

# Staff Report 47

## **PARTY:**

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California State Lands Commission (Commission)

## **PROPOSED ACTION:**

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Consider Feasibility Study findings and staff recommendation of Rincon Decommissioning Phase 2 Project and Alternatives to be analyzed in an Environmental Impact Report under the California Environmental Quality Act (CEQA).

## **AREA, LAND TYPE, AND LOCATION:**

Rincon Island is located approximately 3,000 feet offshore of Punta Gorda in Ventura County, approximately 7 miles northwest of the city of Ventura, California. Rincon Island is located immediately offshore of the community of Mussel Shoals and approximately 0.5 mile south of the community of La Conchita. The Island is located in approximately 55 feet of water. A causeway, or access pier, connects the Island to the coast. A State Coastal Conservancy (SCC) Parcel, included in the decommissioning analysis, is located just east of the causeway landing/abutment within Assessor's Parcel Number 060-0-090-425.

The Onshore Facility consists of a 6.01-acre parcel owned by the State located 1.3 miles to the east of Rincon Island at 5750 W. Pacific Coast Highway, Ventura. Rincon Island and the Onshore Facility were previously connected by a pipeline system, until they were disconnected as part of the well plugging and abandonment process.

## **BACKGROUND:**

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In December 2017 Rincon Island Limited Partnership quitclaimed (transferred) its lease interests (State Oil and Gas Lease Nos. PRC 145, PRC 410, and PRC 1466) to the Commission after becoming financially insolvent. Thereafter, the State of California (State) pursued decommissioning of the oil and gas related facilities and final disposition of Rincon Island.

Phase 1 of this process included the plugging and abandonment of all oil and gas wells and removal of surface equipment at Rincon Island, the Onshore Facility (State Parcel), and the adjacent privately owned Coast Ranch Parcel. Phase 1 activities were completed in June 2021.

Phase 2 of the Rincon decommissioning effort includes the development of a Feasibility Study and decommissioning plan, including public outreach and analysis under CEQA. The Commission previously authorized the Commission's Executive Officer or designee to take steps necessary to retain an environmental consultant to prepare the Feasibility Study and environmental documentation under CEQA ([Item 56, August 20, 2020](#)). Commission staff subsequently retained Padre Associates, Inc.. The Feasibility Study is complete and is summarized below. Based on the findings of the Feasibility Study, staff recommends that the Commission authorize the preparation of an Environmental Impact Report (EIR) considering the specific Project and Alternatives identified below.

Phase 3 will consist of securing funding and implementation of the Project decommissioning plan selected by the Commission after the CEQA process is complete.

## **FEASIBILITY STUDY:**

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The Draft Rincon Phase 2 Decommissioning Feasibility Study was prepared and released on March 17, 2022, for a 60-day public comment period ([Draft Feasibility Study and Attachments, March 17, 2022](#)). The Final Rincon Phase 2 Decommissioning Feasibility Study was released on July 21, 2022 ([Final Feasibility Study and Attachments, July 21, 2022](#)).

The Feasibility Study includes:

- A summary of the existing facilities associated with Phase 2 and an overview of the Phase 2 decision process, including opportunities for public outreach and input (Chapter 1.0)
- A description of the existing Phase 2 onshore and offshore facilities (Rincon Island, causeway, Onshore Facility, SCC Parcel, and offsite pipeline connection), the potential decommissioning activities (Component Plans 1 through 9) for those facilities, and three primary decommissioning Alternatives being considered for Phase 2 (Reuse of Rincon Island, Reefing of the Island, and Complete Removal of the Island) (Chapter 2.0)

- A summary of supporting technical and engineering studies conducted in support of Phase 2 decommissioning activities including, but not limited to, an engineering assessment, coastal engineering study, characterization of marine habitat, and site assessment at Rincon Island and the Onshore Facility (Chapter 3.0)
- A screening level environmental assessment for key resource areas associated with Phase 2 decommissioning activities (Chapter 4.0)
- A summary of Alternatives, including comparison of potential environmental impacts and benefits, schedules required to implement each Alternative, and a cost comparison of each Alternative (Chapter 5.0)

### **FEASIBILITY STUDY FINDINGS:**

The Feasibility Study analyzed three primary decommissioning Alternatives that differ significantly in terms of potential environmental effects, environmental benefits, time required to implement, and associated costs.

