



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: General Services
Department No.: 063
For Agenda Of: 05/24/2022
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Janette D. Pell, Director (805) 560-1011
Planning & Development Lisa Plowman, Director (805) 568-2086
Contact Info: Skip Grey, Assistant Director (805) 568-3083
John Zorovich, Deputy Director (805) 568-2519
SUBJECT: **Approval of the Agreement with Beacon West Consulting and Acceptance of a Budget Allocation from the State of California Department of Toxic Substances Control for the Abandonment of Pipeline Line 96; District 3**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, and authorize the Chair to execute an Agreement with Beacon West Energy Group, LLC, dba Beacon West Consulting, in the amount of \$582,400 to formally abandon the decommissioned pipeline Line 96, also known as Venoco Line 1306, in accordance with the Office of State Fire Marshall (OSFM) specifications;
- b) Approve and adopt the attached resolution to authorize the Director of the General Services Department to accept a Legislative Investment/Pass Through allocation of \$550,000 from the State of California Department of Toxic Substances Control (DTSC) to fund the formal abandonment of Line 96;
- c) Authorize the Director of General Services to execute documents required by DTSC for administration and management of this allocation; and
- d) Find that the recommended actions are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, finding that the actions consist of the minor alteration of existing facilities involving negligible or no expansion of existing or former use, and Sections 15307 and 15308 because the actions are undertaken at the direction of a regulatory agency to assure the maintenance, restoration, enhancement, or protection of a natural

resource and the environment where the regulatory process involves procedures for protection of the environment, and direct staff to file a Notice of Exemption (NOE) on that basis.

Summary Text:

This item is being brought to the Board of Supervisors to request the Board's approval and execution of an Agreement with Beacon West Consulting to perform the work required to abandon Line 96 in accordance with OSFM standards and procedures, which will include purging and filling the line with inert gas, isolating and blinding the pipe at either end, decommissioning vault boxes, disconnecting electrical, and removing associated equipment and materials. County staff also request this Board's approval and adoption of a resolution to authorize the Director of the General Services Department to accept a budget allocation from DTSC in the amount of \$550,000 to be used to pay for costs to abandon Line 96. Proceeds from a \$100,000 bond that was claimed when Venoco forfeited their public franchise agreement with the County will also be used to fund the full contract with Beacon West.

Background:

On February 14, 2012, the County Board of Supervisors approved a Public Franchise Agreement, also known as Ordinance No. 4824, with Venoco, Inc. for the operation and maintenance of a 6-inch oil common carrier pipeline, known as Line 96, located on Calle Real in the County road right-of-way. The franchise was for a term of twenty (20) years; however, the use of Line 96 was disrupted after May 19, 2015, when the Plains All American Pipeline (PAAPL) oil spill occurred. Thereafter, Line 96 sat idle and Venoco filed for bankruptcy. During bankruptcy proceedings, Venoco rejected the franchise agreement, evidencing its intent not to comply with its obligations to remove the pipeline or abandon it in place in accordance with applicable rules and procedures. However, the Bankruptcy court required Venoco to de-inventory the pipeline of approximately 1,800 barrels of crude oil, which was completed in November 2017. Venoco subsequently filled the line with a solution of water, corrosion inhibitor and biocide and it remains in this state today.

On February 6, 2018, this Board passed Resolution No. 18-26, which declared the forfeiture of Venoco's Public Franchise Agreement and claimed the \$100,000 bond that Venoco had filed with the County under the terms of its franchise agreement. The resolution did not result in the County taking title to or responsibility for the pipeline or its related facilities. Bond proceeds were deposited into County Fund 1065 and have been used for costs related to the maintenance and future abandonment of Line 96.

The Office of State Fire Marshall (OSFM) has safety regulatory and enforcement authority over intrastate hazardous liquid pipelines pursuant to the Elder California Pipeline Safety Act of 1981 (Gov. Code §51010, et seq.) and through certification by the U.S. Department of Transportation Pipeline Hazardous Materials Safety Administration (PHMSA). On May 6, 2021, OSFM sent a letter to the County Planning & Development Department, which asked the County to formally empty and abandon Line 96. The County responded on June 8, 2021, acknowledging its interest in working with OSFM to abandon the pipeline in accordance with OSFM standards and procedures.

Professional Services Agreement:

The County solicited bids for consultant and engineering services through the Santa Barbara County Request for Qualifications #818900 (Exhibit A-2 of Attachment 1), which was published on County's Public Purchase website and procurement service at <http://countyofsb.org/gs/purchasing/bids.sbc>. The County selected Beacon West Consulting on the basis of demonstrated competence and professional qualifications and on February 11, 2022, Beacon West submitted a detailed cost estimate in the total amount of \$571,000.00 to conduct the requisite abandonment work. The Board's execution of the PSA

(Attachment 1) will authorize Beacon West to complete the abandonment of Line 96 in accordance with federal, state and local regulations and OSFM specifications.

Budget Allocation from DTSC:

On February 8, 2022, the Director of General Services sent a letter to the Branch Chief of the California Department of Toxic Substances Control (DTSC) to request funds to pay for the abandonment of Line 96 per SEC. 19.56(e)(156) of SB 170 (2021) and, on February 22, 2022, DTSC granted the County’s request and sent the County a check in the amount of \$550,000. The Board’s approval and adoption of the Resolution to Accept State Budget Allocation (Attachment 2) will allow the County to accept the allocation and deposit the check into County Fund 1065 to pay for future costs to abandon Line 96.

Key Contract Risks:

The Agreement sets forth specific criteria, including scope of work and standards of performance, that must be met before the County will release payment to the contractor. The County will work collaboratively with Beacon West, OSFM and DTSC to ensure compliance with all applicable federal, state and local regulations.

CEQA:

The proposed actions are exempt from environmental review pursuant to CEQA Guidelines Section 15301, because the actions consist of the minor alteration of existing facilities involving negligible or no expansion of existing or former use, and Sections 15307 and 15308 because the actions are undertaken at the direction of a regulatory agency to assure the maintenance, restoration, enhancement, or protection of a natural resource and the environment where the regulatory process involves procedures for protection of the environment.

Fiscal and Facilities Impacts:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
Capital Fund 1065	\$ 582,400.00	\$ -	\$ 582,400.00
Total	\$ 582,400.00		\$ 582,400.00

Once approved by the Board, the \$550,000 will be deposited into Fund 1065 and available for this project. The contract will be funded utilizing the \$550,000 DTSC allocation and \$100,000 bond money.

Special Instructions: After Board action, please distribute as follows:

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| (1) Original Resolution, Agreement & Minute Order | Clerk of the Board |
| (1) Copy of Resolution, Agreement & Minute Order | Real Property Division, Susan Freebourn |
| (1) Copy of Resolution, Agreement & Minute Order | Planning & Development, Errin Briggs |

Attachments:

1. Agreement with Beacon West Consulting
2. Resolution to Accept State Budget Allocation
3. CEQA Notice of Exemption

Authored by: Susan Freebourn, Real Property Agent