

MEETING
STATE OF CALIFORNIA
LANDS COMMISSION

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SACRAMENTO, CALIFORNIA

MONDAY, NOVEMBER 16, 2009
1:04 P.M.

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LICENSE NUMBER 12277

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APPEARANCES

BOARD MEMBERS

Ms. Mona Pasquil, Acting Lieutenant Governor

Mr. John Chiang, State Controller, also represented by Ms.
Marcy Jo Mandel, Deputy State Controller

Mr. Michael Genest, Director of Finance, represented by
Mr. Tom Sheehy

STAFF

Mr. Paul Thayer, Executive Officer

Mr. Curtis Fossum, Chief Counsel

Ms. Kimberly Lunetta, Executive Assistant

ATTORNEY GENERAL'S OFFICE

Mr. Joseph Rusconi, Deputy Attorney General

STAFF

Ms. Ninette Lee, Public Land Management Specialist, Land
Management Division

Ms. Crystal Spurr, Staff Environmental Scientist, Division
of Environmental Planning and Management

ALSO PRESENT

Mr. Kenneth Denio, President, D.F. Properties

Ms. Barbara Dibble, landowner

Mr. Bill Dibble, landowner

Mr. Matt Friedman, Trustee, Center Joint Unified School
District

APPEARANCES

ALSO PRESENT

Mr. Scott Grapp, PG&E

Ms. Elizabeth Hearey, Center Joint Unified School District

Mr. Patrick Markham, Bonnie and Howard Lopez

Mr. Steve Mathieu, CEO, AGP Video

Mr. Norepaul Mouaryang, landowner

Ms. Alisa J. Stephens, landowner, Mast Farm

Mr. Tim Taron, Placer Vineyards and Sierra Vista

Mr. Paul Thompson, Deputy Planning Director, Placer County

Mr. Donald E. Wilson, Board President, Center Joint
Unified School District

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Consider certification of an Environmental Impact Report (CSLC EIR No. 740 and SCH No. 2007 062091) for the construction of a natural gas transmission pipeline project that would cross Yolo, Sutter, Sacramento, and Placer counties and an application for a General Lease - Right-of-way Use, of sovereign lands for the construction, use, operation, and maintenance of a natural gas pipeline crossing the Sacramento River, adjacent to Sutter County Assessor Parcel Number 35-330-020 and Yolo County Assessor Parcel Number 057-050-03, north of the city of Woodland, Sutter, and Yolo Counties. (W 26210; RA# 19806) (A 2,5,8;S 4,5,6)	
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PROCEEDINGS

CHAIRPERSON PASQUIL: Good afternoon. I call this meeting of the State Lands Commission to order.

All the representatives of the Commission are present.

I'm Mona Pasquil, the Chief Deputy in the Lieutenant Governor's office. And I'm joined today by State Controller John Chiang; and Tom Sheehy, Chief Deputy Director of the Department of Finance.

For the first order of business, I'm requesting Commissioner Sheehy take the gavel so I may make a motion.

ACTING COMMISSION MEMBER SHEEHY: Thank you.

Is there a motion?

CHAIRPERSON PASQUIL: In deference to Controller Chiang, I move that the Controller take over the position of Chair until the first Commission meeting in 2010, at which time the prior Commission action regarding the Chair shall take effect and continue and the Controller will continue as Chair for the remainder of the year.

ACTING COMMISSION MEMBER SHEEHY: Is there a second to that motion?

COMMISSION MEMBER CHIANG: I'll second it.

ACTING COMMISSION MEMBER SHEEHY: We have a motion and a second.

Is there any public comment on this matter?

Seeing none, all in favor, aye.

(Ayes)

ACTING COMMISSION MEMBER SHEEHY: Any opposed?

Hearing none, your motion carries.

COMMISSION MEMBER PASQUIL: Thank you.

CHAIRPERSON CHIANG: Thank you very much.

For benefit of those in the audience, the State Lands Commission administers property interests owned by the State, including its mineral interests. Today, we will hear proposals concerning the leasing and management of these public property interests.

This meeting is a single subject meeting for the PG&E proposed pipeline project, which was originally on the Commission's August agenda. As our August meeting was in Los Angeles, some interested parties asked if the item could instead be heard in Sacramento due to the location of the proposed project. And that is why we are here today.

This project has been in process for over two years with several local public hearings and workshops.

That said, we are also happy to take public comment on other matters during the public comment period before we end today's meeting. The public comment period is always available at any Commission meeting, and it is

our practice to show that on our agenda. Though inadvertently not shown on the agenda as originally released, staff did add a specific item for public comment as soon as we learned of the oversight. Speakers will have three minutes as usual.

The first item of business will be the adoption of the minutes from the Commission's last meeting.

Is there a motion?

ACTING COMMISSION MEMBER SHEEHY: Move approval.

CHAIRPERSON CHIANG: We have a motion by Mr. Sheehy.

COMMISSION MEMBER PASQUIL: Second.

CHAIRPERSON CHIANG: Second by Acting Lieutenant Governor Pasquil.

Is there any objection?

Without objection, the motion passes.

The next order of business is the Executive Officer's report.

Paul, may we have that report, please?

EXECUTIVE OFFICER THAYER: Certainly. I just wanted to update the Commission on some of the matters that were discussed at the last meeting, in particular with respect to the Tahoe property owners and the problems with public access there.

Commission staff has, at the direction of the

Commission, sent a letter to the property owners advising them of what sort of activities the public is allowed to engage in in the public trust easement area. So that matter has been clarified.

We have been meeting with the AG's office to pursue the restraining order, which the Commission directed that we obtain. This is going to take a little more work than we originally thought. But we are diligently pursuing that, and we hope to have something filed by the next Commission meeting. Parenthetically, of course, we're in a period of time when there is very little public use of the shoreline. It's supposed to be available to anybody at any time of the year, but there's less up there right now.

I also wanted to report that with respect to the enforcement items -- just an update -- that John Asuncion, who manages the Blue Whale Sailing School in the south bay in San Francisco, has now been served. And BCDC has also taken action on his violations.

Our concern specifically is he has some improvements, some fill and some docks, on State lands for which he has no lease. These same activities were accomplished without a permit from the Bay Conservation Development Commission. And that entity has now found him in violation and ordered him to either file an application

by March, complete application for these activities, or to remove them.

Finally, I wanted to discuss a matter which is beginning to get in the press. This has to do with the killing of a blue whale off of the north coast last month. As it turns out that a surveying ship that was out there making a map of the ocean bottom, I think as a result of contract with the Federal/National Oceanic and Atmospheric Administration, but in corporation with the Ocean Protection Council that this mapping was being undertaken. This kind of activity requires a permit from the State Lands Commission. And, in fact, Fugro, the contractor, had such a permit from us. However, that permit requires that there be a marine life observer on the ship.

And our understanding, in talking with NOAA, is that no such observer was on the ship when this collision occurred. And, of course, one of the reasons for having this observer there is to prevent conflicts with whales and other marine mammals.

So we are pursuing this with great diligence. This is a very serious matter. And I expect to have more details for the Commission at its next hearing in December.

But in addition to the permit requiring that an observer be on board, the permit requires the applicant to

file a report within 30 days should some incident occur. And that 30 days will be up at the end of this week. And so we're conducting our own investigation, but we also want to see what sort of rationale Fugro is going to bring to this incident. And it may very well be -- I don't want to prejudge it -- but if, in fact, there was no observer and that becomes the most germane fact, we may bring this matter back to the Commission in December for enforcement action. We could revoke the permit.

Interestingly enough, this was not a violation we contemplated when we brought the recommended legislation to the Commission for next year for its review as to whether or not it wanted to sponsor the different measures that Mario outlined at the last meeting, but would fit squarely within the ambit of one of the enforcement bills that Mario raised, which was that fines could be administratively imposed on a per-day basis. And so if Fugro has not had observers out there, then they're in violation not just for what happened to the whale, but for each day that they haven't had an observer out there because, of course, the same thing could have happened on any of the other days.

Finally, on that particular subject, I'd note we are sending a letter to Fugro telling them we want to see substantiation from henceforth that an observer is on

board. And, again, not knowing what the Commission might do at a future meeting with its permit, but during the interim, we want to make sure this sort of thing doesn't happen again. So we're taking steps to prevent that.

Unless there's any questions --

CHAIRPERSON CHIANG: Tom.

ACTING COMMISSION MEMBER SHEEHY: Thank you, Mr. Chairman.

So what was the nature of the permit?

EXECUTIVE OFFICER THAYER: They were doing this low-energy surveying where they were, in effect, sounding something like sonar to map the ocean floor. And this is a big project that the Ocean Protection Council is doing. It's sort of baseline data that's necessary to properly monitor and protect California's coast. So they were in the middle of one of those surveys.

