

883
SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: County Counsel

SUBMITTAL DATE: July 26, 2007

SUBJECT: Amendment of an existing franchise to North Baja Pipeline, LLC to add a one-mile segment of 36-inch natural gas within the County road right-of-way along Arrowhead Boulevard between 18th and Seeley Avenues near Blythe, and an associated pipeline crossing of Arrowhead Blvd. near Seeley and 14th Avenue.

RECOMMENDED MOTION: 1) That following a public hearing the Board adopts Resolution No. 2007-396 specifying findings required under CEQA and also adopts Ordinance No. 816.1 amending an existing franchise to North Baja Pipeline, LLC to construct and maintain a natural gas pipeline in County rights-of-way.

BACKGROUND: On March 5, 2002, North Baja Pipeline, LLC, a limited liability company established under the laws of Delaware, obtained a 50 year franchise from the County of Riverside for the purpose of laying a 36" diameter pipeline in County rights of way for a distance of approximately 7.6 miles in the eastern portion of Riverside County. The pipeline has been used to transport natural gas brought into Riverside County from the State of Arizona with the line then running south into Imperial County and ultimately into Mexico. The company obtained a Certificate of Public Convenience and Necessity from the Federal Energy Regulatory Commission (FERC) on January 16, 2002.

(Continued on Pages 2 & 3)

FINANCIAL IMPACT:

No cost to County.

Annual revenues to County in the form of franchise fees of \$17,851 to be inflated by CPI over the 45 year term of the franchise.

Minh Tran for

JOE RANK
County Counsel MINH TRAN

Policy Policy
Consent Consent
Department Recommendation:
Per Executive Office:

C.E.O. RECOMMENDATION:

County Executive Office Signature

APPROVE

BY *Tina Grande*

Tina Grande

Prev. Agn. ref.

Dist.

AGENDA NO.

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

15.15

North Baja Pipeline, LLC, (North Baja) is now applying to amend the franchise to expand its pipeline system to bring natural gas into the southwestern United States from a new liquefied natural gas (LNG) terminal in Baja California. Baja Pipeline proposes to expand its pipeline system in two phases. The first phase involves reversing the flow of gas in the pipeline system, which is accomplished primarily through internal equipment modifications, and constructing a new meter station SCal Gas's existing compressor station west of Blythe along with building a two mile lateral pipeline along Arrowhead Boulevard between 18th and 14th Avenues, of which one mile would be within the County road right-of-way. The second phase, planned for construction in 2009, entails building a second, parallel, pipeline adjacent to North Baja's existing line, with 48-inch and 42-inch pipe, which would increase the capacity of the pipeline system from about 600 million cubic feet per day to about 2.7 billion cubic feet per day.

This amendment of the franchise authorizes only the first phase of the pipeline system expansion. When North Baja is ready to commence work on the second phase of its expansion, it is expected to again apply for another amendment of the franchise to allow the second phase expansion.

Issuance of a franchise by the County to this company is authorized under the authority of the California Constitution, Article 11, Section 7, Government Code section 26001 and Public Utilities Code section 6202. The company is requesting a term of 45 years (the remaining number of years with their existing franchise agreement) for this amended franchise, so that lenders on the project will find that the company's right to use the pipeline will continue for the expected life of the project.

The franchise contains a number of provisions drafted by County Risk Management providing for defense and indemnification of the County in case of accident (Section 7 of Ordinance No. 816.1) and requiring extensive insurance coverage for the pipeline and its operation to be furnished by the company as well as a program of safety so that the pipeline will be maintained in a safe manner by the company. A provision allows the County Risk Manager to require adjustment by the company of insurance coverage, if in the reasonable judgment of the County Risk Manager the amounts of insurance specified in the franchise have become inadequate due to passage of time or changed circumstances (End of Section 7).

The franchise contains a number of provisions requiring the company to relocate the pipeline in the event work by the County on its roads or public improvement projects require such relocation (Section 8). The company is required to maintain the pipeline's initial buried depth by checking for problems that may come into existence after windstorms and floods (Section 4).

The provisions in the franchise amendment have been reviewed and approved by the County Risk Management.

The franchise requires the company to pay on an annual basis to the County Treasurer the sum of \$17,851.23 for use of the County rights of way (Section 13). The payment is based on provisions in section 6231.5 of the Public Utilities Code providing for payment for use of a public right of way by a company using such right of way for the transportation of natural gas. A provision in Section 13 of the franchise inflates the annual payment by CPI each year.

Resolution No. 2007-396 has been prepared by the Planning Department specifying environmental findings required under CEQA indicating the absence of adverse environmental impacts or adequate mitigation measures for those impacts found to exist.

Attached are two letters from John Cassidy, Senior Advisor for North Baja (dated August 4, 2006 and December 21, 2006) requesting that a franchise be amended.

It is recommended that following close of the public hearing the Board adopts Resolution No. 2007-396 approving findings required under CEQA and also adopts Ordinance No. 816.1.

Under provisions in the Public Utilities Code and Section 21 of the Ordinance the company must within 30 days after the effective date of the Ordinance file a written acceptance of the franchise with the Clerk of the Board of Supervisors.

Accompanying the Form 11 are the following documents:

1. Resolution No. 2007-396
2. Ordinance No. 816.1
3. Notice of Determination from California State Lands Commission relating to North Baja's proposed expansion of its pipeline system
4. Letters of from John Cassidy, Senior Advisor for North Baja (dated August 4, 2006 and December 21, 2006) requesting that a franchise be amended

RESOLUTION NO. 2007-396

ADOPTING

FINDINGS PURSUANT TO THE ENVIRONMENTAL QUALITY ACT

WHEREAS, North Baja Pipeline, LLC (North Baja), a limited liability company established under the laws of the State of Delaware, and duly authorized to transact business in the State of California; and,

WHEREAS, the California State Lands Commission has issued a Notice of Determination to North Baja for the construction and operation of a natural gas transportation pipeline through the eastern portion of Riverside County; and,

WHEREAS, North Baja has made application to the Board of Supervisors of the County of Riverside to amend a franchise to construct, maintain, operate, and repair a natural gas transportation pipeline in Riverside County rights-of-way and Riverside County roadways; and,

WHEREAS, the Board of Supervisors of the County of Riverside desires that the franchise amendment be granted to North Baja for this purpose; and,

WHEREAS, a duly noticed public hearing has been advertised and held on the proposed amendment to the franchise to North Baja; and,

WHEREAS, Ordinance No. 816.1 has been prepared and, if adopted, would grant an amendment to the franchise to North Baja; and,

WHEREAS, all the procedures of the California Environmental Quality Act (CEQA or the Act) and Riverside County CEQA implementing procedures have been satisfied, and the North Baja Pipeline Expansion Project Environmental Impact Statement/Environmental Impact Report (EIS/EIR) and Proposed Land Use Plan Amendment (SCH#2006081127), prepared in connection with the franchise,

FORM APPROVED COUNTY COUNSEL
BY: MNHC: TRAN *[Signature]* 7/26/07
DATE

1 (referred to alternatively herein as “the proposed franchise” or “the project”), is sufficiently detailed so
2 that all the potentially significant effects of the project on the environment and measures necessary to
3 avoid or substantially lessen such effects have been evaluated in accordance with the above-referenced
4 Act and Rules; and,

5
6 **WHEREAS**, the matter was discussed fully with testimony and documentation presented by the
7 public and affected government agencies; now, therefore,

8 **BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board of Supervisors
9 of the County of Riverside, in regular session assembled on July 31, 2007 that the environmental impacts
10 associated with the proposed franchise are potentially significant unless otherwise indicated; but each of
11 these impacts will be avoided or substantially lessened by the identified mitigation measures.

12
13 The potential environmental impacts and mitigation measures discussed in these Findings are
14 based on the FERC and California State Lands Commission (CSLC) staffs’ analysis of the proposed
15 project in Section 4 of the Final EIS/EIR. The environmental impacts and the mitigation measures
16 identified to avoid or reduce each impact are summarized in tabular form in Table 5.1-1 in Section 5 of
17 the Final EIS/EIR. The impacts in Table 5.1-1 are classified before and after mitigation in accordance
18 with the CEQA significance classifications. In accordance with the CEQA, an impact is classified as
19 either Class I (significant adverse impact that remains significant after mitigation); Class II (significant
20 adverse impact that can be eliminated or reduced below an issue’s significance criteria); Class III (adverse
21 impact that does not meet or exceed an issue’s significance criteria); or Class IV (beneficial impact).

22
23 All Class I and Class II impacts of the project listed in Table 5.1-1 of the Final EIS/EIR are
24 discussed in the Findings below unless the impact is specifically associated with a portion of the project
25 that is not within the proposed franchise (e.g., the B-Line or the IID Lateral and associated aboveground
26 facilities). The impacts classified in Table 5.1-1 as Class III or Class IV impacts do not require Findings
27 under the CEQA and are not discussed below. The exception is greenhouse gas (GHG) emissions, which
28 are classified as a Class III (less than significant) impact in Table 5.1-1 of the Final EIS/EIR. Based on

1 the current concern regarding global warming, a discussion of GHG emissions associated with the project
2 is presented at the end of these Findings. In addition, a discussion of terrorism is presented at the end of
3 these Findings.

4 1. GEOLOGY

5 A. Topography:

- 6 1. Impacts: Disturbances to the natural topography along the right-of-way and
7 at aboveground facilities could occur due to trenching and grading
8 activities.
9
10 2. Mitigation: After completion of construction, North Baja shall restore
11 topographic contours and drainage conditions as closely as practicable to
12 their preconstruction condition.
13

14 B. Seismicity:

- 15 1. Impacts: Seismicity (which includes active faults, ground shaking, and soil
16 liquefaction) is the primary geologic hazard that could affect the proposed
17 project facilities. The portions of the pipeline route subject to the proposed
18 franchise are located in seismic hazard Zone 3.
19
20 2. Mitigation: North Baja shall construct and test the project facilities to meet
21 U.S. Department of Transportation (DOT) construction and safety standards
22 outlined in Title 49 Code of Federal Regulations (CFR) Part 192,
23 *Transportation of Natural and Other Gas by Pipeline: Minimum Federal*
24 *Safety Standards*. The Arrowhead Extension and associated aboveground
25 facilities shall be designed using the *Guidelines for the Design of Buried*
26 *Steel Pipe, Guidelines for the Seismic Design and Assessment of Natural*
27 *Gas and Liquid Hydrocarbon Pipelines*, applicable building codes, and/or
28 other similar recognized seismological engineering standards. The

1 engineering design drawings for the entire project in California shall be
2 certified by a California-registered civil/structural engineer, and shall
3 comply with the latest edition of the California Building Code.

4 A Liquefaction Hazard Evaluation and Mitigation Study prepared for the A-
5 Line in a manner consistent with California Division of Mines and Geology
6 Special Publication 117, *Guidelines for Evaluation and Mitigation of*
7 *Seismic Hazards in California*, Chapter 6, Analysis and Mitigation of
8 Liquefaction Hazards indicated a potential for liquefaction hazards in
9 Riverside County along the western portion of 18th Avenue. Although the
10 Arrowhead Extension was not specifically evaluated in the Liquefaction
11 Hazard Evaluation and Mitigation Study, the liquefaction potential
12 identified along the western portion of 18th Avenue would also be expected
13 along the route of the Arrowhead Extension. To mitigate these potential
14 liquefaction hazards, North Baja shall incorporate the recommendations of
15 the Liquefaction Hazard Evaluation and Mitigation Study into the project
16 design.