The Reuse Alternative contemplates retention of Rincon Island and the causeway. This Alternative includes decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, backfill of the Island with clean soil, decommissioning of onshore pipeline connections, and managed retreat, public access improvements, and native revegetation on the SCC Parcel (Component Plans 1, 2, 3, 4B, 8, and 9). The Reuse Alternative would require the least number of Component Plan decommissioning tasks and would result in fewer temporary impacts associated with construction activities. Specifically, the existing visual character of Rincon Island and the causeway would remain unchanged. Retention of Rincon Island would protect the existing biological diversity (terrestrial and marine) that use the structure. Remediation of hydrocarbon-contaminated soil and interstitial water at Rincon Island, and soil and groundwater at the Onshore Facility, would remove any long-term risk of exposure to the existing community or environment. Proposed improvements at the SCC Parcel could reduce future erosion and increase recreational opportunities. The construction period associated with the Reuse Alternative is approximately 2 years, and costs are anticipated to be approximately \$15 million. This Alternative presents the shortest timeframe for decommissioning and requires the least amount of capital.

The Reefing Alternative contemplates the retention of Rincon Island, but removal of the causeway and the Island wharf. This Alternative includes

decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, backfill of the Island with clean soil, removal of the causeway, decommissioning of onshore pipeline connections, and managed retreat, public access improvements, and native revegetation on the SCC Parcel (Component Plans 1, 2, 3, 4B, 7A, 7B, 8, and 9). The Reefing Alternative requires a longer decommissioning timeframe and could result in additional environmental impacts versus the Reuse Alternative. Removal of the causeway would result in a reduction of hardbottom habitat for offshore biological resources. Rincon causeway removal would also result in additional temporary noise/vibration impacts during decommissioning to adjacent residents and sensitive receptors as well as temporary impacts to recreational users at Mussel Shoals Beach due to restriction of beach access. However, as described above, remediation of hydrocarbon-contaminated soil and water at Rincon Island and soil and groundwater at the Onshore Facility would remove any long-term risk of exposure to the existing community or environment. Proposed improvements at the SCC Parcel could reduce future erosion and increase recreational opportunities. The construction period associated with the Reefing Alternative is approximately 3 years, and costs are anticipated to be approximately \$27 million.

The Complete Removal Alternative contemplates removal of both Rincon Island and the causeway. This Alternative includes decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, removal of the island core, removal of the island protective armor, removal of the causeway, removal of the Island wharf, decommissioning of onshore pipeline connections, and managed retreat, public access improvements, and native revegetation on the SCC Parcel (Component Plans 1, 2, 3, 4A, 5, 6, 7A, 7B, 8, and 9). The Complete Removal Alternative requires the longest time to complete and would result in the most potential for environmental impacts. Complete Removal would result in substantial impacts to air quality and biologically important habitat (outlined in biological survey findings in Section 3.5 of the Feasibility Study). Complete Removal would also result in additional temporary noise/vibration impacts during decommissioning to adjacent residents and sensitive receptors, as well as temporary impacts to recreational users at Mussel Shoals Beach due to restriction of beach access. Removal of the Island would cause changes to the existing wave characteristics leading into shore and to existing coastal processes. A permanent change to the existing visual character of the area would also result. However, as described above,

remediation of hydrocarbon-contaminated soil and water at Rincon Island, and soil and groundwater at the Onshore Facility, would remove any long-term risks of exposure to the existing community or environment. Proposed improvements at the SCC Parcel could reduce future erosion and improve recreational opportunities. The construction period associated with the Reuse Alternative is approximately 3.5 years, and costs are anticipated to be approximately \$287 million.

