

**Meeting of the Central Valley Flood Protection Board  
April 22, 2016**

**Staff Report – Encroachment Permit**

**Pacific Gas and Electric Company (PG&E)  
PG&E L407 Pipeline Project, Sutter County**

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**1.0 – ITEM**

Consider approval of Permit No. 19031-2 (Attachment B) and adoption of Board Resolution No. 2016-07 (Attachment D).

**2.0 – APPLICANT**

Pacific Gas and Electric Company (PG&E)

**3.0 – LOCATION**

The project is located on West Riego Road approximately 0.31 miles west of the intersection of Pleasant Grove Road and West Riego Road in Pleasant Grove. (Attachment A)

**4.0 – DESCRIPTION**

To install a 30-inch diameter gas transmission line (L407) under the west bank levee and channel of the Natomas East Main Drainage Canal using the horizontal directional drilling (HDD) method.

**5.0 – AUTHORITY OF THE BOARD**

California Water Code § 8534, 8590 – 8610.5, and 8700 – 8710

California Code of Regulations, Title 23 (Title 23)

- § 6, Need for a Permit

- § 13, Evidentiary Hearings
- § 112, Streams Regulated and Nonpermissible Work Periods
- § 123, Pipelines, Conduits, and Utility Lines

## **6.0 – PROJECT ANALYSIS**

PG&E will be expanding their natural gas transmission and distribution pipeline system to provide a larger capacity and enhanced service reliability to the counties of Placer, Sacramento, Sutter, and Yolo. PG&E will construct their new Line 407 (L407) Pipeline Project to connect to existing Lines 400 and 401 in Yolo County and existing Line 123 in Placer County. The L407 project consists of approximately 26 miles of new 30-inch diameter pipeline that will run from north of the City of Woodland to east of the City of Roseville. A new distribution feeder main (DFM) will be installed on L407 pipeline east of Garden Highway near Riego Road to extend natural gas service to planned residential and commercial developments in the region.

The L407 project will cross four (4) different locations of the State Plan of Flood Control (SPFC): Knights Landing Ridge Cut, Sacramento River, Natomas East Main Drainage Canal, and the Yolo Bypass. The four (4) different crossing locations have been separated into four (4) different permit applications for simplicity during the review process: 19031-1 for Knights Landing Ridge Cut crossing, 19031-2 for the Natomas East Main Drainage Canal crossing, 19031-3 for the Sacramento River crossing, and 19031-4 for the Yolo Bypassing crossing.

Permit No. 19031-2 will authorize the portion of the Natomas East Main Drainage Canal crossing located along West Reigo Road. At this location, there is only one project levee which is on the west (right) bank. PG&E is proposing to install a portion of the 30-inch diameter gas transmission line (L407) under the west bank levee and channel of the Natomas East Main Drainage Canal using the horizontal directional drilling (HDD) method. The gas line will be placed a minimum depth of 30-feet below the stream and project levee. The HDD entry pit will be located greater than 800-feet from the landside toe of the project levee. (Attachment C) The proposed project complies with all applicable Title 23 standards.

### **6.1 – Hydraulic Analysis**

The transmission line will be placed a minimum of 30-feet below the levee and channel of the Natomas East Main Drainage Canal and the HDD entry location will be a

minimum of 800-feet from the landside levee toe. Due to the placement depth of the transmission line and its distance from the landside levee toe, there will be no adverse hydraulic impacts to the Natomas East Main Drainage Canal channel. As such, a hydraulic analysis was not required for this project.

## **6.2 – Geotechnical Analysis**

The transmission line will be placed a minimum of 30-feet below the project levee and the HDD entry pit location is more than 800-feet away from the landside levee toe. Due to the placement depth of the transmission line and its distance from the landside levee toe, there will be no adverse geotechnical impacts to the Natomas East Main Drainage Canal channel. As such, a geotechnical analysis was not required for this project.

## **7.0 – AGENCY COMMENTS AND ENDORSEMENTS**

The comments and endorsements associated with this project, from all pertinent agencies are shown below:

- Reclamation District 1000 endorsed the project on January 26, 2015 with conditions
- The USACE 33 USC 408 decision letter has not yet been received for this application. Staff anticipates receipt of a letter indicating that the USACE District Engineer approves the request to alter the Federal flood risk reduction project, subject to condition. Upon receipt of the letter, board staff will review to ensure its conformity with the permit language and incorporate it into the permit as Exhibit A.

## **8.0 – CEQA ANALYSIS**

Board staff has prepared the following California Environmental Quality Act (CEQA) findings:

The Board, acting as a responsible agency under CEQA, has independently reviewed the Draft Environmental Impact Report (DEIR, SCH No. 2007062091, April 29, 2009) for the PG&E Line 406/407 Natural Gas Pipeline Project and the Revised Final Environmental Impact Report (FEIR, SCH No. 2007062091, October 30, 2009), and the Mitigation Monitoring and Reporting Plan (MMRP) found in the FEIR Appendix A prepared by the lead agency, the State Lands Commission (incorporated herein by reference). These documents, including project design, may be viewed or downloaded

from the Board website at <http://www.cvfpb.ca.gov/meetings/2016/04-22-2016.cfm> under a link for this agenda item, and are also available for review in hard copy at the Board and the State Lands Commission's Sacramento offices.

The State Lands Commission, as the lead agency, determined that the project described in the FEIR would have a significant effect on the environment on November 18, 2009 (including Findings, Impacts and Mitigation Measures, Statement of Overriding Considerations). The State Lands Commission filed a Notice of Determination with the State Clearinghouse on November 18, 2009.

### **8.1 - Impacts that Can be Mitigated**

The certified FEIR identified certain potentially significant environmental impacts to/from the following subject areas: biological resources; agricultural resources; geological resources; hazards and hazardous materials; air quality; hydrology and water quality; cultural; historical and paleontological resources; transportation and circulation; aesthetics; land use and planning; recreation; population and housing/public services/utilities and service systems; energy and mineral resources; and noise. The significant impacts and the mitigation measures to reduce these impacts to less than significant were adopted by the State Lands Commission Lead Agency on November 18, 2009 (including Findings, Impacts and Mitigation Measures, Statement of Overriding Considerations). The project proponent has incorporated design features and mandatory mitigation measures into the project plans to avoid identified impacts or to mitigate such impacts to a point where no significant impacts will occur. Moreover, such changes or alterations are within the responsibility and jurisdictions of another public agency, the State Lands Commission, and such changes have been adopted by that agency.

### **8.2 - Significant Unavoidable Adverse Impacts of the Project**

Based on its independent review of the certified FEIR, the Board finds that although the proposed project could have a potentially significant effect on the environment, revisions have been made to the project and/or agreed to by the project proponent that reduce the environmental impacts to less than significant in most cases. The Board finds that there are no direct or indirect environmental effects of the natural gas pipeline when crossing under the west bank levee and channel of the Natomas East Main Drainage Canal which have not been previously addressed by the DEIR or FEIR. The State Lands Commission found that significant and unavoidable impacts to air resources from construction emissions for the trenching for the pipeline and the horizontal directional drill crossings, and in addition that significant and unavoidable impacts from a leak or rupture may occur, and these impacts are related to the crossing

under the west bank levee and channel of the Natomas East Main Drainage Canal described above.

When a project results in significant unavoidable adverse effects, CEQA requires the decision making body to balance the benefits of the project against its unavoidable adverse effects in determining whether to approve the project. If the benefits of the project outweigh the unavoidable adverse environmental effects, the adverse effects may be considered “acceptable.” CEQA requires the state agency state in writing the specific reasons to support its actions based on the FEIR and/or information in the records. This written statement is known as the statement of overriding consideration.

The equipment used during trenching and horizontal directional drilling activities will create air emissions that are likely to adversely affect air quality and exceed established regional thresholds. Mitigation measures for air quality concerns are further described in the certified FEIR. The impacts, however, still remain significant and cannot be reduced to less than significant with mitigation.