ACTING COMMISSION MEMBER SHEEHY: And why does such a survey require a State Lands permit?

EXECUTIVE OFFICER THAYER: It's activity in essence over State property. It characterizes our land.

We normally do not require payment for these permits. But because this activity is occurring on our land and some of the more intensive energy surveys that have been done in the past had physical impacts to marine life and that sort of thing and we've generally said,

"Okay. If you want to do that in the future, you need an EIR." So far, no company has stepped up to do the EIR.

So presently the level of surveys are these low-energy surveys. We don't charge for them, but we also require that any data that's developed be made available to the Commission if we want to use it for whatever purpose.

ACTING COMMISSION MEMBER SHEEHY: So is it because it's a commercial use in State tidelands it requires a permit? Because not -- I mean, like a fishing boat that goes out in State tidelands the first three miles doesn't require a permit, does it?

EXECUTIVE OFFICER THAYER: No.

ACTING COMMISSION MEMBER SHEEHY: I'm trying to get my arms around -- first of all, obviously, if they're in violation of their permit, of course that's of great concern. But I'm trying to understand the nature of the permit. So why does this type of entity require a permit?

EXECUTIVE OFFICER THAYER: I think, again, the practice started when there was much more intensive surveying being done with greater physical impacts. And so to assure that that wouldn't happen, we require permits for those kinds of surveys and specify only this lower energy be used.

ACTING COMMISSION MEMBER SHEEHY: I see. Thank

you, Mr. Thayer. That's fine.

EXECUTIVE OFFICER THAYER: We were actually challenged in court over our EIR requirement and thanks to the AG's defense won that case.

And that concludes the Executive Officer's report.

CHAIRPERSON CHIANG: Is there any additional action we can take in view of the fact that the whale was killed?

EXECUTIVE OFFICER THAYER: Not at today's meeting, because we didn't know of the absence of an observer until after the notice went out on this. So we don't have it noticed for any action and therefore can't really act. We need more information before we figure out what the best approach is going to be.

But certainly when we have that information, again one of the potential courses of action the Commission can take is to revoke that permit. And so we will be bringing this back to the Commission for whatever action the Commission wants to take with as much information as we can get together on that.

CHAIRPERSON CHIANG: Very good. Thank you.
Okay.

Since there are no items on the consent calendar, let's move to the regular agenda, which is V on the public

agenda. Item one is to consider certification of an Environmental Impact Report for the construction of a natural gas transmission pipeline project that would cross Yolo, Sutter, Sacramento, and Placer Counties and an application for a general lease, right-of-way use, of sovereign lands for the pipeline crossing the Sacramento River.

Paul, may we have the staff present, please?

EXECUTIVE OFFICER THAYER: Yes. We're going to have two separate reports: One from Ninette Lee from our Land Management Division who worked on the lease itself; the other one from Crystal Spurr from our Environmental Unit where I think most of the discussion is going to be focused today, who coordinated the Environmental Impact Report presentation.

PUBLIC LAND MANAGEMENT SPECIALIST LEE: Good afternoon, Commissioners.

My name is Ninette Lee, and I'm a staff member at the Commission's Land Management Division.

Today's presentation by staff for the application will provide an overview for the PG&E line 406/407 natural gas pipeline project and the environmental process leading to the revised final Environmental Impact Report, as well as the application submitted by PG&E for the portion of the project that would cross sovereign lands under the

Commission's jurisdiction.

I will be providing you with information regarding the proposed right-of-way lease associated with the proposed project.

PG&E has submitted an application to the Commission for use of State sovereign lands for the construction, use, operation, and maintenance of a 30-inch diameter natural gas pipeline that is proposed to cross the Sacramento River in Sutter and Yolo Counties.

The slide shown on the screen shows the crossing in the lower frame, and it's also shown on the large exhibit. The red arrow points right to the crossing.

The pipeline is a part of the overall project that involves the construction of lines 406 and 407 and a new distribution feeder beginning in Yolo County north of Esparto and continuing east to the city of Roseville.

Lines 406 and 407 will provide greater capacity to deliver reliable natural gas service to existing customers within the Sacramento Valley region and will also extend service to planned development in the region.

A combination of construction techniques will be used to install the new pipeline including: conventional trenching; horizontal directional drilling, HDD; and conventional boring techniques.

The Sacramento River crossing will be completed

using HDD construction methods for approximately 1400 feet in length and at a minimum depth of 60 feet beneath the bed of the river.

The proposed lease area is the 50-foot wide right-of-way that is approximately 550 feet long. The lease contains various provisions as to how the pipeline will be constructed and maintained during the lease term and also includes provisions requiring the pipeline to be constructed and tested to meet or exceed U.S. Department of Transportation construction and safety standards which are intended to protect the public and to prevent natural gas facility accidents and failures and compliance with the hazardous spill prevention and contingency plan.

Once constructed, the pipeline must be operated, inspected, and maintained in accordance with all applicable federal and State regulations.

As the lead agency under the California Environmental Quality Act, the Commission has the responsibility of ensuring that the applicant will comply with the mitigation monitoring and reporting programs for the entire project.

The proposed lease contains language that acknowledges the Commission's authority to monitor and enforce the mitigation monitoring program and include specific requirements outlined in the mitigation measures.

The lease also contains specific provisions that outline the level of Commission staff involvement in the engineering review, construction, operation, maintenance, and inspection process beginning at the design pre-construction phase through the post-construction operational phase of the pipeline.

In addition, the lease requires PG&E to provide financial responsibility based on the scope of the project, which includes the following:

Liability insurance coverage of no less than \$10 million;

A lease performance bond in the amount of \$50,000;

A construction performance bond, which needs to be submitted prior to the start of construction in an amount equal to the construction costs for the portion of the pipeline that cross sovereign lands;

And a performance bond in the amount of \$400,000 as security for the construction mitigation monitoring program for the project.

In summary, you have before you the action to consider the issuance of a general lease right-of-way use to PG&E for the construction, use, operation, and maintenance of the portion of the pipeline that would cross State sovereign lands located in the Sacramento

River.

Crystal Spurr of the Commission's Environmental Planning and Management Division will provide you with an overview of the environmental process leading to the revised final Environmental Impact Report and the actions to be considered under the California Environmental Quality Act.

Commission staff as well as representatives from PG&E are available to answer any questions you may have. Thank you.

CHAIRPERSON CHIANG: Thank you.

(Thereupon an overhead presentation was presented as follows.)

STAFF ENVIRONMENTAL SPECIALIST SPURR: Good afternoon, Commission.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: And I'm Crystal Spurr, Staff Environmental Scientist with the Division of Environmental Planning and Management.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: I'm here to give you a brief overview of the proposed PG&E line 406/407 natural gas pipeline project and the Environmental Impact Report that was prepared for the project.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: This gives you an overview of the pipeline. There is a 30-inch natural gas pipeline running from -- as Ninette pointed out -- from an area in Yolo County north of Esparto to the city of Roseville. And then there is a ten-inch distribution feeder main that runs north and south through a portion of Sutter County and a portion of Sacramento County.

The proposed project consists of the construction and operation of approximately 40 miles of pipeline and six above-ground facilities in Yolo County, Sacramento, and Sutter, and Placer County.

The pipeline would be designed at a maximum level of operating pressure of 975 pounds per square inch gauge. The pipeline wall thickness varies from .375 inch to .635 inch, depending on the class where the pipeline is located.

There are three different segments of pipeline. And the first segment is called line 406, and it's approximately 40 miles of the 30-inch pipeline in Yolo County. Then there's Line 407, which is approximately 25 miles of 30-inch pipeline that extends through Sutter and Placer Counties to the city of Roseville. And then we've got the distribution feeder main which is approximately 2.5 miles of ten-inch pipeline.

The six fenced above-ground pressure limiting, pressure regulating, metering, and main line valve stations would be constructed along the entire project alignment. And they would ensure the proper pressures are maintained in the transmission system to reduce the pressure of the gas before delivering it to the distribution pipeline system.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: Here is showing the locations of the stations. They're in blue. There are six of them. And then there's one existing shown there at the eastern end and near the city of Roseville.

The land requirements for the entire project include a 100-foot wide temporary easement area used for construction, trenching, soil storage, installation, testing, and backfill. Within that 100-foot wide temporary easement is a 50-foot wide permanent easement that would remain to allow maintenance of the pipeline.

The permanent easement would prohibit the planting of deep-rooted plants, such as trees and vines, within ten feet of the pipeline center line. That's a 20-foot wide stretch of the permanent easement that would prohibit the planting of deep-rooted crops such as orchards and vineyards. But other types of crops, such as

row crops and field crops, could continue to be planted within the 20-foot easement on top of the pipeline.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: I'm going to go through --

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STAFF ENVIRONMENTAL SPECIALIST SPURR: -- the aerial photographs. This is types of land uses along the project pipeline.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: And that's the distribution feeder main.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: Now I'm going to give you an overview of the Environmental Impact Report.