### **SUMMARY OF COMMENTS RECEIVED:**

Forty-seven written comment letters or emails were submitted in response to the Draft Feasibility Study during the public review period (see Part II of the Final Feasibility Study), and four speakers provided oral comments at the May 4, 2022, public meeting on the Feasibility Study.

Comments were received from five governmental agencies: Ventura County Air Pollution Control District, Los Angeles Regional Water Quality Control Board, California Coastal Commission, County of Ventura, and the County of Ventura Board of Supervisors. Two non-governmental organizations, Surfrider and Climate First: Replacing Oil & Gas (CFROG), also commented on the Feasibility Study. The remainder of the comments were from individual members of the public.

There were five major issues raised by commenters, as follows:

- Feasibility Study Approach. The preliminary or perceived “generalized” analysis of the potential impacts of the Decommissioning Alternatives, and perceived gaps in the studies.
- Future Reuse Options. At what stage specific reuse options will be evaluated and selected, as opposed to Phase 2’s evaluation of the Reuse Alternative generally.
- Basis for Selection of a Project. How the final project will be chosen by the Commission (i.e., how environmental effects, costs, time, etc. will be weighted).
- Coastal Engineering Study. Dissatisfaction with the robustness of the evaluation, and perceived gaps in analysis.
- Existing Causeway Maintenance Costs. While the Feasibility Study estimated costs to remove the causeway, it did not include estimates of the cost to maintain the causeway under the Reuse Alternative.

- Other comments referenced potential impacts to air quality, water quality, biological resources, public access, recreation (inclusive of surfing), and coastal processes.

Responses to comments are provided in Part II of the Final Feasibility Study.

**MODIFICATIONS TO THE FINAL FEASIBILITY STUDY:**

Based on the comments submitted on the Draft Feasibility Study, a number of changes were incorporated into the Final Feasibility Study.

- Additional language was added to various sections of the document to clarify that the evaluation of impacts conducted in the Environmental Assessment was based on the effects of Alternatives on the community of Mussel Shoals and associated areas.
- Additional language was added to various sections of the document to clarify the purpose and level of analysis of the Coastal Engineering Study prepared by NV5.
- Under Coastal Engineering Study Results (section 3.4.2), the study results for the Reefing Alternative were modified. An incorrect conclusion was originally drawn due to differences between the version of the Reefing Alternative (no abutment removal) in the Coastal Engineering Study and the version of the Reefing Alternative (abutment removal) used in the Feasibility Study. The modified text also explains that the causeway pilings were considered negligible in this study due to the broad nature of the analysis. As noted in the Responses to Comments (see Part II of the Final Feasibility Study), an additional study will be conducted to focus on how the causeway affects sand retention and surf breaks. Table 3-2 was also modified to reflect these changes.
- Rule 62.7 was added to the air quality rules and regulations (subsection 4.2.2.3) applicable to Phase 2, per a comment from the Ventura County Air Pollution Control District.
- A sentence was added to section 3.5.3 in response to comments regarding biological resources associated with the causeway.
- Component Plan 7B was erroneously left out of Table 2-2 and Table 5-3. The cost estimate in Table 5-3 (section 5.3) was corrected to reflect that additional cost.
- A new subsection for Decommissioning Alternative Costs (section 5.3.1) and a subsection for Causeway Maintenance and Modification Costs (section 5.3.2) were added to the Feasibility Study to provide additional information requested in the public comments.

## **STAFF ANALYSIS AND RECOMMENDATION:**

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### **AUTHORITY:**

Public Resources Code sections 6005, 6216, and 6301.