The project proponent also incorporated design features to address possible wide-ranging impacts from a pipeline rupture caused by either geological features (seismic faults), floodplains (erosion of cover on pipeline) or hazardous conditions (fires). Construction of the pipeline below SSJDD lands near to and within the Yolo Bypass supports the company’s risk-based analysis of pipeline placement within a location where harmful outside forces like mechanical equipment and earth movements were limited and where weather effects from winds, storms and thermal strain was minimized. The description of the additional risk-reduction design features (like valves and leak detection monitoring systems) and mitigation measures are further described in the certified FEIR. However, the impacts still remain significant and cannot be reduced to less than significant with mitigation.

### **8.3 – Statement of Overriding Considerations**

The Board has independently considered the significant and unavoidable environmental impacts of the proposed project. The Board has also considered the benefits of the project, including the need to provide natural gas service to high growth areas in Sacramento, Sutter, and Placer Counties. The Board finds that economic, legal, social, technological, or other benefits of the proposed project outweigh the unavoidable adverse environmental effects of the project, and the adverse environmental effects are considered acceptable when these benefits of the project are considered. The Board by Resolution is adopting a Statement of Overriding Conditions (Attachment D) and has reviewed the State Lands Commission findings (Attachment E).

The documents and other materials which constitute the record of the Board's proceedings in this matter are in the custody of Leslie Gallagher, Executive Officer, Central Valley Flood Protection Board, 3310 El Camino Ave., Rm. 151, Sacramento, California 95821.

### **9.0 – SECTION 8610.5 CONSIDERATIONS**

1. Evidence that the Board admits into its record from any party, State or local public agency, or nongovernmental organization with expertise in flood or flood plain management:

The Board will make its decision based on the evidence in the permit application and attachments, this staff report, and any other evidence presented by any individual or group.

2. The best available science related to the scientific issues presented by the Executive Officer, legal counsel, the Department or other parties that raise credible scientific issues.

The accepted industry standards for the work proposed under this permit as regulated by Title 23 have been applied to the review of this permit.

3. Effects of the decision on facilities of the SPFC, and consistency of the proposed project with the Central Valley Flood Protection Plan (CVFPP) as adopted by Board Resolution 2012-25 on June 29, 2012:

The proposed transmission pipeline will be installed via the HDD method with an entry pit location greater than 800-feet from the landside toe of the Project Levee and a minimum of 30-feet below the bottom of the Natomas East Main Drainage Canal; therefore, the proposed project is expected to result in no adverse effect on any SPFC facilities and is consistent with the CVFPP.

4. Effects of reasonable projected future events, including, but not limited to, changes in hydrology, climate, and development within the applicable watershed:

The proposed pipeline will be located deep enough that it will not be affected by scouring of the channel bottom in future high water events. Therefore, there are no expected adverse effects to the proposed project from reasonable projected future events.

## **10.0 – STAFF RECOMMENDATION**

Staff recommends that the Board:

### **Adopt:**

- The Board Resolution 2016-07 (Attachment D) which includes the CEQA findings;

### **Approve:**

- Draft Encroachment Permit No. 19031-2 in substantially the form provided, conditioned upon receipt of a U.S. Army Corps of Engineers comment letter indicating that the District Engineer has no objection to the project, subject to conditions; and

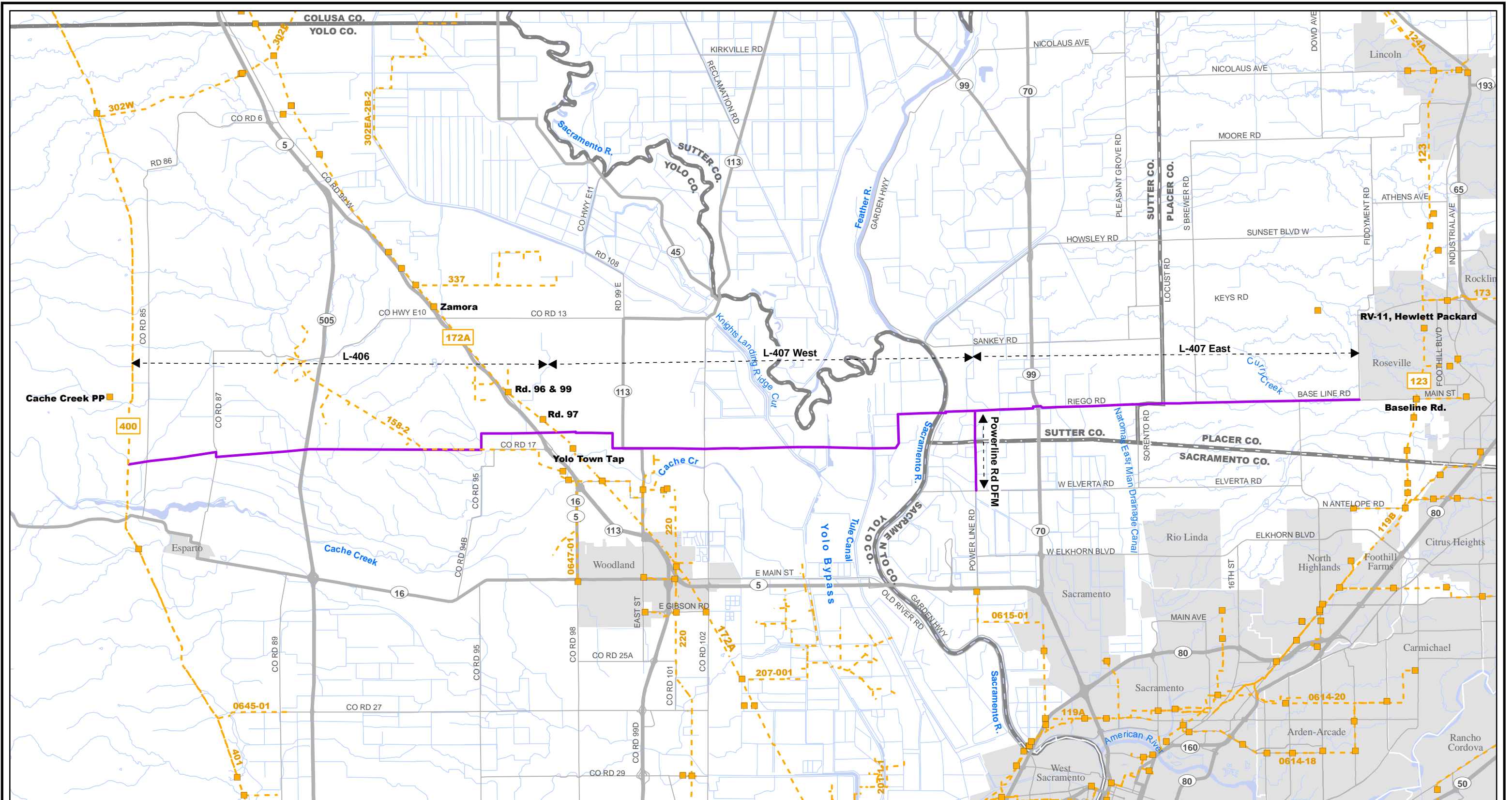
### **Direct:**

- The Executive Officer to take the necessary actions to execute the permit and file a Notice of Determination pursuant to CEQA with the State Clearinghouse.