During the preparation of the EIR for this project, we followed the CEQA requirements. We mailed and placed in three newspapers all required notices. We held scoping meetings. We had a 45-day public review period on the draft EIR. We held public meetings to hear comments on the draft EIR. We then prepared and released a revised final EIR for public review on October 30th, 2009, for 15

days prior to this Commission meeting.

The EIR provides analysis of the proposed project's impacts on 14 resource areas. The impacts were found in nine of the resource areas, and they're listed there. I'm not going to read them.

We also looked at environmental justice and cumulative effects. Technical studies and data supporting analysis are included as appendices to the EIR.

We received 25 comment letters on the draft EIR. We then received eleven late comment letters from local agencies, special districts, development groups, and landowner. Thirteen landowner provided comments on the draft EIR during our public review meetings held in Roseville and Woodland. Concerns raised in the letters and public meetings included: Land use issues regarding farmland; risk of upset of the pipeline near planned developments and schools; potential conflicts with water wells and irrigation systems; potential conflicts with other utilities and permanent easements; adverse impacts to Swainson's Hawk and other avian species; authority of the CDFG regarding biological impacts of the project, and to make sure that we looked at alternatives to the project.

All these issues were addressed in the revised final EIR, which included the comment letters and

responses to those comments and any revisions that we made to the draft EIR.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: Project mitigation, we looked at the project mitigation through three different avenues: Through project design, the applicant proposed measures, and mitigation measures. I'm going to go through some of the design features that were included as part of the project to reduce the project impacts.

Potential biological impacts were reduced through giant garter snake and Swainson's Hawk avoidance using construction timing, utilization of the HDD, or horizontal directional drilling, technologies to cross beneath larger waterways, wetlands, and vernal pools.

The potential risk of upset hazards were reduced through increasing pipeline wall thickness beyond the regulations in order to add strength to the pipeline, welding all pipeline sections together without ends overlapping, performing radiographic inspections of wells, corrosion monitoring, and inspections testing pipeline leak surveys were also included in the discussion.

Pipeline regulations require three feet of soil cover. And the project as proposed would install the pipeline with five feet of soil cover. This would provide

increased protection from third-party damage. Five feet should be sufficient to eliminate threats from most agricultural operations. Excavations in excess of this depth present additional construction challenges due to the need for trench benching and shoring, bring in OSHA standards for worker entry.

We received a comment letter during the draft EIR review period from the Yolo County Farm Bureau, which states, "We appreciate that PG&E has decided to bury the pipeline under five feet of dirt. This provides safety for agricultural operations above the pipeline."

This letter supports the position that five feet of soil cover is adequate for most farming operations. But, again, that would not include the deep rooted crops, such as trees and vines.

There were measures for temporary loss of agricultural uses also included in the project description. Top soil and sub-soil would be stockpiled separately and replaced after backfill. All work areas would be graded and restored to pre-construction contours within days of trench backfilling. Soils would be decompacted and receded by PG&E in accordance with the landowner' requests. Following restoration, the agricultural production could resume.

The next avenue that we looked at were applicant

proposed measures, and these are measures implemented by PG&E to avoid environmental impacts during construction and operation. These measures are included in the mitigation monitoring program so we can monitor them and make sure they are implemented.

When the project design features and the applicant proposed measures weren't adequate to address the impacts of the project, then we required additional mitigation measures. The majority of the significant impacts were mitigated to less than significant through project design features, the applicant proposed measures, and additional mitigation measures provided in the revised final EIR.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: I'm going to go through a little bit about why we needed to revise the final EIR.

We originally prepared a final EIR and released it for public review on July 27th, 2009. After release of the final EIR, we realized that the risk analysis had aggregate risk incorrectly reported as individual risk.

We prepared the revised final EIR and released it for public review in order to provide the agencies and public details regarding the clarifications made to the risk analysis. This revised final EIR supercedes and

replaces the final EIR that was previously released for public review in July 2009.

The earlier version of the risk assessment that was completed for the proposed project included risk measurement terminology that was not defined in the document, and this has resulted in some confusion. The aggregate risk was presented in the risk assessment erroneously as individual risk. Therefore, the draft EIR incorrectly compared the calculated aggregated risk to the threshold for individual risk.

I'm going to define both individual risk and aggregate risk. The individual risk relates to the risk to an individual at a specific location. And this is what most people want to know. They want to know, I live here. I work here. I go to school here. And what is the risk to me from the pipeline.

Individual risk is defined as the frequency that an individual may be expected to sustain a certain level of harm from the realization of specific hazards at a specific location within a specified time interval. The risk level is typically determined for maximally exposed individuals, and that would be someone located directly over the pipeline, and that they're present continuously 24 hours per day, 365 days per year.

The aggregate risk represents the anticipated

annual likelihood of fatalities from all of the project components combined, which includes approximately 40 miles of pipeline and six stations. Aggregate risk has no known thresholds and is not used in practice to determine individual risk.

The draft EIR did correctly state a commonly accepted individual risk threshold is an annual likelihood of fatality of one in one million. This threshold is used by the California Department of Education in their school siting analyses. And they calculate individual risk and they apply it to this threshold.

When we did the calculations for the revised final EIR, all the risk associated with all of the pipeline components were less than the threshold of one in one million. Therefore, the risk is considered to be less than significant. Even though the project risk of upset impacts are less than significant, we included mitigation measures to further reduce the risks of project upset because of the school sites and developments along the pipeline.

Those mitigation measures are post-construction inspections locate any construction-related dents, baseline internal inspection with a high resolution instrument within the first six months of placing the pipeline into operation, internal inspections at a minimum

of every seven years after the baseline inspection to look for corrosion or defects, the installation of automatic shut-down valves at all six stations, and coordinating with local agencies regarding the horizontal and vertical clearances required between utility crossings and the pipeline.

Just to give you an idea of the risk that was calculated, line 406 pre-mitigation individual risk is one in 2,137,000. And after mitigation it reduced the risk to approximately 50 percent of that, which is one in 4,274,000. For Line 407, the individual risk is one in 2,062,000 pre-mitigation. And post mitigation, the individual risk is one in 4,115,000. The line DFM pre-mitigation individual risk is one in 4,255,000. And post mitigation, individual risk is one in 8,475,000.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: While most of the impacts associated with the project were mitigated to less than significant levels, the EIR did identify two Class 1 impacts related to construction air quality. And both of these impacts relate to reactive organic gases. Reactive organic gases and oxides of nitrogen, which are NOx, are ozone precursors that react in the atmosphere in the presence of sunlight to form ozone. That's why they're important emissions.

The two significant and unavoidable impacts after implementation of all feasible mitigation are:

Construction of the project would result in an exceedance of significance thresholds for ROG as established by local air pollution control districts, and therefore the exceedance of ROG thresholds would result in construction emissions and substantially contribute to exceedance of state and federal ambient air quality standards.

We did have four mitigation measures to reduce these air emissions. NOx was reduced to less than significant, but ROG was not. Therefore, these impacts would be significant.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: These are kind of hard to see, but these were alternatives considered and eliminated from full evaluation. And I'm going to briefly go through these to tell you why we eliminated them from the evaluation.

Line 406/407 northern alternative, which is the green alternative, it is longer than the proposed project by approximately 11 miles. Was eliminated due to increased biological impacts, increased agricultural impacts, more water crossings, and increased seismic fault issues to the Dunnigan Hills area.

Line 407 central alternative, which is the red,

is two miles longer than the proposed project. It was eliminated due to increased biological impacts, increased seismic fault issues to the Dunnigan Hills issues.

Line 407 southern alternative is purple. Would include more water crossings, including Steelhead Creek and Cache Creek. It was eliminated due to increased biological impacts, increased risk to people due to being constructed through the suburban communities of north Natomas and Elverta.

And then there is one that's not on here called the systems facility alternative, which would consist of 15 separate projects, installing multiple smaller diameter pipelines.

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STAFF ENVIRONMENTAL SPECIALIST SPURR: These are route options that were analyzed in the EIR. We analyzed the no project alternative as well as twelve route options. What we did was took a segment of the pipeline, and that's where the option would differ from the segment.

Well, the impacts of the proposed project would not be associated with the no project alternative. The no project alternative would not meet the project objectives. Continued growth in Yolo, Sutter, and Sacramento Counties would put further strain on existing natural gas infrastructure and could result in emergency restriction

or interruption of services if the proposed project is not constructed.

I'm going to briefly go through all of those twelve options. As I said before, each option represented a particular segment of the alignment that differed in location from the proposed project. And by looking at these different route options, we attempted to reduce some of the impacts of the proposed options. None of these route options did eliminate or reduce to less than significant the Class 1 construction air quality impacts.