### **PROPOSED PROJECT AND ALTERNATIVES FOR ANALYSIS IN AN ENVIRONMENTAL IMPACT REPORT UNDER CEQA:**

The Feasibility Study was intended as a preliminary analysis to evaluate and inform the Commission regarding potential decommissioning options for Rincon Island and associated sites. In addition to providing initial information regarding the potential environmental impacts of each Alternative, the Feasibility Study provided cost and time estimates for each Alternative. The Feasibility Study process also succeeded in gathering a significant amount of public input regarding decommissioning possibilities for the Rincon facilities.

After completing the Feasibility Study, staff recommends narrowing the range of possible Alternatives in order to complete a deeper and more focused analysis of the feasible Alternatives under CEQA. Staff recommends eliminating the Complete Removal Alternative from further analysis and consideration because it is not a feasible Alternative. As demonstrated in the Feasibility Study and summarized above, complete removal of the Island would result in significant environmental impacts, require significant time and money to implement, and is not favored by the public or state or local governmental agencies. Removal of all or part of the causeway will still be analyzed in the CEQA document.

Staff recommends development of an EIR analyzing the following Project and Alternatives:

### **PROPOSED PROJECT:**

The proposed Project (formerly referred to as the Reuse Alternative) would include retention of Rincon Island and the causeway. The proposed Project would include decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, backfill of the Island with clean soil, decommissioning of onshore pipeline connections, and improvement of the SCC Parcel (Component Plans 1, 2, 3, 4B, 8, and 9).

**ALTERNATIVES:****Reefing Alternative**

The Reefing Alternative would include the retention of Rincon Island, but removal of the Rincon causeway and the Island wharf. This Alternative includes decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, backfill of the Island with clean soil, removal of the causeway, decommissioning of onshore pipeline connections, and improvement of the SCC Parcel (Component Plans 1, 2, 3, 4B, 7A, 7B, 8, and 9).

**Partial Causeway Removal Alternative**

The Partial Causeway Removal Alternative is similar to the proposed Project; however, all but a portion (exact length to be determined) of the causeway would be removed, leaving a pier structure. The remaining pier structure would need to be modified and reinforced in order to withstand wave actions and storm events, and may reduce impacts to surf breaks and sediment movement both north and south of the pier. This Alternative includes decommissioning of the Onshore Facility, removal of Rincon Island surface structures, removal of the Island's well bay concrete deck, removal of the Island's pavement and contaminated soil, backfill of the Island with clean soil, partial removal of the causeway, decommissioning of onshore pipeline connections, and improvement of the SCC Parcel (Component Plans 1, 2, 3, 4B, 7A [partial], 8, and 9).

**No Project Alternative**

While staff does not recommend proceeding with a no decommissioning project, California law requires that a No Project Alternative be analyzed in the EIR as part of the CEQA process. Under the No Project Alternative, the Rincon facilities would be left in their current location and condition. Natural processes would continue to degrade these existing facilities including corrosion of the pipelines and deterioration of the causeway deck, pilings, and wharf. Although the contaminated soil on Rincon Island would remain capped, the Onshore Facility contamination would continue to be an issue for the Commission and the Regional Water Quality Control Board. In addition, the SCC parcel would not undergo revegetation or improvements for public beach access.

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Proceeding with further analysis of the proposed Project and Alternatives in an EIR is consistent with the Public Trust Doctrine and in the State's best interests because it allows for continued, in-depth analysis of the most feasible decommissioning options for Rincon Island and the associated facilities, taking into account



environmental impacts, time, and cost. The management, protection, and enhancement of sovereign lands and natural resources is entrusted by the State of California to the Commission, and guided by the Public Trust Doctrine, the California Constitution, and various laws and regulations specific to the Commission. One of the key principles of the common law Public Trust Doctrine is the people's right to access public tidelands and submerged lands along the California coast. Further input from the public, Tribal governments, governmental agencies, and non-governmental organizations relating to these issues will be solicited during the CEQA process. The CEQA analysis will evaluate potential impacts to sensitive habitats of state and federally listed species, aesthetics, cultural resources, marine biological resources (including the biology of the causeway and surrounding seafloor), nearshore waves and potential changes to waves (including surf breaks) and nearshore sediment transport, air quality, and all other potentially significant impacts from proposed Project activities. If the proposed Project would cause significant impacts that could not be avoided, the EIR would include proposed mitigation measures to reduce impacts to the extent feasible. The CEQA process will ensure that the decommissioning options for Rincon Island and the associated facilities are fully vetted before a decommissioning plan is ultimately decided on by the Commission and will further ensure that the best possible decision is made with respect to the future of these valuable state resources. Before approving a decommissioning plan, the Commission will be required to certify the EIR and adopt a mitigation monitoring plan pursuant to CEQA (Pub. Resources Code, § 21081.6) to ensure that any measures imposed to mitigate or avoid significant effects will be implemented.

