

**CALENDAR ITEM  
C52**

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S 9

04/23/14  
PRC 7062.1  
D. Oetzel

**GENERAL LEASE – RIGHT-OF-WAY USE**

**APPLICANT:**

Chevron Products Company, a division of Chevron U.S.A., Inc.  
841 Chevron Way  
Richmond, California 94801

**AREA, LAND TYPE, AND LOCATION:**

1.65 acres, more or less, of sovereign land in San Pablo Bay, near Point San Pablo and the city of Richmond, Contra Costa County.

**AUTHORIZED USE:**

Continued use and maintenance of a 36-inch-diameter concrete deep water outfall (3,000 linear feet).

**LEASE TERM:**

20 years, beginning April 1, 2014.

**CONSIDERATION:**

\$15,795 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:**

**Insurance:** Liability insurance in an amount no less than \$5,000,000 per occurrence. Applicant may satisfy all or part of the insurance requirements through maintenance of a staff approved self-insurance program as outlined in the Lease.

**Surety:** \$500,000

**OTHER PERTINENT INFORMATION:**

1. Applicant owns the upland adjoining the lease premises.
2. On March 26, 1987, the Commission authorized a 25-year General Lease-Right-of-Way Use to Chevron USA, Inc., effective April 1, 1987, for the

CALENDAR ITEM NO. **C52** (CONT'D)

construction and use of a deep water outfall and for the dredging of 80,000 cubic yards of material. The outfall was constructed for the purpose of discharging treated wastewater from Chevron's Richmond Refinery into Castro Cove and was required to bring the Refinery's effluent discharge into compliance with the Regional Water Quality Control Board's Basin Plan. That lease expired on February 29, 2012 and is currently in holdover.

3. Chevron is now requesting a new 20 year lease for the continued use and maintenance of the deep water outfall.
4. Chevron owns and operates its wastewater treatment plant located within the Chevron property. The treatment system first consists of three oil and water separators. From oil and water separators, wastewater is routed to a bioreactor that consists of four quadrants. The first two quadrants provide biological treatment through aeration, while the next two quadrants are used as settling basins. After the settling basins, the Discharger routes a portion of bioreactor effluent to its water enhancement wetland (Wetland). The remaining bioreactor effluent, and typically all Wetland effluent is routed through granular activated carbon (GAC) before discharge through a deep water diffuser and outfall (average depth of 30 to 50 feet) into San Pablo Bay, approximately 2,000 feet offshore to the north of Point San Pablo. The outfall is permitted to discharge approximately 7.6 million gallons of treated wastewater per day (annual average).
5. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and

CALENDAR ITEM NO. **C52** (CONT'D)

through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

**APPROVALS OBTAINED:**

San Francisco Bay Regional Water Quality Control Board

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

**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 section 6370 et seq.

**AUTHORIZATION:**

Authorize issuance of a General Lease – Right-of-Way Use to Chevron Products Company, a division of Chevron U.S.A., Inc., beginning April 1, 2014, for a term of 20 years for the use and maintenance of a 36-inch-diameter concrete deep water outfall as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration of \$15,795 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; self-insurance or third-party liability insurance in an amount no less than \$5,000,000 per occurrence; and a surety bond of no less than \$500,000.

EXHIBIT A

LAND DESCRIPTION

PRC 7062.1

A strip of tide and submerged land 23 feet wide in Section 4, T1N, R5W, MDM, and in Sections 32 and 33, T2N, R5W, MDM, Contra Costa County, California, the center line of said strip being described as follows:

BEGINNING on the northern line of Tide Lot 4, in said Section 4 as said Lot is designated on Sheet 2 of the Record Survey filed February 13, 1985, Book 76, L.S.M., pages 29 and 30, Contra Costa County Records, distant thereon S 88°49'30" E 631.42 feet from the northwestern corner thereof; thence northwesterly along the arc of a circle to the left, having a radius of 3,000.00 feet, the center of which bears S 56°23'32" W, through a central angle of 40°46'58", an arc distance of 2,135.38 feet; thence tangent to said circle, N 74°23'26" W, 2,523.62 feet.

The sidelines of said strip of land to be lengthened or shortened so as to terminate at the southeast in said northern line of Tide Lot 4, and at the northwest in a line that bears N 15°36'34" E.

EXCEPTING THEREFROM any portion thereof lying within the lands granted to the City of Richmond pursuant to Chapter 379, Statutes of 1935.