There are trade-offs with each option as compared to the proposed routes. The magnitude of some of the impacts were reduced while some remain the same or were made worse.

Options A and B, which are red and blue, run along the same alignment for a certain period of time and then they break off.

Option A, which is red, increases the length of the pipeline by 2,200 feet. Option B increases the length of the pipeline by 2,240 feet. These options would extend through the edges of many agricultural fields, increasing the magnitude of impacts to agricultural lands due to the increased length, including existing vineyards and orchards along those roads. They would result in a reduction of magnitude of some of the temporary

construction impacts.

Both of these options would place the pipeline in close proximity to Durst organic farms, potentially creating a new high consequence area because of the number of employees and the number of dates they would be working near the pipeline. It would fall within this area that was calculated called the high consequence area.

And we calculate an area based on U.S. Department of Transportation requirements, and that area was calculated to be 646 feet from the pipeline. There is a radius that shows where most of the people would be at risk if they congregated.

Option C, which is dark green, increases the length of the pipeline by 1,150 feet. It would move the pipeline from the middle of agricultural fields to the edges of those same fields. It would increase the number of trees impacted. There would be no reduction in magnitude of any impacts.

Option D, which is light green, increases the length of the pipeline by 860 feet. This again would move the pipeline from the middle of agricultural fields to the edges of those fields along County Road 17. It would increase the number of trees impacted and move the pipeline closer to residences along the road. There would be no reduction in the magnitude of any of the impacts.

Option E, which is yellow, increases the length of the pipeline by 3,480 feet. It would move the pipeline from the middle of agricultural fields to the edges of the agricultural lands across the street along County Road 19. This would increase the number of trees impacted and result in impacts to existing orchard across the street, and move the pipeline closer to some of the residences along the road.

Alternative F is maroon. It would not alter the length of the pipeline. Would reduce the magnitude of impacts to trees. But would increase magnitude of impacts to biological resources by bordering and drainage with adjacent wetlands.

Option G would not alter the length of the pipeline but would move the pipeline from the middle of an agricultural field to the edge of that field. It would increase the number of trees impacted and move the pipeline closer to one residence.

Option H is gold. It would move the pipeline in a more direct route through the Yolo bypass, but would result in greater impacts to biological resources.

Options I, J, K, and L on the eastern end in Placer County were considered due to potential land use conflicts associated with school siting requirements that require school districts to perform a risk analysis when

the school site is located within 1500 feet of an easement for an underground pipeline.

The Center Joint Unified School District has two planned schools near the pipeline. The risk analysis that was completed for the proposed project indicates the impacts are very minor distances, 800 to 1,000 feet or greater. At that distance from the pipeline, the consequences from a potential fire or explosion are not expected to result in any injuries.

Option I, which is turquoise, runs the pipeline through agricultural fields approximately 1,550 feet from the planned high school site to move the pipeline out of the California Department of Education study zone, 1500-foot study zone.

Option J is pink, and it routes the pipeline 2,600 feet from the planned high school site but moves the pipeline close to several residences.

Option K runs the pipeline 150 feet into land that includes a wetland, vernal pool, and giant garter snake habitat. This option would move the pipeline 1,550 feet from the planned elementary school which is proposed to be located approximately 1,400 feet from the pipeline.

Option L would place the pipeline within the proposed alignment for Line 407, but would be located within the 1500-foot Department of Education study zone

for the planned elementary school. This option would use the extension of a planned HDD to place the pipeline at a depth of 35 feet to reduce the risk of third-party damage. With this option, PG&E has proposed to jointly develop a risk analysis with the school district to determine if there would be any pipeline impacts to the school.

--o0o--

STAFF ENVIRONMENTAL SPECIALIST SPURR: Staff recommends approval of the environmentally superior alternative which includes the proposed project as modified by Options I and L. This would increase safety to the two nearby planned schools within the Center Joint Unified School District.

--o0o--

STAFF ENVIRONMENTAL SPECIALIST SPURR: Here's Option I, which routes it 1,550 feet from the planned high school site that's supposed to be located on the south side of the road.

--o0o--

STAFF ENVIRONMENTAL SPECIALIST SPURR: This is Option L, which would just extend an existing HDD, but increase the cover of the pipeline to 35 feet to reduce third-party incidents.

--o0o--

STAFF ENVIRONMENTAL SPECIALIST SPURR: These are

the Commission actions that you have before you.

Staff recommends the following actions: Certify the revised final EIR; adopt the mitigation monitoring program which is Exhibit C to the calendar item; adopt the findings for each of the impacts of the project, Exhibit D to the calendar item; adopt the statement of overriding considerations for the significant and unavoidable construction air quality impacts, which is Exhibit E to the calendar item; approve the environmentally superior alternative as modified by Options I and L, and issue a general lease right-of-way use to PG&E for the construction, use, operation, and maintenance of the portion of the pipeline that will cross State sovereign lands located in the Sacramento River.

That ends my presentation. And I'm available to answer any questions.

CHAIRPERSON CHIANG: Tom.

ACTING COMMISSION MEMBER SHEEHY: Thank you very much for the oral presentation.

What is the legal authority? I'm sure there must be something in the code for utilities when they need general right-of-ways to go across the farmlands. How does that work?

EXECUTIVE OFFICER THAYER: Across the State lands?

ACTING COMMISSION MEMBER SHEEHY: No. Just the general. Most of this pipeline is going across private property. I'm just wondering how does that -- what is it in law that gives any utility that authority to do that?

CHIEF COUNSEL FOSSUM: Well, we haven't been directly involved in that with PG&E. By negotiation, they can acquire these easements. And if, by necessity, they can -- I believe they have authority to condemn.

DEPUTY ATTORNEY GENERAL RUSCONI: They are a public utility and have power of eminent domain if they need to use it.

ACTING COMMISSION MEMBER SHEEHY: Typically, there would be perhaps some sort of negotiation between the utility and the private property owners.

CHIEF COUNSEL FOSSUM: It's usually cheaper than litigating, if you negotiate an acquisition right.

ACTING COMMISSION MEMBER SHEEHY: Right. And then in those types of situations, do the private landowner get compensated for the easement? I don't know if these soil types would be conducive to vineyards or tree crops. It depends on the soil type.

CHIEF COUNSEL FOSSUM: As I understand it, there's both temporary easements here for construction as well as permanent easements. That should go into the evaluation of what the damages are or the reduction in

value of the properties.

ACTING COMMISSION MEMBER SHEEHY: I see.

And for the stretch of pipeline that we've been looking at in the staff presentation, what type of crops are currently being cultivated there?

CHIEF COUNSEL FOSSUM: I believe mostly row crops, if any, and very few -- two acres or something of actual root crops.

STAFF ENVIRONMENTAL SPECIALIST SPURR: It's mainly row and field crops. And there are two acres of orchards that will be impacted that will not be able to be replanted.

ACTING COMMISSION MEMBER SHEEHY: There's two acres of orchard they have to pull out?

STAFF ENVIRONMENTAL SPECIALIST SPURR: Yeah, within all four counties.

ACTING COMMISSION MEMBER SHEEHY: I see.

That's all I have at this time, Mr. Chairman.
Thank you.

COMMISSION MEMBER PASQUIL: I have a question.

The pipeline that will be under the river 60 feet -- at least 60 feet under the bed of the river, are there other locations that we have such pipeline going through the rivers? And have there been any problems?

EXECUTIVE OFFICER THAYER: We have a number of

other places where pipelines cross the river. And it includes everything from sewage pipelines to gas or electrical conduits. So it's something that's done fairly frequently. And we generally don't have problems.

The biggest problem that we'd want to be careful about and would probably have some staff on site monitoring for would be what's called frack-outs, where as the directional drilling is occurring, the mud that's used as part of that drilling process is sometimes under pressure and can force its way up through the layers and get into the water. And so there's engineering techniques to help prevent that from happening. But you also want to monitor and make sure that doesn't happen.

COMMISSION MEMBER PASQUIL: Okay. Thank you.

CHAIRPERSON CHIANG: Okay. We have ten individuals who have signed up for comment on this particular item. Three minutes maximum for each comment.

Let me begin with Patrick Markham. Following Patrick will be Bill Dibble.

Welcome.

MR. MARKHAM: Welcome. Thank you. My name is Patrick Markham. I represent Bonnie and Howard Lopez. I'm an attorney, so three minutes is a challenge for me. So I'll do the best I can.

I've submitted an objection, and I'm not going to

go through it line and verse. But maybe what I can do is summarize the idea of it. And that is that on October 30th a revised report came out which reduced the impacts from significant to less than significant based upon terminology as indicated by staff. However, after that period of time, there was not a public comment, an agency comment period of 45 days like there normally would be after the first draft came out.