## **11.0 – LIST OF ATTACHMENTS**

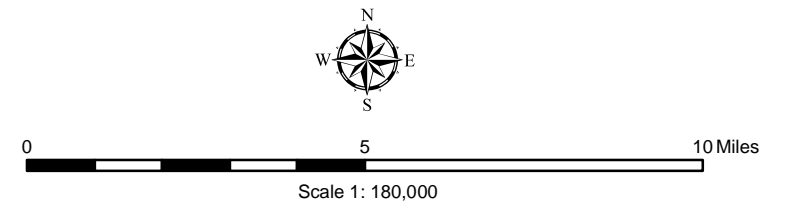
- A. Location Maps and Photos
- B. Draft Permit No. 19031-2
- C. Construction Plans
- D. Board Resolution No. 2016-07
- E. State Lands Commission Findings for the Final EIR

Design Review:	Remy Gill
Environmental Review:	Natasha Nelson, Program Manager I
Document Review:	Gary Lemon, PE, Permitting Section Chief Mitra Emami, PE, Operations Branch Chief
Legal Review:	Kanwarjit Dua, Board Counsel



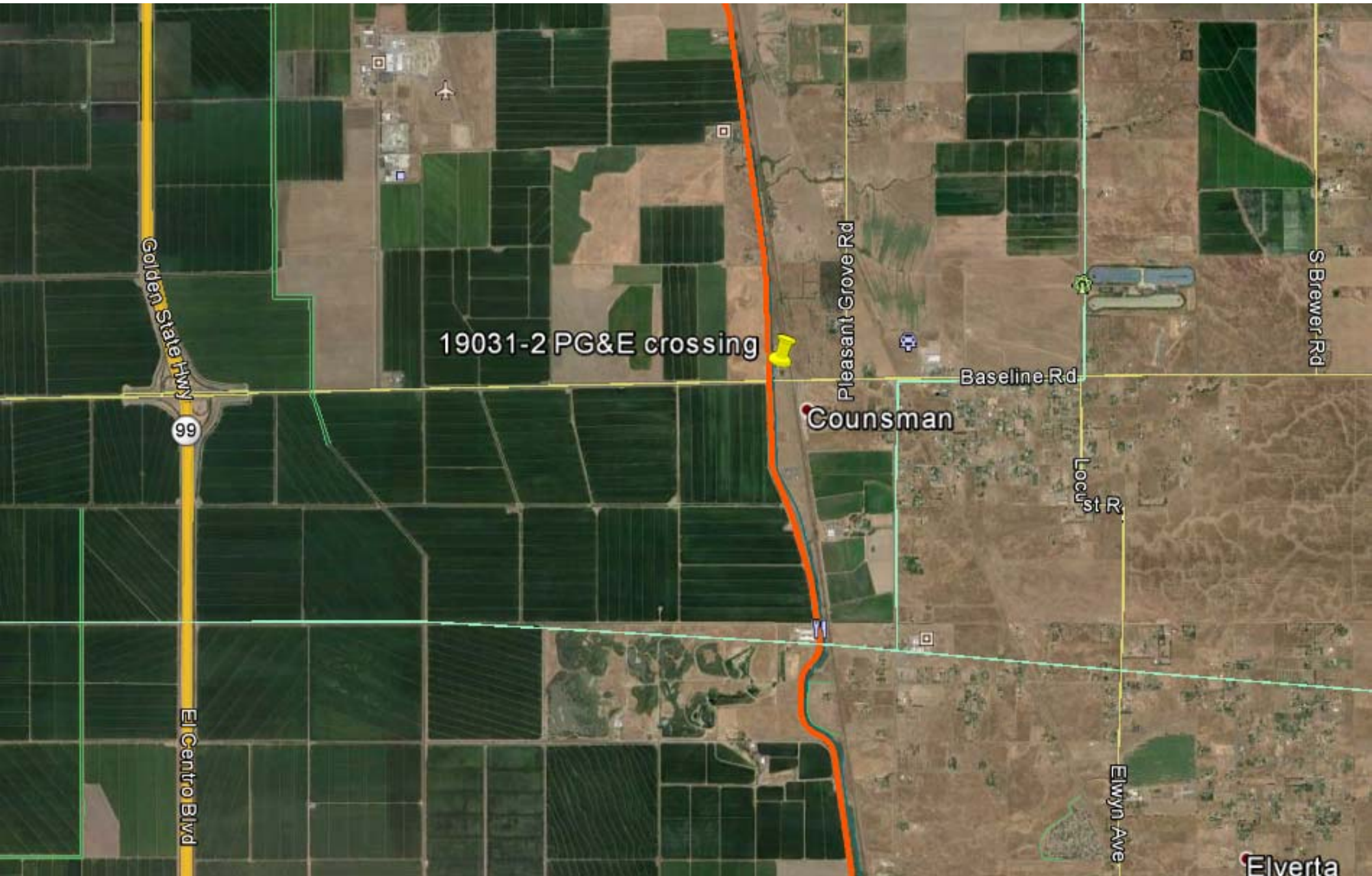
**Line 406 and Line 407  
Pipeline Project  
Figure 1-1  
Overview Map**

- Proposed Pipeline
- Gas Transmission Station
- Gas Transmission Line
- Highway
- Major Road
- Incorporated Area
- County Boundary
- Hydrology





**ATTACHMENT A**





**East Natomas Main Drain - Looking Northeast 3/18/2013**



**East Natomas Main Drain - Looking North 3/18/2013**



# ATTACHMENT A



East Natomas Main Drain - Looking East 3/18/2013



East Natomas Main Drain - Looking West 3/18/2013

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
**THE CENTRAL VALLEY FLOOD PROTECTION BOARD**

**PERMIT NO. 19031-2 BD**

**This Permit is issued to:**

Pacific Gas and Electric Company (PG&E)  
2730 Gateway Oaks Drive, Suite 220  
Sacramento, California 95833

To install (HDD) a 30-inch diameter gas transmission line (L407) under the west bank levee and channel of the Natomas East Main Drainage Canal.

The project is located on West Riego Road approximately 0.31 miles west of the intersection of Pleasant Grove Road and West Riego Road in Pleasant Grove (Section 35, T11N, R4E, MDB&M, Reclamation District 1000, Natomas East Main Drainage Canal, Sutter County).

**NOTE:** Special Conditions have been incorporated herein which may place limitations on and/or require modification of your proposed project as described above.

**(SEAL)**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Executive Officer

**GENERAL CONDITIONS:**

**ONE:** This permit is issued under the provisions of Sections 8700 – 8723 of the Water Code.

**TWO:** Only work described in the subject application is authorized hereby.

**THREE:** This permit does not grant a right to use or construct works on land owned by the Sacramento and San Joaquin Drainage District or on any other land.

**FOUR:** The approved work shall be accomplished under the direction and supervision of the State Department of Water Resources, and the permittee shall conform to all requirements of the Department and The Central Valley Flood Protection Board.

**FIVE:** Unless the work herein contemplated shall have been commenced within one year after issuance of this permit, the Board reserves the right to change any conditions in this permit as may be consistent with current flood control standards and policies of The Central Valley Flood Protection

Board.

**SIX:** This permit shall remain in effect until revoked. In the event any conditions in this permit are not complied with, it may be revoked on 15 days' notice.

**SEVEN:** It is understood and agreed to by the permittee that the start of any work under this permit shall constitute an acceptance of the conditions in this permit and an agreement to perform work in accordance therewith.

**EIGHT:** This permit does not establish any precedent with respect to any other application received by The Central Valley Flood Protection Board.

**NINE:** The permittee shall, when required by law, secure the written order or consent from all other public agencies having jurisdiction.

**TEN:** The permittee is responsible for all personal liability and property damage which may arise out of failure on the permittee's part to perform the obligations under this permit. If any claim of liability is made against the State of California, or any departments thereof, the United States of America, a local district or other maintaining agencies and the officers, agents or employees thereof, the permittee shall defend and shall hold each of them harmless from each claim.

**ELEVEN:** The permittee shall exercise reasonable care to operate and maintain any work authorized herein to preclude injury to or damage to any works necessary to any plan of flood control adopted by the Board or the Legislature, or interfere with the successful execution, functioning or operation of any plan of flood control adopted by the Board or the Legislature.

**TWELVE:** Should any of the work not conform to the conditions of this permit, the permittee, upon order of The Central Valley Flood Protection Board, shall in the manner prescribed by the Board be responsible for the cost and expense to remove, alter, relocate, or reconstruct all or any part of the work herein approved.

## **SPECIAL CONDITIONS FOR PERMIT NO. 19031-2 BD**

### **LIABILITY AND INDEMNIFICATION**

**THIRTEEN:** The permittee is responsible for all liability associated with construction, operation, and maintenance of the permitted facilities and shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California; including its agencies, departments, boards, commissions, and their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages arising from the project undertaken pursuant to this permit, all to the extent allowed by law. The State expressly reserves the right to supplement or take over its defense, in its sole discretion.