**CLIMATE CHANGE:**

Climate change impacts, including sea level rise, more frequent and intense storm events, and increased flooding and erosion, affect both open coastal areas and inland waterways in California. The Rincon offshore and coastal facilities are located within and onshore of the Pacific Ocean in Ventura County. Climate change impacts were analyzed in the Feasibility Study and will be further analyzed in the EIR.

The California Ocean Protection Council updated the State of California Sea-Level Rise Guidance in 2018 to provide a synthesis of the best available science on sea level rise projections and rates. Commission staff evaluated the "high emissions," "medium-high risk aversion" scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. The Santa Barbara tide gauge was used for the projected sea level rise scenario for the lease area as listed in Table 1.

**Table 1. Projected Sea Level Rise for Santa Barbara**

<b>Year</b>	<b>Projection (feet)</b>
2030	0.7
2040	1.1
2050	1.8
2100	6.6

Source: Table 22, State of California Sea-Level Rise Guidance: 2018 Update

Note: Projections are with respect to a 1991 to 2009 baseline.

Rincon Island (in its existing condition) is not anticipated to be inundated (overtopped by ocean water) even considering the highest sea level rise projection in 2100 of 6.6 feet, as the top of the surrounding armoring (riprap and tetrapods) measure approximately 35.5 feet above sea level. Extreme storms that have occurred over the past 60 years do not appear to have endangered the whole Island, which indicates that Rincon Island may remain in place even when subject to the rare occurrences of very large storm events. However, the Island could be overtopped by waves during a 10-year or larger storm event along the seaward (south) side. The existing protective armors on the north side, leeward, and southeast side of the Island appear to be able to withstand a 100-year storm event.

Higher water levels result in greater wave energy reaching higher on the shoreline. Along with higher sea levels, winter storms of greater intensity and frequency resulting from climate change would further affect coastal areas. In open coastal areas and tidally influenced waterways, more frequent and powerful storms can result in storm surge, increased flooding conditions, and damage from storm-generated debris. Climate change and sea level rise also would affect coastal areas by changing erosion and sedimentation rates. Beaches, coastal landscapes, and near-coastal riverine areas exposed to increased wave force, run up, and total water levels could potentially erode more quickly than before. Any future natural beach loss would be exacerbated by changes in wave direction, occurring from climate change-driven water temperature, wind direction, and ocean current shifts as well as any existing armament along the coastline that would protect the area from wave forces.

**TRIBAL COORDINATION AND CONSULTATION:**

In keeping with the Commission’s Strategic Plan, Environmental Justice Policy, and Tribal Consultation policy which stress the importance of early, frequent, and meaningful engagement with tribal governments, Commission staff began providing periodic informal communications on the Feasibility Study process, and inviting early feedback from geographically and culturally affiliated tribes, in the

