

MINUTE ITEM

This Calendar Item No. 24
was approved as Minute Item
No. 24 by the State Lands
Commission by a vote of 2
to 0 at its 9-26-79
meeting.

MINUTE ITEM

9/26/79
Horn

24. TERMINATION OF INDUSTRIAL LEASE PRC 618.1 ISSUANCE OF
TWO NEW GENERAL LEASES - INDUSTRIAL USE

Mr. Dwight E. Sanders, Chief, Planning and Environmental Coordination Unit, explained the project to the Commission and addressed the four significant environmental issues which were identified in the environmental impact report/environmental assessment (EIR/EA) prepared by the Commission on the project: 1) air quality; 2) public access; 3) geology and seismicity; and 4) oil spills.

Mr. William F. Northrop, Executive Officer, incorporated into the record a letter dated September 24, 1979, from Citizens for a Better Environment to Mr. Northrop urging the delay of the project until certain corrections are made. This letter is on file in the office of the Commission.

Ms. Suzanna Rogalin, representing the S.F. Bay Conservation and Development Commission, appeared. She congratulated the staff's work on the document, but urged:

1. That there be maximum feasible public access;
2. That since the 10-acre marsh at the western edge of the property is recognized as being of environmental significance, it be improved and dedicated to a public agency such as the East Bay Regional Park District; and
3. That Wickland be made responsible as a terminal operator to determine whether tugboats should be used for docking.

Mr. John Diepenbrock, representing the law firm of Diepenbrock, Wulff, Plant and Hannegan, attorneys for Wickland Oil Company, appeared to answer any questions raised by the Commission. He stated that Wickland recognized the importance of public access and indicated their willingness to discuss the problem.

With the understanding that the Commission's permit would be conditioned on approval by other appropriate governmental agencies and that the public access problem would be returned to the Commission for their further consideration, the Commission approved the resolution as presented in Calendar Item 24 attached by a vote of 2-0.

Attachment: Calendar Item 24.

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Exhibits "A" and "A-1" were never
produced and have been deleted as
a part of Calendar Item 24.

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WP 618
Horn
PRC 5735
PRC 5736

24.

TERMINATION OF INDUSTRIAL LEASE PRC 618.1
ISSUANCE OF TWO NEW GENERAL LEASES
INDUSTRIAL USE

APPLICANT: Wickland Oil Company
2150 Stone Blvd.
West Sacramento, California 95691

AREA, TYPE LAND AND LOCATION:
Two sites (I - 5.8± acres) (II - 35± acres)
of filled and unfilled tide and submerged
land at Selby, Contra Costa County.

LAND USE: Lease I - marine petroleum wharf with necessary
appurtenances; lease II - hold in existing
state pending final use of site.

TERMS OF PROPOSED LEASE: LEASE I
Initial period: 25 years from January 1,
1980.

Renewal options: 1 successive period of
20 years.

Surety bond: \$25,000.

Public liability insurance: Combined single
limit coverage of \$5,000,000.

Special: RENTAL IMPOUND: The
proposed lease provides
that rental in excess
of the minimum annual
rental shall be paid
into a special deposit
account in the State
Treasury pending the
outcome of litigation
challenging the Commission's
volumetric rental regulations.
Should such regulations
be declared invalid,
impounded rentals shall
be refunded and a new
reasonable rental shall
be determined by the
Commission.

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CONSIDERATION: Commencing January 1, 1980, volumetric rental accrues according to the following schedule:

(a) \$0.01 (one cent) per barrel of commodities until the minimum annual rental set forth in (d) below is equaled.

(b) \$0.001 (one mil) per barrel for the next 7,000,000 barrels.

(c) \$0.003 (three mils) per barrel for each additional barrel passing over the State's land in that same lease year.

(d) The minimum annual rental is \$18,000.

The State reserves the right to fix a different rental on each fifth anniversary of the lease.

TERMS OF PROPOSED LEASE: LEASE II

Initial period: 25 years from January 1, 1980.

Renewal options: 1 successive period of 20 years.

Surety bond: None; pending final use determination.

Public liability insurance: \$1,000,000 combined single limit for bodily injury and property damage.

Special: Lessee will provide the State with access from the nearest public road to the State's land.

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CONSIDERATION: Annual rental of \$10,000 until a final use of the site is determined and approved by the State; at which time rental shall be reset in accordance with the Commission's general leasing regulations. The State is also reserving the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm. Code 2005 and 2006.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

Filing fee paid; all environmental costs will be borne by the applicant.