**FOURTEEN:** The permittee shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California, including its agencies, departments, boards, commissions, and their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages related to the Central Valley Flood Protection Board's approval of this permit, including but not limited to claims filed pursuant to the California Environmental Quality Act. The State expressly reserves the right to supplement or take over its defense, in its sole discretion.

**FIFTEEN:** The Central Valley Flood Protection Board, Department of Water Resources, and Reclamation District No. 1000 shall not be held liable for any damages to the permitted encroachment(s) resulting from flood fight, operation, maintenance, inspection, or emergency repair.

### **AGENCY CONDITIONS**

SIXTEEN: All work approved by this permit shall be in accordance with the submitted drawings and specifications except as modified by special permit conditions herein. No further work, other than that approved by this permit, shall be done in the area without prior approval of the Central Valley Flood Protection Board.

SEVENTEEN: The permittee shall comply with all conditions set forth in the letter from the Department of the Army (U.S. Army Corps of Engineers, Sacramento District) dated \_\_\_\_\_, which is attached to this permit as Exhibit A and is incorporated by reference.

### **PRE-CONSTRUCTION**

EIGHTEEN: Upon receipt of a signed copy of the issued permit the permittee shall contact the Central Valley Flood Protection Board by telephone at (916) 574-0609, and submit the enclosed postcard, to schedule a preconstruction conference with the inspector that is assigned to your project. Failure to do so at least 10 working days prior to start of work may result in a delay of the project.

NINETEEN: The permittee shall notify the Reclamation District 1000's Superintendent Don Caldwell at 916-997-1246 one week in advance of the start of construction.

### **CONSTRUCTION**

TWENTY: No construction work of any kind shall be done during the flood season from November 1 to April 15 without prior approval of the Central Valley Flood Protection Board.

TWENTY-ONE: Location markers shall be placed near both levee toes for the buried gas transmission line not surfacing near the levee toes.

TWENTY-TWO: The gas pipeline shall have a readily accessible rapid-closure device located as close to the west and east levees of the Natomas East Main Drainage Canal crossing as is practical.

### **POST-CONSTRUCTION**

TWENTY-THREE: The project area shall be restored to at least the condition that existed prior to commencement of work.

TWENTY-FOUR: Upon completion of the project, the permittee shall submit as-constructed drawings to: Department of Water Resources, Flood Project Inspection Section, 3310 El Camino Avenue, Suite 256, Sacramento, California 95821.

TWENTY-FIVE: The pipeline shall be tested and confirmed free of leaks by X-ray, pressure tests, or other approved methods during construction or anytime after construction upon request by the Central Valley Flood Protection Board.

### **OPERATIONS AND MAINTENANCE**

## **ATTACHMENT B**

TWENTY-SIX: The permittee shall be responsible for repair of any damages to the project levee and other flood control facilities due to construction, operation, or maintenance of the proposed project.

TWENTY-SEVEN: The permittee shall maintain the permitted encroachment(s) and the project works within the utilized area in the manner required and as requested by the authorized representative of the Central Valley Flood Protection Board, the Department of Water Resources, Reclamation District No. 1000 or any other agency responsible for maintenance.

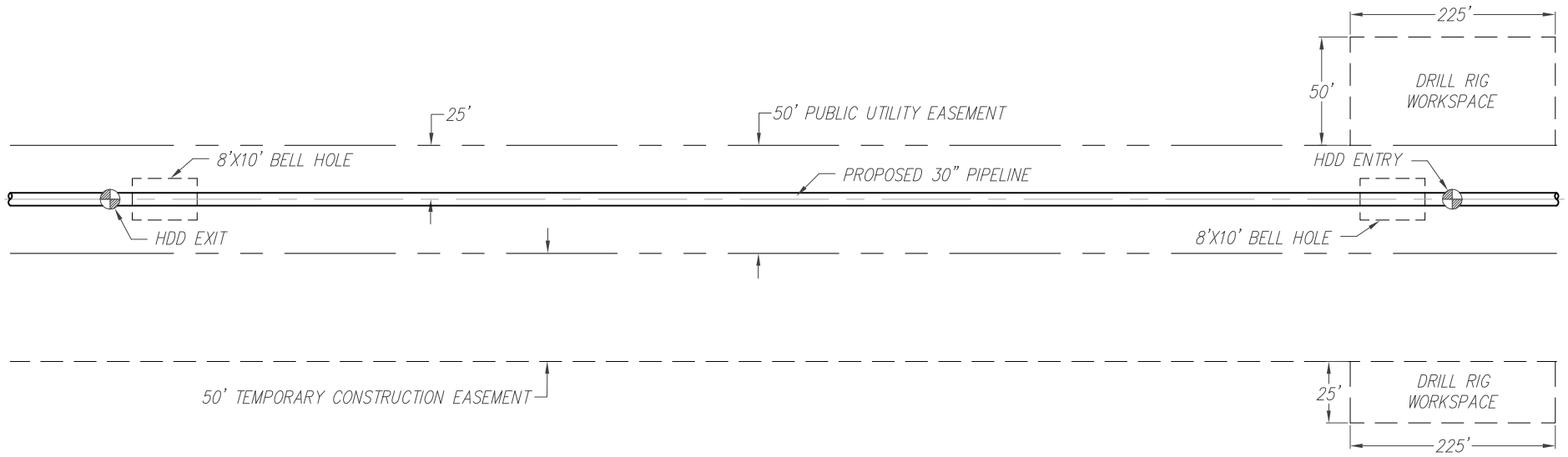
TWENTY-EIGHT: The permitted encroachment(s) shall not interfere with operation and maintenance of the flood control project. If the permitted encroachment(s) are determined by any agency responsible for operation or maintenance of the flood control project to interfere, the permittee shall be required, at permittee's cost and expense, to modify or remove the permitted encroachment(s) under direction of the Central Valley Flood Protection Board or Department of Water Resources. If the permittee does not comply, the Central Valley Flood Protection Board may modify or remove the encroachment(s) at the permittee's expense.

### **PROJECT ABANDONMENT / CHANGE IN PLAN OF FLOOD CONTROL**

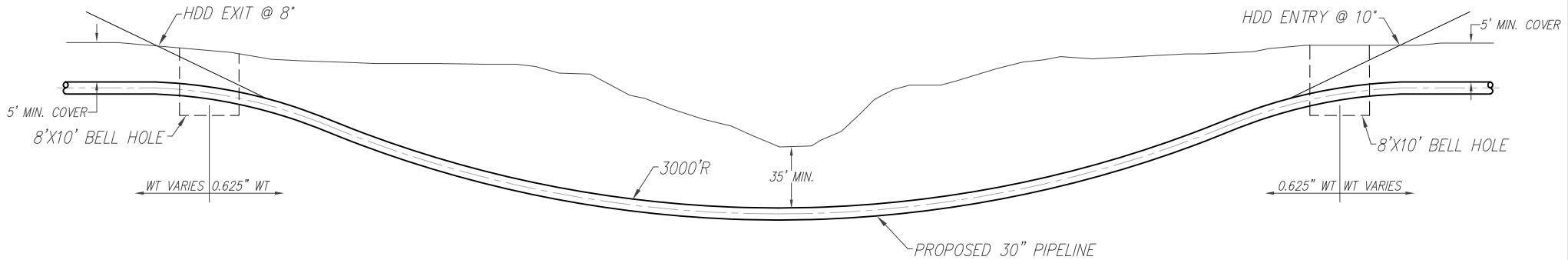
TWENTY-NINE: If the project, or any portion thereof, is to be abandoned in the future, the permittee or successor shall abandon the project under direction of the Central Valley Flood Protection Board, at the permittee's or successor's cost and expense.

THIRTY: The permittee may be required, at permittee's cost and expense, to remove, alter, relocate, or reconstruct all or any part of the permitted encroachment(s) if in the discretion of the Central Valley Flood Protection Board the removal, alteration, relocation, or reconstruction is necessary as part of or in conjunction with any present or future flood control plan or project or if the Project is not maintained or is damaged by any cause. If the permittee does not comply, or in the event of an emergency, the Central Valley Flood Protection Board may remove the encroachment(s) at the permittee's expense.

