

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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Santa Barbara, CA 93101  
(805) 568-2240

## Agenda Number:

**Prepared on:** June 20, 2002  
**Department:** P&D, Energy  
**Budget Unit:** 053  
**Agenda Date:** July 2, 2002  
**Placement:** Administrative  
**Estimate Time:** N/A  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** John Patton, Director  
Planning and Development

**STAFF CONTACT:** Luis Perez, ext. 2034

**SUBJECT:** Contract for Integrated EQAP Monitoring; Oil and Gas Projects

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**Recommendation:** That the Board of Supervisors:

Execute the attached contract with Storrer Environmental Services for Integrated Environmental Quality Assurance Program field monitoring for oil and gas projects for the two-year period from July 1, 2002 through June 30, 2004. The base contract amount is \$362,039.80, and includes a 10% contingency fund of \$36,203.98, for a total not-to-exceed amount of \$398,243.78.

**Alignment with Board Strategic Plan:** The recommendation is primarily aligned with Goal No. 5. A High Quality of Life for All Residents.

**Executive Summary and Discussion:** Santa Barbara County permits for oil and gas projects, and the California Environmental Quality Act (CEQA §21081.6), require that permit condition compliance be reported by permit holders to the Energy Division and monitored by the Division during the life of the projects. The Energy Division fulfills this requirement through its Permit Compliance Program, established by the Board of Supervisors in 1986, and Environmental Quality Assurance Programs (EQAPs), established by permit conditions on oil and gas projects. These programs provide for the County to retain consultants to assist it in the monitoring of permit condition compliance.

Since approximately 1985, the County has retained consultants to assist in field monitoring for the construction and operation of oil and gas facilities related to offshore oil production. Until 1994, the County held separate contracts, often with separate consultants, for each major project. On July 26, 1994, after a competitive bid process, the Board of Supervisors executed a two-year contract with Storrer Environmental Services (SES) to provide an Integrated EQAP for field monitoring and other permit compliance monitoring assistance for nearly all of the major oil and gas projects. On July 22, 1996, the Director of P&D executed a

one-year extension to the SES contract, at no additional cost, establishing June 30, 1997 as the contract termination date. The Board of Supervisors executed a contract with SES again on June 17, 1997 for a two-year period from July 1, 1997 to June 30, 1999. After another competitive bid process the Board of Supervisors executed a two-year contract with SES from July 1, 1999 to June 30, 2001. In July of 2001, the Director of P&D executed another one-year extension to the SES contract, at no additional cost, establishing June 30, 2002 as the contract termination date.

Pursuant to County policy, the Energy Division conducted a competitive bid process for a new, two-year EQAP monitoring contract for the period of July 1, 2002 through June 30, 2004. Requests for Proposals were sent to sixteen (16) firms and individuals. We received one proposal by the due date. Energy Division staff reviewed this proposal and determined that it met the requirements of the RFP. Staff recommends awarding the contract to Storrer Environmental Services based on its superior technical approach, highly qualified personnel, and overall cost. This contract includes the following tasks: field monitoring of construction activity; field inspections of erosion control measures, environmental restoration plans, and facility operations; emergency (e.g., spills, floods, earthquakes) inspections at existing facilities; and, assistance with special mitigation efforts and report reviews as necessary.

The contract for the previous period was for a total not to exceed amount of \$330,054.95, while the contract for this 2-year period is proposed to have a not to exceed amount of \$398,243.78. The higher cost estimates are due to field monitoring requirements for large decommissioning and remediation projects scheduled to occur during the next two years. These projects include: Texaco Hollister Pipeline decommissioning, Unocal Cojo Marine Terminal decommissioning, Arco Alegria decommissioning and the Arguello, Inc./Chevron Gaviota Partial Abandonment. Several projects have reduced compliance needs during this contract period and are budgeted for substantially lower amounts within the proposal. Some of those projects include the All-American Pipeline System, the Arguello, Inc. Gaviota Facility, and the Texaco Gaviota Facility Abandonment site. The total contract amount is based on individual budget projections for each oil and gas project. Actual costs may vary due to the variability on actual monitoring needs and whether the projects occur or not. A notice to proceed is issued for the projects that are known to occur during the upcoming year. The consultant then bills the amount spent for each month and the Energy Division bills the appropriate oil companies as part of the monthly billing cycle.

**Mandates and Service Levels:** No change in programs or service levels. State law (CEQA Section 21081.6) mandates that a mitigation monitoring program be in place to ensure mitigation effectiveness; this contract assists the County in meeting that mandate.

**Fiscal and Facilities Impacts:** There is no net fiscal impact to the County. Funds for the contract have been budgeted by the Energy Division as permit fee revenue for compliance costs for existing oil and gas projects. Permit conditions for oil and gas projects require reimbursement for permit compliance monitoring costs, including reasonable County consultant expenses, implemented through reimbursement agreements between the County and oil and gas companies. Contract costs will be billed monthly to each company through the Energy Division. Staff costs related to consultant selection and preparation of this docket memo and contract also are offset by revenue from permittees.

Storrer Environmental Services maintains a local office in Santa Barbara. County office space, other County facilities, or public areas are not required pursuant to this contract.

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**Special Instructions:** None.

**Concurrences:**

Auditor-Controller

County Counsel

Risk Management

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