STATUTORY AND OTHER PREFERENCES:

A. P. R.C.: Div. 6, Parts 1 & 2.

B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. Wickland Oil Company has acquired the upland interest of the former American Smelting and Refining Company (ASARCO) operation at Selby in Contra Costa County. Wickland is proposing to construct a petroleum products terminal which would include a new wharf for the receipt/shipment of petroleum products (to be located on State lands); a 1.5 million barrel tank farm and truck racks together with necessary pipelines and other appurtenances. The new terminal is designed to accommodate a nominal daily throughput of 40,000 barrels of petroleum products and diesel. In order to accomplish the proposed terminal project staff is recommending that 2 leases be issued. Lease I (5.8± acres) would be the site of the new wharf; Lease II would cover approximately 35± acres of filled

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tide and submerged which were formerly leased to ASARCO. The 35± acre site would remain in its current undeveloped condition until a final use (consistent with regional and local plans and zoning) is approved by the Commission. As part of the consideration for leasing the 36 acre parcel, Wickland will provide the State with access from Highway 40 to the State's property.

2. The proposed wharf will be situated on State land identified as possessing significant environmental values pursuant to PRC 6370.1, and is classified in use category, Class "C", which authorizes multiple use. Staff has coordinated this project with State and local agencies through the EIR process relative to the significant environmental values of the site. The EIR/EA adequately addresses the probable impacts associated with the terminal project. The project has been designed and mitigation proposed to ensure that adequate provisions have been made to protect the significant environmental values of the site.
3. The Commission, acting as lead agency under CEQA and the State EIR Guidelines has prepared an Environmental Impact Report/Environmental Assessment (EIR/EA) for the total Wickland project. Public hearings on the document were held in Sacramento on July 16, 1979, at 10:00 a.m. and in the town of Crockett on July 19, 1979 at 2:00 P.M. and 7:10 P.M. The final EIR/EA for the Wickland project is on file in the principal office of the Commission and is incorporated by reference as though fully set forth herein. An executive summary of the environmental document is attached hereto as exhibit "C".

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As more fully set forth in the EIR/EA Wickland's proposed petroleum products terminal has the potential for having significant environmental effects within the meaning of CEQA and the State EIR Guidelines. The general areas of concern that have such potential include: Geology and Seismology, Oceanography, Meteorology and Air Quality, Social/Cultural, Archaeology and Oil Spills. Below is a brief discussion of the environmental impacts and mitigation.

Geology and Seismology - The site is in close proximity to several known faults. However, there is no evidence of recent geologic offsets due to such faults at the site. None the less, the terminal and tank farm design will be accomplished in accordance with the structural design and seismic engineering guidelines detailed in Appendix A (volume II) of the draft EIR/EA. Design of the project in accordance with such guidelines will mitigate possible geologic and seismic impacts of the terminal.

Oceanography - Some impacts will occur as a result of dredging and wharf construction. Some toxic materials may be present at the site. Spoils disposal location will be determined after careful sample analysis. The regional water quality control board is responsible for issuing necessary permits for this project. In addition, the EPA will also be involved.

Meteorology and Air Quality - Operation of the terminal will result in significant emissions of pollutants. Tankers are expected to be the largest emissions source. Wickland,

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as part of a trade-off package which conforms to regional and State air quality regulations, will offset organic (hydrocarbon) and sulfur oxide emissions at a ratio stipulated by the Bay Area Air Quality Management District. The offset plan includes the reduction of organic emissions in the air basin by converting 2 dry cleaning units at the City of Paris dry cleaners in San Francisco. The purchase and shutdown of Virginia Chemicals, Inc. (on site) is part of the proposed offset for sulfur oxides. Wickland will also attempt to contract for vessels which by their design and operation, minimize the emission of air pollutants and will further provide low sulfur fuel to project and non-project marine vessels or diesel motor vehicles for use in the bay area so as to reach the required tradeoff ratio. The proposed mitigation (tradeoff package) will result in a project that is not anticipated to cause an exceedance of either the primary or secondary state or federal standards for regulated pollutants. The BAAQMD has issued a permit to Wickland for the project which includes the mitigation discussed above. The permit is currently under appeal.

Social/Cultural - While the site is currently zoned for heavy industrial use, the issue of public access remains unresolved. The BCDC Bay Plan requires maximum feasible public access to the bay consistent with a project. A mutually acceptable access plan will be worked out between Wickland, BCDC and the State Lands Commission. Such plan will provide the State with access yet still provide for a safe operation of Wickland's terminal.

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Archaeology - The archaeological survey suggested that construction of the proposed facilities can be given archaeological clearance if recommended (by California office of Historic Preservation) stipulations are complied with. The SHPO will determine the specific stipulations for project clearance.

Oil Spills - Because the new terminal will increase total vessel visits to the bay, spill volume statistics will probably show an increase; however, the risk of pollution causing incidents should not increase significantly. Because the facility will be handling gasoline and some diesel, the impacts resulting from spills are different from those associated with crude oil. A spill of gasoline would result in significant fire hazard and short term air pollution but probably would not cause significant ecological effects. Diesel on the otherhand could present severe impacts.

