

NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: General Services Department

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: N/A **Case No.:** Real Property File No. 003657

Location: Submerged Lands offshore of Carpinteria

Project Title: Third Amendment to Lease Agreement with Ellwood Pipeline Inc.

Project Applicant: Ellwood Pipeline Inc.

Project Description: The proposed action is a second extension of the existing Lease Agreement between the County and Ellwood Pipeline, Inc. for a short-term interim renewal period of 18 months, to allow the continued use of two existing submerged oil and gas pipelines operated by Ellwood Pipeline, Inc. located in County submerged lands offshore from the City of Carpinteria, the same facilities operated under the same parameters of the existing lease as extended in September 2015.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: County of Santa Barbara

Exempt Status:

- Ministerial
- Statutory Exemption [Section 15261(b)]
- Categorical Exemption [Section 15301]
- Emergency Project
- Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15261(b) ONGOING PROJECT

Reasons to support exemption findings: A private project shall be exempt from CEQA if the project received approval of a lease, license, certificate, permit, or other entitlement for use from a public agency prior to April 5, 1973. Here, the lease between Ellwood Pipeline, Inc. (as successor in interest to Standard Oil Company of California) and the County of Santa Barbara was executed on September 27, 1965. It is a private project, allowing Ellwood Pipeline Inc. to operate private facilities on submerged lands held in public trust by the County. Therefore, a second short-term extension of the existing Lease Agreement for a period of 18 months, to allow the continued use of the two existing submerged oil and

gas pipelines in submerged lands offshore Carpinteria, the same facilities operated under the same parameters as currently operated, is statutorily exempt from CEQA in accordance with Section 15261(b) of the CEQA Guidelines.

Cite specific CEQA and/or CEQA Guideline Section: 15301 EXISTING FACILITIES

Reasons to support exemption findings: The baseline for determining whether a significant effect on the environment might occur is the actual environmental conditions existing at the time of the analysis. The existing conditions for this project are the ongoing operation of the pipelines, which are not expected to change during the period of the short-term lease extension. The CEQA Existing Facilities exemption at Section 15301 allows for the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The extension involves no expansion of an existing use. The proposed action in this case is the short-term (18-month) extension of an existing Lease Agreement between the County and Ellwood Pipeline, Inc. This extension would authorize the continued use of the pipeline facilities through County lands under the same parameters as currently operating. There will be no physical alterations or expansion of the existing use resulting from the action and no expansion of use beyond that existing at this time and, therefore, the short-term lease extension is exempt from CEQA in accordance with Section 15301.

With regard to the proposed project, the exceptions to the Existing Facilities categorical exemption that must be considered pursuant to Section 15300.2 of the State CEQA Guidelines are:

(a) *Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resources of hazardous or critical concern where designated, precisely mapped, and official adopted pursuant to law by federal, state, or local agencies.*

The Section 15301 is a Class 1 Categorical Exemption, therefore this exception is not applicable.

(b) *Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

The available federal oil and gas leases in the area of Platforms Gail and Grace have been developed. The County is not aware of any applications to construct additional platforms or associated new pipelines in the area during the term of the proposed 18-month lease extension. There are no other complete applications to extend or enter into new oil and gas pipeline leases in the area, nor are any leases anticipated to be extended or renewed by the County within the next eighteen months. Because successive projects of the same type in the same place are unlikely during the proposed 18-month lease extension period, no cumulative impacts of this nature are anticipated. Therefore, there will be no successive projects of the same type in the same place over time and thus no significant cumulative impacts.

- (c) *Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

To determine whether a reasonable possibility of a significant effect on the environment exists for the proposed project, the pipelines' potential to leak or spill into the environment due to unusual circumstances during the 18-month duration of the lease extension was considered. There will be no physical alterations or expansion of the existing use. During the short-term lease extension, the same facilities will be operated under the same parameters as currently operating. As discussed below, there is no evidence of unusual circumstances of the operation of the pipelines; therefore, there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

The federal Bureau of Safety and Environmental Enforcement (BSEE) has regulatory authority to oversee maintenance, repair and safety-related planning for Platforms Gail and Grace and the associated pipelines. BSEE has concluded, "The Platform Grace pipelines are regularly inspected, and there have been no findings of apparent problems and thus no remedial action or further analysis is required based on the last several sets of inspection results" (BSEE letter dated 10 February 2017, attached). Additionally, the pipelines have a cathodic protection system in place with anodes strategically placed along the pipelines to reduce corrosion.

In addition to BSEE input on the pipelines' operational integrity, third-party engineering consultant Robert Brown Engineers (RBE) also provided detailed review of Ellwood Pipeline, Inc.'s previous and most recent pipeline test data. From this review, RBE concluded that the pipelines are currently fit for service, are operated at pressures well below their maximum allowable, and are not in any imminent danger of failure (RBE letter dated December 9, 2016, attached).

Based on the above, the pipelines are currently in satisfactory operating condition, are being maintained appropriately according to applicable standards, and no unusual circumstances exist. As noted elsewhere, there will be no physical alterations or expansion of the existing use under the lease extension. During the short-term lease extension, the pipelines will be operated and maintained under the same parameters as currently operating and found to be acceptable by the jurisdictional regulator (BSEE) and a third-party reviewer (RBE). In consideration of these facts, there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. This exception does not apply.

- (d) *Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.*

This proposed project is not visible from any scenic highways. This exception does not apply.

- (e) *Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

This project is not located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. Therefore, it is not located on a hazardous waste site and this exception does not apply.

(f) *Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.*

This project does not involve any historical resources. This exception does not apply.

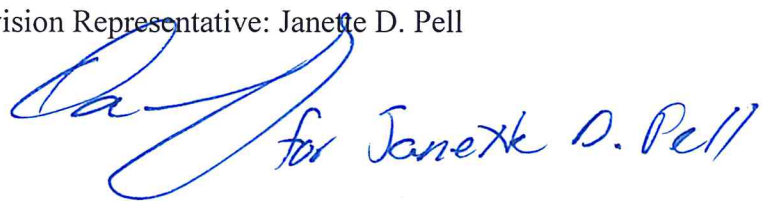
As described above, none of the exceptions to the categorical exemptions contained within Section 15300.2 of the State CEQA Guidelines apply to this project.

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Department/Division Representative: Janette D. Pell

Date: March 7, 2017



for Janette D. Pell

Acceptance Date:

Distribution: Hearing Support Staff

Date Filed by County Clerk:

ATTACHMENTS: 1. BSEE letter dated February 10, 2017
2. RBE letter dated December 9, 2016