17 The pipeline and associated facilities shall be designed using the standards
18 listed above and/or other similar recognized industry standards for seismic-
19 resistant design in liquefaction-prone areas.

20 In the unlikely event of a pipeline rupture caused by a seismic event (or any
21 other cause), North Baja shall implement its emergency response
22 procedures. All facilities shall be designed with remote manual pipeline
23 block valves with automatic shutdown capability that are programmed to
24 sense pipeline ruptures and to isolate a specific pipeline valve section in the
25 case of a catastrophic rupture in that valve section. The estimated response
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1 time for valve closure is 10 minutes. In the event of an emergency, North
2 Baja currently has a procedure in place to utilize the Spokane, Washington
3 operations center as an emergency call center. However, the call center in
4 Spokane is currently in the process of being changed to Redmond, Oregon.
5 By the time the proposed project would be in operation, the Redmond
6 center would likely be operational. There would also be a corporate call
7 center in Calgary, Alberta, Canada. The purpose of the call centers in the
8 first few minutes following a rupture is to mobilize company resources to
9 secure the incident site and notify local first responders of the incident. The
10 incident site is surrendered to local first responders upon their arrival.
11 Procedures are also in place to notify Sempra of any incident occurring on
12 the North Baja facilities so that it can respond appropriately with regard to
13 its facilities and jurisdictions in Mexico.
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16 C. Landslide/Slope Stability:

- 17 1. Impacts: The potential for landslide and/or slope instability hazards could
18 exist in areas where the pipeline route crosses steep terrain. The portions of
19 the pipeline route subject to the proposed franchise are, however, located on
20 broad flat terrain, and partially within the County road right-of-way.
21
22 2. Mitigation: No mitigation is required in the proposed franchise area.

23 D. Paleontological Resources:

- 24 1. Impacts: Paleontological resources could be affected by construction of the
25 pipeline and associated aboveground facilities as well as by the resulting
26 increased public access to these resources. Without mitigation, ground
27 disturbance during construction could cause adverse impacts on
28 paleontological resources.

1 2. Mitigation: Based on the literature and museum archival review and field
2 survey, the stratigraphic unit that would be crossed by the proposed pipeline
3 facilities was determined to have a low potential to yield paleontological
4 resources. However, to address potential impacts on paleontological
5 resources resulting from pipeline construction, North Baja developed a
6 Paleontological Resource Mitigation and Monitoring (PRMM) Plan. The
7 PRMM Plan includes a summary of the literature and museum archival
8 review, field survey results, and assessment of potential impacts on
9 paleontological resources; project-wide and site-specific mitigation and
10 monitoring measures; and curation and reporting procedures. Measures of
11 the plan include:
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- 13 • availability of a qualified project paleontologist to be called to the
14 project area to respond to construction-related issues;
- 15 • training of construction personnel and Environmental Inspectors
16 (EIs) regarding the possibility that fossil resources may be
17 encountered during construction;
- 18 • granting of authority for the EI to temporarily halt construction to
19 allow for assessment by the project paleontologist and
20 implementation of mitigation procedures if warranted;
- 21 • salvage of significant fossils as determined necessary by the project
22 paleontologist; and
- 23 • protocol for curation and repository storage of fossils.
24

25 Following construction, North Baja's project paleontologist shall prepare a
26 final paleontological report. The final report shall be distributed to the
27 FERC, the CSLC, the Bureau of Land Management (BLM), the Bureau of
28

1 Reclamation (BOR), the Cibola National Wildlife Refuge (NWR), and other
2 interested parties.

3 2. SOILS

4 A. Soil Disturbance:

5 1. Impacts: Construction of the pipeline and aboveground facilities could
6 expose soils to erosional forces, compact soils, affect soil fertility, cause
7 mixing of soil horizons, and facilitate the dispersal and establishment of
8 weeds.

9 2. Mitigation: North Baja shall mitigate impacts on soils by implementing its
10 Construction Mitigation and Restoration Plan (CM&R Plan) developed in
11 consultation with the BLM, the U.S. Fish and Wildlife Service (FWS), and
12 the California Department of Fish and Game (CDFG). Some of the
13 measures in the CM&R Plan applicable to construction in the proposed
14 franchise area in Riverside County include: segregating and redistributing
15 topsoil to its actual depth up to 2 feet in agricultural areas; maintaining
16 water flow in crop irrigation systems, unless shutoff is coordinated with
17 affected parties; and testing for and alleviating compacted soils in
18 agricultural and residential areas.

19 B. Fugitive Dust:

20 1. Impacts: Construction of the project could result in fugitive dust, which is a
21 visible indication of soil loss through wind erosion.

22 2. Mitigation: North Baja shall mitigate impacts associated with fugitive dust
23 in the proposed franchise area by implementing its project-wide Dust
24 Control Plan. The project-wide Dust Control Plan includes control
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1 measures identified as best management practices by some of the regulating
2 agencies. The measures that shall be implemented include:

- 3 • take every reasonable precaution to minimize fugitive dust
4 emissions from construction activities;
- 5 • take every reasonable measure to limit visible density (opacity) of
6 emissions to less than or equal to 20 percent;
- 7 • apply water one or more times per day to all affected unpaved roads,
8 and unpaved haul and access roads;
- 9 • reduce vehicle speeds on all unpaved roads, and unpaved haul and
10 access roads;
- 11 • clean up track-out and/or carry-out areas at paved road access points
12 at a minimum of once every 48 hours;
- 13 • if bulk transfer operations are required, spray handling and transfer
14 points with water at least 15 minutes before use;
- 15 • cover all haul truck loads, or maintain at least 6 inches of freeboard
16 space in each cargo compartment. Ensure that all haul truck cargo
17 compartments are constructed and maintained to minimize spillage
18 and loss of materials, and clean or wash each cargo compartment at
19 the delivery site after removal of the bulk materials;
- 20 • apply water to active construction areas to limit visible density
21 (opacity) of emissions to less than or equal to 20 percent;
- 22 • apply water to open and/or unvegetated areas to limit visible density
23 (opacity) of emissions to less than or equal to 20 percent; and
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- 1 • for temporary surfaces during periods of inactivity, restrict vehicular
2 access by means of either fencing or signage, and apply water to
3 comply with the stabilized surface requirements.

4 Some of the measures clearly specify the performance requirement;
5 however, some of the measures are vague and open to interpretation and,
6 consequently, would be difficult to enforce during construction. Therefore,
7 before construction, North Baja shall file with the FERC and the CSLC a
8 revised project-wide Dust Control Plan that specifies the following:
9

- 10 • the precautions that would be taken to minimize fugitive dust
11 emissions from construction activities;
12
13 • the measures that would be taken to limit visible density (opacity) of
14 emissions to less than or equal to 20 percent;
15
16 • how visual density would be measured to determine that it is less
17 than or equal to 20 percent;
18
19 • how compliance with the 20 percent visual density requirement
20 would be documented;
21
22 • the individuals with authority to determine if/when water needs to
23 be reapplied for dust control;
24
25 • the speed limit that would be required on unpaved roads and
26 unpaved haul and access roads; and
27
28 • the individuals with authority to stop work if the contractor does not
comply with dust control measures.

27 C. Contamination:

- 28 1. Impacts: Contamination from spills or leaks of fuels, lubricants, and
coolant from construction equipment could have an impact on soils.

1 2. Mitigation: North Baja shall mitigate impacts on soils by implementing its
2 Spill Prevention, Containment, and Control Plan for Hazardous Materials
3 and Wastes (SPCC Plan). North Baja's SPCC Plan addresses preventive
4 and mitigative measures that shall be used to avoid or minimize the
5 potential impact of petroleum or hazardous material spills during pipeline
6 construction. Some pertinent measures in North Baja's SPCC Plan include:
7

- 8 • proper storage and handling of containers and tanks, including
9 storage of containers with hazardous liquids in secondary
10 containment structures;
- 11 • restricting liquid transfer, vehicle and equipment washing, and
12 refueling within 100 feet of wetlands and waterbodies, 200 feet of
13 water supply wells, and 400 feet of municipal or community water
14 wells or protected wellhead or watershed areas;
- 15 • training of all employees on the contents of the SPCC Plan;
- 16 • maintaining emergency spill kits in all service vehicles;
- 17 • periodic inspection of vehicles and equipment for leaks;
- 18 • established release notification and emergency response procedures;
- 19 and
- 20 • proper disposal of contaminated materials and soils and replacement
21 of excavated contaminated soil with clean soil.

22 D. Soil Erosion:

- 23 1. Impacts: Construction would impact soils with high water and wind erosion
24 potential.
- 25 2. Mitigation: North Baja shall mitigate soil erosion impacts by implementing
26 the measures in its CM&R Plan and project-wide Dust Control Plan.
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1 E. Disruption to Irrigation Flow:

2 1. Impacts: Construction activities could impact irrigation systems within the
3 Palo Verde Valley. Only Rannells Drain, which is not within the area
4 covered by the proposed franchise, would be crossed using the open-cut
5 method. Within the proposed franchise area, the C-05 Canal and two
6 unnamed canals would be crossed.
7

8 2. Mitigation: The C-05 Canal and the two unnamed canals shall be crossed
9 using the bore method, which would avoid in-stream and many streambank
10 impacts.¹ In addition, North Baja shall contact landowners in the Palo
11 Verde Valley regarding the location of other irrigation systems and shall
12 maintain water flow in these systems or coordinate disruption of irrigation
13 flow or any shutoff times with the affected landowners.
14

15 F. Prime Farmland and Farmland of Statewide Importance:

16 1. Impacts: Construction of the proposed pipelines could temporarily impact
17 about 71.7 acres of soil identified as prime farmland and 41.6 acres of
18 farmland of Statewide importance. The portion of the pipeline route subject
19 to the proposed franchise would result in temporary impacts on about 16.1
20 acres of soils designated as prime farmland and farmland of Statewide
21 importance. Construction of the aboveground facilities associated with the
22 Arrowhead Extension would permanently affect 0.8 acre of prime farmland
23 and farmland of Statewide importance.
24

25 2. Mitigation: North Baja shall mitigate impacts on soils in active farmlands
26 by segregating topsoil before installation of the pipeline and reapplying
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1 topsoil over the surface of the right-of-way during restoration as outlined in
2 its CM&R Plan.

3 3. WATER RESOURCES

4 A. Groundwater:

- 5 1. Impacts: Shallow aquifers underlying construction areas could experience
6 changes in overland flow and recharge caused by clearing and grading of
7 the construction right-of-way.
- 8 2. Mitigation: In accordance with North Baja's CM&R Plan, vegetation shall
9 be cleared only where necessary. After completion of construction, North
10 Baja shall recontour and restore the ground surface and allow vegetation to
11 regenerate to provide restoration of preconstruction overland flow and
12 recharge patterns.
- 13 3. Impacts: Compaction of near-surface soils and soil mixing as a result of
14 heavy construction vehicles could affect groundwater by reducing the soil's
15 ability to absorb water.
- 16 4. Mitigation: North Baja shall comply with the provisions for soil
17 compaction mitigation described in its CM&R Plan. This includes testing
18 topsoil and subsoil at regular intervals in agricultural and residential areas
19 for compaction and plowing severely compacted agricultural areas.
- 20 5. Impacts: Refueling of vehicles and storage of fuel, oil, and other fluids
21 during the construction phase of the project could create a potential long-
22 term contamination hazard to groundwater resources. Spills or leaks of
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28 ¹ North Baja originally proposed to cross the C-05 Canal using the bore method and the two unnamed canals using the open-cut method. Since issuance of the Final EIS/EIR, North Baja has indicated it would cross all three canals using the bore method.