And my concern about that is this. When you go into the recommendations themselves, you find that, for example, the argument for having the easement bisecting the fields as opposed to on the edge of the fields in part has to do with the risk analysis. In other words, if we leave the easement in the middle of the field, the thought is we're further away from the population.

But now as I understand the revised analysis, there is no significant risk. And if there is no significant risk, then those alternatives are equal. And so you've taken away the differentiation.

So what I'm arguing for today is simply that we put this revised final EIR out for public comment and agency comment again with respect to that change, because I think the public and the agencies have a right under CEQA to comment upon that.

And as I pointed out in my objection, CEQA does

not require re-circulation of the report if it simply amplifies or clarifies a point. As you can see when you move from having a significant to having a less than significant risk based upon this new terminology, you're really changing the risk analysis entirely, but you're not recirculating it as is required by CEQA.

And so what I'm addressing right now is simply the certification process that we've gone through here. I think that the public and the agencies need further comments.

And I can tell you at this point I believe I've had about seven days to look at this project. So I personally can tell you I haven't had enough time to be able to do any comments. And that's not the Commission's problem. That's when it came to me.

But I can also say that this report came out on October 30th. So had it come to me the very day it came out and was handed to me, the opportunity to really have significant meaningful comments is nil basically.

The other issues I'd like to bring up -- let's see. And I was really making notes of this as we were going along. There was some discussion by staff regarding the length of the various options and whether or not the length of those options had greater or lesser impact on the environment.

And -- oh, boy. I'll just sum -- it seems to be that the conclusion is if it's a longer pipeline option then it's going to have a greater impact, but the EIR really doesn't analyze that. It simply says it as a conclusion.

With that, my objections are set forth in writing and I appreciate you consider those. There's about eight of them.

Thank you.

CHAIRPERSON CHIANG: Thank you, Mr. Markham.

Mr. Dibble, followed by Donald E. Wilson.

MR. DIBBLE: I'd like to thank Mr. Sheehy for getting the meeting changed in L.A. The staff told me that meeting could not be changed. I want to thank you personally for changing that meeting.

My neighbor, Mr. Chung, is an organic farmer also. I have brought that up to the staff. They weren't even aware that he was an organic farmer. This goes right through one of his fields, and it goes right next to his packing where he packs his organic vegetables. No mention at all in the environmental impact. It was all about the Dursts and nothing about Mr. Chung.

And I only have a few minutes. So you mentioned about the money we were going to get from PG&E. I want to thank them for offering me \$154 a year to ruin my land.

That's it.

CHAIRPERSON CHIANG: Thank you.

Mr. Wilson.

MR. WILSON: Good afternoon, Commissioners.

I would like to thank you for making this meeting available where people like the school district and other residents can participate.

There will be other people that will cover other issues. So I just want to say I'm here on behalf of the taxpayers in our school district. The reason why is we're in the center of planning. And where this pipeline is going to go, it's actually going to go through Sierra Vista. It's not going to go through Placer Vineyards.

We've already authorized -- we already have a \$500 million bond authorization because we're in the center of where development in the next 15 to 20 years is going to take place, including Placer Vineyards, Curry Creek, the Drexel University project and numerous others. I'm not going to bore you with all of them.

The reason why that's important, what's happened in the economy, we lost 3.1 percent in assessment district wide last year. Some of the bonds that were authorized have already been sold. As you look at the models going 15, 20 years out, there were certain assumptions of how many property would be built, how the people in those

properties would then pay back the bond. I'm sure you guys are well aware of the bonds, given the positions you sit in.

And Placer Vineyards, which is, for lack of a better term, our cash cow, now put back to 2024. And the reason why I bring that up is we already have decreased assessed valuation. Our biggest projects are already being delayed. This is going to go right through probably our second or third project that's now going to come up that the taxpayers of our district are relying on to pay those bonds back.

Now, I've bought a home. I'm sure all of you have. If you put a high pressure gas pipeline right through a lot of those homes, that's only going to further -- because my understanding, what we've been told, is homes only have to be 20 feet. Schools might have to be 1500 feet, but homes only have to be 20 feet. And as a realtor gets into disclosure, you can't tell me that's not going to drop the price of those homes.

So we've already taken a hit in a decrease in assessed valuation. Our taxpayers are going to take a second hit in the fact that now Placer Vineyards will not be able to contribute to the payback of the bonds that we've already sold.

So if we now go about pulling some homes out or

decreasing the sell values of some of the homes that are already there, that's going to be a third hit. And I know it's not your guys' problem so to say, but I felt I needed to come here today and bring that up.

Placer Vineyards is part of the SACOG plan. By the time we get to the end of the development, all of these developments are going to be part of smart growth. What we're talking about here, we're talking about taxpayers. We're talking about smart growth.

The pipeline will actually affect our schools in the Placer Vineyards, which I realize is a way off. But one of the things I've pushed for in my time on the Board, because something that is a voluntary cost that costs a lot in the school district is bussing. We've tried to place our school sites where we won't have to bus a lot of kids so we can put more dollars in the classroom rather than more dollars into busses and fixing them up and making them last as long as they can.

We're a very rural district. So if we're now going to be developing a far north development rather than a southern one, that's going to create even more need for bussing if we don't have things -- if we don't have our sites in the right place.

So from a taxpayer point of view, we could get hit on school busses. We could get hit on assessed

evaluation. If we have to move our schools too far, then it's going to create more bussing in the district. So just from a taxpayer point of view, I would like to see the line go around the district rather than through it.

CHAIRPERSON CHIANG: Thank you, Mr. Wilson.

We have Matt Friedman, followed by Elizabeth Hearey.

MR. FRIEDMAN: I have copies for -- thank you, Commissioners. I am Matt Friedman. By profession, I'm a senior transportation planner, and I'm an elected trustee of the Center Joint Unified School District and its immediate past president, having been followed by my friend, Don Wilson.

Today, however, I speak as a citizen. I reviewed the EIR for the natural gas transmission line. I commend PG&E for its forward thinking in anticipation of future growth. The availability of quality utility services is crucial for sustained community and economic growth. It's that same concern for quality and sustained growth that prompts my comments before you today.

The proposed alignment would impact the location of schools in the vicinity of Baseline Road in Placer County due to the safety requirement of a 1500-foot buffer on both sides of the proposed pipeline. This would have

immediate impacts for the planning of school facilities as well as other planning efforts.

Therefore, for reasons I will present, I'm strongly urging you to consider Option K for the alignment of the pipeline. The presence of a high pressure gas pipeline would create a swath of land over a half a mile wide that would be unavailable for school sites. As it is, the determination of school sites is a process that is more restrictive than any other land use decision. This additional restriction only increases the severity of restrictions. This is not in the best interest of quality sustained growth.

A key element to good neighborhood design is safe access to nearby schools and encouraged biking and walking, as Mr. Wilson mentioned. Creating further restriction to school site determination increases the likelihood that distances to schools will be increased.

In addition, the narrowing of site choices will make it less likely that factors such as creating boundaries that will avoid requiring students to cross major arterial roadways will be diminished. The end result will be school sites that do not serve communities well.

In addition, this will place a greater burden upon the school districts and parents to provide

transportation for students. This will lead to greater congestion, air pollution, and decreased youth fitness.

There are also wishes that extend beyond the need of schools. Their proposed alignment will affect many years of hard work to develop the specific plans for Placer Vineyards, Sierra Vista, Curry Creek, and other areas that will form the bulk of the new growth for Placer County.

These proposed developments have gone through numerous rounds of environmental review and planning for over 15 years to create plans for the many thousands of homes, hundreds of businesses, and many social, cultural, and civic facilities that will be established and built in the south Placer County.

The current alignment will send a shock wave of disruption to these planning efforts and the many years and millions of dollars spent on those efforts.

Option K poses the least disruption to these efforts, and I strongly urge you to consider its adoption. Thank you.

CHAIRPERSON CHIANG: Thank you very much.

MS. HEAREY: Good afternoon. I'm Elizabeth Hearey. I'm an attorney here today representing the Center Joint Unified School District.

The pipeline is a matter of grave concern to the

Center Joint Unified School District. And as a result, there are several individuals here who you've already heard from, two Board members from the district. We also have the superintendent here and an assistant superintendent.

The location of the pipeline in connection with the school sites is a matter of serious concern, not only financially for the district, but because it's a question of health and safety for students and other individuals who may be working at the school or visiting the school site.

We have previously commented about the environmental impact report and noted that further studies are needed. We reiterate that here for the record.

With respect to the alternatives that have been discussed today, the district prefers Alternative J, which would place the pipeline even further from the high school than Alternative I. For this reason, it is highly preferable.

With regard to the elementary school site, this is a very difficult situation. The best alternative would be Alternative K, which would place the pipeline further than the 1500-foot buffer zone for a gas pipeline from the school district. And there's good reason for the buffer zone. I'm sure that the Department of Education has

recognized that if there were a fire or explosion and there were children present, the results could be catastrophic. They would be tragic beyond words.

