MINUTE ITEM

This Calendar Item No. C53 was approved as Minute Item No. 53 by the California State Lands Commission by a vote of 3 to 0 at its 10/20/03 meeting.

CALENDAR ITEM
C53

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D. Brown, A. Cueva, C. Oggins

REQUEST AUTHORITY FOR EXECUTIVE OFFICER TO SOLICIT PROPOSALS FOR CONSULTANT SERVICES, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE NECESSARY AGREEMENTS TO PREPARE THE ENVIRONMENTAL DOCUMENTATION REQUIRED FOR THE FUTURE CONSIDERATION OF THE PROPOSED CRYSTAL ENERGY PLATFORM GRACE LIQUEFIED NATURAL GAS IMPORT TERMINAL AND ASSOCIATED OFFSHORE AND ONSHORE FACILITIES

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

BACKGROUND:

The California State Lands Commission (CSLC) and U.S. Coast Guard (USCG) anticipate receiving an application in December 2003 from Crystal Energy, LLC for an offshore facility to import and regasify Liquefied Natural Gas (LNG), plus related offshore and onshore facilities. The CSLC will be the State lead agency pursuant to the California Environmental Quality Act (CEQA); the USCG will be the federal lead agency pursuant to the National Environmental Policy Act (NEPA) and in accordance with the Maritime Transportation Security Act of 2002, which amended the Deepwater Port Act of 1974 (33 USC §§ 1501-1524).

The proposed project would consist of: (1) the conversion to an import and regasification terminal of Venoco Platform Grace, which is located at a 318-foot water depth in federal waters, 10.5 miles offshore of Ventura County; and (2) a 24-inch to 30-inch diameter pipeline to transport natural gas from the platform to a landfall near the Mandalay Power Generation Station in Oxnard, and then to a junction point at a Southern California Gas (SoCalGas) terrestrial pipeline located near Center Road in Rancho Santa Clara near Camarillo. The pipeline from the platform will reach shore underground, as it will be buried, using horizontal directional drilling (HDD) technology.

PROPOSED ACTIVITY:

Consideration of a proposed pipeline on State Lands as part of an offshore LNG Import Terminal will require environmental documentation, including monitoring, in accordance with the CEQA. The Executive Officer requests delegation of authority to engage a consultant for this purpose.

Consultant selection shall be conducted consistent with procedures as specified in CSLC Regulations and in the State Contracting Manual on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All costs shall be recovered from the project applicant.

The Executive Officer also requests delegation of authority to enter into Memoranda of Agreement (MOAs), Memoranda of Understanding (MOUs), or other interagency agreements with the USCG and other applicable federal, State, and local agencies to govern how the joint environmental documentation is prepared by the CSLC and the USCG.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

   Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

2. Approval of this item by the Commission does not constitute approval of the proposed lease; it only authorizes consultant contracts for environmental review.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code Section 6106 (Delegation to execute written instruments)
B. State Contracts Manual Section 11.00 (A & E method)
C. Public Contract Code Section 6106
D. Government Code Section 4526
E. California Administrative Code Title 2 Article 13 Section 2980.0 - 2990.0

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL CODE REGS. 15060(c)(3) BECAUSE THESE ACTIVITIES ARE NOT PROJECTS AS

DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL CODE REGS. 15378.

2. FIND THAT THE SELECTION OF CONSULTANTS UNDER THIS PROCESS DOES NOT AFFECT SMALL BUSINESSES AS DEFINED IN GOVERNMENT CODE SECTION 11342, SUB. (H), BECAUSE THEY WILL BE ACCORDED EQUAL OPPORTUNITY TO SUBMIT STATEMENTS OF QUALIFICATIONS AND PERFORMANCE DATA.

3. FIND THAT THE SELECTION OF CONSULTANTS UNDER THIS PROCESS FOR PROFESSIONAL SERVICES OF ARCHITECTURAL, LANDSCAPE ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LAND SURVEYING OR CONSTRUCTION PROJECT MANAGEMENT SERVICES WILL BE CONSISTENT WITH PROCEDURES AND POLICIES ADOPTED BY THE COMMISSION AS SPECIFIED IN GOVERNMENT CODE SECTION 4526 AND TITLE 2, CALIFORNIA CODE OF REGULATIONS 2980 –2980.9.

4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT PROPOSALS, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE CONTRACT IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.

5. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO MEMORANDA OF AGREEMENT, MEMORANDA OF UNDERSTANDING, OR OTHER INTERAGENCY AGREEMENTS WITH THE U.S. COAST GUARD AND OTHER APPLICABLE FEDERAL, STATE, AND LOCAL AGENCIES IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES.

6. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO ENTER INTO AN AGREEMENT WITH THE PROJECT APPLICANT TO RECOVER COSTS INCURRED IN THE PROCESSING AND CONSIDERATION OF THIS PROJECT.