1 hazardous liquids could contaminate groundwater and affect users of the
2 aquifer.

3 6. Mitigation: North Baja shall comply with its SPCC Plan. This includes
4 avoiding or minimizing potential impacts by restricting the location of
5 refueling activities and storage facilities and by requiring immediate
6 cleanup in the event of a spill or leak. Additionally, the SPCC Plan
7 identifies emergency response procedures, equipment, and cleanup
8 measures in the event of a spill.

9
10 7. Impacts: Trench dewatering during pipeline construction could affect
11 groundwater resources and alter the natural soil strata such that new
12 groundwater migration pathways could be created away from surface
13 waterbodies. The C-05 Canal and two unnamed canals would be crossed by
14 the portion of the pipeline route subject to the proposed franchise.

15
16 8. Mitigation: North Baja shall dewater trenches in such a manner that no
17 heavily silt-laden water flows into any waterbody as described in its CM&R
18 Plan. Additionally, North Baja's CM&R Plan requires the use of trench
19 breakers or installation of trench plugs at the edges of waterbodies to avoid
20 altering the flow of groundwater to local springs or wetland areas.

21
22 9. Impacts: Substantial amounts of groundwater may be encountered in the
23 vicinity of the Colorado River and near canal crossings along the B-Line,
24 Arrowhead Extension, and IID Lateral that may result in minor fluctuations
25 in local groundwater levels. Only the Arrowhead Extension is within the
26 area subject to the proposed franchise.

27
28 10. Mitigation: If necessary, North Baja shall use well points in addition to
standard sump pump dewatering to control the influx of groundwater into

1 bore pits at road and canal crossings. The water from these dewatering
2 operations shall be discharged to dewatering structures and/or otherwise
3 filtered and discharged into field drains or canals. North Baja shall
4 complete trench dewatering activities within a particular location as soon as
5 possible.
6

7 11. Impacts: Unanticipated, pre-existing contaminated groundwater could be
8 encountered during construction.

9 12. Mitigation: North Baja shall conduct additional observations for the
10 presence of a chemical sheen, free product, and chemical odor, and record
11 the results before any further construction activity in the event evidence of
12 contaminated groundwater or contaminated soils is encountered. North
13 Baja shall perform field observations to determine the nature of the
14 contamination, appropriate disposal/treatment options, and the need for
15 sampling. If contaminated groundwater and/or soils are encountered in the
16 area subject to the proposed franchise, North Baja shall stop work and
17 consult with the appropriate agencies, including the California Regional
18 Water Quality Control Board, Colorado River Basin Region and the
19 Riverside County Department of Health on a plan to proceed. The plan
20 shall include provisions for characterizing the contaminants, appropriate
21 health and safety measures for workers, and proper discharge of the
22 groundwater. North Baja shall notify the appropriate agencies of any
23 discoveries of pre-existing contamination and shall perform evaluations on
24 the amount and composition of the contamination. Once the evaluations are
25 completed, North Baja shall coordinate with the appropriate agencies to
26 determine appropriate actions and disposal of affected materials.
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1 13. Impacts: Construction activities could impact public and private wells
2 located within 150 feet of the proposed construction work area. These
3 potential impacts could include: localized decreases in groundwater
4 recharge rates, changes to overland water flow, contamination due to
5 hazardous materials spills, decreased well yields, decreased water quality
6 (such as an increase in turbidity or odor in the water), interference with well
7 mechanics, or complete disruption of the well.
8

9 14. Mitigation: During initial review, no water wells were identified within 150
10 feet of the pipeline centerline within the area subject to the proposed
11 franchise. However, as specified in Title 18 CFR Part 380.12(d)(9), the
12 appropriate distance to be used to evaluate potential impacts on water wells
13 is 150 feet from the construction work area. North Baja shall conduct a
14 field survey to identify public and private water supply wells within 150
15 feet of the proposed construction work area before construction. With the
16 landowner's permission, North Baja shall test the water wells identified
17 within 150 feet of the construction work area before construction to
18 determine baseline flow conditions as a means of determining any potential
19 construction-related impacts. Where impacts are reported by landowners,
20 North Baja shall conduct post-construction water well tests. If it is
21 determined that construction activities have impaired a well water quality or
22 yield, North Baja shall either provide bottled water for drinking and arrange
23 for an alternate source of water (such as water truck) for other household
24 uses, temporarily relocate the landowner until the water supply is restored,
25 or compensate the landowner for losses. If water quality or yield is
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1 permanently impaired as a result of construction activities, North Baja shall
2 arrange for a new well to be drilled or compensate the landowner.

3 15. Impacts: Blasting near groundwater wells during construction could cause
4 temporary changes in water level and turbidity and damage the water wells.

5
6 16. Mitigation: Blasting is only anticipated near milepost (MP) 29.5 of the B-
7 Line, which is not within the proposed franchise area. No water wells have
8 been identified within 0.5 mile of this location. Should additional water
9 wells be identified in the vicinity of a location requiring blasting, North
10 Baja shall conduct blasting in compliance with its Blasting Specifications.
11 In accordance with the Blasting Specifications, North Baja shall limit the
12 blast to the trenchline and employ blasting mats to keep fly-rock from
13 leaving the construction work area. To avoid injury to personnel and
14 damage to structures or other features such as the existing A-Line, North
15 Baja's Blasting Specifications stipulates that the blasting contractor shall
16 prepare site-specific blasting plans and procedures for review and approval
17 by North Baja. All blasting activities shall be conducted under the
18 supervision of a California Licensed Blasting Technician. Blasting
19 procedures shall be in accordance with Federal, State, and local regulations
20 regarding use, storage, and transport of explosives; safety; and
21 environmental protection.
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24 B. Surface Waters:

25 1. Impacts: Construction activities could affect waterbodies through
26 modification of aquatic habitat, increased sedimentation, increased
27 turbidity, decreased dissolved oxygen concentrations, stream warming, or
28 introduction of chemical contamination such as fuels and lubricants. The

1 C-05 Canal and two unnamed canals would be crossed by the portion of the
2 pipeline route subject to the proposed franchise.

3 2. Mitigation: North Baja shall cross the C-05 Canal and the two unnamed
4 canals using the bore method, which would avoid in-stream and many
5 streambank impacts. Erosion control devices shall be installed in
6 accordance with North Baja's CM&R Plan to protect these waters from
7 sedimentation resulting from adjacent construction activities. North Baja
8 shall implement the measures in its CM&R Plan to facilitate revegetation of
9 the banks following construction.

10 3. Impacts: Spoil placed in floodplains during pipeline construction could
11 cause an increase in flood levels or could be washed downstream or be
12 deleterious to aquatic life.

13 4. Mitigation: No mitigation is required because no floodplains would be
14 crossed in the area subject to the proposed franchise.

15 5. Impacts: Refueling of vehicles and storage of fuel, oil, or other hazardous
16 materials near surface waters could create a potential for contamination if a
17 spill were to occur. Immediate downstream users of the water could
18 experience a degradation in water quality. Acute chronic toxic effects on
19 aquatic organisms could result from such a spill.

20 6. Mitigation: North Baja shall comply with its SPCC Plan. The SPCC Plan
21 includes avoiding or minimizing potential impacts by restricting the
22 location of refueling activities and storage facilities and by requiring
23 immediate cleanup in the event of a spill or leak. Additionally, the SPCC
24 Plan identifies emergency response procedures, equipment, and cleanup
25 measures in the event of a spill.
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1 After testing, North Baja shall discharge hydrostatic test water in
2 accordance with the requirements of its National Pollutant Discharge
3 Elimination System permit. The discharge rate shall be regulated, and
4 water shall be discharged through energy dissipation devices and sediment
5 barriers, as necessary, to prevent erosion or excessive flow.
6

7 11. Impacts: The withdrawal of water from streams or rivers to control dust
8 could impact aquatic resources.

9 12. Mitigation: North Baja shall file with the FERC and the CSLC a revised
10 project-wide Dust Control Plan that specifies the sources of water that
11 would be used for dust control, the anticipated quantities of water that
12 would be required, and measures that would be implemented to prevent fish
13 and fish egg entrainment during dust control water withdrawals.
14

15 4. WETLANDS

16 A. Wetlands:

17 1. Impacts: The primary impact of the project on wetlands would be the
18 temporary and permanent alteration of wetland vegetation. Other impacts
19 could include temporary changes in wetland hydrology and water quality,
20 mixing of topsoil and subsoil, and compaction and rutting of soils. A 10-
21 foot-wide maintained corridor would result in the permanent conversion of
22 3.0 acres of scrub-shrub wetland to emergent wetland.

24 2. Mitigation: No mitigation is required because no wetlands would be
25 crossed in the area subject to the proposed franchise.
26

27 5. VEGETATION

28 A. Vegetation:

- 1 1. Impacts: The primary impact of the project on vegetation would be the
2 cutting, clearing, and/or removal of existing vegetation within the
3 construction work area. The removal of desert vegetation would have
4 longer-term impacts than in agricultural areas where vegetation re-
5 establishes quickly.
- 6 2. Mitigation: North Baja shall mitigate impacts on vegetation by
7 implementing its CM&R Plan developed in consultation with the BLM, the
8 FWS, and the CDFG. Some of the measures in the CM&R Plan applicable
9 to construction in Riverside County include: segregating and redistributing
10 topsoil to its actual depth up to 2 feet in agricultural areas; maintaining
11 water flow in crop irrigation systems, unless shutoff is coordinated with
12 affected parties; and testing for and alleviating compacted soils in
13 agricultural and residential areas. The vegetation that would be affected by
14 the portion of the pipeline route within the area of the proposed franchise
15 would be agricultural and would re-establish quickly.
- 16 3. Impacts: Construction could reduce wildlife habitat and diversity by
17 removing desert wash woodlands.
- 18 4. Mitigation: No mitigation is required because no desert wash woodlands
19 would be crossed in the area subject to the proposed franchise.
- 20 5. Impacts: The revegetation of desert areas could take from 5 to 50 years.
- 21 6. Mitigation: No mitigation is required because no desert vegetation would
22 be crossed in the area subject to the proposed franchise.
- 23 7. Impacts: The project could impact rangeland health. The removal of desert
24 vegetation and disturbance of soils could affect the ability of the project
25 area to support vegetation and wildlife communities.
- 26 27 28

1 construction monitoring and treatment of invasive weeds; removal of
2 tamarisk trees from the right-of-way in native areas and, in non-native
3 areas, removing tamarisk trees as necessary as part of clearing operations;
4 and burning or hauling tamarisk debris offsite.

5
6 6. WILDLIFE AND AQUATIC RESOURCES

7 A. Wildlife:

8 1. Impacts: Construction and operation of the pipeline could directly impact
9 wildlife through disturbance, displacement, mortality, and alterations of
10 available habitats.

11 2. Mitigation: North Baja shall implement conservation measures for special
12 status species that would also serve to avoid, minimize, or compensate for
13 impacts on general wildlife and their habitats. Additionally, North Baja
14 shall implement measures identified in its CM&R Plan to avoid or minimize
15 impacts on wildlife habitats as well as facilitate the recovery of vegetation
16 communities.

17 3. Impacts: Construction across wetlands and waterbodies could affect
18 important habitats for a number of resident wildlife species and fishery
19 resources. Within the proposed franchise area, the C-05 Canal and two
20 unnamed canals would be crossed.