A comprehensive oil spill contingency plan is considered adequate for protection from oil spills. Wickland will be required to prepare such a plan which will be reviewed and accepted by a number of governmental agencies including the State Lands Commission. In addition, the SLC will review and accept Wickland's terminal operations manual as such is now required by Coast Guard regulations.

4. Approvals: Inasmuch as the State Lands Commission is the lead agency under CEQA, it will be among the first to issue project approval. As mentioned earlier, the BAAQMD has already issued a permit for the project, however, this permit is currently being appealed.

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Other local and State agencies must issue permits in accordance with AB 884 (Chapter 1200, Statutes of 1977 as amended). The United States Army Corps of Engineers and United States Coast Guard are the principal federal agencies having approval authority.

5. Wickland has advised the staff that in order to obtain financing for the terminal project, it will be necessary for Wickland to hypothecate the State's leases. Such consent to encumbering the lease requires approval by the Commission. Inasmuch as Wickland has not yet arranged final project financing, the matter of lease hypothecation will be brought back to the Commission at some future meeting.
6. The form of the lease has been revised from the standard provisions to incorporate volumetric rental, tanker terminal requirements, mitigation and other changes.

EXHIBITS: A & A-1. Deleted before printing.
 B. Location Map. C. EIR/EA Executive Summary.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT A FINAL EIR HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION'S STAFF, FOLLOWING EVALUATION OF COMMENTS AND CONSULTATION WITH PUBLIC AGENCIES WHICH WILL ISSUE APPROVALS FOR THE PROJECT.
2. CERTIFY THAT THE FINAL EIR NO. 249 HAS BEEN COMPLETED IN COMPLIANCE WITH THE CEQA OF 1970, AS AMENDED, AND THE STATE EIR GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. FIND THAT THE PROJECT HAS THE POTENTIAL TO CAUSE A SIGNIFICANT EFFECT ON THE ENVIRONMENT, AND IN ADDITION TO APPLICANT-PROPOSED AND ACCEPTED MITIGATION MEASURES, THE FOLLOWING:

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- (a) DETERMINE THAT IN REGARDS TO GEOLOGY AND SEISMOLOGY - THE PROJECT DESIGN WILL BE IN ACCORDANCE WITH THE GUIDELINES SET FORTH IN APPENDIX "A" OF VOLUME 2 OF THE EIR/EA, WHICH DESIGN GUIDELINES WILL MITIGATE THE SIGNIFICANT GEOLOGICAL AND SEISMIC EFFECTS OF THE PROJECT.
- (b) DETERMINE THAT IN REGARDS TO OCEANOGRAPHY - REQUIREMENTS TO LESSEN WATER QUALITY IMPACTS ARE WITHIN THE RESPONSIBILITY AND JURISDICTION OF THE REGIONAL WATER QUALITY CONTROL BOARD AND THE EPA AND NOT THE STATE LANDS COMMISSION. SUCH AGENCIES CAN AND WILL ADOPT APPROPRIATE WATER QUALITY ASSURANCE REQUIREMENTS.
- (c) DETERMINE THAT IN REGARDS TO METEOROLOGY AND AIR QUALITY - MITIGATION AND CHANGES TO THE PROJECT ARE WITHIN THE RESPONSIBILITY AND JURISDICTION OF THE BAY AREA AIR QUALITY MAINTENANCE DISTRICT AND THE STATE AIR RESOURCES BOARD AND NOT THE STATE LANDS COMMISSION. SUCH AGENCIES HAVE ADOPTED REQUIREMENTS FOR THE PROJECT WHICH MITIGATES OR AVOIDS THE SIGNIFICANT ENVIRONMENTAL AIR QUALITY IMPACTS; HOWEVER, THE PERMIT ISSUED BY SUCH AGENCIES IS CURRENTLY UNDER APPEAL.
- (d) DETERMINE THAT IN REGARDS TO SOCIAL/CULTURAL IMPACTS - ADEQUATE ACCESS TO THE AREA WILL BE PROVIDED, CONSISTENT WITH LOCAL AND REGIONAL PLANS AND THE SAFETY AND INTEGRITY OF THE TERMINAL OPERATION. SUCH ACCESS WILL MITIGATE OR AVOID THE IMPACTS ASSOCIATED WITH ACCESS TO THE SITE.
- (e) DETERMINE THAT IN REGARDS TO ARCHAEOLOGY - SPECIFIC REQUIREMENTS RELATIVE TO ARCHAEOLOGICAL IMPACTS ARE WITHIN THE RESPONSIBILITY AND JURISDICTION OF THE CALIFORNIA OFFICE OF HISTORIC PRESERVATION AND NOT THE STATE LANDS COMMISSION. SUCH AGENCY CAN AND WILL ADOPT REQUIREMENTS THAT WILL MITIGATE OR AVOID ANY ARCHAEOLOGICAL IMPACTS ASSOCIATED WITH THE PROJECT.

