



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

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

Department Name: P&D
Department No.: 053
For Agenda Of: 10/28/2008
Placement: **Departmental***
Estimated Tme: 30 Minutes
Continued Item: Yes
If Yes, date from:
Vote Required: Yes

TO: Board of Supervisors

FROM: Department John Baker, Asst. CEO/Director of P&D
Contact Info: Mike Zimmer, Building Official, 568-3120

SUBJECT: Adoption of amendments to the Petroleum Code (Chapter 25 of the Santa Barbara County Code) addressing regulation of "High Risk" Operations and Operators.

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

On October 28, 2008 the Board of Supervisors consider:

1. Introduction/first reading of the ordinance amending the Petroleum Code (Chapter 25 of the Santa Barbara County Code) relating to regulation of "High Risk" Petroleum Operation and Operators.
2. Set Hearing (Second Reading) for November 4, 2008 to consider the adoption of an ordinance amending the Petroleum Code (Chapter 25 of the Santa Barbara County Code) to become effective 30 days from adoption.

Summary Text:

Since January, 2008 the Petroleum Unit, in the Building and Safety Division of the Planning and Development Department and the Fire Department, have conducted facility inspections at nearly 60 different facilities. These activities have been very aggressive due to a number of spills and releases at these on-shore facilities – some of which were very substantial. Through our inspection processes it has become evident that some facilities pose a higher risk to life limb and property. In an effort to minimize these potential safety issues, the Planning and Development Department is proposing the Board adopt the amendments to the Petroleum Code (Chapter 25 of the Santa Barbara County Code) as noted in attachment A (shown in underlined text).

The amendments to the Petroleum Code are designed to encourage onshore Petroleum Operators to properly maintain their facilities by utilizing good workmanship and management practices to minimize code violations and oil spills to the maximum extent feasible. Petroleum Operators correcting Petroleum Code violations immediately and/or maintaining their facilities who 1) have

not been in violation of the Code for more than 30 consecutive days or 45 days during the preceding 12 months, or 2) with less than three oil or produced water releases of more than 25 barrels each per year will not be subject to these ordinance amendments. Operations subject to these Petroleum Code amendments will be subject to fines, bonding requirements and remediation plans per the new amendments. The appeal procedures have been modified to include the Director of Planning and Development in the process. All appeals will be noticed in the same manner as the County Planning Commission. Actions taken by the Petroleum Administrator in relation to high risk operations will remain in effect during appeal processes.

Changes have been made to the ordinance originally presented for Board consideration. In most instances those changes are in response to concerns raised by attorneys for Greka Energy regarding due process. Additionally, a change has been made with regard to the potential for appointment of a hearing officer of appeals in specific situations to include the Director of Planning and Development as part of the decision-making process in the determination of need for and selection of the hearing officer.

Background:

Since the Petroleum Unit's inception in 1937, its main function has been to annually inspect oil wells and provide minimum standards to safeguard life, limb, health, property and public welfare. In the mid 1990's the Petroleum Unit's role was expanded to include oversight of oil field restoration projects as oil companies were abandoning and cleaning up old oil wells and associated oil sumps. In January of 2008, the Board directed Planning and Development and the Fire Department to create an onshore oil facilities inspection program. Up until this time it had been the responsibility of the Fire Department to inspect and issue operating permits, utilizing the California Fire Code, for all onshore oil facilities within the County of Santa Barbara. Under this new program, the Petroleum Unit, as the lead agency, has worked in concert with the Fire Department utilizing the Petroleum Code and the Fire Code to obtain compliance at these facilities. To date this program has been very successful and the inclusion of the proposed "High Risk" amendments to the Petroleum Code will ensure continued compliance under both the Fire and Petroleum Codes.

Fiscal and Facilities Impacts:

Budgeted: None: Ordinance amendments require full cost recovery for enforcement of Petroleum Operations classified as "High Risk".

Attachments:

A. Amendment to Chapter 25 of County Code

Authored by:

Jeff Thomas, Petroleum Supervisor, Planning and Development Department, ext. 6513

cc:

Kevin Ready, Senior County Counsel