21 4. Mitigation: These canals shall be crossed using the bore method, which
22 would avoid in-stream and many streambank impacts. Erosion control
23 devices shall be installed in accordance with North Baja's CM&R Plan to
24 protect these waters from sedimentation resulting from adjacent
25 construction activities. North Baja shall implement the measures in its
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1 CM&R Plan to facilitate revegetation of the banks following construction.

2 No wetlands would be crossed in the area subject to the proposed franchise.

3 5. Impacts: Fires inadvertently started by construction activities (e.g.,
4 welding), equipment, or personnel could affect wildlife by igniting
5 vegetation along the right-of-way.

6
7 6. Mitigation: North Baja shall implement its Fire Prevention and Suppression
8 Plan to minimize the potential for wildfires. Some of the measures
9 contained in the plan include: requiring the contractor to train all personnel
10 on fire prevention measures, restricting smoking and parking to cleared
11 areas, requiring all combustion engines to be equipped with a spark arrestor,
12 and requiring vehicles and equipment to maintain a supply of fire
13 suppression equipment (e.g., shovels and fire extinguishers). A Fire Guard
14 shall be assigned to each construction spread that would be responsible for
15 maintaining contact with local fire control agencies.

16
17 7. Impacts: Some impact on migratory birds could result from habitat loss
18 associated with construction of the project. Clearing of vegetation could
19 also destroy nests and cause mortality of nestlings and nesting adults.

20
21 8. Mitigation: No mitigation is required because no native desert habitats
22 would be within the area subject to the proposed franchise.

23 B. Aquatic Resources:

24 1. Impacts: Construction could result in sedimentation and turbidity, which
25 might adversely affect fish eggs and juvenile fish survival, benthic
26 community diversity and health, and spawning habitat. Within the
27 proposed franchise area, the C-05 Canal and two unnamed canals would be
28 crossed.

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2. Mitigation: The C-05 Canal and the two unnamed canals shall be crossed using the bore method, which would avoid in-stream and many streambank impacts. Erosion control devices shall be installed in accordance with North Baja's CM&R Plan to protect these waters from sedimentation resulting from adjacent construction activities. North Baja shall implement the measures in its CM&R Plan to facilitate revegetation of the banks following construction.
 3. Impacts: Construction across waterbodies could cause streambank erosion.
 4. Mitigation: The C-05 Canal and the two unnamed canals shall be crossed using the bore method, which would avoid in-stream and many streambank impacts. Erosion control devices shall be installed in accordance with North Baja's CM&R Plan to protect these waters from sedimentation resulting from adjacent construction activities. North Baja shall implement the measures in its CM&R Plan to facilitate revegetation of the banks following construction.
 5. Impacts: A chemical or fuel spill in or near a waterbody could release contaminants, which could affect fish directly or indirectly through changes in food sources or by contaminating the water resources.
 6. Mitigation: North Baja shall adhere to the measures in its CM&R Plan and SPCC Plan to prevent a large spill from occurring near surface waters. Hazardous materials shall be stored, and vehicles refueled, at least 100 feet from surface waters. Should a small spill occur, the containment measures in the SPCC Plan would decrease the response time for control and cleanup of the spill.

- 1 7. Impacts: Hydrostatic testing and dust control water withdrawals could
2 cause entrainment of fish, reduced downstream flows, or impaired
3 downstream uses associated with water withdrawals, and erosion, scouring,
4 or a release of chemical additives.
5
- 6 8. Mitigation: North Baja shall cover the water intake with an adequately
7 sized mesh screen to reduce the potential for fish and fish egg entrainment.
8 Water withdrawals shall occur from an existing well or irrigation canals and
9 shall not affect current flow levels in the Colorado River or other
10 waterbodies containing fishery resources. No chemicals shall be added to
11 the test water, and energy dissipation devices shall be employed to
12 minimize channel erosion. North Baja shall file with the FERC and the
13 CSLC a revised project-wide Dust Control Plan that specifies the sources of
14 water that would be used for dust control, the anticipated quantities of water
15 that would be required, and measures that would be implemented to prevent
16 fish and fish egg entrainment during dust control water withdrawals.
17
- 18 9. Impacts: The proposed open-cut trenching through Rannells Drain would
19 create a temporary increase in sediment load in the drain.
20
- 21 10. Mitigation: No mitigation is required. Rannells Drain would not be within
22 the area subject to the proposed franchise.
23
- 24 11. Impacts: A frac-out could occur during horizontal directional drill (HDD)
25 crossings if the drilling head hits a subterranean fracture in the substrate,
26 resulting in an inadvertent release of drilling mud.
27
- 28 12. Mitigation: No mitigation is required. No waterbodies that would be
 crossed using the HDD method would be within the area subject to the
 proposed franchise.

1 compliance with all protection measures. To ensure proper focus,
2 emphasis shall be placed on the specific aspects of compliance
3 applicable to the particular audience's activities on the project.
4

- 5 • Employees and contractors shall be informed during one or more
6 training sessions that they are not authorized to handle or otherwise
7 move listed species at any time, including while commuting to work
8 sites or at a work site.

- 9 • North Baja shall hire and designate at least two EIs per construction
10 spread who would be responsible for overseeing project
11 environmental protection measures, including those for special
12 status species. Environmental inspection procedures shall be in
13 compliance with the relevant provisions of North Baja's CM&R
14 Plan. North Baja shall also hire and designate at least one
15 authorized biologist who would be responsible for identification of
16 habitat and individuals of special status species and for
17 implementation of all measures requiring an authorized biologist's
18 intervention. The biologist shall, if needed, hold the required
19 permits or formal agreements with appropriate Federal and State
20 agencies for the survey or handling of any special status species. An
21 authorized biologist shall conduct species-specific surveys of each
22 project facility located within areas identified during North Baja's
23 surveys as listed species habitat no more than 7 days before the
24 onset of activities.
25

- 26 • Project personnel shall exercise caution when commuting to the
27 construction area to minimize any chance for the inadvertent injury
28

1 or mortality of species encountered on roads leading to and from the
2 construction area. North Baja's contractors and employees shall
3 report all such incidents directly to an EI.

- 4 • Only existing routes of travel and approved access roads shall be
5 used to and from construction areas. Cross-country travel by
6 vehicles and equipment shall be prohibited. Except on County- or
7 State-maintained roads, vehicle and equipment speeds shall not
8 exceed 25 miles per hour within potential habitat of a listed species.
- 9 • Authorized biologists shall monitor all work where prior North Baja
10 surveys have documented the occurrence of one or more listed
11 species and where construction activities can reasonably be expected
12 to adversely affect those species. In conjunction with North Baja's
13 EIs, the biologists shall have the authority to halt all non-emergency
14 actions that might result in harm to a listed species, and shall assist
15 in the overall implementation of protection measures for listed
16 species during project activities.
- 17 • All trash and food items generated by construction and maintenance
18 activities shall be promptly placed in a closed container and
19 regularly removed from the project site to reduce the attractiveness
20 of the area to common ravens and other desert predators.
- 21 • Firearms and domestic pets shall be prohibited from work sites.
- 22 • In the construction work area and along access roads, employees and
23 contractors shall look under vehicles and equipment for the presence
24 of special status species before movement. If a special status
25 species is observed, no vehicles or equipment shall be moved until
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1 the animal has left voluntarily or is removed by an authorized
2 biologist. Pipeline construction activities between dusk and dawn
3 shall be limited to emergencies only (i.e., issues involving human
4 health and safety) with the exception of the HDD operations
5 (including those at the Colorado River, the All-American Canal,
6 Interstate 8, the East Highline Canal) and the open-cut crossing of
7 Rannells Drain.
8

- 9 • Open pipeline trenches, auger holes, or other excavations that could
10 entrap wildlife shall be inspected by an authorized biologist a
11 minimum of three times per day, and immediately before
12 backfilling. In habitats supporting special status species, pipe
13 segments shall either be capped or taped closed each night or raised
14 on supports of sufficient height to prevent the entry and entrapment
15 of special status species. Such pipe segments shall be inspected
16 regularly before sealing and before using in the morning. For open
17 trenches, earthen escape ramps shall be maintained at 1-mile
18 intervals. Other excavations that remain open overnight shall be
19 covered, ramped, or fenced to prevent entrapment of wildlife.
20
- 21 • If a listed species is located during construction, and a contingency
22 for avoidance, removal, or transplant has not been approved by the
23 FWS or appropriate agency, North Baja shall not proceed with
24 project activities in that location until specific consultation with the
25 FERC, the FWS, the BLM, and/or other appropriate agency is
26 completed.
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28

- 1 • All encounters with listed species shall be reported to the biologist,
2 who would record the following information:
 - 3 ○ species;
 - 4 ○ location (narrative and maps) and dates of observations;
 - 5 ○ general condition and health, including injuries and state of
6 healing;
 - 7 ○ diagnostic markings, including identification numbers or
8 markers; and
 - 9 ○ locations moved from and to.
- 10 • Upon locating a dead or injured listed species, North Baja shall
11 notify the FWS and the CDFG in California or the Arizona Game
12 and Fish Department in Arizona. Written notification shall be made
13 within 15 days of the date and time of the finding or incident (if
14 known) and shall include: location of the carcass, a photograph,
15 cause of death (if known), and other pertinent information.
- 16 • The construction right-of-way in the proposed franchise area shall
17 be limited to a width of 100 feet along the Arrowhead Extension
18 (except when in the Arrowhead Boulevard roadway or road shoulder
19 where a 60-foot-wide construction right-of-way shall be used). The
20 construction right-of-way shall be clearly staked and flagged in
21 advance of construction. The construction area in the proposed
22 franchise area includes approved work areas for the Arrowhead
23 Extension; the Blythe-Arrowhead Meter Station; the taps, crossover
24 piping, and pig launcher associated with the Arrowhead Extension;
25 access roads; and staging and pipe storage areas.
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- 1 • North Baja shall attempt to schedule construction in native habitats
2 outside of the breeding season for migratory birds. If, however,
3 construction activities are necessary in native habitats during the
4 bird breeding season, North Baja shall remove vegetation that could
5 provide nesting substrate from the right-of-way before the breeding
6 season, thus eliminating the possibility that birds could nest on the
7 right-of-way. Specific plans relating to preclearing of vegetation
8 shall be coordinated with the FWS, the BLM, and the CDFG.
9 Qualified biologists shall conduct preconstruction surveys to
10 confirm the absence of nesting birds before construction begins.
11
- 12 • If, in spite of vegetation removal, nesting birds are found on the
13 construction right-of-way, the nest shall not be removed until
14 fledging has occurred or unless authorized after consultation with
15 the FWS, the CDFG, and, if the nest is located on Federal lands, the
16 Federal land management agency.
17
- 18 • At specified locations in areas of high-density microphyll woodland,
19 North Baja shall narrow the construction right-of-way width to 80
20 feet. Areas of this narrower construction width shall be identified in
21 the field, staked, and flagged in advance of construction.
22
- 23 • At the conclusion of work, all trenches and holes shall be
24 completely filled, surfaces cleaned and smoothed, and each site
25 recontoured to match the original profiles as closely as possible.
26
- 27 • With the exception of fenced facilities, all materials and equipment
28 shall be removed from the area upon completion of work. All
stakes, flagging, and fencing used to delineate and protect any

1 environmental or cultural feature in the construction area shall be
2 removed no later than 30 days after construction and restoration are
3 complete.