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- (f) DETERMINE THAT IN REGARDS TO OIL SPILLS - SUFFICIENT REQUIREMENTS HAVE BEEN INCORPORATED INTO THE PROJECT WHICH MITIGATE THE POTENTIAL SIGNIFICANT EFFECTS AN OIL SPILL MAY HAVE AS SUCH ARE IDENTIFIED IN THE EIR/EA. PRIOR TO OPERATION OF THE TERMINAL AN OIL SPILL PLAN, IN ACCORDANCE WITH THE CRITERIA SET FORTH IN APPENDIX "B" OF VOLUME 2 OF THE EIR/EA, AS WELL AS A COMPREHENSIVE TERMINAL OPERATIONS MANUAL WILL BE SUBJECT TO REVIEW AND ACCEPTANCE BY THE COMMISSION.
4. FIND THAT ADEQUATE PROVISIONS HAVE BEEN MADE FOR PROTECTION OF THE SIGNIFICANT ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
5. TERMINATE LEASE PRC 618.1 EFFECTIVE OCTOBER 23, 1978, AND AUTHORIZE ACCEPTANCE OF QUITCLAIM DEED TO THE LANDS.
6. AUTHORIZE ISSUANCE TO WICKLAND OIL COMPANY OF 2 LEASES OF STATE TIDE AND SUBMERGED LAND WITH TERMS AND CONDITIONS AS SET FORTH BELOW:
- (a) A 25 YEAR GENERAL LEASE - INDUSTRIAL USE IN THE FORM ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF, FROM JANUARY 1, 1980, WITH LESSEE'S OPTION TO RENEW FOR 1 SUCCESSIVE PERIOD OF 20 YEARS; IN CONSIDERATION OF ANNUAL RENTAL TO BE PAID AS FOLLOWS:
- (1) UNTIL THE MINIMUM ANNUAL RENTAL PROVIDED FOR IN SUBPARAGRAPH (3) HEREOF IS EQUALED IN EACH LEASE YEAR, THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING THE NUMBER OF BARRELS OF PETROLEUM PRODUCTS PASSING OVER THE STATE'S LAND BY \$0.01 (ONE CENT).
- (2) FOR THE NEXT 7,000,000 BARRELS BEYOND THE NUMBER OF BARRELS NECESSARY TO SATISFY THE MINIMUM RENTAL UNDER SUBPARAGRAPH (1) ABOVE, THE RENTAL SHALL BE \$0.001 (ONE MIL) PER BARREL; AND THEREAFTER \$0.003 (THREE MILS) PER BARREL FOR EACH ADDITIONAL BARREL OF SUCH COMMODITIES PASSING OVER THE STATE'S LAND IN THAT SAME LEASE YEAR.

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- (3) THE MINIMUM ANNUAL RENTAL SHALL BE \$18,000.
- (4) THE STATE RESERVES THE RIGHT TO RESET THE ANNUAL RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.
- (5) PROVIDE IN THE LEASE PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$5,000,000 COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE, PROVISION OF A SURETY BOND IN THE AMOUNT OF \$25,000; FOR THE CONSTRUCTION AND OPERATION OF A MARINE PETROLEUM WHARF TOGETHER WITH ALL NECESSARY APPURTENANCES ON THE LAND SHOWN ON EXHIBIT "A" ATTACHED TO THE LEASE AND BY REFERENCE MADE A PART HEREOF.
- (6) PROVIDE IN THE LEASE FOR PAYMENT OF RENTALS IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY, PENDING A FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED.
- (b) A 25 YEAR GENERAL LEASE - INDUSTRIAL USE IN THE FORM ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF, FROM JANUARY 1, 1980, WITH LESSEE'S OPTION TO RENEW FOR 1 PERIOD OF 20 YEARS; IN CONSIDERATION OF ANNUAL RENTAL OF \$10,000, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL AT THE TIME A FINAL USE FOR THE SITE IS APPROVED BY THE STATE AND ON EACH FIFTH ANNIVERSARY; PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE; FOR MAINTENANCE OF THE SITE IN ITS PRESENT CONDITION UNTIL A FINAL USE OF THE SITE IS APPROVED BY THE STATE; SUCH SITE IS DESCRIBED ON EXHIBIT "A-1" ATTACHED TO THE LEASE AND BY REFERENCE MADE A PART HEREOF.

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7. AUTHORIZE THE STAFF AND/OR THE ATTORNEY GENERAL TO TAKE WHATEVER STEPS MAY BE NECESSARY TO EFFECTUATE THIS ACTION AND TO ENSURE THAT THE PROJECT IS CONSTRUCTED AND OPERATED IN ACCORDANCE WITH APPLICABLE LAW AND EIR/EA No.249.