With regard to Alternative L, the idea of placing the pipeline 35 feet deep, we don't know whether this risk analysis that's been proposed would result in a finding that the site was suitable for students.

It's also going to put a terrific burden on the school district. PG&E ought to be paying for the entire risk analysis if that's going to be done and any measures that are deemed necessary as a result of such a risk analysis. The school district simply doesn't have the money for this type of alternative and has spent years and great sums of money to date working through the planning process with Placer County, with the developers, and other entities. And for PG&E to come in at this point and throw this monkey wrench into the system is very difficult.

I want to say one quick thing. There's also been a suggestion that the school district site could be swapped with the nearby park. We don't know whether this would work at all. We don't think this should be an excuse for placing the pipeline in the currently proposed location.

Thank you very much.

CHAIRPERSON CHIANG: Thank you.

We have Alisa Stephens, followed by Norepaul Mouaryang.

MS. STEPHENS: Good afternoon. Thank you for the opportunity to speak to you today.

I would like to request that you allow me to speak for more than three minutes. I wasn't aware of the time limitation. I need to discuss an alternative route, why the project may not be timely to go forward at all.

ACTING COMMISSION MEMBER SHEEHY: Excuse me, Mr. Chairman. It seems to me if we were to grant her wish on more than three minutes, we should go back and grant more time to all the people that preceded her.

CHAIRPERSON CHIANG: It's the will of the --

MS. STEPHENS: There are only ten speakers. It would seem there's enough time for people to be able to speak their mind.

I have prepared some exhibits.

Again, my name is Alisa Stephens. I'm a fifth generation from Yolo County and third generation to own our family farm in western Yolo County in the Hungry Hollow area near Esparto. It's located on Road 88A.

And it would be really helpful if we could have the slide -- is that possible -- to show the alternative routes?

The green --

AGP TECHNICIAN: Ma'am, you need to be speaking in a microphone in order for it to be on the record.

ACTING CHAIRPERSON MANDEL: Do we have a --

ACTING COMMISSION MEMBER SHEEHY: That's not true.

Excuse me, Madam Chair.

It can be on the record as long as the stenographer can hear her.

ACTING CHAIRPERSON MANDEL: That's true. He's concerned about the webcasting.

ACTING COMMISSION MEMBER SHEEHY: There is a difference between the webcast and being on the record. So let's not prevent our witness from doing what she needs to do. I'm just voicing my opinion on the matter.

Stenographer, can you hear the witness if she's at that board?

THE REPORTER: Yes.

ACTING COMMISSION MEMBER SHEEHY: Okay. So that's not an issue.

EXECUTIVE OFFICER THAYER: And I think the reason the AGP rep said that is at least of the agencies that he works with -- not this one -- has formally adopted the webcast as their transcript.

ACTING CHAIRPERSON MANDEL: Oh, as their record.

EXECUTIVE OFFICER THAYER: Commissioner Sheehy is

absolutely correct. That's not the case here.

MS. STEPHENS: Okay. Our parcel -- our family farm is small. It's only 58.5 acres.

So this is our parcel right here. You can see the blue line is the proposed pipeline. And our parcel is these two pieces right on each side of Road 88A.

Right where I have the pointer right now -- the laser pointer is our farmhouse.

Along the northern boundary are at least ten eucalyptus trees which are nesting habitat for Swainson's hawks and owls, et cetera. And then there's two eucalyptus trees right down here that provide the same thing.

My grandfather, Floris Mast, purchased the farm in 1924, and it's been owned by our family ever since then. The farmhouse as well as out buildings are on that 58.5 acres.

It is prime agricultural land planted in irrigated row crops, such as tomatoes, sunflowers, as well as alfalfa. There's been a little bit of discussion about two acres of orchard, but there is a lot of row crops and other shallow rooted crops that people's parcels are being bisected by this pipeline.

Right from over here where it jogs down from going along Road 17, it starts bisecting all the way over

to the interstate highway 505 probably at least -- I'd say ten parcels of people's family farms.

So our irrigation and the others runs from north to south. And, of course, the pipeline would bisect right through, right traversed, right east to west.

So I'm requesting that you vote for the no project alternative, which would be the environmentally and agriculturally superior alternative.

There have been many different concerns expressed about the pipeline, but I question under the no project alternative even the very necessity at this time. This project started in 2007 when, of course, western Placer County was booming with development. Things have drastically changed since then as a result of the recession, and development in western Placer County has come to almost a standstill, with many of the homes and new developments being foreclosed on.

Another factor is the current strong growth in solar energy and the movement to decrease our dependence on oil, electricity, and natural gas, which I argue makes the alleged need for additional natural gas being transported across four counties an unnecessary and outdated concept, at this time anyway.

My particular family's opposition is that the pipeline would devastate our small farm. Since it is only

58.5 acres -- I don't know how familiar you are with agriculture -- but it's difficult already for us to farm and make that economically viable. Many tenant farmers would not even consider farming such a small parcel.

The pipeline bisects our two parcels about two-thirds of the way down, effectively cutting it into four smaller pieces. If it is installed as proposed, cutting through these sections of cropland, I believe our farm may no longer be economically viable to operate at all.

A second major concern to us is we would never be able to plant our land to orchards or vineyards. Currently, there is one almond orchard and a vineyard about two miles away from us. And, of course, the RH Phillips Vineyard, which is huge, is probably only seven, eight miles away from us. So it is land that is being developed more and more into almond orchards and vineyards.

ACTING CHAIRPERSON MANDEL: Ms. Stephens, are you able to condense the remainder of your comments with your sort of main remaining points maybe? And if you have it in writing, we would be happy to take that, too.

MS. STEPHENS: Okay. I will condense it.

My main argument is I'm arguing if there is any alternative that is to be approved and that the least

impact to the cropland and others would be Option A. This runs basically along County Road 16.

And the only negative thing that's been said about it is that it adds some 2,200 feet to the pipeline, but essentially it would not negatively affect any cropland, any orchard, or any vineyard.

It does run -- it has not been discussed in the report at all where on County Road 16 it would be located. If you located it on the south side of County Road 16, it would avoid the Durst organic farm. It would avoid one small almond orchard on 16 and one vineyard on the north side of 16.

ACTING CHAIRPERSON MANDEL: Okay.

MS. STEPHENS: Just looking quickly at my photos.

ACTING CHAIRPERSON MANDEL: We have your photos here.

Were you at the -- what were the meetings that were held for the -- I forgot what they were called.

EXECUTIVE OFFICER THAYER: EIR workshops.

MS. STEPHENS: I did make a comment at the one in Roseville. I didn't have the photos at that time.

But from the photos, you can see that the Road 16 has basically the smallest amount of population under any of the alternatives. The one orchard on the south and the vineyard on the north can easily be avoided taking out any

vineyard or orchard because they're set so far back from the rural roadway. All of the cropland is set very far back from the rural roadway.

And I believe that dual easements between the County of Yolo and PG&E could be accomplished, which would basically double up where the county would need to maintain their road and PG&E, which would minimize the impact on cropland.

You can see there's one other small house. And basically it's wide open. And there's hardly anything up there. And it can all be avoided by putting the easement down the south side of Road 16. Once you get under the I-505, you're into basically nothing that's being tilled or cropland. And then it goes across the Dunnigan Hills, over across to the river and Placer County.

I'm not speaking to the route in Placer County, but I think the Commission should really consider the effect on the small family farm. I just think it will totally devastate our farm, and there are viable alternatives by not crossing the farmland, by going along existing roads, which the EIR said was supposed to be one of the goals of the route. And I don't think it has been considered properly.

CHAIRPERSON CHIANG: Thank you very much.

ACTING COMMISSION MEMBER SHEEHY: Mr. Chairman,

question of staff or person on the EIR. Who should I address it to? It is a question about the impact --

EXECUTIVE OFFICER THAYER: Perhaps Crystal Spur could respond.

ACTING COMMISSION MEMBER SHEEHY: Sorry about that. I'm not doing it on purpose.

Question for staff regarding the EIR.

So I listened with great interest to our last witness. And, of course, I'm sympathetic to the situation of farmers. But if the line is being buried five feet, I'm having a hard time seeing -- other than the obvious disruption during construction, once that trench is buttoned back up, when we talk about farm operations like disking, plowing, even if they were to go through with the big shank and rip the ground -- usually farmers don't ever rip that deep in my experience -- that five feet is way below the level that would have any sort of permanent impact on their operations. What am I missing?

MS. SPURR: That's correct. They can continue to farm over the pipeline, except for orchards and vineyards. And that's only a 20-foot restriction. It's not the entire acreage of land. It's just a 20-foot restriction, ten feet on other side of the pipeline center line. But they can do row crops and field crops within the entire permanent easement.