- 4 • Upon completion of project activities, North Baja shall submit a
5 final report to the FERC for distribution to other agencies, including
6 the FWS. The report shall document the effectiveness and
7 practicality of the conservation measures, the number of individuals
8 of each species excavated from their burrows or removed from the
9 site, the number of individuals killed or injured, and other pertinent
10 information. The report shall also recommend modifications of the
11 project stipulations in order to enhance the protection of species in
12 the future. In addition, the final report shall provide the actual
13 acreage disturbed by project activities by habitat type.

16 3. Impacts: Construction could affect burrowing owls, which occur in the
17 irrigated desert agricultural areas. North Baja identified one probable
18 burrowing owl burrow and an individual burrowing owl adjacent to a
19 burrow at approximate MP 1.5 of the Arrowhead Extension.

21 4. Mitigation: For owls occupying burrows within 250 feet of the construction
22 work area, North Baja shall monitor or passively or actively relocate the
23 species to appropriate and previously installed artificial or available
24 alternate natural burrows. Only biologists approved by the CDFG in
25 advance shall handle owls or install one-way doors during relocation
26 activities. The management strategy utilized shall be determined on a case-
27 by-case basis. In addition to relocation or monitoring efforts, North Baja
28

1 shall implement the following measures to minimize impacts on the
2 burrowing owl:

- 3 • Direct impacts on burrowing owl habitat shall be minimized by
4 constructing in the road pavement or road shoulder in agricultural
5 areas or by boring/drilling beneath habitat areas (e.g., canals and
6 drains).
- 7 • Preconstruction surveys during the breeding season shall be
8 conducted by biologists who would visually check all potential
9 habitat within 250 feet of both sides of the proposed construction
10 work area within 1 week before construction.
- 11 • Unoccupied burrows discovered within the construction right-of-
12 way during preconstruction surveys shall be collapsed or excavated
13 before construction activities to prevent occupancy by burrowing
14 owls.
- 15 • Artificial burrows, installed to minimize the effect of burrow loss,
16 shall be placed within the home range of individual owls that would
17 be affected before burrow excavation or installation of one-way
18 doors.

19 In addition, North Baja shall provide compensation at the equivalency rate
20 of 6.5 acres of foraging habitat for burrowing owls for each active burrow
21 damaged.

- 22 5. Impacts: The project may affect potential inhabitation of suitable habitats
23 found to be lacking individual special status species during surveys in 2005,
24 and/or new species that are listed under State or Federal law in the future.
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1 right-of-way. Construction of aboveground structures shall be prohibited
2 on the permanent right-of-way; however, no restrictions shall be placed on
3 the temporary right-of-way or extra workspaces.

4
5 3. Impacts: There are three residences along the portion of Arrowhead
6 Boulevard that would be affected by construction of the project; however,
7 no residences or businesses would be located within 100 feet of the
8 Arrowhead Extension. The closest residence to the Arrowhead Extension is
9 approximately 126 feet from the edge of the construction right-of-way.
10 Residences and businesses could be affected by construction and operation
11 of the project.

12
13 4. Mitigation: North Baja shall implement the following general measures to
14 minimize construction-related hazards and maintain access to the residences
15 and businesses that would be affected by the project:

- 16 • minimize the amount of trench left open at the end of the workday
17 and cordon off the trench during non-work hours;
- 18 • cover the trench with steel plates where necessary to allow traffic
19 passage and reduce safety hazards;
- 20 • install safety fencing for a minimum of 100 feet on either side of
21 residences that are within 100 feet of the construction work area;
- 22 • secure and patrol construction areas during non-work hours to
23 minimize safety issues associated with open trenches;
- 24 • maintain an emergency ingress and egress near all residences and
25 businesses throughout the construction process;
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- 1 • maintain at least one lane of restricted traffic movement through the
- 2 construction area for access to residences and for emergency
- 3 vehicles;
- 4
- 5 • minimize noise by maintaining equipment in good operating
- 6 condition; and
- 7 • suppress dust with the use of water trucks and regular spraying.

8 B. Special Management Areas:

- 9 1. Impacts: Construction activities could require plan amendments for
- 10 crossing portions of designated special management areas such as the
- 11 California Desert Conservation Area and the Milpitas Wash SMA.
- 12
- 13 2. Mitigation: No mitigation is required. No portions of the proposed route
- 14 requiring a plan amendment would be within the area subject to the
- 15 proposed franchise.

16 C. Recreation and Public Interest Areas:

- 17 1. Impacts: Public interest areas directly affected by or located near the
- 18 project, including the Milpitas Wash SMA, Imperial Sand Dunes Recreation
- 19 Area, Cibola NWR, Mule Mountain Area of Critical Environmental
- 20 Concern (ACEC), Pilot Knob ACEC, Plank Road ACEC, East Mesa
- 21 ACEC, Lake Cahuilla ACEC, Palo Verde Wilderness Area, and the
- 22 Ehrenberg Sandbowl Off-Highway Vehicle (OHV) area would be affected
- 23 by temporary removal of vegetation and indirectly affected by traffic, noise,
- 24 and dust during pipeline construction.
- 25
- 26 2. Mitigation: No mitigation is required. None of these areas would be within
- 27 the area subject to the proposed franchise.
- 28

1 3. Impacts: Construction could restrict use and access to designated OHV use
2 areas. Conversely, the pipeline rights-of-way could increase accessibility
3 for OHV use into previously inaccessible, environmentally sensitive areas.
4 OHV use areas typically would not occur along the area subject to the
5 proposed franchise.

6
7 4. Mitigation: No mitigation is required. The area subject to the proposed
8 franchise is partially in agricultural lands with the remainder in the
9 Arrowhead Boulevard right-of-way. This area does not provide access to
10 previously restricted or inaccessible areas; therefore, OHV blocking
11 measures are unnecessary.

12
13 5. Impacts: Construction activities could encounter unidentified hazardous
14 waste sites.

15 6. Mitigation: North Baja shall adhere to the measures included in its SPCC
16 Plan and conduct field observations to determine the nature of the
17 contamination, appropriate disposal/treatment options, and the need for
18 sampling, and coordinate treatment and disposal with the appropriate
19 agencies.

20
21 D. Aesthetic Resources:

22 1. Impacts: Installation of new aboveground facilities would impact visual
23 resources.

24 2. Mitigation: North Baja shall paint the new or additional facilities so they
25 would blend with the surrounding landscape. Security lighting at the
26 aboveground facilities shall be low sodium vapor light that shall be angled
27 toward the interior of the station.
28

1 9. SOCIOECONOMICS

2 A. Public Services:

3 1. Impacts: Construction-related demands on local agencies could include
4 increased enforcement activities associated with issuing permits for vehicle
5 load and width limits, local police assistance during construction at road
6 crossings to facilitate traffic flow, and emergency medical services to treat
7 injuries resulting from construction activities.

8 2. Mitigation: Local communities have adequate infrastructure and
9 community services to meet the needs of the out-of-area workers that could
10 be required for the project. North Baja shall work with local firefighters
11 and other emergency responders to coordinate activities for effective
12 emergency response and develop an Emergency Response Plan. As part of
13 the Emergency Response Plan, North Baja shall establish and maintain
14 communications with local fire, police, and public officials and shall make
15 personnel, equipment, tools, and materials available at the scene of an
16 emergency.

17 10. TRANSPORTATION AND TRAFFIC

18 A. Traffic Flow:

19 1. Impacts: Construction across roads and highways would result in short-
20 term impacts on public transportation while construction activities pass
21 through the project area. Three roads (Seeley [16th] Avenue, Arrowhead
22 Boulevard, and 14th Avenue) within the proposed franchise area would be
23 crossed.

24 2. Mitigation: North Baja shall construct across these roads in accordance
25 with the requirements of applicable permits and approvals. These features
26

1 shall be bored. The use of the bore crossing method would avoid disrupting
2 traffic. No work shall occur within the road rights-of-way unless expressly
3 permitted by the applicable agency. Where project construction crosses
4 roads necessary for access to private residences and no alternative entrance
5 exists, North Baja shall implement measures (e.g., plating over the open
6 portion of the trench) to maintain passage for landowners and emergency
7 vehicles.
8

9 3. Impacts: Traffic along Arrowhead Boulevard could be affected during
10 construction of the Arrowhead Extension.

11 4. Mitigation: North Baja shall implement the following:

- 12 • the pipeline shall be installed with a minimum of 36 inches of cover
13 and 12 inches of separation from other utilities or obstructions. A
14 minimum of 2 feet shall be maintained under canals and 5 feet over
15 drains;
- 16 • intersections shall be bored or trenched (trenched intersections shall
17 be steel plated if construction does not occur on consecutive days);
- 18 • North Baja shall contact each owner and/or tenant of the properties
19 abutting the road to explain the construction process and identify
20 any special conditions or concerns that need to be incorporated into
21 the construction plans. In addition, these adjacent residents and
22 businesses shall be notified by hand-delivered flyers 2 weeks before
23 construction. The flyers shall include the dates of construction,
24 work hours, traffic detours, and contact numbers for North Baja and
25 the contractor. Emergency response agencies shall also be notified
26 of the work schedule;
27
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- 1 • the Underground Service Alert shall be notified at least 48 hours
- 2 before beginning work;
- 3 • flag persons shall be provided to route traffic around construction
- 4 equipment and obstructions;
- 5 • work shall be scheduled during daylight hours unless alternative
- 6 schedules are authorized;
- 7 • access shall be maintained to all residences or businesses except
- 8 during actual trenching operations. Steel plates shall be available to
- 9 maintain access to driveways during periods when the trench is
- 10 open;
- 11 • non-local traffic shall be detoured around construction activities;
- 12 • one lane of restricted traffic movement shall be maintained through
- 13 the construction area. This would allow residences, businesses, and
- 14 emergency vehicles reasonable access during the construction
- 15 activities;
- 16 • during non-work times, the work area shall be secured and patrolled
- 17 to minimize safety hazards associated with open trenches, heavy
- 18 equipment, and other construction operations;
- 19 • open trenches shall be covered or cordoned off during non-working
- 20 hours; and
- 21 • the non-local traffic that would be detoured around construction
- 22 activities shall be directed to a road parallel and typically only 1
- 23 block north or south of Arrowhead Boulevard.
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28 In addition, North Baja shall file with the FERC and the CSLC a Traffic Management Plan for Arrowhead Boulevard. The plan shall be prepared in

1 consultation with the Riverside County Department of Transportation and
2 shall detail the specific measures that would be used to control traffic
3 during construction of the Arrowhead Extension.
4

5 11. CULTURAL RESOURCES

6 A. Protection of Cultural Resources:

7 1. Impacts: Potential adverse effects on historic properties and compliance
8 with the National Historic Preservation Act (NHPA).

