SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors 105 E. Anapamu Street, Suite 407 Santa Barbara, CA 93101 (805) 568-2240

Agenda Number:

Prepared on: May 14, 2003 Planning and Development **Department Name: Department No.:** 053 Agenda Date: May 27, 2003 Administrative Placement: **Estimate Time:** Continued Item: NO If Yes, date from: G:\GROUP\ENERGY\WP\NORTH\ **Document File** NUEVO\NRDA\NRDABSLTR5 27. Name: DOC

TO:	Board of Supervisors
FROM:	Valentin Alexeeff Director, Planning and Development
STAFF CONTACT:	Alice McCurdy (568-2542)
SUBJECT:	1997 Torch Oil Spill NRDA – Request to Governor Davis for Trustee Designation

Recommendation(s):

That the Board of Supervisors:

Approve and authorize the chair to execute a letter to Governor Gray Davis requesting that Santa Barbara County be designated as a Trustee Agency for the restoration phase of the Torch Oil Spill Natural Resource Damage Assessment (NRDA).

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 5. A High Quality of Life for All Residents.

Executive Summary and Discussion:

On September 28, 1997, the Torch Point Pedernales project's offshore crude oil pipeline ruptured approximately 2.5 miles from shore. Torch operators overrode the automatic shutdown that resulted from the sudden drop in pipeline pressure and resumed pumping, pushing oil out of the pipeline into the ocean. Estimates of the total crude oil spilled due to the rupture and override

Torch NRDA Trustee Designation Request May 27, 2003 Page 2

range from 163 barrels to in excess of 1,242 barrels¹. Nuevo and Black Hawk Oil Company were the owners of the Point Pedernales facilities at the time of the spill and Torch the operator. Nuevo is now both the owner and the operator.

Following the spill, trustee agencies conducted a Natural Resource Damage Assessment (NRDA) to identify the resource damage caused by the spill, and to identify projects capable of restoring the damaged resources. The Board of Supervisors asked Governor Pete Wilson to designate the County as a trustee agency, to give the County full participation (including voting rights) within the NRDA process. The County's request was denied, and the County instead participated in the NRDA as a technical advisor to the California Department of Fish and Game. Other agencies that participated in the NRDA include the Department of Defense (VAFB), U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, California Department of Fish and Game (CDFG), Minerals Management Service, and California State Lands Commission.

The NRDA team determined that stranded oil attributed to the spill was documented along approximately 40 miles of shoreline to the northeast, east, and southeast of the pipeline break. Some stretches of Surf Beach were more than 50 percent covered by oil. The trustee agencies found that important habitat was impacted at rocky intertidal and sandy beach areas. The agencies also found that intertidal species such as mussels and abalone were adversely affected by the spill. The estuaries at San Antonio Creek, Honda Creek, and the Santa Ynez River were also impacted by the spill. The trustee agencies estimate that the spill impacted between 635 and 815 birds, including western snowy plovers and brown pelicans. The trustees concluded that one California sea lion died as a result of the spill and that other pinnipeds were in the vicinity of spilled oil, and may have been injured as a result of exposure to oil. The sea otters that reside at Purisima Point were exposed to oil during the spill, and may have experienced sub-lethal effects of exposure. No otters were known to have experienced acute effects or death as a result of oiling.

In the summer of 2000, at the request of the responsible party (Torch/Nuevo), the trustee agencies excluded the County from the NRDA proceedings. From that time until the present, the County has not been a part of the NRDA proceedings. On May 17, 2002, a federal Consent Decree regarding the spill was issued by the United States District court, Central District of California, Western Division. This decree sets forth a \$3,000,000 settlement consisting of \$2,397,000 in natural resource damage claims, \$299,000 in penalties to State Agencies (including the Department of Fish and Game, State Lands Commission, and Coastal Commission), and \$304,300 in penalties to federal agencies. Separately, the County settled with the Point Pedernales project owners for \$1,000,000 in penalties for violations of the County's permit conditions.

¹ The California Department of Fish and Game's (CDFG) official spill volume from the Torch Point Pedernales pipeline was 163 barrels (CDFG, 1989). The 1,242 barrel estimate is from Santa Barbara County and is based upon additional factors that were not taken into account with the CDFG official number. These include drainage from the landward side of the pipeline, oil between pigs 1 and 2, and oil behind pig 2.

Torch NRDA Trustee Designation Request May 27, 2003 Page 3

According to recent discussions with CDFG staff, the restoration phase of the NRDA is beginning. A Trustee Council has been or will soon be formed to make decisions on how best to allocate the \$2,397,000 in restoration funds to compensate for the biological and recreational resources impacted by the spill.

Under condition G-1 of the County's permit, the Point Pedernales owner/operators are responsible for ensuring clean up and restoration of spill impacted areas to pre-spill conditions. Since full clean up and restoration did not occur at the time of the spill, the County has relied on the NRDA process to achieve compliance with condition G-1. P&D staff recently contacted the Department of Fish and Game, requesting designation as an official trustee in the restoration phase of the NRDA. In response, the Department of Fish and Game invited the County to rejoin the process in its original, unofficial (non-voting) role.

County designation as an official voting trustee member will ensure that the County: 1) has a direct presence on the Trustee Council: 2) will be able to effectively represent the local interests affected by the spill; and 3) will have direct input on the projects selected to compensate for the resources damaged by the spill. Therefore, we ask that your Board send a letter to Governor Davis to request that he designate the County of Santa Barbara as a trustee for the very important restoration phase of the Torch NRDA. Under the law (The Oil Pollution Act of 1990), the governor has the authority to designate a local trustee agency. A draft letter is included as Attachment 1.

Mandates and Service Levels:

Pursuant to Condition G-1 of the Final Development Plan (94-DP-027) for the Nuevo Point Pedernales project, following a spill from the project facilities, all resources must cleaned and restored to pre-spill conditions.

Fiscal and Facilities Impacts:

No impact; Nuevo is obligated by permit condition to pay for staff time associated with postspill restoration of resources. The project is part of the permitting and compliance program for offshore oil and gas permits on page D-276 in the Planning & Development Department's section of the County's Budget F02/03.

Special Instructions:

Clerk of the Board to return the signed letter to Planning and Development for the transmittal to the Governor's office and distribution of copies.

Concurrence: County Counsel

Attachment 1: Letter to Governor Davis

Cc: County Counsel

Torch NRDA Trustee Designation Request May 27, 2003 Page 4

ATTACHMENT 1 LETTER TO GOVERNOR DAVIS