### **END OF CONDITIONS**



**PLAN VIEW**  
NOT TO SCALE

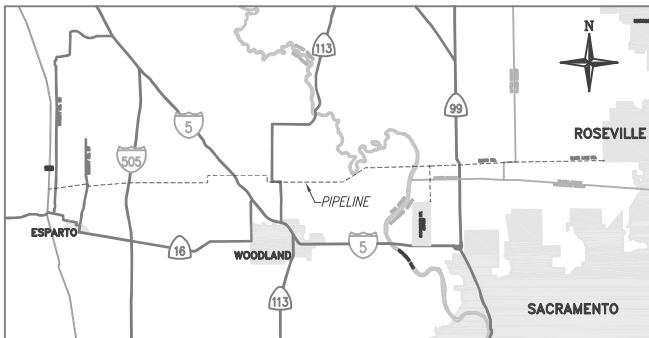


**PROFILE VIEW**  
NOT TO SCALE

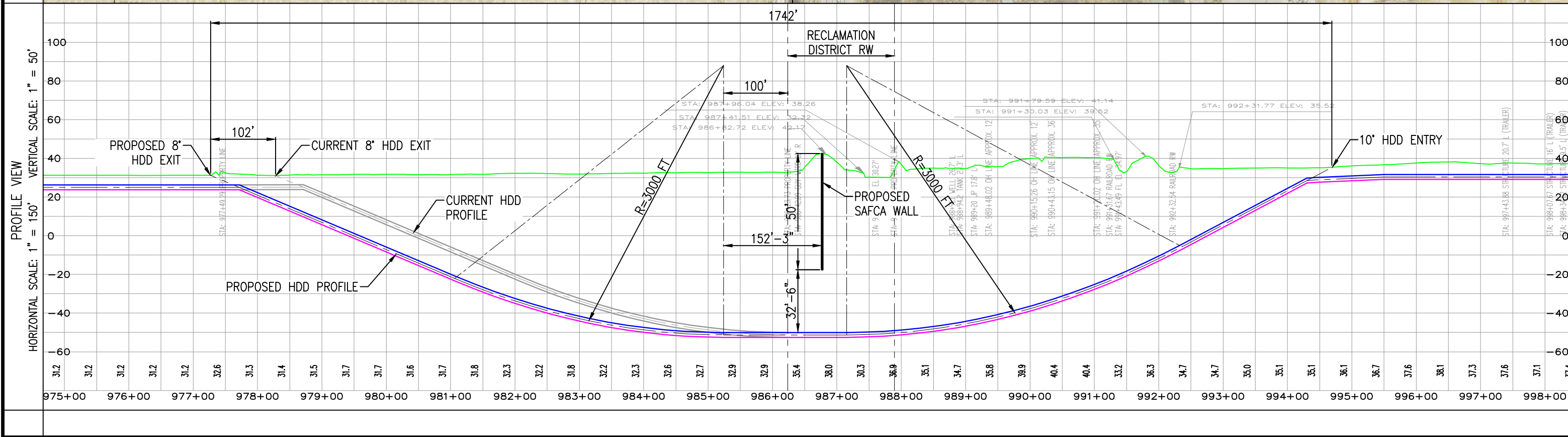
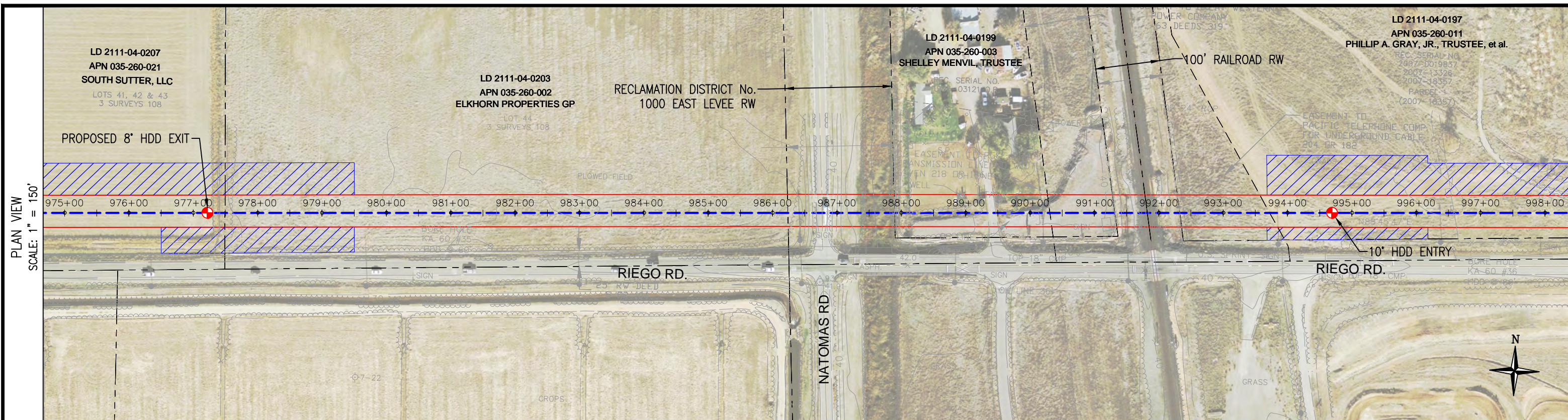
**L-406/407**  
**TYP. HDD DETAIL**

FIGURE 2

**VICINITY MAP**  
NOT TO SCALE







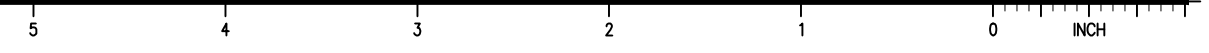
HDD DISTANCE (FT.)		
	CURRENT	PROPOSED
HORIZONTAL	1,642	1,742
TRAVEL	1,653	1,753

THIS DRAWING IS FOR VISUAL REFERENCE ONLY. SCALE IS APPROXIMATE. LOCATION OF EXISTING AND PROPOSED STRUCTURES IS APPROXIMATE. ANY AND ALL DIMENSIONS ARE APPROXIMATE. ORIGINAL DRAWING SIZE 11"x17". IMAGE SOURCE: GOOGLE EARTH

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PG&E L-407 EXPANSION PROJECT  
 NATOMAS ROAD HDD  
 SAFCA WALL EXTENSION FIGURE  
 SUTTER COUNTY, CALIFORNIA

DATE LAST WORKED ON: 06/30/2014  
 SCALE AS SHOWN  
 DRAWING NUMBER: GTS-12259-17  
 SHEET: 1 OF 1





STATE OF CALIFORNIA  
THE NATURAL RESOURCES AGENCY  
CENTRAL VALLEY FLOOD PROTECTION BOARD

RESOLUTION NO. 2016-07

FINDINGS AND DECISION AUTHORIZING ISSUANCE OF  
ENCROACHMENT PERMITS NO. 19031-2 AND 19031-3  
PACIFIC GAS AND ELECTRIC COMPANY  
406/407 PIPELINE  
YOLO, SUTTER AND PLACER COUNTIES

**WHEREAS**, The Pacific Gas and Electric (PG&E) Company PG&E is proposing to construct their Line 406/407 Pipeline project in Yolo, Sutter, and Placer counties. The line will provide a larger capacity and service reliability to the existing PG&E natural gas transmission and distribution pipeline system. It will connect existing PG&E lines 400 and 401 in Yolo County and existing Line 123 in Placer County. Also, a new distribution feeder main (DFM) will supply natural gas to developments in northern Sacramento County. The proposed project will include approximately 26 miles of new 30-inch diameter and 2.5 miles of 10-inch diameter natural gas transmission pipeline; and

**WHEREAS**, Within the Central Valley Flood Protection Board’s jurisdiction, the PG&E Line 407 pipeline project will cross the Knights Landing Ridge Cut, Sacramento River, Natomas East Main Drainage Canal, and the Yolo Bypass. All crossings are separately being reviewed, each with a 19031 permit number; and