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EXHIBIT "A"
NOT AVAILABLE AT TIME OF PRINTING

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EXHIBIT "A-1"
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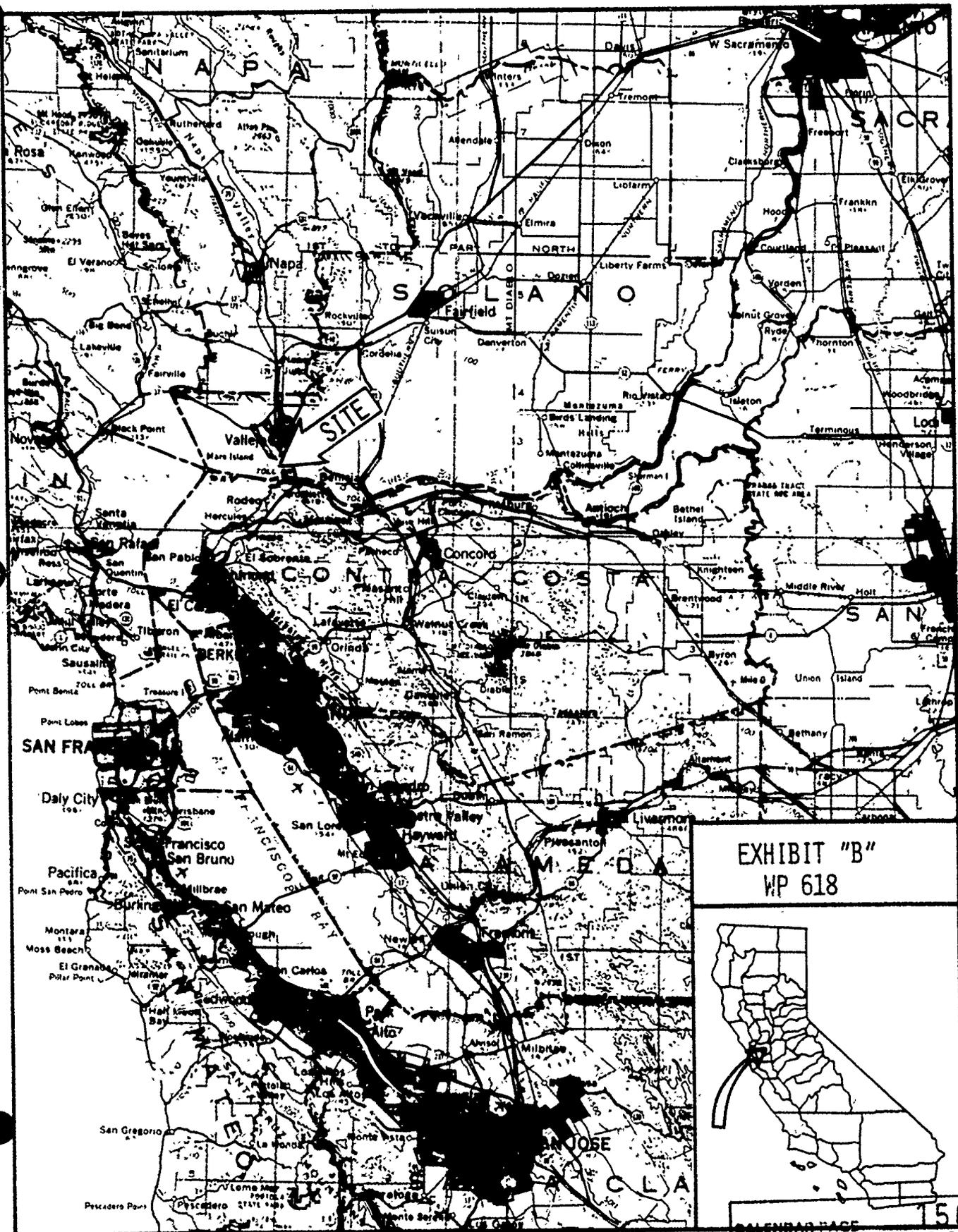


EXHIBIT "B"
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"Exhibit C"

1.0

EXECUTIVE SUMMARY

1.1 PROJECT DESCRIPTION

Wickland Oil Company markets gasoline throughout northern California, southern Oregon, and western Nevada. In addition to their retail outlets, the company sells diesel and gasoline to logging companies, agrichemical ^{FIRMS} ~~firms~~, trucking companies, local manufacturers, public utilities, and some 275 non-company owned retail service stations. These products are presently being purchased from local refineries in the San Francisco Bay Area and distributed by pipeline and tank truck.

Wickland Oil Company has applied for permission to construct and operate a one and one-half million barrel deep water oil products terminal on their property on San Pablo Bay at Selby, California. The purpose of the project is to provide a facility for the receipt, storage, and subsequent distribution of refined petroleum products from sources in and outside the San Francisco Bay Area to Wickland's retail outlets.

