

## Attachment C

### Recommended Part A Proposals Project Information

#### C-1

**Department:** P&D Energy for the Land Trust for Santa Barbara County

**Project:** Gaviota Coast – Acquisition of Two Agricultural Conservation Easements

**Grant Request:** \$500,000

**Match:** \$700,000

**Match Source:** Unsecured – potential funding sources include the Coastal Conservancy, California Farmland Conservation Program, State Wildlife Conservation Board, Land & Water Conservation Funds, private foundations, private donations, future CREF grants

**Total Project Costs:** \$1,200,000

**Project Description:** The Land Trust has been pursuing two strategies for protecting the agricultural and natural resources on private Gaviota Coast ranch land in perpetuity: agricultural conservation easements and land acquisition. The Land Trust is in active discussion with owners of two ranches and expects to negotiate, draft, raise funds for and complete conservation easements properties next year.

**Grant Category A Nexus:** The County and the Land Trust received a \$220,000 grant from the Coastal Resources Program in 1999, a \$250,000 grant in 2000, and another \$250,000 grant in 2001 to acquire easements along the Gaviota Coast. All three grants qualified for Part A funding because the purchase of easements helps to offset the impact of industrialization that has occurred on the Gaviota Coast to process, store, and transport oil and gas produced offshore. The Resources Agency strongly supports this effort and has encouraged staff to seek the maximum \$500,000 award this cycle.

#### C-2

**Department:** P&D Energy for the Santa Barbara County Air Pollution Control District

**Project:** Capturing Petroleum Seeps for Environmental, Economic, and Educational Benefit

**Grant Request:** \$50,000

**Match:** \$141,000

**Match Source:** \$41,000 in the APCD 2001/2002 budget request; \$6,000 APCD budget; \$100,000 from other funding sources, including potential request for CREF

**Total Project Costs:** \$197,000

**Project Description:** The petroleum seeps that occur off Santa Barbara County's coast contribute significant amounts of smog-forming reactive organic gases to our airshed. The APCD has a history of involvement in seep assessment and mitigation, beginning with ARCO's 1982 installation of seep containment tents off Coal Oil Point. The gases collected by these steel tents have been routed to an onshore treatment facility and then sold to the existing natural gas pipeline distribution system. Emission reduction credits created by this process were used partially to mitigate most of the major oil and gas development projects permitted in Santa Barbara County in the 1980s, and are still in use.

Recently, interest in capturing seeps has been rekindled, not only from the standpoint of controlling an air and water pollution source, but also as a potential source of energy. This has been underscored by the current

electric power situation in California. The APCD is working to energize a coalition of stakeholders around the vision that substantial quantities of seep gas that are currently wasted into the atmosphere could be captured, treated and used by the University or other entity to supplant natural gas purchased from the utility or to produce clean electric energy. Further, the technologies and materials now available for fabrication and installation of such seep tents may make this effort substantially more cost-competitive, flexible and easily implemented than the venture undertaken two decades ago.

The existing steel tents have collected more than 30,000 tons of emissions since their installation, reducing greenhouse gases, ozone precursors and nuisance odors that would otherwise be emitted to atmosphere. Additional tents of new design would not only increase this air pollution prevention benefit, but could also yield a viable long-term energy source, reduce beach tarring, and provide economic and educational benefits, as well. The air quality and other concerns that are likely to be addressed by the enhanced capture of seep emissions underscore the importance of the APCD's ability to lead and participate in this very timely scientific and technical effort. Financial support from the Coastal Resources Grant Program will allow continued participation in the assessment, design, development and installation of an enhanced capture system, leading ultimately to the productive use of this gas resource.

**Grant Category A Nexus:** The application is made under Part A of the Grant Program, based on the seep program's relationship to offshore energy development.

### C-3

**Department:** P&D Energy for the Lompoc Unified School District

**Project:** Cabrillo High School Aquarium Improvements

**Grant Request:** \$100,000

**Match:** \$11,000

**Match Source:** Private donations; the school district will not be seeking a CREF grant to match this project.

**Total Project Costs:** \$110,000

#### **Project Description:**

Climate Control - \$30,000

With over 3000 gallons of water in a compact space, it is important that both temperature and humidity be controlled. Additionally, there is also technology equipment that must be protected from being exposed to excessive moisture over a long period of time. By developing a climate controlled room with controlled humidity and constant temperature, the longevity for equipment and habitats will be greatly increased. Visitors will also be able to enjoy a controlled temperature and environment and students will respond to learning in a positive way.