**WHEREAS**, The State Lands Commission as lead agency under the California Environmental Quality Act, Public Resources Code sections 21000 *et seq.* (“CEQA”) prepared a Draft Environmental Impact Report (DEIR) (SCH No. 2007062091 , April 2009), Final Environmental Impact Report (FEIR) (SCH No. 2007062091 , October 2009) and a Mitigation Monitoring and Reporting Plan (MMRP) on the PG&E Line 406/407 Natural Gas Pipeline Project (incorporated herein by reference and available at the Central Valley Flood Protection Board offices or State Lands Commission offices); and

**WHEREAS**, On November 18, 2009, the State Lands Commission adopted the FEIR, MMRP, approved findings and a statement of overriding considerations pursuant to the CEQA Guidelines (incorporated herein by reference); and

**WHEREAS**, As of April 11, 2016 the U.S. Army Corps of Engineers (USACE) 408 decision letter has not been received for this application. Staff anticipates receipt of a letter soon indicating that the USACE District Engineer has no objection to the project, subject to conditions. Upon receipt of the letter, staff will review to ensure conformity with the permit language and incorporate it into the Permit; and

**WHEREAS**, Board staff completed a technical review of Permit Applications No. 19031-2 and 19031-3; and

**WHEREAS**, The Board has conducted a public hearing on Permit Applications No. 19031-2 and 19031-3 and has reviewed the Reports of its staff, the documents and correspondence in its file, and the environmental documents prepared by the State Lands Commission;

NOW, THEREFORE, BE IT RESOLVED THAT,

**Findings of Fact.**

1. The Board hereby adopts as findings the facts set forth in the two Staff Reports.
2. The Board has reviewed all Attachments, Exhibits, Figures, and References listed in the two Staff Reports.

**CEQA Findings.**

3. The Board, as a responsible agency, has independently reviewed the analyses in the DEIR (SCH No. 2007062091, April 2009) and the FEIR (SCH No. 2007062091, October 2009) which includes the MMRP, the State Lands Commission Lead Agency findings, and has reached its own conclusions.
4. The Board, after consideration of the DEIR (SCH No. 2007062091, April 2009) and the FEIR (SCH No. 2007062091, October 2009) and the State Lands Commission Lead Agency findings, adopts the project description, analysis and findings which are relevant to the project.
5. **Findings regarding Significant Impacts.** Pursuant to CEQA Guidelines sections 15096(h) and 15091, the Board determines that the State Lands Commission findings, attached to the Staff Report, and incorporated herein by reference, summarizes the FEIR determinations regarding impacts of the PG&E Line 406/407 Natural Gas Pipeline Project, before and after mitigation. Having reviewed the FEIR and the State Lands Commission findings, the Board makes its findings:
  - a. **Findings Regarding Significant and Unavoidable Impacts.** The Board finds that the PG&E Line 406/407 Natural Gas Pipeline Project, may have the following significant, unavoidable impacts, as more fully described in the State Lands Commission findings. Mitigation has been adopted for each of these impacts, although it does not reduce the impact to less than significant. The impacts and mitigation measures are set forth in more detail in the State Lands Commission findings.
    - 1) Construction or Operation Emissions Exceeding Regional Thresholds. - The Project would result in construction or operational emissions that exceed quantitative

- significance thresholds (including quantitative thresholds for ozone precursors) established by air pollution control districts in which the Project would be constructed.
- 2) Construction or Operation Emissions Exceeding State or Federal Standards - The Project would result in emissions that substantially contribute to an exceedance of a State or Federal ambient air quality standard.
  - 3) System Safety and Risk of Serious Injuries and Fatalities Due to Project Upset. - The Project would expose people to an increased risk of existing or potential hazards, including upset and accident conditions involving the risk for fires, explosions, or the release of natural gas into the environment
  - 4) Result in Safety Risk to Nearby Land Uses. The proposed Project would expose people to an increased risk of existing or potential hazards, including upset and accident conditions involving the risk for fires, explosions, or the release of natural gas into the environment.

**Finding:** The Board finds that changes or alterations have been required in, or incorporated into, the project which substantially lessen such impacts, as set forth more fully in the State Lands Commission findings, but that each of the above impacts remains significant after mitigation. Such mitigation measures are within the responsibility of another agency, or the State Lands Commission, and should implement the described mitigation measures. Specific economic, legal, social, technological or other considerations, rendered infeasible mitigation or alternatives that would have reduced these impacts to less than significant.

**b. Findings regarding Significant Impacts that can be reduced to Less Than Significant.**

The significant impacts and the mitigation measures to reduce them to less than significant are adopted on November 19, 2009 (which includes a Statement of Facts, Findings, Impacts and Mitigation Measures, Statement of Overriding Considerations) and Mitigation Monitoring and Reporting Program(MMRP) which was made part of the FEIR. Based on its independent review of the FEIR which included the MMRP, the Board finds that for each of the significant impacts described, changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the FEIR. Moreover, such changes or alterations are within the responsibility and jurisdiction of another public agency, or State Lands Commission, and such changes have been adopted by that agency. It is hereby determined that the impacts addressed by these mitigation measures will be mitigated to a less-than-significant level or avoided by incorporation of these mitigation measures into the project.

As a responsible agency, the Central Valley Flood Protection Board has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of

the Project which it decides to carry out, finance, or approve. The Board confirms that it has reviewed the MMRP, and confirmed that the State Lands Commission has adopted and committed to implementation of the measures identified therein. The Board agrees with the analysis in the MMRP and confirms that there are no feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the project would have on the environment. None of the mitigation measures in the MMRP require implementation by the Board directly, although continued implementation of the MMRP shall be made a condition of issuance of the Permit. However, the measures in the MMRP may be modified to accommodate changed circumstances or new information not triggering the need for subsequent or supplemental analysis under CEQA Guidelines sections 15062 or 15063.

6. **Statement of Overriding Considerations.** Pursuant to CEQA Guidelines sections 15096(h) and 15093, the Board has balanced the economic, social, technological and other benefits of the Project described in Permit Applications No. 19031-2 and 19031-3, against its significant and unavoidable impacts, listed in paragraph 5(a) above, and finds that the benefits of the Project outweigh these impacts and they may, therefore, be considered “acceptable”.

The Board finds that there is an immediate need to provide natural gas services to high growth areas in Sacramento, Sutter, and Placer Counties. The Board finds that economic, legal, social, technological, or other benefits of the proposed project outweigh the unavoidable adverse environmental effects of the project, and the adverse environmental effects are considered acceptable when these benefits of the project are considered.

7. **Custodian of Record.** The custodian of the CEQA record for the Board is its Executive Officer, Leslie Gallagher, at the Central Valley Flood Protection Board Offices at 3310 El Camino Avenue, Room 151, Sacramento, California 95821.

**Considerations pursuant to Water Code section 8610.5.**

8. **Evidence Admitted into the Record.** The Board has considered all the evidence presented in this matter, including the original application for Permits No. 19031-2 and 19031-3 and technical documentation provided by PG&E on the Natural Gas Line Project, past and present Staff Reports and attachments, the original PG&E Line 406/407 Natural Gas Line Environmental Impact Report on the Project (Draft and Final Versions), Statement of Overriding Considerations, and the MMRP.
9. **Best Available Science.** In making its findings, the Board has used the best available science relating to the issues presented by all parties and the design is in compliance with these standards.
10. **Effects on State Plan of Flood Control.** The proposed transmission pipeline will be installed via a horizontal directional drill with entry and exit locations a minimum of 1000-feet from any State Plan of Flood Control feature; therefore the proposed project is expected to result in no adverse effect on any SPFC facilities and is consistent with the CVFPP.

11. **Effects of Reasonably Projected Future Events.** The proposed project will be located deep enough that it will not be affected by scouring of the river bottom in future high water events. Therefore, there are no expected adverse effects to the proposed project from reasonable projected future events.

**Other Findings/Conclusions regarding Issuance of the Permit.**

12. This resolution shall constitute the written decision of the Board in the matter of Permits No. 19031-2 and 19031-3.

**Approval of Encroachment Permits No. 19031-2 and 19031-3.**

15. Based on the foregoing, the Board hereby conditionally approves issuance of Permits No. 19031-2 and 19031-3 in substantially the form provided in the Staff Report for Permit 19031-2 and 19031-3, subject to receipt of USACE comment letter indicating that the District Engineer has no objection to the project.