The oil products terminal would be located on the south side of the Carquinez Strait, approximately one mile downstream from the

Carquinez Bridge at Selby, California. This property was previously owned by the American Smelting and Refining Company.

A new wharf will be constructed to accommodate fully-loaded tankers up to 35000 deadweight tons (DWT) in size, which would visit the terminal at an interval of approximately one per week, should all the throughput be delivered by tankers of this size. A range of tanker sizes (16000-35000 DWT) is discussed in the EIR/EA, however, to provide decision makers with a broad impact analysis should a complete fleet of 35000 DWTs not always be available. Locally-purchased petroleum products would be delivered to the facility by the existing Southern Pacific products pipeline which runs through the property.

The terminal facilities are designed for a nominal daily throughput of 40,000 barrels per day of gasoline and diesel oil (30,000 gasoline, 10,000 diesel) which would be stored in a 1,500,000 barrel tank farm to be constructed on the property.

The gasoline and diesel oil would be marketed locally from the Selby facility by tank trucks. More distant distribution and marketing terminals throughout northern California, southern Oregon, and western Nevada would be served through use of the Southern Pacific products pipeline.

1.2 ENVIRONMENTAL IMPACTS AND MITIGATION

Geology, Seismology and Soils

The project area is underlain by the Briones Sandstone, of Tertiary age, and the Chico Formation, of Cretaceous age. These geologic units are in fault contact to the east and west of the Franklin fault, respectively. Although the site is in an area of high seismic activity, the Franklin fault, which crosses the northeastern corner of the property, shows no evidence of offset of Holocene geologic features.

The San Andreas fault and the Hayward fault govern ground motion estimates for this project because of their proximity and/or their capability to cause large earthquakes. The maximum credible earthquakes associated with these faults are estimated as Richter magnitude 8.5 and 7.5, respectively. The expected intensity of groundshaking at the site is neither unusually large or unusually small in comparison to most sites in the metropolitan Bay Area.

No adverse impacts are anticipated from landslides as the local soils have a low potential for liquefaction. The potential for liquefaction is somewhat higher for those soils associated with the pipeway than for those associated with the wharf and the tank farm. The potential for tsunamis is also low.

Some soil settlement can be expected after construction and operation of the tank farm. Similarly, soil expansion and contraction

associated with moisture changes is also anticipated. These settlement adjustments, however, should not produce any adverse impacts if appropriate structural and design criteria are complied with. Structural design and seismic engineering guidelines for the facility can be found in Appendix A.

Oceanography

Currents near the site are high in the Carquinez Strait and associated deep water channels. The maximum flood tide in the channel is about 5.4 ft/sec, and maximum ebb is 7.1 ft/sec. Water quality is variable depending upon the time of the year and the attendant fresh water sediment load associated with input from the Sacramento River. Temperature varies from approximately 10°C to 20°C seasonally, with dissolved oxygen at saturated or near-saturated conditions.

Minor impacts on the oceanography of the region can be expected from the installation of the wharf. Slight degradation of the marine water quality is expected as a result of construction dredging operations, which will remove approximately 10,000 cubic yards of material from the bay bottom in the vicinity of the wharf. Considering the limited dredge volume, the high dispersion characteristics of the region, and the enhanced settling expected of particles in a clay-chloride environment, the impact should be short-term and local.

Resuspended toxic materials such as thallium, because of its association with clay particles, can be expected to resettle to the bottom rather than be absorbed into the food chain.

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Depending upon the toxic level of the dredge spoils, which has yet to be determined, they will be disposed of either at the Mare Island disposal site or on land at the Wickland property.

Meteorology and Air Quality

Operation of the proposed marine terminal will result in significant emissions of several pollutants, most notably hydrocarbons and sulfur oxides. Tankers are expected to be the single largest emissions source. Tanker operation emissions will result from fuel combustion both in transit and while at the terminal, and ballasting operations which are expected to occur while at berth. Tanker fuel combustion emissions along with tugboat emissions, which will occur during tanker assistance, will be the major sources of sulfur oxide and nitrogen oxide emissions. Tanker ballasting will result in emissions of large amounts of hydrocarbons over relatively short periods of time for each tanker visit.

Because Wickland does not have a dedicated tanker fleet and may receive product by a combination of various size tankers and/or pipeline, a range of operational scenarios was analyzed. Maximum emissions would occur with scenarios which assume receipt of product by tanker. Minimum emissions would occur if all product is received via pipeline.

Onshore facility emissions will consist primarily of hydrocarbons, emitted from the 21 product storage tanks and from operations associated with the shipment of received oil product. On an annual basis,

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of hydrocarbon emissions. Other onshore emission sources will include the truck loading racks, valves and flanges, pump seals, vehicular activity, and power generation. A summary of project emissions from the tankering and pipeline scenarios is shown in Table 1-1.