9 2. Mitigation: North Baja shall complete cultural resources surveys for all
10 areas of the proposed project, and prepare and submit the remaining reports
11 and plans to the appropriate agencies for review and comment. To ensure
12 that the FERC's responsibilities under the NHPA and its implementing
13 regulations and the CSLC's responsibilities under the CEQA are met, North
14 Baja shall defer implementation of any treatment plans/mitigation measures
15 (including archaeological data recovery), construction of facilities, and use
16 of all staging, storage, or temporary work areas and new or to-be-improved
17 access roads on each respective project phase until North Baja files with the
18 FERC and the CSLC, as applicable, the materials listed in bullets 1 through
19 7, and the steps listed in bullets 8 through 10 below have been completed:

- 22 • any FWS, Cibola NWR comments on the Overview and Survey
23 Report;
- 24 • any BOR comments on the Evaluation Plan;
- 25 • any comments from the BOR and Native American tribes on the
26 draft Evaluation Report;
- 27 • the revised Evaluation Report;
- 28

- the California State Historic Preservation Office's (SHPO's) comments on Addendum Reports 2 and 3, the revised Evaluation Report, and the revised Historic Properties Treatment Plan;
- all additional cultural resources survey reports for denied access areas and any additional areas requiring survey, evaluation reports, and any necessary treatment plans as well as documentation that these reports and plans were submitted to the Arizona and California SHPOs; the BLM; the BOR; the FWS, Cibola NWR; and Native American tribes, as applicable;
- any comments of the Arizona and California SHPOs; the BLM; the BOR; the FWS, Cibola NWR; and Native American tribes, as applicable, on all additional cultural resources survey reports and plans;
- the CSLC reviews and approves all cultural resources reports and plans prepared for the California portion of the project and notifies North Baja in writing that construction may proceed;
- the Advisory Council on Historic Preservation is afforded an opportunity to comment, if historic properties would be adversely affected; and
- the Director of the Office of Energy Projects reviews and approves all applicable cultural resources reports and plans and notifies North Baja in writing that treatment plans/mitigation measures may be implemented or construction may proceed.

- prohibit engine tampering to increase horsepower;
- use CARB-certified low sulfur diesel fuel (less than 15 parts per million); and
- reduce construction-related trips as feasible for workers and equipment, including trucks.

In addition, North Baja shall minimize fugitive dust generated by construction activities by the implementation of its project-wide Dust Control Plan. The project-wide Dust Control Plan includes control measures identified as best management practices by some of the regulating agencies. The measures that shall be implemented include:

- take every reasonable precaution to minimize fugitive dust emissions from construction activities;
- take every reasonable measure to limit visible density (opacity) of emissions to less than or equal to 20 percent;
- apply water one or more times per day to all affected unpaved roads, and unpaved haul and access roads;
- reduce vehicle speeds on all unpaved roads, and unpaved haul and access roads;
- clean up track-out and/or carry-out areas at paved road access points at a minimum of once every 48 hours;
- if bulk transfer operations are required, spray handling and transfer points with water at least 15 minutes before use;
- cover all haul truck loads, or maintain at least 6 inches of freeboard space in each cargo compartment. Ensure that all haul truck cargo compartments are constructed and maintained to minimize spillage

1 and loss of materials, and clean or wash each cargo compartment at
2 the delivery site after removal of the bulk materials;

- 3 • apply water to active construction areas to limit visible density
4 (opacity) of emissions to less than or equal to 20 percent;
- 5 • apply water to open and/or unvegetated areas to limit visible density
6 (opacity) of emissions to less than or equal to 20 percent; and
- 7 • for temporary surfaces during periods of inactivity, restrict vehicular
8 access by means of either fencing or signage, and apply water to
9 comply with the stabilized surface requirements.

10
11 Some of the measures clearly specify the performance requirement;
12 however, some of the measures are vague and open to interpretation and,
13 consequently, would be difficult to enforce during construction. Therefore,
14 before construction, North Baja shall file with the FERC and the CSLC a
15 revised project-wide Dust Control Plan that specifies the following:

- 16 • the precautions that would be taken to minimize fugitive dust
17 emissions from construction activities;
- 18 • the measures that would be taken to limit visible density (opacity) of
19 emissions to less than or equal to 20 percent;
- 20 • how visual density would be measured to determine that it is less
21 than or equal to 20 percent;
- 22 • how compliance with the 20 percent visual density requirement
23 would be documented;
- 24 • the individuals with authority to determine if/when water needs to
25 be reapplied for dust control;
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- the speed limit that would be required on unpaved roads and unpaved haul and access roads; and
- the individuals with authority to stop work if the contractor does not comply with dust control measures.

B. Noise:

1. Impacts: Individuals in the immediate vicinity of the construction activities could experience an increase in noise.
2. Mitigation: Noise associated with construction activities would be both temporary and intermittent. Pipeline construction would proceed at rates averaging about 1 mile per day. Equipment shall be operated on an as-needed basis during daylight hours. Nighttime construction noise shall be limited to the HDDs at the Colorado River, All-American Canal, and the East Highline Canal crossings; hydrostatic testing activities; and bores under major highways or railroads, none of which would occur in the area subject to the proposed franchise. North Baja shall comply with the noise elements included in the Riverside County General Plan.
3. Impacts: Blowdown events at the Ogilby and El Centro Meter Stations, and the Ehrenberg Compressor Station valves could result in a significant noise impact.
4. Mitigation: Blowdowns occur only on rare occasions; therefore, the noise impacts would be infrequent and temporary. As an example, no blowdowns have occurred on North Baja's existing system since it was placed in service 4 years ago. Nevertheless, North Baja shall install silencers in residential areas to reduce noise levels associated with blowdown events. In the event of a blowdown, nearby residences shall be notified in advance

1 if possible and North Baja shall provide traffic control along public
2 roadways near the blowdown location as needed.

3 13. RELIABILITY AND SAFETY

4 A. Safety Standards:

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6 1. Impacts: The transportation of natural gas by pipeline involves some risk to
7 the public in the event of an accident and subsequent release of gas.

8 2. Mitigation: The pipeline and aboveground facilities associated with the
9 North Baja Pipeline Expansion Project shall be designed, constructed,
10 operated, and maintained to meet or exceed the DOT Minimum Federal
11 Safety Standards in Title 49 CFR Part 192 and other applicable Federal and
12 State regulations including the California Public Utilities Commission,
13 General Order 112-e. These regulations, which are intended to protect the
14 public and to prevent natural gas facility accidents and failures, include
15 specifications for material selection and qualification; odorization of gas;
16 minimum design requirements; and protection of the pipeline from internal,
17 external, and atmospheric corrosion. To address seismic hazards, the
18 facilities shall be designed to meet or exceed the latest edition of the
19 Uniform Building Code or International Building Code and to incorporate
20 current seismological engineering standards, including the *Guidelines for*
21 *the Design of Buried Steel Pipe* and *Guidelines for the Seismic Design and*
22 *Assessment of Natural Gas and Liquid Hydrocarbon Pipelines*. The
23 engineering design drawings for the entire project in California shall be
24 certified by a California-registered civil/structural engineer, and would
25 comply with the latest edition of the California Building Code.
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1 North Baja shall prepare and implement an Operation and Maintenance
2 Plan in accordance with the requirements in Title 49 CFR Part 192. Within
3 the first 6 months of placing the pipeline into operation, North Baja shall
4 conduct an internal inspection of the pipeline. Following the initial test,
5 internal inspections with a high resolution instrument shall be conducted on
6 a periodic basis, at a minimum of one inspection every 10 years, or sooner
7 if the evidence suggests that significant corrosion or defects exist or if any
8 new Federal or State regulations require more frequent or comparable
9 inspections. The existing pipeline system shall be monitored and controlled
10 24 hours a day for pressure drops in the pipeline that could indicate a leak
11 or other operating problem through a Supervisory Control and Data
12 Acquisition system, which is a computer system for gathering and analyzing
13 real-time systems. The system shall be programmed to take appropriate
14 immediate action when alarm conditions are present. In addition, a crew
15 that conducts on-site operations and maintenance shall be located at the
16 Ehrenberg Compressor Station, and be on call 24 hours a day. When
17 completed, the proposed project facilities shall be operated in conjunction
18 with the existing system and subject to the same operation and maintenance
19 procedures.
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23 North Baja shall x-ray all girth welds over 6 inches in diameter where
24 possible to ensure pipeline structural integrity and compliance with the
25 applicable DOT regulations. Where x-ray inspection is impossible or
26 impractical, other means of non-destructive inspection shall be conducted.
27 Those welds that do not meet established specifications shall be repaired or
28 replaced. Once the welds are approved, the welded joints shall be coated

1 with a protective coating and the entire pipeline shall be visually inspected
2 for any faults, scratches, or other coating defects. Any damage shall be
3 repaired before the pipeline is installed.

4 After construction, North Baja shall clearly mark the pipeline at line-of-
5 sight intervals, roads, railroads, and other key points to alert the public to
6 the presence of the pipeline. The markers shall provide contact information
7 for North Baja in the event of an emergency. In accordance with the DOT
8 regulations in effect since 1982, North Baja shall participate in all
9 communication and notification "One-Call" services to prevent outside
10 damage to the pipeline. These services provide preconstruction information
11 to contractors or other maintenance workers on the underground location of
12 pipes, cables, and culverts.

13 While the primary focus of these standards is prevention of accidents, North
14 Baja shall prepare an Emergency Response Plan that would be coordinated
15 and tested (through drills and exercises) with local fire/police departments
16 and emergency management agencies.

17 To ensure that North Baja's operation and maintenance commitments are
18 documented in a comprehensive plan and to assist the CSLC in reviewing
19 the project for consistency with the CSLC's action on the amended lease
20 across California's Sovereign and School Lands, North Baja shall submit to
21 the CSLC for approval an Operation and Maintenance Plan before placing
22 the pipeline system into service in California. This plan shall address
23 internal and external maintenance inspections of the completed facility,
24 including but not limited to details of integrity testing methods to be
25 applied, corrosion monitoring and testing of the cathodic protection system,
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1 and leak monitoring. The Operation and Maintenance Plan shall also
2 specify that North Baja shall, unless expressly prohibited by DOT
3 regulations, conduct an internal inspection with a high-resolution
4 instrument on a periodic basis, at a minimum of one inspection every 10
5 years, or sooner if the evidence suggests that significant corrosion or
6 defects exist or if any new Federal or State regulations require more
7 frequent or comparable inspections. Within 3 months following any new
8 Federal or State regulations, North Baja shall update the Operation and
9 Maintenance Plan and submit a revised copy to the CSLC. In addition, the
10 Operation and Maintenance Plan shall include procedures for implementing
11 operational mitigation measures recommended (if any) by the site-specific
12 seismic hazard evaluation reports for the project.
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15 **BE IT FURTHER RESOLVED** by the Board of Supervisors that the EIS/EIR adequately
16 addressed alternatives to the project, including the No Action or Postponed Action Alternative and
17 alternative delivery points.

18 **BE IT FURTHER RESOLVED** by the Board of Supervisors that none of the alternatives
19 evaluated in Riverside County was environmentally preferable to the project.
20

21 **BE IT FURTHER RESOLVED** by the Board of Supervisors that the State CEQA Guidelines
22 (Section 15126 [g]) require an EIR to discuss how a proposed project could directly or indirectly lead to
23 economic, population, or housing growth. A project may be growth inducing if it removes obstacles to
24 growth, taxes community service facilities, or encourages other activities that cause significant
25 environmental effects. A discussion of these issues is presented below followed by a discussion of GHG
26 emissions and protection against terrorism.

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1 ECONOMIC, POPULATION, OR HOUSING GROWTH:

2 Because North Baja currently operates an existing pipeline system in the project area, no
3 additional permanent employees would be required. Personnel from North Baja's existing
4 staff would assume operation and maintenance of the new facilities as part of their existing
5 routine workload. Therefore, the project would not cause a permanent population increase.
6 The potential growth-inducing impact of the North Baja Pipeline Expansion Project would
7 be the delivery of an alternative or additional source of natural gas to existing natural gas
8 users. The project area is already served by various fuel supplies and economic activity is
9 already taking place. The demand for energy and the proposed pipeline and Blythe
10 connection are a result of, rather than a precursor to, development in this region.

