, numerous (est 100) wooden piles associated with dilapidated railroad grade; steel bolts protrude from piles; steel railroad tracks.

CALENDAR PAGE 189
MINUTE PAGE 1303

STATE OF CALIFORNIA

PETE WILSON, Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, Lieutenant Governor
GRAY DAVIS, Controller
THOMAS W. HAYES, Director of Finance

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95811

CHARLES WARREN
Executive Officer
(916) 322-4105
FAX (916) 322-3568

April 3, 1991

Honorable Alfred E. Alquist, Chairperson
Joint Legislative Budget Committee
State Capitol Room No. 5052
Sacramento, CA 98514

Dear Senator Alquist:

In November 1990, the Commission notified the Joint Legislative Budget Committee (Committee) of its intent to make an expenditure at an estimated cost of \$500,000 for the capping of well heads that are seeping oil and gas in Summerland, Santa Barbara County. Item 3560-301-036 (1), Budget Act of 1989- 40.10.010-Statewide Hazard Removal Program, provides that the Commission may, through notification of the Committee add a 'Hazard' not identified in the Commission's Hazards Inventory Report to the Legislature and subsequently make expenditures from the appropriation for its removal.

The cost presented within the notification to the Committee was underestimated. The lowest responsive bid to a request for proposals to plug and abandon five wells, the cost was \$897,000. The methodology presented in that response is based on sound engineering principles and has been reviewed and approved by Commission staff.

The Commission in the April 2, 1991 meeting:

- approved the redirection of \$397,000 of unencumbered funds that remain within Item 3560-301-036, Chapter 93, Statutes of 1989;
- authorized the Executive Officer to notify the Joint Legislative Budget Committee of the increased cost of the Summerland Project from \$500,000 to \$897,000; and
- authorized the Executive Officer to award the contract to the lowest responsive bidder.

Honorable Alfred E. Alquist, Chairperson
Joint Legislative Budget Committee
April 3, 1991
Page 2

This action will preclude the removal of any other hazards until additional appropriations are provided in the 1992-93 fiscal year. The hazards that have been deferred until further funding can be secured are classified as moderate hazards. All extreme hazards identified within the inventory have been removed.

If you have any questions or need additional information regarding this matter, please call James F. Trout, Assistant Executive Officer, at 322-4105.

Sincerely,

CHARLES WARREN
Executive Officer

Attachments

cc: Dennis Horkyk, Department of Finance

CALENDAR PAGE	191
MINUTE PAGE	1305