Remote Monitoring - \$45,000

As the program becomes more sophisticated, so does the equipment that controls the various habitats and display areas. It is imperative to have the ability to monitor water flow, water temperature and all other components of the habitats. A remote monitoring system will permit 24 hour a day monitoring capabilities. It is also important to have the capability to be notified of a system failure in order that curators can be notified to save both animals and delicate displays.

#### Telecommunication System - \$35,000

A telecommunication system will permit the facility to project lessons on local school campuses as well as campuses throughout the county, state, nation and world. The Aquarium staff is constantly being asked to explain certain study areas within the Aquarium such as habitat development, coastal environment and migratory animals from along the Pacific Coast. A telecommunication system linked from the Aquarium to other classrooms will increase educational opportunities for students and other interested parties from throughout the world.

**Grant Category A Nexus:** The Resources Agency granted the County and Lompoc Unified School District received a \$100,000 grant from AB 1431 last to fund exhibits for the museum. The Resources Agency agreed with the school district that the aquarium indirectly mitigates impacts of offshore oil and gas development by teaching students about the marine environment. We believe the proposed improvements would meet the same qualification.

#### C-4

**Department:** P&D Energy

**Project:** Platform Decommissioning, Phase 2

**Grant Request:** \$36,000

**Match:** \$4,000

**Match Source:** Included in P&D Energy's FY 2001-02 budget request

**Total Project Costs:** \$40,000

#### **Project Description:**

The Energy Division proposes to continue its participation in the Interagency Decommissioning Work Group (IDWG) to address issues related to platform decommissioning offshore California. The IDWG was formed by federal, state and local agencies to address unresolved decommissioning issues identified during a September, 1997 decommissioning workshop. The goals of the Committee include an action plan to identify, prioritize and address all of the unresolved decommissioning issues; collect, disseminate and share information with all interested parties; promote dialogue and communication among all parties; and improve interagency planning and coordination. All these goals have been partially accomplished over the past two years; however, a number of decommissioning issues remain unresolved. The intent of this grant is for continued participation in the IDWG for resolution of the decommissioning issues and continuing to meet the goals mentioned above.

The unresolved decommissioning issues have been grouped into the following major categories: technical, environmental, disposition, site clearance and policy. The grant funds would be used to provide county participation in the IDWG for collecting information and putting together a report that addresses the unresolved decommissioning issues. Santa Barbara County is requesting \$36,000 in grant moneys for our participation in carrying out the action plan. Total budget for the project is set at \$40,000 with the county providing \$4,000 in matching funds.

**Grant Category A Nexus:** This program comprises advance planning for the decommissioning of offshore facilities used to development oil and gas.

### **C-5**

**Department:** P&D Energy

**Project:** Financial Responsibility Ordinance for Facilities that Support Offshore Oil/Gas Development and for Oil Refineries

**Grant Request:** \$90,000

**Match:** \$10,000

**Match Source:** Coastal Impact Assistance Program, pending NOAA's approval 9/30/01

**Total Project Costs:** \$100,000

**Project Description:** This project is intended to close a regulatory gap in financial responsibility requirements for oil facilities with an ordinance that applies to onshore facilities of offshore oil and gas development, and also oil refineries. The Minerals Management Service requires oil and gas facilities in federal waters to provide evidence of financial responsibility for oil spills. Similarly, the California Department of Fish and Game Office of Oil Spill Prevention and Response requires financial guarantees for facilities that could spill oil into state waters. Chapter 25A of the County Code requires marine terminals to provide the County with financial guarantees sufficient to cover the cost of a worst case oil spill. No comparable regulation applies to coastal or inland facilities, which also hold potential for serious spills. Spill clean-up costs and damages could be in the range of \$10 million to over \$100 million under some circumstances. For some onshore facilities, financial guarantees have been negotiated into permits as conditions, but the County has no statutory requirement for financial responsibility.

The Energy Division proposes to work with County Counsel to develop appropriate financial responsibility guidelines and procedures. Staff will consult other agencies and oil spill clean-up experts to develop a methodology for identifying spill scenarios and estimating the associated costs and damages. Preliminary research indicates that a satisfactory model for estimating costs and damages may not exist and will need to be invented. Staff will also work with an insurance consultant, in coordination with County Risk Management, to develop standards with regard to the most appropriate types of instruments that oil and gas operators would use for guaranteeing financial responsibility to the County.

**Grant Category A Nexus:** This proposal meets the requirements of Part A by addressing issues of financial responsibility for oil spills from facilities that support offshore oil and gas development.