summer of 2021 as follows: the Native American Heritage Commission (NAHC) provided a Sacred Lands File search (negative results) and a Native American Contact list on June 1, 2021. The Commission's Tribal Liaison then sent out two email notifications, one on June 7, 2021, to notify the tribes of the Phase 2 Feasibility Workshop, and one on August 10, 2021, to provide an overview of the Phase 2 process. One email comment was received from the Tribal Chair for the Coastal Band of the Chumash Nation, asking to be part of the outreach to Tribal governments. In December 2021, the Chair reiterated interest in coordinating on the decommissioning, particularly as it relates to the Onshore Facility area(s). Representatives from the Coastal Band of the Chumash Nation and the Santa Ynez Band of Chumash Indians attended a site tour of the Island that was open to the public on April 26, 2022, prior to the Commission's meeting in Goleta. Subsequent to that tour, the Chair of the Coastal Band of the Chumash Nation requested a tribal visit to both the Island and the onshore facility specifically for purposes of discussing the Tribe's ideas and recommendations for potential future use of these areas that could benefit California's Native American communities. Commission staff conducted this site visit with the Chair and other tribal representatives on June 22, 2022.

After completion of the Feasibility Study and upon initiating the CEQA process for the chosen proposed Project, Commission staff will provide formal notification and invitation to consult to all tribes identified on the NAHC contact list, consistent with the Commission's Tribal Consultation Policy and Assembly Bill (AB) 52 (Gatto), Chapter 532, Statutes of 2014. Under AB 52, lead agencies must avoid damaging effects on tribal cultural resources, when feasible, whether consultation occurred or is required. While some information related to cultural heritage and tribal cultural resources is presented in the Feasibility Study for the three Alternatives being considered, the full assessment of potential resources and impacts will be performed during the CEQA process in consultation with interested tribal governments.

### **ENVIRONMENTAL JUSTICE:**

Following its commitment to early, often, and meaningful outreach and engagement, Commission staff reached out to local environmental justice organizations in Ventura County. In June 2021, staff sent outreach letters and emails to 23 community-based organizations providing notification of the Phase 2 Feasibility Workshop and offering the opportunity for a one-on-one meeting with staff. Commission staff met with the Central Coast Alliance United for a Sustainable Economy (CAUSE) and the National Association for the Advancement of Colored People (NAACP) Ventura County. One group expressed interest in having the Island remain for public access. Additional communications were sent to local

environmental justice organizations providing an overview of the Phase 2 process and notification of the availability to comment on the feasibility study. Commission staff will continue to engage with the local community and environmental justice advocates as the CEQA process gets underway.

**CONCLUSION:**

For all the reasons above, staff believes that preparation of an EIR analyzing the proposed Project and Alternatives defined above will enhance Public Trust resources and needs at this location; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

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1. This action is consistent with the “Meeting Evolving Public Trust Needs,” “Leading Climate Activism,” “Prioritizing Social, Economic, and Environmental Justice,” “Partnering with Sovereign Tribal Governments and Communities,” and “Committing to Collaborative Leadership” Strategic Focus Areas of the Commission’s 2021-2025 Strategic Plan.
2. Staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a statutorily exempt project. The project is exempt because it involves a feasibility or planning study for possible future action which the Commission has not approved, adopted, or funded.

Authority: Public Resources Code section 21102 and California Code of Regulations, title 14, section 15262.

**RECOMMENDED ACTION:**

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It is recommended that the Commission:

1. Direct staff to proceed with preparation of an EIR analyzing the proposed Project, Reefing Alternative, Partial Causeway Removal Alternative, and No Project Alternative.
2. Direct staff not to include Complete Removal of the Island as an Alternative in the EIR.

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a statutorily exempt project pursuant to Public Resources Code section 21102 and California Code of

Regulations, title 14, section 15262, feasibility or planning study for possible future action which the Commission has not approved, adopted, or funded.

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that preparation of an EIR analyzing the proposed Project and Alternatives defined above will enhance Public Trust resources and needs at this location; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

**AUTHORIZATION:**

1. Authorize the Executive Officer or her designee to proceed with preparation of an EIR analyzing the proposed Project, Reefing Alternative, Partial Causeway Removal Alternative, and No Project Alternative.
2. Authorize the Executive Officer or her designee to exclude Complete Removal of the Island from further analysis as an Alternative in the EIR due to the infeasibility of Complete Removal.