ACTING COMMISSION MEMBER SHEEHY: So, therefore, the assertion that having a pipeline go across like these parcels up here that our last witness pointed to would somehow divide it up into additional pieces just doesn't square with the facts, which is that once it's buttoned back up, those acreages, those fields could continue to be cultivated and farmed in the future, just like they are during the present, with the obvious exception during the construction phase.

MS. SPURR: Correct, except for orchards and for trees and vines.

ACTING COMMISSION MEMBER SHEEHY: Now the other issue that's been raised by a couple of witnesses so far is the issue about organic farms, somehow implying there is a greater impact potentially to organic farmers than there might be to non-organic or traditional farmers. What am I missing there? Because I don't see any difference.

MS. SPURR: There is no difference. We're just saying it would create a potential high consequence area because of the number of people that congregate. It's kind of like looking at an individual house or a school site.

So there would be -- they meet the requirements for a high consequence area, which means they would be

probably at greater risk because there are a greater number of people that congregate there. They're employed there full time. They have a store that people -- the public accesses, things like that. So compared to another farm that only has seasonal workers, there's just a difference. But --

ACTING COMMISSION MEMBER SHEEHY: So the risk is greater because they have more --

MS. SPURR: The potential for risk is greater.

ACTING COMMISSION MEMBER SHEEHY: The potential for risk is greater because there are more human operations going on there on a daily basis; is that right?

MS. SPURR: Correct. A certain number of people, a certain number of days.

ACTING COMMISSION MEMBER SHEEHY: And how does that or does that affect alignment and depth of the pipeline? How is that taken into consideration?

MS. SPURR: Mostly the regulations call for -- they call for not necessarily increased depth, but maybe increased thickness of pipeline. Certain things have to be done when there is a high consequence area, which some of these pipelines, if they're in a Class III area where there's a lot of development in the east end in Placer County, those would be considered high consequence areas as well. So there's just certain regulations you have to

do certain things with the pipeline, but not necessarily deeper.

ACTING COMMISSION MEMBER SHEEHY: Okay. And then there was also testimony about the irrigation water -- under surface irrigation moving from north to south. Is the level of these fields going to be permanently altered by the installation of these pipelines?

MS. SPURR: There may be some impacts, but I think PG&E is going to work with some of those irrigation facilities. And they can either put them back on top or they can somehow reroute them.

ACTING COMMISSION MEMBER SHEEHY: What I want to know is -- and maybe this question is more appropriately addressed to another party -- but I'm quite familiar with agriculture. So if they're pulling their ditch at the north end of the field and using furrow irrigation to run to the south end, I want to know if after these pipelines are installed five feet underground, it's going to impact the level of the field. So are they no longer going to be able to irrigate from north to south? Is there somebody here that can address that point? Because that was raised by one witness.

EXECUTIVE OFFICER THAYER: I think the PG&E reps are here, and they have, of course, much finer engineering already accomplished than we have.

But I think the answer is no, it won't affect it. But it might be appropriate to ask them.

ACTING COMMISSION MEMBER SHEEHY: We don't have to do that now, Mr. Chairman. But I want to make sure as those points are raised that we have an opportunity to talk about them, because that really would be an extreme burden to place on a farmer if they had to then come in and change their method of irrigation because the level of their field had been altered somehow.

EXECUTIVE OFFICER THAYER: Right.

ACTING COMMISSION MEMBER SHEEHY: Those are the only questions I have at this point.

CHAIRPERSON CHIANG: Okay. Norepaul.

MR. MOUARYANG: Good afternoon. Thank you for your time, Mr. Commissioner.

My words to you is this: Let's put this into your own feet. You work all your life. You own a piece of property. And now this big PG&E come over and put pipe through it. Ruin your plan. You cannot build anything. And I just put this into your -- what do you think? What do you feel when they give only you price of 5 percent of year just paid for? And I owned this property about four years ago on County Road 17. That's what they did to me. And I would like you to consider if this were your property what you think. Thank you.

CHAIRPERSON CHIANG: Thank you.

We have Paul Thompson, followed by Kenneth Denio.

MR. THOMPSON: Good afternoon.

Paul Thompson, Deputy Planning Director with Placer County's Planning Department.

On behalf of Placer County, we appreciate your staff's effort to assure that the proposed PG&E Line 407 to be located within Baseline Road will be compatible with our existing and future underground utilities. These utilities will be required to serve the needs of Placer County's existing and growing communities.

Due to the potential significant health and safety risks to our employees and residents that could occur when the underground utilities are maintained or installed near to the high pressure gas line, the county needs to be assured that our existing and future utilities can be adequately planned and constructed without any conflict or risk from the location of Line 407 within Baseline Road.

Accordingly, mitigation measure LU-1d is essential to providing these protections for the public health and safety of our county's employees and residents and to minimize the potential conflicts of this line with existing and future utilities. Therefore, if the Commission elects to approve PG&E application for Line

407, we respectfully request that the Commission include mitigation measure LU-1d as an essential measure to satisfy the requirements of this project.

Additionally, Placer County requests that if Option L will be analyzed further that PG&E meet with Placer County, the Center Unified School District, and the City of Roseville prior to commencement of the further analysis on this option.

Thank you very much.

CHAIRPERSON CHIANG: Thank you.

MR. DENIO: Good afternoon, Commissioners. Ken Denio, D.F. Properties.

I just would request one addition to mitigation measure LU-1d. And it has to do with the above-ground controls. We've given the jurisdictions the rights over separation requirements, but my property actually is in a high residential area of Roseville where Line 407 terminates. So there are above-ground structures.

And I would just ask that in that mitigation measure if you would just add the words "with the separation and screening requirements as determined by the local agencies."

That's my comments. Otherwise, I think you've done a good job, personally.

CHAIRPERSON CHIANG: Thank you very much.

Tim Taron, please.

MR. TARON: Thank you, Mr. Chairman, members of the Commission.

Tim Taron, I represent the Placer Vineyards Owners Association, which is a majority of the owners of the Placer Vineyards development you've heard about. That's about 14,000 future units in Placer County, already approved in 2007.

I also represent the Sierra Vista Owners Association, all of the members of that association, which is in the planning stage and scheduled for action by the city of Roseville next year for about 6500 units within the city of Roseville.

And I just want to make -- first of all, I do want to say I thank the staff for working with us. We met with them, and they've been very responsive. We very much appreciate that.

We had initial concerns about the project upset risk which were addressed by the revisions to the final EIR. So thankfully that issue has been resolved.

That leaves us with just two points, which are if you choose to proceed with this project, we do ask that you support staff's recommendation on the environmentally superior alternative. And that is to incorporate at a minimum Options I and L to address the school separation

issues that have already been raised before you. And that's at a minimum.

The second was just testified to by Mr. Thompson from Placer County. This is a very important thing for us as well and one that we shared with staff. And that is the whole issue of separation between existing and future utilities and Baseline Road through Placer County, south Placer County. There's going to be really just a whole bunch of pipes underneath the street, big pipes, and sewer water drainage, electrical, telecommunications, everything. And the idea of this gas line going through -- and hopefully will actually precede us, because we all need the service.

The conflict was a potentially serious one. With mitigation measure LU-1d, which gives the local jurisdictions the authority as we understand it to decide the final horizontal and vertical separation between the pipeline and these utilities both existing and future, we think that issue has been adequately addressed. But we wanted to impress upon you the importance of including that mitigation measure and following the staff recommendation in that regard.

With that, I would be happy to answer any questions. Thank you.

CHAIRPERSON CHIANG: Thank you very much.

That concludes everybody who has signed up to speak.

Is there anybody else who would like to speak? Please join us, and please introduce yourself for the record.

MS. DIBBLE: Good afternoon.

My name is Barbara Dibble, and I reside on County Road 19 in Esparto.

And I'm sitting here listening to this. I just have to tell you, it's scary. It's very scary, because we're going to have this great big pipe go through my property. They said 50 years. And my grandchildren are going to have my property. And I'm wondering is if this goes -- it states in all your revisions that the pipe, if it explodes, you have seconds. We won't be able to get away.

And I have other -- so many other concerns that I have. I mean, we have a hawk family that live in my eucalyptus trees. We have pigeons. We've got -- we have all kinds of wildlife out there.

And once you start doing that, it's just going to -- just tearing up the property. It's tearing up all the nature that's around it.

And I realize that just a few acres to someone else is nothing, but that's a lot to us. I mean, this is

our future income coming in. And now we're being told that we can't -- we have to be cautious about what it is that we plant.

I mean, pretty soon you're going to go to get something to eat, and it's going to cost you a fortune, because people going through and just tearing up the property. Back in 1800s, people used to come over to your property and you get shot. You mess around with their stuff, you got shot.