As part of the tradeoff package required to conform to regional and state air quality regulations, Wickland plans to offset annual organic (hydrocarbon) emissions by a ratio of 1.8:1, and annual sulfur oxide emissions by a 1.2:1 ratio, as stipulated by the Bay Area Air Quality Management District.

The applicant plans to offset, and thus mitigate, the project's contribution to organic emissions in the air basin by reducing the organics emitted by the City of Paris dry cleaning operations in San Francisco, by converting two dry cleaning units from a Stoddard solvent system to machines using perchloroethylene. Wickland estimates that this action will result in hydrocarbon emissions reductions in the air basin in excess of the 1.8:1 ratio required by BAAQMD.

Sulfur dioxide (SO₂) is a primary pollutant which tends to impact near its source. Sulfur oxides emitted by the project are proposed to be offset by the purchase and shutdown of Virginia Chemicals, Inc., located at the Selby site, and by providing enough low sulfur fuel to non-project marine vessels or diesel motor vehicles for use in the Bay Area so as to satisfy the required 1.2:1 tradeoff ratio.

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Table 1-1: ESTIMATED MAXIMUM ANNUAL AND DAILY PROJECT EMISSIONS FOR TANKERING AND PIPELINE SCENARIOS³

Scenarios	Pollutants				
	HC	NO _x	SO _x ¹	CO	PM
100% Tankering ²					
Annual ³	82.6-83.4	55.1-59.0	43.0-50.2(73.6-86.7)	54.7-55.7	6.8-7.9
Daily ⁴	1,528.10	474.66	758.30(1461.70)	329.12	87.20
100% Pipeline					
Annual	54.80	46.77	21.07	53.82	3.95
Daily	300.27	256.21	115.44	294.90	21.62

¹ Assumes project tankers, as described in the proposed action, will burn 2.5% S fuel until after arrival and tie-up, when they will then burn 0.5% S fuel. A second set of emissions (in parentheses) assume tankers burn 2.5% S fuel throughout visit.

² Due to the lack of a dedicated tanker fleet, a range of marine emissions is presented. Tankers likely to call at the Wickland terminal will range in size from 16000 to 35000 DWT. Those emissions listed first reflect a 35000 DWT tanker fleet (61 annual tanker calls), while those listed second reflect a 16000 DWT tanker fleet (124 annual tanker calls).

³ Annual - units in tons/year

⁴ Daily - units in lbs/day

In assessing the net air quality benefit resulting from the trade-off package, pollutant modeling techniques were used. Although these modeling techniques predict an insignificant decrease in maximum ozone levels in the air basin, it can be concluded that if the estimated hydrocarbon reduction from the City of Paris Cleaners is in the required offset range, then a net reduction in regional hydrocarbon emissions would be realized. Further, it can be assumed that any reduction in regional organics emissions would positively affect air quality in the Bay Area.

The Wickland project as currently proposed is not anticipated to cause an exceedance of either the primary or secondary state or federal standards for any of the regulated pollutants. An analysis of several scenarios, including various transportation modes and meteorological conditions, indicates that under worst-case circumstances violations of specific standards may occur. This analysis provides a comparison of the impacts from the proposed action to a range of potential emissions and associated impacts.

Hydrology

The existing drainage system as the site will be altered appreciably by the project. The existing impoundment basin will be enlarged, and flow from the basin will be diverted around the tank farm. Runoff from the tank farm will be stored in a retaining basin and treated prior to discharge into the storm sewer. Considering the small size of the watershed and that there is no recognized use of this water, the impact

of the project on the hydrology of the area can be considered insignificant.

Biology

As a result of prior disturbance of the terrestrial site, the vegetation and wildlife habitat in the project area consists mainly of introduced weeds and ornamental grasses, forbs, shrubs and trees. Much of the site is barren. In contrast, the marine biological community is rich and diverse supporting several commercial fisheries and a large sport fishery.

The bay-delta region harbors eleven bird and two mammalian species classified as rare, endangered, or protected by the U.S. Fish and Wildlife Service and/or the California Department of Fish and Game. None of these, however, are expected to be significantly impacted by the proposed action.

Construction of the tank farm will permanently remove approximately 40 acres of vegetation. The impact of this action will be minimal, however, due to the nature of the existing vegetation which consists primarily of weeds and introduced species.

Some small mammals, amphibians, and reptiles will be lost directly as a result of terrestrial habitat destruction. Because of their abundance in the surrounding environment this impact is considered insignificant.

The white-tailed kite, a protected species, may have a nesting site currently in the project area. Other raptors on the endangered list will lose about 40 acres of hunting territory, an insignificant amount in consideration of the regional availability.

Dredging operations will have a direct effect on the aquatic environment. The loss of certain benthic organisms is inevitable; however, the impact will be short-term and minimal due to the limited amount of required dredging.