### **C-6**

**Department:** P&D Energy

**Project:** Natural Oil Seep Inventory

**Grant Request:** \$300,000

**Match:** \$810,000

**Match Source:** \$800,000 Secured – Minerals Management Service and United State Geologic Service; \$10,000; unsecured – Coastal Impact Assistance Program, pending approval by NOAA 9/30/01

**Total Project Costs:** \$1,110,000

**Project Description:** The County has conditioned all permits related to offshore oil and gas projects to require full clean up of oil spills to pre-spill conditions. It has also undertaken and maintains a major inventory of pre-spill biological conditions, known as the Shoreline Inventory Project. This inventory

provides important baseline data to assess damages to natural coastal species, habitats, and other resources in the event of a major offshore oil spill.

The Energy Division seeks AB 1431 funding to augment the Shoreline Inventory by inventorying the chemical properties of natural oil seeps that affect the shoreline. Such seeps have characterized the coastline for centuries. This inventory is essential for differentiating potential damage from natural oil seeps and major, manmade oil spills when they occur. The project will complement an \$800,000 effort undertaken jointly by the Minerals Management Service and the United State Geologic Service with a major goal of establishing the geologic setting, source(s) and ultimate dispersal of natural oil and gas seeps in the offshore area of the southern Santa Maria Basin between Point Conception and Point Arguello. The County's portion of this broader project would focus on establishing and implementing a protocol to sample and fingerprint as many natural seeps that lands onshore Santa Barbara County as possible with available funding. All information will be collected into a library so that, in the event of an oil spill from offshore platforms and pipelines, we can determine the extent of impact to coastal biology, water quality, recreation and tourism above that caused by natural oil seeps.

**Grant Category A Nexus:** Among other things, this effort allows agencies to define damage of oil spills that may result from offshore oil development by distinguishing affect of natural oil seeps.

#### **C-7**

**Department:** P&D Energy

**Project:** Consolidation of Oil/Gas Processing Activities – General Plan Amendment

**Grant Request:** \$90,000

**Match:** \$90,000

**Match Source:** Coastal Impact Assistance Program, pending NOAA approval 9/30/01

**Total Project Costs:** \$180,000

**Project Description:** The County amended its Local Coastal Program in 1987 to consolidate onshore processing of offshore oil and gas production to two sites along the south coast: Las Flores Canyon and Gaviota. Consolidation mitigates many impacts to local communities due to offshore oil and gas development. Among other things, it minimizes industrialization of the County's south coast, which is predominately rural and offers pristine coastal views when not interrupted by large processing facilities. Consolidation also minimizes impacts to public safety and many coastal resources.

Events since 1997 indicate that another examination of the consolidation policies are in order to address potential impacts of offshore oil and gas development during the next two decades. All but one of the seven non-consolidated processing facilities have ceased operations and either have undergone or are currently undergoing abandonment. The sole remaining active, non-consolidated and non-conforming processing facility is situated in Ellwood, along with a marine terminal that also operates as a legal non-conforming use. The operator of these two Ellwood facilities recently proposed to terminate processing of oil at Ellwood. However, Venoco has proposed to ship oil produced from Platform Holly to Ventura County via a 27-mile subsea pipeline instead of the nearest consolidated processing site at Las Flores Canyon via a 10-mile onshore pipeline.

Further west, one of the two consolidated processing facilities, Gaviota, has been idled since 1998 with no plans to reactivate it. Accordingly, the Planning Commission took action in 2000 to initiate the removal of the consolidated processing status for that facility.

**Grant Category A Nexus:** Consolidation of onshore oil/gas processing activities that support offshore oil and gas development directly qualifies as planning for and mitigating such development.

### C-8

**Department:** Public Works

**Project:** Alternative Route Analysis for Gaviota Beach Road

**Grant Request:** \$99,000

**Match:** \$16,500

**Match Source:** In-kind services secured in Road Fund (Fund 0015)

**Total Project Costs:** \$115,500

**Project Description:** Gaviota Beach Road is located in Santa Barbara County, within the confines of the Gaviota Creek floodplain and riparian corridor. The road frequently floods, preventing access for days at a time to various oil and gas pipeline facilities, Gaviota State Park, and Hollister Ranch residential area. The road provides access for routine maintenance of oil and gas pipelines operated by the Point Arguello Partners. Gaviota Beach Road is also the sole access road for Gaviota State Park and the main access road to the Hollister Ranch residential community. Maintaining year-round access requires periodic dredging within Gaviota Creek, which provides critical habitat for a number of threatened and endangered species.

