

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: 6/15/04
Department Name: Board of Supervisors
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TO: Board of Supervisors
FROM: Supervisor Naomi Schwartz (1st District)
STAFF CONTACT: Luis Perez, Energy Division, 568-2034
SUBJECT: Chevron 4H Platform Shell Mounds Disposition

Recommendation(s):

That the Board of Supervisors: Authorize the Chair to execute the letter to the California State Lands Commission (CSLC) included herein as Attachment A commenting on the Chevron 4H Platform Shell Mounds Disposition Project.

Alignment with Board Strategic Plan: The recommendation aligns with Goal No. 2; A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

Background:

The 4H platforms (Hilda, Hazel, Hope and Heidi) were installed and operated by Chevron for oil and gas production from Leases PRC 1824 and PRC 3150, located off the coast of Summerland and Carpinteria. The oil and gas was transported through sub sea pipelines to an onshore processing facility in Carpinteria. The project permits issued for abandonment of the platforms by the California Coastal Commission (CCC) and the CSLC required Chevron to remove all debris beneath the platforms, including the shell mounds. The four platforms were decommissioned and removed in 1996. Remaining on the sea floor are the Platform Hazel caisson structures as well as the shell mounds which had developed over time under each of the four platforms. The shell mounds are semi-circular structures, 25 to 28 feet tall and 180 to 266 feet in diameter. The mounds consist of shells, organic matter, drilling muds, and drilling cuttings. Tests conducted on the shell mound material indicate the mounds are toxic and are contaminated with barium, chromium, lead, nickel, selenium, zinc, and PCBs. The CSLC is currently evaluating several options for disposal of the shell mound material; ranging from full removal and onshore disposal or recycling to various "leave in place"

alternatives. The DEIR was released in December 2003 and a public hearing on the document was held on January 28, 2004.

Discussion of Issues:

The County owns the property on which Platforms Hope and Heidi were once erected, and we have a vested interest in assuring that any decision regarding post abandonment activities related to the shell mounds issue be environmentally sound and to the benefit of the County's residents. As I presented at the public hearing on the Draft Chevron 4H Platform Shell Mounds Disposition EIR (DEIR) on January 28th of this year, the First District supports full removal of all the debris associated with the Chevron 4H platforms. This is consistent with our initial position on the project when the original permits were issued. At that time, the Board endorsed the CCC's and the CSLC's permit requirements for Chevron to remove the debris beneath the platforms upon abandonment, including the shell mounds. Further, the analysis presented in the DEIR does not demonstrate any of the "leave in place" alternatives as environmentally superior to full removal.

It has come to my attention that as part of the CEQA DEIR comment process Chevron has submitted a study to the CSLC that may complicate the analysis of alternatives, including the full removal alternative, presented in the DEIR. The study, a Habitat Equivalency Analysis (HEA), is currently under review by the CSLC, lead CEQA agency for the project. The HEA is a tool typically used to determine resource injuries and necessary compensation from events such as oil spills and the HEA has not been shown to be an appropriate tool in a CEQA analysis. Therefore, I feel it is incumbent upon the board to reiterate to the CSLC the County's support of the full removal option and note the HEA approach presented by Chevron is not consistent with the project permit requirements or objectives of the DEIR.

Mandates and Service Levels: No changes in program or service levels are anticipated.

Fiscal and Facilities Impacts: No fiscal or facilities impacts would occur as a result of the recommended action. Expenses incurred in analyzing and preparing comments on the Chevron 4H Platform Shell Mounds Disposition Project Permit are budgeted as part of the Energy Division's policy program.

Special Instructions: Clerk of the Board to return the signed letter to Planning and Development for the transmittal to the California State Lands Commission and distribution of copies.

Concurrence: County Counsel

Attachments: A. Draft Letter

Attachment A
Draft Board Letter

June 22, 2004

Mr. Steve Westly, Chair
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

RE: Chevron 4H Platform Shell Mounds Disposition Project

Dear Mr. Westly:

On behalf of the Board of Supervisors of Santa Barbara County, we are submitting the following comments regarding the California State Lands Commission (CSLC) evaluation and consideration of the disposition of the Chevron 4H Platform Shell Mounds. Two of the mounds are located on County-owned property and the project, as a whole, has the potential to significantly affect resources of concern to the County or its constituents. In light of the County's significant vested interest in the disposition of the mounds, we offer the following comments.