16. The Board directs the Executive Officer to take the necessary actions to prepare and execute Permits No. 19031-2 and 19031-3 and all related documents and to prepare and file a Notice of Determination under the California Environmental Quality Act for PG&E Line 406/407 Natural Gas Pipeline Project.

PASSED AND ADOPTED by vote of the Board on \_\_\_\_\_, 2016

\_\_\_\_\_  
William H. Edgar  
President

\_\_\_\_\_  
Jane Dolan  
Secretary

## ADOPTION OF STATEMENT OF OVERRIDING CONSIDERATIONS BY THE LEAD AGENCY

The CLSC has balanced the benefits of this Project against significant unavoidable impacts that would remain after mitigation is applied. The CSLC adopts this Statement of Overriding Considerations with respect to the impacts identified in the Revised Final EIR that cannot be reduced, with mitigation stipulated in the Revised Final EIR, to a less than significant level.

Although the Applicant has designed the proposed Project to minimize environmental effects, and the CSLC has imposed additional mitigation measures to further reduce impacts, the following Project impacts remain that would be considered significant following application of all feasible mitigation (Class I impacts):

- Impact AQ-1: Construction or Operation Emissions Exceeding Regional Thresholds. The Project would result in construction or operational emissions that exceed quantitative significance thresholds (including quantitative thresholds for ozone precursors) established by air pollution control districts in which the Project would be constructed.
- Impact AQ-2: Construction or Operation Emissions Exceeding State or Federal Standards. The Project would result in emissions that substantially contribute to an exceedance of a State or Federal ambient air quality standard.

Impacts and mitigation measures are identified and discussed throughout section 4.0 of the Revised Final EIR. A summary of all impacts and mitigation measures is provided in the Mitigation Monitoring Program (MMP) in the Revised Final EIR.

### The Revised Final EIR found for the Air Quality impacts (AQ-1 and AQ-2) that:

None of the operational air quality thresholds are anticipated to be exceeded. However, construction emissions for all major components of the proposed Project would exceed the local air districts significance thresholds for NO<sub>x</sub>. In addition, Line 407 East, the DFM, and Line 407 West would exceed the Feather River Air Quality Management District's (FRAQMD) threshold for one of the ozone precursors reactive organic gases (ROG).

Applicant Proposed Measures (APMs) AQ-1 through AQ-11 reduce potential emissions from project construction. However, implementation of these APMs would not reduce construction impacts to a less than significant level. Implementation of APM AQ-1 will reduce expected NO<sub>x</sub> emissions by 20 percent, but due to the magnitude of NO<sub>x</sub> emissions, a 20 percent reduction would not reduce the impact to a less than significant level. Insufficient details and/or lack of a methodology prevent the quantification of reductions under APM AQ-2, APM AQ-3, APM AQ-4, APM AQ-5, APM AQ-7, APM AQ-8, and APM AQ-11. APM AQ-10 is an enhanced compliance measure for an existing

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registration requirement. As a result, the CSLC has determined that all feasible mitigation consisting of Mitigation Measures (MMs) AQ-1a through AQ-1d be implemented. These mitigation measures would substantially reduce Air Quality Impacts AQ-1 and AQ-2. Despite these measures, construction of the Project is likely to adversely affect air quality, and, as such, would be considered a significant impact (Class I). (See Exhibit D for CEQA Finding No. AQ-1 and CEQA Finding No. AQ-2).

(1) The following mitigation measures would reduce air quality impacts to the maximum extent feasible:

**MM AQ-1a. Fugitive PM<sub>10</sub> Control.** The following components shall be incorporated into the Dust Control Plan specified in APM AQ-3:

- Reduce speed on unpaved roads to less than 15 mph; and
- Apply soil stabilizers to inactive areas.

**MM AQ-1b. NO<sub>x</sub> Mitigation Menu.** If, after completing the comprehensive inventory list identified in APM AQ-1 and associated fleet-wide NO<sub>x</sub> and PM emission reductions, Project emissions still exceed the air district thresholds for NO<sub>x</sub>, PG&E shall implement one or a combination of the following mitigation measures (as directed by the applicable air district) to achieve a reduction in NO<sub>x</sub> to less than the applicable air district's daily threshold of significance for construction:

- Install diesel catalytic reduction equipment (Cleaire Lean NO<sub>x</sub> Catalyst or equivalent) on some or all of the fleet of construction equipment during the construction Project;
- Install the same Lean NO<sub>x</sub> Catalyst on third-party diesel equipment operating within the Yolo-Solano/Sacramento nonattainment area for a period not less than one year of operation; or
- Pay a mitigation fee to the respective local air districts to offset NO<sub>x</sub> emissions which exceed the applicable thresholds after all other mitigation measures have been applied.

**MM AQ-1c. PCAPCD Mitigation.** In addition to the applicable APMs and MM AQ-1a and MM AQ-1b, the following measure shall be implemented for all construction activities occurring in Placer County:

- a) PG&E shall submit a Construction Emission / Dust Control Plan to the PCAPCD. This plan must address the minimum Administrative Requirements found in section 300 and 400 of the PCAPCD Rule 228,



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Fugitive Dust. PG&E shall not break ground prior to receiving PCAPCD approval of the Construction Emission / Dust Control Plan.

- b) PG&E shall submit to the PCAPCD a comprehensive inventory (i.e. make, model, year, emission rating) of all the heavy-duty off-road equipment (50 horsepower or greater) that will be used an aggregate of 40 or more hours for the construction project. The inventory shall be updated, beginning 30 days after any initial work on the site has begun, and shall be submitted on a monthly basis throughout the duration of the project, except that an inventory shall not be required for any 30-day period in which no construction activity occurs. At least three business days prior to the use of subject heavy-duty off-road equipment, the project representative shall provide the PCAPCD with the anticipated construction timeline including start date, and name and phone number of the property owner, project manager, and on-site foreman.
- c) PG&E shall provide a plan to the PCAPCD for approval by the PCAPCD demonstrating that the heavy-duty (>50 horsepower) off-road vehicles to be used in the construction project, including owned, leased and subcontractor vehicles, will achieve a project-wide fleet-average 20 percent NO<sub>x</sub> reduction and 45 percent particulate reduction compared to the most recent CARB fleet average. Acceptable options for reducing emissions may include use of late model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, and/or other options as they become available.
- d) PG&E shall suspend all grading operations when fugitive dust exceeds PCAPCD Rule 228, Fugitive Dust, limitations. The prime contractor shall be responsible for having an individual who is CARB-certified to perform Visible Emissions Evaluations (VEE). This individual shall evaluate compliance with Rule 228 on a weekly basis. It is to be noted that fugitive dust is not to exceed 40 percent opacity and not go beyond property boundary at any time. If lime or other drying agents are utilized to dry out wet grading areas, they shall be controlled as to not exceed PCAPCD Rule 228, Fugitive Dust, limitations.
- e) PG&E shall prepare an enforcement plan and submit to the PCAPCD for review, in order to weekly evaluate project-related on- and off-road heavy-duty vehicle engine emission opacities, using standards as defined in California Code of Regulations, Title 13, Sections 2180-2194. The CARB-certified individual that is hired by PG&E to perform VEE, shall routinely evaluate project-related off-road and heavy-duty

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on-road equipment emissions for compliance with this requirement. Operators of vehicle and equipment found to exceed opacity limits will be notified by the PCAPCD and the equipment must be repaired within 72 hours.

- f) PG&E shall suspend all grading operations when wind speeds (including instantaneous gusts) exceed 25 miles per hour and dust is impacting adjacent properties.
- g) PG&E shall use CARB ultra low sulfur diesel fuel for all diesel-powered equipment. In addition, low sulfur fuel shall be utilized for all diesel-fueled stationary equipment.