The County of Santa Barbara, Public Works Department is proposing an evaluation of alternative routes to oil and gas facilities, Gaviota State Park, and Hollister Ranch with the goal of relocating Gaviota Beach Road outside the floodplain and environmentally sensitive habitat area of Gaviota Creek. The alternatives analysis will include an evaluation of various route options, environmental constraints, right of way costs, and construction funding required for each alternative developed.

**Grant Category A Nexus:** Gaviota Beach Road provides access to maintain various oil and gas pipeline facilities. Additionally, it provides emergency egress for Hollister Ranch residents and Gaviota State Park users in the event of an oil and gas facility emergency. However, due to the road's location within the Gaviota Creek floodplain, a storm with a significant amount of rain will cause the road to flood making it impassible. Coincidence of these two events could result in serious health and safety risk to Hollister Ranch residents and users of Gaviota State Park. The current bridge has also been damaged by the repeated flooding and has been almost completely plugged by debris. The condition has become such making it probable that Gaviota Beach Road will flood every winter. The proposed alternative route analysis is the first step in both reducing potential health and safety risks to neighboring residents and protecting significant coastal habitat impacted by offshore oil and gas development.

### C-9

**Department:** Parks

**Project:** El Capitan Bikeway Extension

**Grant Request:** \$135,000

**Match:** \$15,000

**Match Source:** In-kind services for project management from Parks Operations Budget plus unsecured future grants potentially from CREF and state’s Environmental Enhancement and Mitigation Program  
**Total Project Costs:** \$150,000

**Project Description:** Provide for a 1,100 lineal feet westerly extension of the El Capitan Bike Path along Calle Real. This extension would connect bikers, off road, to the existing 101 underpass that leads to El Capitan State Park. Currently the bike trail terminates out onto the terminus of the north bound off ramp to El Capitan State Park. This extension would provide for safer bike use along this portion of the frontage road. The design would require a retaining structure along the northern edge of the trail to allow room for the trail along the existing steep embankment.

**Grant Category A Nexus:** Onshore oil and gas operations associated with offshore energy development have directly prevented recreational activities along the blufftop and have obstructed access to beaches along several points of the Gaviota Coast. As the County moves towards completion of the coastal trail, the public's recreational and visual enjoyment of the coast will be enhanced thereby helping to offset the adverse affect that industrialization has had along segments of this coastal terrace. Highway 101 is largely limited as a lateral access for hikers and cyclists due to the seriousness of accidents along this stretch of highway. The California Highway Patrol urges cyclists to avoid use of Highway 101. Consequently, completion of the coastal trail will maximize the benefit through improved coastal access that is partially funded through fees that mitigate impacts of offshore oil and gas development.

## **C-10**

**Department:** Parks

**Project:** Santa Barbara Shores Open Space and Habitat Management Plan

**Grant Request:** \$100,000

**Match:** \$10,000

**Match Source:** Unsecured, with potential sources including the Habitat Conservation Fund, Prop. 12 funds , and in-kind project management services via Parks Operations Budget

**Total Project Costs:** \$110,000

**Project Description:** This plan would involve an extensive existing conditions report of the all the natural resources on the master plan site including, native grasslands, vernal pools, wetlands, Devereux Creek & tributaries, eucalyptus Grove, monarch butterfly, turkey vulture and black shouldered kite habitats. The plan would look at current management practices and recommend management measures to be taken by the County that would enhance, sustain and protect these natural resources and sensitive environmental habitats while allowing passive preserve use by the public. The plan would entail a timeline for implementation, monitoring program(s) to ensure the resources continue to remain sustainable, costs to implement recommendations and monitoring programs, and the requirement of any necessary regulatory permits or approvals.

**Grant Category A Nexus:** Santa Barbara Shores was heavily affected by past oil development on the site. Many of the original coastal resources found on the site are now starting to reoccur after being disturbed over 40 years ago. This plan will allow the natural resources on the site to continue to be protected and restored to it original coastal habitat preserve area.

### C-11

**Department:** P&D Comprehensive Planning  
**Project:** Isla Vista Blufftop Parcel Acquisition

**Grant Request:** \$500,000

**Match:** \$1,000,000

**Match Source:** \$57,500 secured 2001 CREF grant, \$10,000 secured from IVRDA; \$500,000 unsecured potential grant from California Coastal Conservancy, \$432,500 unsecured from other potential funding sources

**Total Project Costs:** \$1,500,000

**Project Description:** Acquire and restore five blufftop parcels from a willing seller along the 6700 block of Del Playa Drive. Acquisition of these particular parcels is especially important since the RDA owns the parcels directly adjacent on each side plus many continuously adjacent along this section of Del Playa. The long term goal is to assemble a larger contiguous public oceanfront open space to expand recreational opportunities as well as in enhance aesthetic values and coastal views for this densely populated community.