And now I'm hearing that this company, PG&E, can just come in and take it. If we don't agree to it, you're just going to take it.

What are we doing here? Why are we working so hard for somebody to just go in and take our property like that? I mean, is that right?

I don't understand. I don't understand how we can just sit there and work our lives away for something like this and then just have it taken from us, you know. And then be put in danger. Not just us, but my family, you know, for future. And plus, I mean, that's our future income as well.

I mean, we're small. We have 30 acres out there. That's it. I mean, that's a lot to us that if you start going in and telling us what we can do and can't do on our own property that we work for for generations -- I mean,

we're the third generation just in our family, not to mention the family before us.

I don't understand where all this is anymore. I don't understand how we got to this where people can just come in and take it. I just don't. I just wanted to say that.

CHAIRPERSON CHIANG: Thank you.

Do we have a representative from PG&E here? Do you want to come join us and respond to Tom's comments about --

MR. GRAPP: Hello. My name is Scott Grapp. I'm the responsible engineer for the design of the pipeline.

And I believe the question was in regard to irrigation.

ACTING COMMISSION MEMBER SHEEHY: Right. There was -- thank you for coming forward.

There was a slide earlier that showed -- I think it's still up there -- that showed agricultural fields -- one in particular right there -- being bisected from west to east by the pipeline. And there was an issue about the irrigation. I believe the irrigation flows from north to south.

So my question is on this parcel or any other parcels that are being cultivated and will be cultivated in the future, is the drainage characteristics of the

property going to be altered in any permanent way that would change the way in which they have to irrigate?

MR. GRAPP: No, sir. As a matter of fact, there are some warranties that will prevent that as well.

But the way the pipeline will be constructed is open ditch method. So there will be an eight foot deep ditch. The pipeline will be placed so there will be five feet of cover over the 30-inch diameter pipeline. Then the soil will be re-compacted to 85 percent. And then the top decompacted to try to get as close to as it was preexisting before we got there, and then laser leveled. And so there will be options --

ACTING COMMISSION MEMBER SHEEHY: It will be laser leveled?

MR. GRAPP: Well, there's options for restoration that either PG&E will do it to preexisting conditions or they will compensate the landowner to do that themselves. And they can either hire that done or they can perform that themselves. It's in a damage settlement arrangement that PG&E does as part of their land acquisition. There are folks here that are more astute about that than I am.

ACTING COMMISSION MEMBER SHEEHY: But once the open ditch construction is buttoned back up, it will be restored to its prior level so that if surface irrigation was being used, say like with the furrows, they can

continue to irrigate the same way?

MR. GRAPP: Yes, that's correct.

ACTING COMMISSION MEMBER SHEEHY: Okay. That's all I needed, Mr. Chair.

CHAIRPERSON CHIANG: Can you respond to Ms. Dibble's safety concerns?

MR. GRAPP: Well, there was a risk of upset study that was performed that I think addresses that in far more detail than I ever could.

The pipeline has several design features that are in excess of what the code requires. And I've been involved in this business for 25 years. And this is as close to the state-of-the-art pipeline design facility that I have experienced. So I have a high degree of confidence that the pipeline will perform as designed and very safe in respect to other pipelines.

CHAIRPERSON CHIANG: Thank you.

MR. DIBBLE: Could I make a comment to that?

CHAIRPERSON CHIANG: Please.

MR. DIBBLE: When this pipeline was first proposed, they sent a geologist.

I live just west of Alisa's property.

They sent a geologist out, and he informed me that this pipeline was 100 percent safe. No questions asked. So I asked him, I said, why don't you just go up

to County Road 16 like we proposed and there's one home instead of seven. There's seven homes between 87 and 88A. There is one home on 16. His response was that's another few thousand feet out of our way, and nothing is 100 percent safe.

So I went on the internet and I Googled 30 to 36-inch gas line eruptions and explosions. Does anybody have any idea how many there are? There is 22,500 gas line explosions of 30 and 36-inch pipelines that have happened. If he says it's safe, then the internet must be wrong.

MR. MARKHAM: Can I address the irrigation issue? I was already up once.

CHAIRPERSON CHIANG: Yeah.

MR. MARKHAM: My name is Pat Markham. I'm an attorney. And I represent the Lopez's.

And the question you had is a good one regarding the irrigation, because I've dealt with that on past pipeline projects. I worked on the SMUD co-generation pipeline project.

And what you find and what the farmers and the engineers find is that for a period of time after it's buttoned up, it will continue to settle. You can re-engineer that. And after probably four or five years, it will ultimately get to a place where it's not going to

settle any further, but you still have an additional question that will arise. And that is sinkholes that are caused by water percolating under the pipeline area and that could drop that particular area down there.

So in response to your question, my concern -- there's two concerns, and I think it really goes along with Ms. Stephen's comments. That's this. You've got a family farm that is being cut in half. During the construction period, essentially, you cut off harvesting rows and irrigation if the irrigation is going in the direction against the cut.

One of the problems is -- I just finished a case recently where they offered \$40,000 in compensation on a pipeline project. It was the northwest interceptor. The agency ended up paying \$640,000 on that project on that particular segment.

The reason I bring that up is because it took four years to get there. And the concern I have is while these farmers lose their crop for that particular year, in four years they may be compensated, but by then they have lost their farm.

And so the alternative that Ms. Stephens is talking about -- and that is going around Road 16 -- avoids the farms. It's very critical that these farms not be bisected. That is the most important thing in terms of

impacting all of these farmers. And we look at it from a corporate perspective, the larger dollar perspective. You need to look at it from the individual perspective, which is their farms are gone and compensating them doesn't do them any good.

ACTING COMMISSION MEMBER SHEEHY: Who says it doesn't do them any good? Just your punch line was so and so says it doesn't do any good.

MR. MARKHAM: No. I said me -- in other words, if I'm a family farmer and I've been doing it for 50 years and you pay me, let's say, \$100,000 for my farm, I'm not happy. I'm not farming. I don't have a way to make an income. That's my point.

ACTING COMMISSION MEMBER SHEEHY: Thank you.

MR. MARKHAM: But -- yeah. So. Thank you.

CHAIRPERSON CHIANG: Thank you.

Any comments, questions by Board members?

Is there a motion?

ACTING COMMISSION MEMBER SHEEHY: I'd move to -- I'd like to hear from staff about the -- we heard repeatedly about Options I and L. Have those been incorporated into the staff's recommendation?

CHIEF COUNSEL FOSSUM: Yes. They're the fifth item on the CEQA certification.

ACTING COMMISSION MEMBER SHEEHY: Mr. Chairman, I

would move to support the staff's recommendation first on the CEQA -- why don't we vote on the CEQA first?

CHAIRPERSON CHIANG: We have a motion. Is there a second?

COMMISSION MEMBER PASQUIL: Second.

CHAIRPERSON CHIANG: Without objection, motion passes.

Next item.

ACTING COMMISSION MEMBER SHEEHY: And then on the main item, the staff recommendation has incorporated Options I and L; right? Is that correct?

EXECUTIVE OFFICER THAYER: Yes.

ACTING COMMISSION MEMBER SHEEHY: I would move approval of the staff recommendation.

CHAIRPERSON CHIANG: We have a motion. Is there a second?

COMMISSION MEMBER PASQUIL: Second.

CHAIRPERSON CHIANG: Any questions or comments?

All those in favor say aye.

(Ayes)

CHAIRPERSON CHIANG: All those opposed?

Without objection, motion passes.

EXECUTIVE OFFICER THAYER: That concludes today's meeting. We have no other items before the Commission. And our next Commission meeting is December 17th in San

Diego.

CHAIRPERSON CHIANG: Actually, we have one additional public comment. Steve Mathieu. Is Steve still here?

EXECUTIVE OFFICER THAYER: He's with AGP that runs the webcast for us.

CHAIRPERSON CHIANG: Hi, Steve.

MR. MATHIEU: Hi. Steve Mathieu, AGP Video.

And I just wanted to take the opportunity, since it's the first time I've been able to personally be at the meeting since staff and Commission gave us the contract, and I want to thank you for your forward thinking and moving into the 21st century with your recordation and methodologies and outreach through the services that we provide.

And I didn't want you to think I was one of these CEOs that just came in and dazzled you for two meetings and then ran away. So it's just that we're racking and stacking them so heavy now that we're doing three or four, five statewide all at the same time, and I have to move around from agency to agency.

Again, thank you, staff and Commission, for making the decision to move forward and let us provide our services to you --

CHAIRPERSON CHIANG: Thank you.

MR. MATHIER: -- and the general public of
California.

CHAIRPERSON CHIANG: Thank you.

The meeting is adjourned.

(Thereupon the California State Lands Commission
adjourned at 2:38 p.m.)

CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of November, 2009.

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