**MM AQ-1d. SMAQMD Mitigation.** In addition to the applicable APMs and MM AQ-1a and MM AQ-1b, the following measure shall be implemented for all construction activities occurring in Sacramento County:

- a) PG&E shall provide a plan, for approval by CSLC and SMAQMD, demonstrating that the heavy-duty (>50 horsepower) self-propelled off-road vehicles to be used in construction, including owned, leased and subcontractor vehicles, will achieve a project-wide fleet average of 20 percent NO<sub>x</sub> reduction and 45 percent particulate reduction compared to the most recent CARB fleet average at the time of construction. (SMAQMD provides that acceptable options for reducing emissions may include use of newer model year engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, and/or other options as they become available.)
- b) PG&E shall submit to CSLC and SMAQMD a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 horsepower, that will be used an aggregate of 40 or more hours during any portion of the construction project. The inventory shall include the horse power rating, engine production year, and projected hours of use for each piece of equipment. The inventory shall be updated and submitted monthly throughout the duration of the construction, except that an inventory shall not be required for any 30-day period in which no construction activity occurs. At least 48 hours prior to the use of subject heavy-duty off-road equipment, PG&E shall provide SMAQMD with the anticipated construction timeline including start date, and the name and phone number of the project manager and on-site foreman.
- c) PG&E shall ensure that emissions from all off-road diesel powered equipment used on the project site do not exceed 40 percent opacity for more than three minutes in any one hour. Any equipment found to

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exceed 40 percent opacity (or Ringelmann 2.0) shall be repaired immediately, and SMAQMD shall be notified within 48 hours of identification of non-compliance equipment. A visual survey of all in-operation equipment shall be made at least weekly, and a monthly summary of the visual survey results shall be submitted throughout the duration of the project, except that the monthly summary shall not be required for any 30-day period in which no construction activity occurs. The monthly summary shall include the quantity and type of vehicles surveyed as well as the dates of each survey. The SMAQMD and/or other officials may conduct periodic site inspections to determine compliance. Nothing in this section shall supersede other SMAQMD or state rules or regulations.

And/or: If at the time of construction, the SMAQMD has adopted a regulation applicable to construction emissions, compliance with the regulation may completely or partially replace this mitigation. Consultation by PG&E with SMAQMD prior to construction will be necessary to make this determination.

- (2) Implementation of mitigation measure AQ-1a would reduce the Project's construction-generated  $PM_{10}$  to less than significant. Implementation of mitigation measure AQ-1b would reduce the Project's construction-generated  $NO_x$  impact to less than significant for the YSAQMD, FRAQMD, SMAQMD, and PCAPCD.
- (3) MM AQ-1c and MM AQ-1d were requested by the PCAPCD and SMAQMD, respectively, to further reduce air quality impacts associated with construction of the project in their respective jurisdictions. MM AQ-1c is applicable to all construction activities that would occur in Placer County, and would further reduce fugitive PM emissions (dust) and equipment exhaust emissions from project construction. MM AQ-1d is applicable to all construction activities that would occur in Sacramento County, and would further reduce construction equipment-generated emissions.
- (4) While both ROG and  $NO_x$  are required for the formation of ozone and the reduction of either precursor affects the amount of ozone generated, the relationship between ROG and  $NO_x$  concentrations and the formation of ozone is nonlinear. Although implementation of MM AQ-1b would likely reduce ROG emissions associated with the Project, the amount of vicarious ROG reductions from implementation of the mitigation measure is unknown. Currently, there are no programs for offsetting construction emissions of ROG and impacts would be significant and unavoidable (Class I).
- (5) According to the Draft Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan (Draft 8-Hour Plan), reductions in  $NO_x$

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emissions are more effective at reducing high ozone levels in downwind areas than ROG reductions, based on a ton-per-ton comparison (CARB 2008c). However, reductions of both ROG and NO<sub>x</sub> are required to reach attainment of the ozone standards. Therefore, since the Project's construction would exceed the regional ROG thresholds, the Project would substantially contribute to the existing exceedance for Federal and State ozone standards for the years of construction. Impacts would be significant and unavoidable (Class I).

### BENEFICIAL IMPACTS OF THE PROJECT THAT MEET PROJECT OBJECTIVES

The State CEQA Guidelines, Section 15093(a) requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project.

PG&E's Sacramento Valley Local Gas Transmission System currently serves approximately 675,000 customers located in some of the highest growth counties in California, including Sacramento, Sutter, Placer, and El Dorado counties. PG&E's current load growth forecast for the system anticipates an average annual increase of 19,890 new gas customers over the next 10 years and a total increase in demand of 135 million cubic feet per day for residential customers and 22 million cubic feet per day for small commercial customers. PG&E's existing transmission system within the Sacramento Valley region has operated at maximum capacity over the last several years and can no longer provide sufficient capacity to deliver reliable natural gas service to existing customers or to extend service to planned development in the region. PG&E has indicated that without the addition of this Project, customer service reliability will be at risk and unplanned core customer outages could occur as early as 2009/2010. The main objectives of the Project include the following:

- Provide greater capacity and service reliability to the existing gas transmission and distribution pipeline system while minimizing costs to PG&E's customers;
- Extend natural gas service to planned residential and commercial developments in Placer, Sutter, and Sacramento Counties;
- Install Project facilities in a safe, efficient, environmentally sensitive, and cost-effective manner; and
- Locate the pipeline to minimize the potential of environmental impacts resulting from damage by outside sources. Outside forces include impact by mechanical equipment, such as bulldozers and backhoes; earth movements due to soil settlement, washouts, or geological hazards; weather effects, such as winds, storms, and thermal strains; and willful damage.

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Meeting the project objectives would increase gas service reliability and avoid possible gas curtailments in the region served by the proposed Project, while helping to control costs to PG&E's customers. (Refer to a discussion of the capacity, service reliability, and planning for meeting existing and planned growth in the Introduction of the Draft EIR, Sections 1.1.1 through 1.1.3, as revised in the Revised Final EIR).

## Benefits to the Local Economy

Some short-term benefits to the local community would be anticipated from Project construction. Property, office space, construction trailers, and equipment could be leased locally. The local labor force could also benefit from the Project's need for construction laborers. When available, up to 58 percent of the construction workforce would be local workers. Local business would benefit from the short-term influx of workers who need temporary housing, meals, and make local purchases. This activity is expected to generate local sales tax.

## OVERRIDING CONSIDERATIONS CONCLUSION

The project objectives include increasing natural gas service reliability to existing customers in the Sacramento Valley region and providing service to new residential and commercial developments over the next 50 years. The Project is needed, in part, to service the following growth areas in Sacramento, Sutter, and Placer Counties:

- The Metro Air Park - an 1,800-acre commercial development just east of the Sacramento airport. The parcel is bound by West Elverta Road to the north, Lone Tree Road to the east, Interstate 5 to the south, and Powerline Road to the west and would consist of commercial uses that support airport related activity (hotels, car rental companies); and
- The Sutter Pointe Project - designates 7,500 acres of the 10,500-acre Industrial/Commercial Reserve area in southern Sutter County for residential, industrial, commercial, and educational development; and
- The Placer Vineyards Project - development of a planned 5,230-acre, mixed-use, master-planned community with up to 14,132 residential units, 101 acres of office development, 166 acres of retail commercial centers, and approximately 920 acres of new parks and open space in the southwest corner of Placer County; and
- The Sierra Vista Specific Plan - proposed to consist of approximately 2,100 acres of residential and commercial uses, schools, parks, and open space located west of Fiddymont Road, north of Base Line Road, and south of the city of Roseville's existing boundary; and

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- The Curry Creek Community Plan – a mixed use development plan in Placer County. The plan area covers 2,828 acres north of Base Line Road, north of the Placer Vineyards Specific Plan and west of the West Roseville Specific Plan.

If the Project were not constructed, PG&E would be unable to meet its public utility obligations to provide natural gas service to its customers in accordance with the California Public Utilities Code and associated orders, rules and tariffs. The CSLC finds that the beneficial improvement in regional gas distribution, the avoidance of possible gas curtailments from insufficient local system capacity, the ability to provide natural gas service to planned developments, as well as the benefits of the proposed project to the local economy, outweigh the unavoidable adverse environmental effects of construction air emission impacts.

The CSLC, therefore, finds that in light of these benefits, that the adverse environmental effects and risks associated with the Project are acceptable. The data to support the overriding factors are found in the Introduction, Project Description, and Population and Housing sections of the Revised Final EIR.