As discussed in the County's February 12, 2004 comment letter, the original California Coastal Commission (CCC) and CLSC permits, and Chevron's existing approved abandonment plan require the 4H area to be trawlable, free of debris, and accessible to commercial fishers. Both the CSLC and CCC permit require a return to trawlability and the CCC in July 6, 2001 specifically required removal of the mounds. The project should therefore be clearly identified as removal of the mounds. Full removal is also the only alternative that meets Chevron's stated objective of disposition of the shell mounds and Hazel caissons with the least impact and greatest overall, long-term benefit to the environment. Full removal with onshore disposal or recycling would result in beneficial impacts to marine water quality, marine biological resources, and commercial fishing. Removal will restore the sea bed to its predevelopment condition, will eliminate the damage and hazards to commercial fisherman due to snagging, and will allow the sea bed to be restored to a trawlable condition. Finally, and of most importance, full removal will permanently remove material known to be contaminated with hydrocarbons, heavy metals and PCBs, with demonstrated toxicity, (and which has been documented as not to be acceptable for open ocean disposal) from Santa Barbara County's coastal waters.

While various leave in place alternatives were assessed by the CSLC, none of these alternatives restore the sea floor to its predevelopment conditions, and none of the alternatives returns the site to full trawlability. Each alternative leaves in place highly toxic material that poses an ongoing threat to the marine environment and, for which, long term monitoring is not practical.

The Board is dismayed to learn that, based on a comment from Chevron, CSLC staff are now contemplating using an entirely different methodology, one that favors the leave-in-place alternatives, rather than the methodology included in the draft EIR to evaluate these program alternatives. It has recently come to the Board's attention that the staff of CSLC has allowed Chevron to proceed with a Habitat Equivalency Analysis (HEA) of the Shell Mounds Project and may permit the inclusion of this analysis in the environmental review. We believe that the HEA process is not applicable to the disposition project for the following reasons:

- ◆ Use of the HEA belies the public policy expectation and Chevron's long standing commitment to full removal and remediation as presented to the public and decisionmakers when the platforms were originally approved. As onshore facilities are decommissioned, the Board has a full expectation that the facility sites will be restored to their predevelopment conditions and any contamination that exists will be fully remediated. We have the same expectation for our marine environment.
- ◆ HEA is a methodology used to determine compensation for resource injuries. The principal concept is that the public can be compensated for past losses of habitat resources through habitat replacement projects by providing additional resources of the same type. The compensatory component is distinct and separate from, and subsequent to, the clean up actions. The County considers the removal project first, and foremost, to be a clean up action. However, we do believe that it is appropriate and warranted for the proposed Carpinteria marsh enhancement project to proceed as a measure to compensate for the damages and loss of soft bottom habitat that has occurred over the duration of time that Chevron has delayed the required shell removal.
- ◆ HEA is not appropriate for addressing unmitigatable significant adverse impact (e.g. residual, secondary effects that would remain after full removal and remediation). The use of HEA to drive offsite mitigation instead of full removal and remediation is inappropriate. The HEA relies on single measurement criteria (fish biomass) to compare the alternatives whereas under the California Environmental Quality Act (CEQA) each resource area must be evaluated to comprehensively determine the most environmentally superior alternative. Further, HEA has not been proven as an appropriate assessment tool under CEQA.
- ◆ The HEA fails to consider the long term value and stability of the shell mounds (and the fish biomass value) absent a constant contribution of shells from the platform structure, and it overstates the value of the shell mounds as habitat. Studies conducted to date have demonstrated that the value of the mounds for habitat has declined since removal of the overlying platforms and will likely continue to decline.
- ◆ CEQA and the Coastal Act require mitigation to the maximum extent feasible. As noted in the County's prior comments full, removal is feasible and environmentally superior. If it is determined that full removal and remediation is feasible, the CSLC and Coastal Commission are compelled to require such by law.

- ◆ The potential Draft EIR recirculation to incorporate the results of the HEA would continue to stall a final decision and action on the project.

In closing, the opportunity to fully remediate the mounds exists, and the basis for requiring the removal has been clearly established from both a regulatory and environmental standpoint. Chevron's HEA is not applicable here, and does not warrant modifications to the EIR. CSLC should respond to Chevron's comments in the final EIR and avoid further delay. We strongly urge CSLC to recognize removal as the environmentally superior alternative and require Chevron to complete its abandonment obligations by removing the shell mounds at the earliest possible date.

Thank you for considering our comments. Please contact Mr. Steve Chase, Deputy Director of the Energy Division or Mr. Luis Perez at (805) 568-2034 if you have any questions regarding our comments.

Respectfully submitted,

Joseph Centeno
Chair, Board of Supervisors

Cc: Congresswoman Hannah Beth Jackson
Peter Douglas, California Coastal Commission
Linda Krop, Environmental Defense Center
League of Women Voters
Carla Frisk, Get Oil Out