Mitigation of impacts on terrestrial vegetation can be effected by replanting of disturbed areas with native species. No mitigation, however, of the impact of dredging operations on the marine biota is available. Nevertheless, reestablishment of the benthic community will occur naturally over a relatively short period of time.

Social/Cultural

The proposed site is zoned by Contra Costa County for heavy industrial manufacturing and has been designated for water-related industry by the San Francisco Bay Conservation and Development Commission. Although the site conforms to the heavy industrial zoning designation by the Contra Costa Planning Department and the water-related industry requirement by BCDC, the proposed activities must conform with the Contra Costa County Land Use and Circulation Plan and BCDC's Bay Plan. The proposed action is in conformance with most of the pertinent guidelines and

requirements. One issue, however, which remains to be adequately resolved is that of public access. A major policy of the Bay Plan is the stipulation that "maximum feasible public access (to the bay), consistent with a proposed project", be provided. BCDC normally prefers complete public access along the shoreline. Wickland officials, however, maintain that because of potential safety hazards and land use conflicts, the project boundary shoreline is not capable of providing safe public access. Wickland and BCDC are currently negotiating several alternatives which would prove satisfactory to all parties.

Archaeology

A survey of the Wickland property was conducted by Mr. James Bard, who was recommended by Sonoma State University, a regional center of the California Office of Historic Preservation, to determine if any archaeological sites exist in the area where construction of the tank farm, pipeline and borrow pit are proposed. The area includes approximately 40 acres.

The proposed tank farm will be located in upper Torrey Village between Highway 80 and Highway 40 (see Figure 3-5). A record search, site survey, and test auguring up to a depth of 2.5 feet produced no indication of archaeological materials. A small, badly impacted midden and sub-surface structural foundations exist in lower Torrey Village. The significance of these remains is undetermined.

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In general, the results of the archaeological survey suggest that construction of the proposed action as currently planned can be given an archaeological clearance if specific, recommended stipulations are complied with.

Spill Analysis

Depending of the mix of tankers used, the project is expected to add 61 to 124 visitations per year to existing bay traffic (5.2 to 10.5 percent increase). This incremental increase will probably be reflected in the bays' annual spill volume statistics, but should not increase the risk of pollution-causing incidents significantly. P.C.I. risk should in fact decrease as progressively newer and larger vessels are used. Probability analysis suggests 5.9 pollution-causing incidents per year for transport and terminal operations involving T-2 size vessels and an annual volume of 93 bbls. For 35000 DWT vessels the analysis suggests 4.1 pollution-causing incidents and an annual volume of 76 bbls.

Based on examination of a variety of accidental and operational spill scenarios, the following summations can be made regarding environmental impacts. Gasoline spills present significant fire and public safety hazards. Even for catastrophic spills, the duration of the threat, however, is very limited. Due to the high evaporation rate of gasoline, other impacts are primarily associated with elevated (although short-term) air pollution loadings. Spills of diesel fuel, on the other hand, may result in significant ecologic effects, if sizeable quantities

impact wetlands or areas of limited circulation where toxic concentrations may develop. Significant impacts will probably not occur in open water areas or disturbed or chronically polluted shorelines. Operational diesel spills from the marine terminal can be largely recovered and are not expected to result in measureable environmental effects. Other than tank truck distribution of product, any other spills associated with the facility will be onsite and present only a minimal environmental threat.

The existing oil spill contingency plan is inadequate to ensure the best practical protection of the environment from spills. Improvement of the plan is recommended. Membership in the local oil spill cooperative, Clean Bay, is recommended, as is the provision of certain oil spill equipment at the marine terminal.

1.3 ALTERNATIVES

Alternative Sites

Wickland Oil Company evaluated eleven alternative sites in the Bay Area. These sites, plus a number of sites whose feasibility for use as a marine terminal was studied by the Bay Conservation and Development Commission, were analyzed for environmental suitability. None was found to be substantially better than the Selby site, and of those evaluated by Wickland, many were eliminated by the company due to economic and/or technological considerations.

Alternative Configurations of the Selby Site

Two onsite alternative locations for the wharf facilities and the tank farm were evaluated by Wickland Oil Company. Both locations for the alternative wharf were considered to be environmentally more damaging than the proposed location because of greater construction dredging requirements and the need for annual maintenance dredging.

Of the two alternative sites for the location of the tank farm, the one located on the barren ground which was previously the site of smelter operations, is considered marginally environmentally more suitable with respect to terrestrial biology.

No Project Alternative

Abandonment of the proposed action could have the impact of limiting the applicant to purchasing supplies from local producers. As gasoline continues to be in greater demand and assurance of supply becomes increasingly tenuous, a no project alternative would deny Wickland the security of a broad-based market for their supply of fuel.