11 GREENHOUSE GAS EMISSIONS:

12 On September 27, 2006, Governor Schwarzenegger signed the California Global Warming
13 Solutions Act of 2006 (AB 32), which sets up the first enforceable State-wide program in
14 the United States to cap GHG emissions from major industries. AB 32 requires the CARB
15 to develop regulations and market mechanisms that will ultimately reduce California's
16 GHG emissions by 25 percent by 2020. Mandatory limits will begin in 2012 for
17 significant sources.

18 GHG emissions during construction of the jurisdictional facilities in the United States and
19 the nonjurisdictional facilities in Mexico would be generated from construction equipment
20 use, delivery vehicle emissions, and construction worker travel associated with
21 construction of the pipelines and aboveground facilities. These emissions would be
22 temporary in nature and occur only during the construction period. GHG emissions during
23 operation would be generated from the nonjurisdictional compressor stations in Mexico.
24 Estimates of GHG emissions during construction and operation were calculated using
25 methodologies found in the California Climate Action Registry General Reporting
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1 Protocol, Version 2.1, dated June 2006 and the Power/Utility Reporting Protocol dated
2 October 2004. Based on the project estimates, GHG emissions from the jurisdictional and
3 nonjurisdictional facilities would be a fraction of 1 percent of the total regional GHG
4 emissions and would not be considered significant.

5
6 TERROISM:

7 In the aftermath of the terrorist attacks that occurred on September 11, 2001, terrorism has
8 become a very real issue for the facilities under the FERC's jurisdiction. The FERC, like
9 other Federal agencies, is faced with a dilemma in how much information can be offered to
10 the public while still providing a significant level of protection to energy facilities.

11 Consequently, the FERC has removed energy facility design plans and location
12 information from its Internet website to ensure that sensitive information is not readily
13 available. This information is referred to as Critical Energy Infrastructure Information
14 (CEII). CEII includes information concerning proposed or existing critical infrastructure
15 (physical or virtual) that: (1) relates to the production, generation, transmission, or
16 distribution of energy; (2) could be useful to a person planning an attack on critical
17 infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information
18 Act; and (4) gives strategic information beyond the location of the critical infrastructure.

19 Since September 11, 2001, the FERC has been involved with other Federal agencies in
20 developing a coordinated approach to protecting the energy facilities of the United States,
21 and continues to coordinate with these agencies to address this issue. In addition, interstate
22 natural gas companies are actively involved with several industry groups to chart how best
23 to address security measures in the current environment. A Security Task Force has been
24 created and is addressing ways to improve pipeline security practices, strengthen
25 communication within the industry and the interface with government, and extend public
26 outreach efforts.
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1 In addition, the Office of Homeland Security was established with the mission of
2 coordinating the efforts of all executive departments and agencies to detect, prepare for,
3 prevent, protect against, respond to, and recover from terrorist attacks within the United
4 States. The FERC, in cooperation with other Federal agencies and industry trade groups,
5 has joined in the efforts to protect the energy infrastructure, including the approximately
6 300,000 miles of interstate natural gas transmission pipelines. The North Baja pipeline
7 system would be inspected by air and on the ground in accordance with DOT surveillance
8 requirements as discussed in the Final EIS/EIR. Security measures at the aboveground
9 facilities would include secure fencing, locked buildings, security lighting, and automated
10 alarm systems. Employees would be required to wear identification cards, and approved
11 visitors would need to sign in and wear identification badges. Additional measures to
12 protect public safety are presented in the Reliability and Safety section of these Findings.
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15 **BE IT FURTHER RESOLVED** by the Board of Supervisors that:

- 16 A. The pipeline to be constructed and operated under the proposed franchise shall
17 comply with existing Federal laws, State laws, County ordinances, and any rules,
18 regulations, policies, or standards adopted pursuant thereto. Construction activities
19 and construction locations shall be in accordance with the exhibits attached to the
20 Encroachment Permit(s) issued by the Transportation and Land Management
21 Agency of the County pursuant to County Ordinance No. 499.
- 22
23 B. The implementation and monitoring of the mitigation measures listed in the
24 environmental document and reiterated herein are within the scope and
25 responsibility of the FERC and the CSLC.

26 **BE IT FURTHER RESOLVED** by the Board of Supervisors that it has reviewed and considered
27 the EIS/EIR in evaluating the proposed franchise, that the EIS/EIR is incorporated herein by reference in
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1 its entirety, and that a Notice of Determination has been filed with the California State Office of Planning
2 and Research.

3 **BE IT FURTHER RESOLVED** by the Board of Supervisors that the custodian of the documents
4 upon which this decision is based is the Clerk of the Board of Supervisors and that such documents are
5 located at 4080 Lemon Street, Riverside, California.
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1 Section 2. A franchise, privilege and right is hereby granted to North Baja Pipeline, LLC, a
2 Delaware limited liability company, its successors or assigns, for a period of forty-five (45) years from
3 and after the effective date of this ordinance, to construct, maintain, operate, replace or repair, a pipeline
4 for the transportation of natural gas together with all necessary appurtenances as may be required to
5 operate and maintain said pipeline in, along, under and across the County's rights of way and County
6 highways, as the same now exist or may hereafter exist. The pipeline constructed under this ordinance
7 shall not be used for transportation of any other substance unless approved in writing by the Board of
8 Supervisors. The franchise granted herein is solely for the transportation of natural gas. The franchise
9 granted herein includes additional franchise property to be constructed. The additional franchise property
10 to be constructed consists of approximately one mile of pipeline to be interconnected with Grantee's
11 existing pipeline system as approved under Riverside County Ordinance No. 816.

12 Section 3. This franchise is granted under California Constitution Article 11, Section 7,
13 Government Code Section 26001 and Public Utilities Code Section 6202. Payment by the Grantee for
14 this franchise is as provided under Public Utilities Code Section 6231.5 and pursuant to the terms and
15 conditions hereinafter set forth.

16 Section 4. The pipeline to be constructed and operated under this franchise shall be built and
17 constructed in a good workmanlike manner and be of good materials that meet or exceed all existing
18 codes and industry standards. Any pipeline laid, located or maintained under this franchise shall be
19 placed at such locations as described in the exhibits attached to the Encroachment Permit issued by the
20 Transportation and Land Management Agency ("TLMA") of the County pursuant to County Ordinance
21 No. 499 and shall be located so as not to interfere with the use of County highways or County rights of
22 way by the traveling public or with the use of County property or County public works for their primary
23 purposes. Grantee shall make and fill all excavations in such manner as to leave the highway right of
24 way or other public property in as good condition as it was prior to said excavation. Grantee shall mark
25 the location of the pipeline at regular intervals with appropriate permanent signs that meet all laws,
26 codes and/or industry standards and such signs shall be maintained by Grantee for the term of the
27 franchise. The design, construction and all such work associated therein shall be performed in
28 compliance with existing Federal statutes, laws of the State of California, ordinances of the County, and

1 any rules, regulations, policies or standards adopted pursuant thereto. Grantee also agrees to modify the
2 pipeline and the procedures associated with its maintenance and testing to comply with all future
3 statutes, laws, ordinances and rules regulations, policies or standards adopted pursuant thereto. Grantee
4 shall create and maintain an emergency response plan and maintain the necessary trained personnel and
5 equipment to respond to any gas leak, fire or explosion associated with the pipeline. Such emergency
6 plan shall include emergency shut off procedures that may be required due to leaks caused by earthquake
7 damage, trauma or any other possible cause of leaks or pipeline rupture. The pipeline shall have shutoff
8 valves at regular intervals in accordance with industry standards. Grantee shall on a regular basis and
9 especially following a rain and/or wind storm inspect the pipeline backfill to see that the line remains
10 covered with backfill to the depth as specified in original drawings when the line was first laid.

11 Section 5. No encroachment permit shall be issued for work to be undertaken in county rights
12 of way under this franchise, until Grantee has filed its written acceptance of the terms and conditions of
13 this franchise as specified in Section 21. Grantee and its contractors shall comply with all requirements
14 established by the TLMA under County Ordinance No. 499 and the TLMA's bonding requirements.
15 Grantee shall comply with all requirements under Government Code Sections 4216 through 4216.9.

16 Section 6. Grantee shall defend, indemnify and hold harmless County, Special Districts, their
17 respective directors, officers, Board of Supervisors, elected officials, agents and employees (the "County
18 Parties") from any liability whatsoever, based or asserted upon any act or omission, including but not
19 limited to negligent acts or omissions, of Grantee, its officers, agents, employees, subcontractors and
20 independent contractors, for property damage, bodily injury, or death or any other element of damage of
21 any kind or nature, relating to or, in anyway connected with or arising from Grantee's use of the
22 County's rights of ways, County roadways or County property or the condition thereof, with respect to
23 the placement, use and maintenance of the pipeline therein, specifically excluding therefrom the gross
24 negligence or willful misconduct of the County Parties, and Grantee shall defend, at its expense
25 including without limitation attorney fees, expert fees and investigation expenses, County, Special
26 Districts, their respective directors, officers, Board of Supervisors, elected officials, agents and
27 employees in any legal action based upon such alleged acts or omissions. The obligation to defend,
28 indemnify and hold free and harmless expressed herein shall survive until any and all claims, actions and

1 causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by
2 the applicable statute of limitations unless such statute of limitations is overturned by any court of
3 jurisdiction wherein the indemnification shall continue until all issues are fully resolved.

4 Grantee shall also defend, indemnify and hold harmless County, the Board of Supervisors, and
5 County's officers and employees from any action or claim brought by any party challenging the issuance
6 of this franchise or any subsequently issued encroachment permit. The obligation to defend, indemnify
7 and hold harmless expressed herein shall include without limitation attorney fees, expert fees and
8 investigation expenses and shall survive until any and all claims, actions and causes of action with
9 respect to any an all alleged acts or omissions are fully and finally barred by any applicable statue of
10 limitations unless such statute of limitations is overturned by any court of jurisdiction wherein the
11 indemnification shall continue until all issues are fully resolved.

12 Section 7. **INSURANCE** Without limiting or diminishing Grantee's obligation to
13 indemnify or hold the County harmless, Grantee shall procure and maintain or cause to be maintained, at
14 its sole cost and expense, the following insurance coverages during the term of this Franchise.

15 **Workers' Compensation:**

16 Grantee shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed
17 by the laws of the State of California. Policy shall include Employer's Liability (Coverage B) including
18 Occupational Disease with limits not less than one million (\$1,000,000) per person per accident. Policy
19 shall be endorsed to waive subrogation in favor of the County of Riverside.

20 **Commercial General Liability:**

21 Commercial General Liability insurance coverage, including but not limited to, premises liability,
22 contractual liability, completed operations, explosion, collapse and underground (XCU), personal and
23 advertising injury covering claims which may arise from or out of Grantee's performance of its
24 obligations hereunder. Policy shall include the County of Riverside, special districts, their respective
25 directors, officers, Board of Supervisors, elected officials or employees as an Additional Insured with
26 respect to Grantee's performance hereunder. Policy's limit of liability shall not be less than ten million
27 dollars (\$10,000,000) per occurrence combined single limit. If such insurance contains a general
28 aggregate limit, it shall apply separately to this Franchise or be no less than two (2) times the occurrence

1 limit.

2 **Vehicle Liability:**

3 Grantee shall maintain liability insurance for all owned, non-owned or hired vehicles in an
4 amount not less than one million (\$1,000,000) per occurrence combined single limit. If such insurance
5 contains a general aggregate limit, it shall apply separately to this Franchise or be no less than two (2)
6 times the occurrence limit. Policy shall name the County of Riverside, special districts, their respective
7 directors, officers, Board of Supervisors, elected officials or employees as an Additional Insured.