**Grant Category A Nexus:** The community of Isla Vista has long been impacted by offshore energy development. Development of offshore oil and gas reserves in the Isla Vista area commenced in 1929 when several unsightly facilities were installed in this otherwise attractive coastal area to produce, process, and transport the oil and gas extracted from offshore reservoirs. Although most of these facilities have since been removed, sites remain contaminated with oil. Isla Vista residents have also been physically impacted as a result of oil and gas development through releases of hydrogen sulfide from Platform Holly and the onshore facilities in Ellwood, particularly in the last few years. This project will provide a significant direct offset of decades of visual and physical impacts from offshore oil development by enhancing local residents recreational and visual enjoyment of the coast.

### C-12

**Department:** P&D Comprehensive Planning  
**Project:** Devereux Slough Land Management Plan

**Grant Request:** \$135,000

**Match:** \$15,000

**Match Source:** \$15,000 unsecured County (FY 2001-02 P&D budget and/or UCSB in-kind services)

**Total Project Costs:** \$150,000

**Project Description:** Prepare a management plan for the Devereux Slough ecosystem which identifies less environmentally sensitive parcels more suitable for development while protecting more environmentally sensitive parcels. The ecosystem is comprised of the slough and Devereux Creek and its tributaries existing within the western Goleta area that flow into the slough. The master plan would address watershed issues but would focus on the roughly 300 acres of vacant University land surrounding the slough by working with UCSB in shifting proposed needed University housing to the north of Ocean Meadows Golf Course and away from environmentally sensitive areas east, west and south of the slough. Specific proposed elements of the plan include an open space master plan, long term public access plan, and habitat restoration plan. Much of plan implementation would involve partnering with UCSB as much of the watershed including the slough exists with their jurisdiction. The planning effort will be linked to similar preservation/management efforts at the adjacent 550 acres Ellwood-Santa Barbara Shores coastal property.



**Grant Category A Nexus:** This project will provide a much needed means to offset decades of visual impacts from offshore oil development, and decades of contamination from oil spills and deserted oil sumps. This area has long been scarred from onshore infrastructure required to support production from the offshore Ellwood field (discovered in 1929). The project will also help to offset the risk of an oil spill from Platform Holly, from the marine terminal operations (including the two 80,000-barrel storage tanks onshore and loading of barges in close proximity offshore), and from the pipeline that connects the onshore storage tanks to the offshore loading terminal. Platform Holly lies 1.8 miles directly offshore from Devereux Slough and barges are loaded with oil within less than a mile offshore. The two 80,000 barrel tanks are located directly west of the slough on a hill; any large scale release of oil would likely impact the slough adversely.

### **C-13**

**Department:** P&D Comprehensive Planning

**Project:** Goleta Wetland Acquisition Study

**Grant Request:** \$27,000

**Match:** \$3,000

**Match Source:** Unsecured FY 2001-02 P&D proposed budget

**Total Project Costs:** \$30,000

**Project Description:** Analyze the potential for acquisition, prepare planning appraisals, conduct a preliminary wetland assessment and negotiate with landowners toward acquiring potentially undevelopable wetland parcels in Goleta. The parcels proposed for study would be physically linked to the Goleta and Devereux Slough regional ecosystems and could include environmentally sensitive habitat, high marsh wetland habitat, willow woodlands, and potential Monarch Butterfly habitat.

**Grant Category A Nexus:** This project will provide a much needed means to offset decades of visual impacts from offshore oil development, and decades of contamination from oil spills and deserted oil sumps in the Goleta area. An unusually high level of coastal-dependent energy development has detracted considerably from the otherwise attractive and picturesque rural character of this stretch of the Santa Barbara Coast. Currently, offshore oil producers operate consolidated processing facilities, a major oil storage/marine terminal, and several transportation pipelines. Historically, several other processing facilities and a marine terminal also characterized this area; however, many have been abandoned or are currently undergoing abandonment, site remediation, and restoration in response to County policy to consolidate these facilities. Industrialization has resulted in both short-term (construction and abandonment) and long-term impacts to the high quality visual and recreational experience otherwise predominant in this area.