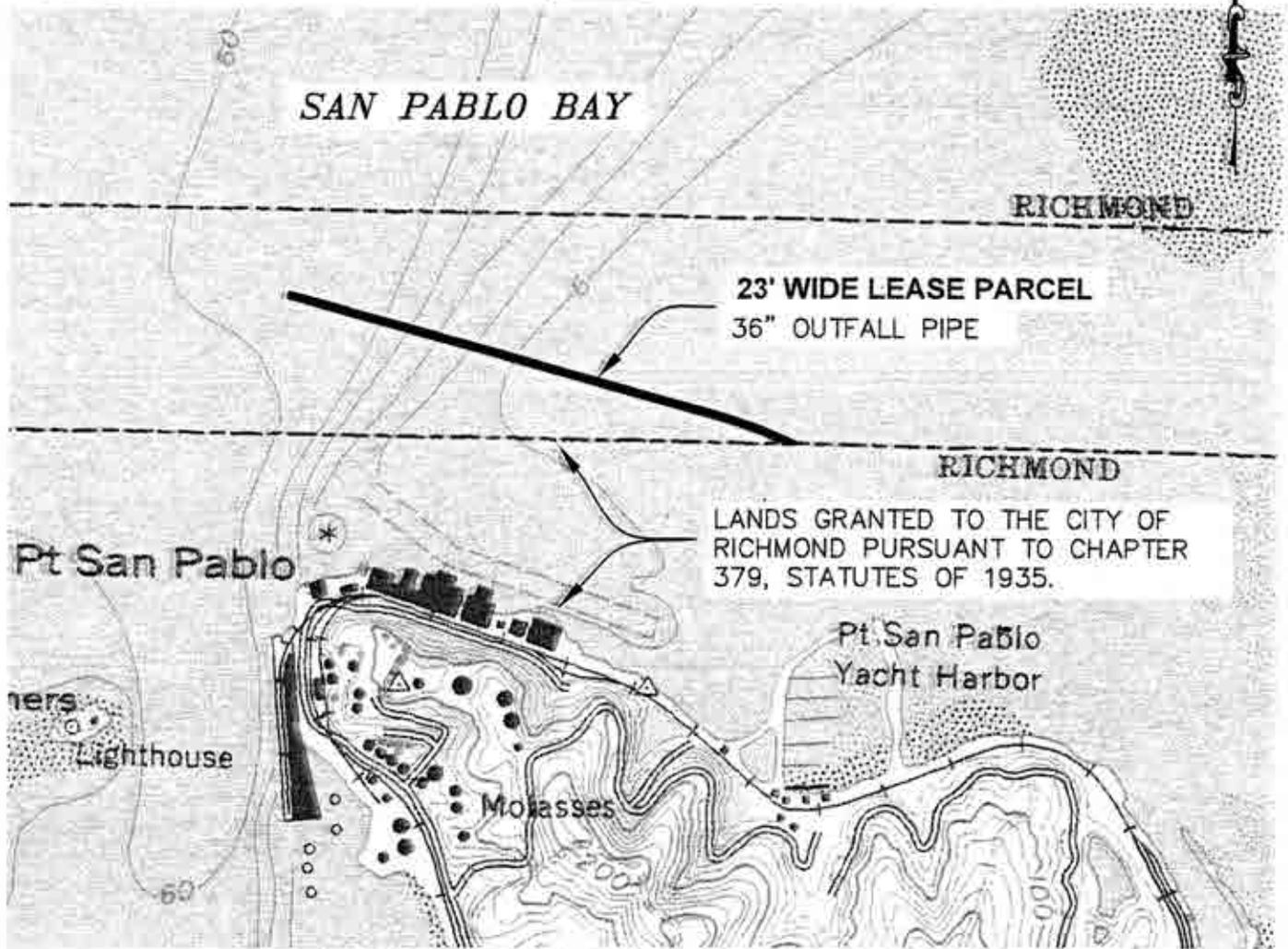
END OF DESCRIPTION

PREPARED OCTOBER 29, 1986 BY BOUNDARY SERVICES UNIT, M. L. SHAFER SUPERVISOR.

0233b

NO SCALE

### SITE



**DEEP WATER OUTFALL, SAN PABLO BAY**

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

### **Exhibit B**

PRC 7062.1  
 CHEVRON U.S.A.  
 GENERAL LEASE -  
 RIGHT OF WAY USE  
 CONTRA COSTA COUNTY



DJP 03/27/12

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.