8 **General Insurance Provisions - All lines:**

9 a. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of
10 California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are
11 waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement
12 for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

13 b. Grantee's insurance carrier(s) must declare its insurance deductibles or self-insured retentions.
14 If such deductibles or self-insured retentions exceed \$500,000 per occurrence such deductibles and/or
15 retentions shall have the prior written consent of the County Risk Manager before the commencement of
16 operations under this Franchise. Upon notification of deductibles or self insured retentions which are
17 deemed unacceptable to the County, at the election of the County's Risk Manager, Grantee's carriers
18 shall either; 1) reduce or eliminate such deductibles or self-insured retentions as respects this Franchise
19 with the County, or 2) procure a bond which guarantees payment of losses and related investigations,
20 claims administration, defense costs and expenses.

21 c. At the time the Franchise is signed and annually thereafter, at the anniversary of the Grantee's
22 insurance renewals, Grantee shall cause its insurance carrier(s) to furnish the County of Riverside with
23 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements
24 effecting coverage as required herein; or, 2) if requested to do so orally or in writing by the County Risk
25 Manager, allow the Grantor to review a certified copy of the original policy and all endorsements thereto
26 at the offices of the Risk Manager, provide original Certified copies of policies including all
27 Endorsements and all attachments thereto, showing such insurance is in full force and effect, Further,
28 said Certificate(s) (and policies of insurance shall contain the covenant of the insurance carrier(s) shall

1 provide no less than thirty (30) days written notice be given to the County of Riverside prior to any
2 material modification or cancellation of such insurance. In the event of a material modification or
3 cancellation of coverage, this Franchise shall terminate forthwith, unless the County of Riverside
4 receives, prior to such effective date, another properly executed original Certificate of Insurance and
5 original copies of endorsements or certified original policies, including all endorsements and
6 attachments thereto evidencing coverages and the insurance herein is in full force and effect.
7 Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original
8 endorsements for each policy and the Certificate of Insurance. ***Grantee shall not commence operations***
9 ***until the County of Riverside has been furnished original Certificate(s) of Insurance and certified***
10 ***original copies of endorsements or policies of insurance including all endorsements and any and all***
11 ***other attachments as required in this Section.***

12 d. It is understood and agreed by the parties hereto and Grantee's insurance company(s), that the
13 Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance,
14 and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs
15 shall not be construed as contributory as respects all claims that arise from this Franchise.

16 e. Grantee shall pass down the insurance obligations contained herein to all tiers of contractors and
17 subcontractors working under the Franchise, except that contractors' limit of liability for Commercial
18 General Liability insurance shall not be less than five million dollars (\$5,000,000) per occurrence
19 combined single limit and subcontractors' limit of liability for Commercial General Liability insurance
20 shall not be less than three million dollars (\$3,000,000) per occurrence combined single limit.

21 The County of Riverside reserves the right to adjust the types of insurance required under this
22 Agreement and the monetary limits of liability for the insurance coverage required herein, if; in the
23 County Risk Manager's reasonable judgment, the amounts or types of insurance coverage specified
24 herein have become materially inadequate due to passage of time or changed circumstances.

25 Section 8. (a) The County, State, City or other political subdivision or governmental
26 agency or instrumentality of the State of California, when acting in a governmental capacity, may
27 improve any highway or portion thereof in which franchise property has heretofore been constructed or
28 installed, and may construct, install, repair and maintain in any such highway, and may remove from any

1 such highway any public improvement.

2 (b) If notice in writing is given to Grantee thirty (30) days in advance of the
3 fact that work is to be done pursuant to any right reserved in subdivision (a) of this section, specifying
4 the general nature of the work and area in which the same is to be performed, then Grantee shall do all
5 things necessary to protect its franchise property during the progress of such work and if ordered by the
6 Board or by the governmental agency performing such work, Grantee shall disconnect, revoke or
7 relocate its franchise property in the highway or public right of way to such extent and in such manner as
8 shall be necessary to permit the performance of such work, and to permit the maintenance, operation and
9 use of such public improvement or of the highway as so improved. All of such things to be done and
10 work to be performed by Grantee shall be at the sole cost and expense of Grantee. Grantee shall, upon
11 receipt of a written request from the County to relocate the pipeline that is in conflict with a public
12 works project on the public right of way, cause the conflicting portion of the pipeline to be relocated in a
13 diligent manner as to avoid any unreasonable delays or costs to the public works project. Any direct
14 costs incurred by the County, resulting from such a delay to a County administered public works project
15 which such delay is caused by the failure of Grantee to relocate the conflicting portion of the pipeline in
16 a diligent manner as to avoid any unreasonable delay or costs to the public works project, shall be the
17 responsibility of Grantee, which shall reimburse said costs to County upon demand.

18 (c) Grantee shall, upon demand by the County, and at the expense of Grantee,
19 precisely identify the vertical and horizontal location of the pipeline by pot holing and land survey
20 measurements or other accurate means, for the purpose of the design or construction of the public works
21 projects on County rights of way.

22 Section 9. In the event that the County or any government agency above mentioned shall
23 hereafter construct, install, reconstruct or repair any bridge or artificial support in or underlying any
24 highway in which Grantee's franchise property is located or which is prescribed as the location for any
25 of Grantee's franchise property, and in the event that the cost thereof be increased in order to provide for
26 the installation, maintenance or operation of Grantee's franchise property in or on the highway area
27 covered or underlain by said bridge or other artificial support, then Grantee shall pay to the County or to
28 such governmental agency or instrumentality doing such work the full amount of such increase of cost

1 upon completion of such construction, installation or repair.

2 Section 10. No provision of this franchise shall be so construed as to impose upon the County
3 any duty or obligation to construct, repair or maintain any highway included in the area in which
4 Grantee's franchise property is located in any particular manner or to any particular standard.

5 Section 11. Grantee, its successors or assigns, shall in good faith commence construction
6 under this franchise within not more than six (6) months from the granting of this franchise and, if not so
7 commenced within said time, this franchise shall be declared forfeited. The completion of the work
8 shall be prosecuted diligently and in good faith by grantee.

9 Section 12. Before any excavation or other work requiring excavation in any public road or
10 highway under the jurisdiction, supervision and control of the County of Riverside is commenced,
11 Grantee shall notify the TLMA, no less than thirty (30) days prior to commencement of such excavation
12 or work. Provided that, in cases of emergency requiring immediate action, Grantee may make
13 excavations and perform work in any such public highway for repairing and restoring its pipeline
14 without giving prior notice to the TLMA of such excavation and work, but notice thereof shall be given
15 to said agency promptly after the commencement of such excavation and work. In all cases, Grantee at
16 its own cost and expense shall without unnecessary delay replace and restore the excavated portion of
17 such public highway and right of way in and to as good condition as before such excavation and work.

18 Section 13. Grantee, its successors or assigns, during the life of this franchise shall by
19 February 1st of each year pay to the Riverside County Treasurer, in lawful money of the United States,
20 the sum of \$17,851.23 for 2008 based on the current Consumer Price Index. This sum is calculated
21 based upon the estimated length of the pipeline of 42,342 linear feet (36,960 linear feet of the currently
22 existing pipe plus 5,382 linear feet of the proposed addition pipeline) at \$.396 per foot (plus increases in
23 the Consumer Price Index for 2003-2007 relating to the existing pipe) as authorized in Public Utilities
24 Code Section 6231.5(a)(3) and (e)(2). The payment specified herein shall be increased on February 1st
25 of every year, by the same percentage as the increase in the Consumer Price Index, All Urban
26 Consumers, (Los Angeles - Anaheim) for the twelve (12) month period ending four (4) months prior to
27 February 1st.

28 Grantee shall have ten (10) days after notice of a monetary default to cure said default to the

1 satisfaction of the County. Grantee shall have thirty (30) days after notice of a non-monetary default to
2 cure said default to the satisfaction of the County. Any notice under this franchise agreement shall be
3 deemed received three (3) days after deposit into the United States mail, properly addressed and postage
4 prepaid. Notices under this franchise agreement shall be sent as follows:

5 If to County: Clerk of the Board of Supervisors
6 4080 Lemon Street
7 Riverside, CA 92501
8 (909) 955-1060
9 (909) 955-1071

10 If to Grantee: North Baja Pipeline, LLC
11 1400 SW Fifth Avenue, Suite 900
12 Portland, Oregon 92701
13 Attn: Project Manager
14 Telephone: 503-833-4108
15 Facsimile: 503-833-4954

16 Section 14. Whenever any portion of the territory covered by this franchise shall be annexed
17 to, or otherwise become a part of any municipality, or of any other county, the rights reserved under this
18 franchise to the County of Riverside, shall inure to the benefit of such municipality or county, and its
19 appropriate officers.

20 Section 15. Grantee shall have the right to transfer this franchise in whole or part or assign all
21 or part of its rights and interests hereunder, including without limitation, to any lender or any other
22 investor to whom is granted a security interest. In such event, Grantee shall first provide the County
23 thirty (30) days advance notice in writing of such proposed transfer or assignment. Any transferee shall
24 be in financially sound condition and shall remain subject to all the terms and conditions in this
25 franchise including the obligation to maintain insurance coverage in the amounts specified in Section 6.

26 Section 16. Any neglect, failure or refusal to comply with any of the conditions of this
27 franchise shall constitute cause for forfeiture thereof in the discretion of the Board of Supervisors, and
28 upon such exercise of this discretion, the County of Riverside by its Board of Supervisors may declare
this franchise forfeited and may exclude the Grantee, its successors or assigns, from any further use of
the public highways and public rights of way in the unincorporated territory of the County of Riverside
under this franchise; and Grantee, its successors or assigns, shall thereupon surrender all rights in and to
the same, and this franchise shall be deemed and shall remain null, void and of no effect.

1 Section 17. This franchise is granted under and pursuant to the provisions of the laws of the
2 State of California applicable to the granting of franchises by counties and this franchise shall not be
3 exclusive. The Board of Supervisors of the County of Riverside reserves and shall have the right and
4 power to grant other and additional franchises to persons, firms and corporations as authorized and
5 provided by law.

6 Section 18. Upon expiration or termination of this franchise, Grantee shall upon written
7 request of the County and at its own expense remove the pipeline and all ancillary equipment from
8 County roadways and rights of way and properly and lawfully dispose of all such pipeline materials and
9 ancillary equipment.

10 Section 19. The franchise herein granted and all provisions, rights, obligations and duties
11 thereof shall extend and inure to and be binding on the Grantee, its successors and assigns.

12 Section 20. This franchise may create a possessory interest that may be subject to taxation, if
13 created, and the party in whom the possessory interest is vested may be subject to the payment of the
14 property taxes levied on the interest.

15 Section 21 Within 30 days of the effective date of this ordinance Grantee shall file a written
16 acceptance of this franchise in which it shall agree to abide by the terms and conditions herein.

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Section 22. If any section, paragraph, provision, sentence, clause or phrase of this ordinance, or the application thereof to any public highway, right of way or other public place included in this ordinance, is for any reason held invalid, the remainder of this ordinance shall not be affected thereby.

Section 23. This ordinance shall take effect thirty (30) days after its passage.

COUNTY OF RIVERSIDE

Chairman, Board of Supervisors

ATTEST:
CLERK OF THE BOARD

By: _____
Deputy

[SEAL]