

**CALIFORNIA COASTAL COMMISSION**

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**W5A**

January 27, 2005

**TO:** Commissioners and Interested Persons

**FROM:** Alison Dettmer, Manager, Energy and Ocean Resources Unit  
Robin Blanchfield, Coastal Energy Analyst

**SUBJECT:** **Santa Barbara County Local Coastal Program Amendment No. SB-MAJ-2-04 Part A: Transportation of Oil by Pipeline and Part B: Removal of Abandoned Oil/Gas Facilities**  
for Public Hearing and Commission Action at the Commission Meeting on February 16, 2005, 10:00 AM, Portola Plaza Hotel in Monterey, CA.

**EXECUTIVE SUMMARY****DESCRIPTION OF AMENDMENT SUBMITTAL**

Local Coastal Program (LCP) amendment package SB-MAJ-2-04 (A), (B), (C) and D consists of four amendments to the Land Use Plan/Coastal Plan (LUP/CP) and to the Implementation Plan/Coastal Zoning Ordinance (IP/CZO) portions of Santa Barbara County's ("County") LCP. Amendment package SB-MAJ-2-04 (A), (B), (C) and (D) is a major amendment pursuant to the requirement of 14 CCR §13555 (b), and was deemed complete and filed on January 25, 2005 2005.

SB-MAJ-2-04 Parts (A) and (B) consist of two discrete energy-related amendments and are the subject of this staff report and recommendations. Parts (C) and (D) consist of non-energy related amendments and will be the subject of a future staff report and Commission hearing.<sup>1</sup>

SB-MAJ-2-04 Part (A) proposes to update the County's oil transportation policies and regulations in the County's LUP/CP and IP/CZO to conform to new provisions in Coastal Act Section 30262 (amended by stats. 2003, Chapter 420 (AB 16)). SB-MAJ-2-04 Part (B) proposes to add new LUP/CP policies and IP/CZO ordinances to ensure the timely removal of certain abandoned onshore oil and gas facilities.

<sup>1</sup> SB-MAJ-2-04 Parts (C) and (D) consist of: (1) Revisions to change the land-use and zoning designations from Planned Residential Development to Recreation; and (2) Revisions to the Goleta Community Plan of the LCP for the purpose of incorporating the Ellwood-Devereaux Open Space Plan.

A summary of the specific proposed changes proposed for SB-MAJ-2-04 Parts (A) and (B) is provided below. Additional detail can be found in Exhibits A and B, respectively.

### **Part A: Update of Oil Transportation Policies and Regulations**

The County's existing oil transportation policies and ordinances, certified by the Commission in 1984, reflect the state of pipeline capacity that was available at that time. Accordingly, these current policies were written to provide for tankering and marine terminals "until pipeline transport became feasible." Coastal Act Section 30262 was amended in 2003 (stats. 2003, Chapter 420 (AB16)) and now requires that all oil produced from new or expanded oil and gas development offshore California be transported onshore by pipeline only (except under specific special circumstances). The proposed amendments submitted in SB-MAJ- 2-04 Part (A) are an update of the County LCP's oil transportation policies and ordinances to bring them into conformance to the amended provisions of Coastal Act Section 30262 — as enacted in 2003 by Assembly Bill 16 — and present-day circumstances, in which pipeline capacity now exceeds the amount of oil that is produced offshore and transported through the County.

The main effects of the amendments would be: (1) to remove exceptions that allowed tankering of Santa Barbara's offshore production before adequate pipelines were built; and (2) to repeal sections potentially enabling construction of marine terminals in the County east of Point Conception.<sup>2</sup> The amendments would not be applicable to onshore oil producers, would not affect current offshore-related operations, and would not infringe on the vested rights of the one remaining marine terminal (*i.e.*, Ellwood Marine Terminal).

A summary of the County's proposed LUP/CP policies and IP/CZO ordinances is provided below, with full text provided in Exhibit A.

- (1) Repeal marine terminal policies, and revise/add new oil transportation policies 6-10A through 6-10E in *Section 3.6.4 Oil and Gas Processing Facilities* of the LUP/CP to require that all crude oil from offshore oil production shall be transported to onshore facilities within the County by pipeline, and then transported from County by overland pipeline to the "final refining destination,"<sup>3</sup> except under certain circumstances (*i.e.*, a state of emergency, as declared by the Governor of California, makes pipeline transport infeasible; the oil is too viscous for pipeline transport; or the operator has a vested right.)

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<sup>2</sup> Under the existing certified LUP/CP policies marine terminals are not permitted north of Point Conception.

<sup>3</sup> "Final refining destination" is defined proposed in *Policy 6-10C* as a "refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not re-enter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline and does not reenter the County by truck or train, and is not transferred to a marine terminal vessel for further shipment to a port in California prior to final refining."

- (2) Repeal Sections 35-87.3.3 and 35-92.3.3 of CZO Division 4 (*Zoning Districts*) to delist marine terminals as a permitted use in the Coastal Development Industry (M-CD) and Coastal Related Industry (M-CR) zone districts.
- (3) Revise Section 35-154.5.i, *Onshore Processing Facilities* in Division 9 (*Oil and Gas Facilities*) to amend the development standards for approval of onshore oil/gas facilities to require transport of crude oil by overland pipeline to its final refining destination, except under certain circumstances when it is not feasible to do so, such as under a Governor-declared state of emergency or when the oil is too viscous for pipeline transport.
- (4) Delete Section 35-156, *Marine Terminals* of CZO Division 9 (*Oil and Gas Facilities*).

**Part B. Policies And Regulations for the Timely Removal of Abandoned Oil and Gas Facilities**

Historically, the County has experienced mixed results regarding the timely demolition of oil and gas facilities and reclamation of their host sites following the permanent cessation of use (*i.e.*, otherwise known as "abandonment"). To date, the removal of oil and gas facilities has varied widely on a case by case basis, because facility removal and site reclamation was included as a condition of the coastal development permit (CDP) granted for the construction and operation of the facilities.

As a result of this approach, some operators diligently closed sites within 3-5 years following abandonment, while others delayed commencement of demolition and reclamation activities for unreasonably long periods (10-26 years). In other cases, permittees have removed facilities in a timely manner but then delayed reclamation of the sites for several years when relatively high levels of contamination were discovered. In still other cases, permittees combined the removal of facilities and reclamation of the host site with the permitting of a new use at the host site. This latter case has become problematic when the new development encounters permitting delays or outright denial, which further delays site reclamation (*e.g.*, Dos Pueblos Golf Links).

The main effect of the proposed amendments in SB-MAJ-2-04 Part (B) will be the creation of a more precise, dedicated Demolition and Reclamation (D&R) permitting process, with its own set of performance standards governing facility removal and site reclamation activities. The facility operator will still be required to get a new CDP for the demolition and reclamation activities because they constitute development. However, the new CDP will incorporate the specific demolition and reclamation standards set forth in the D&R permit, which are not available in the existing certified ordinances governing the construction and operation of oil and gas facilities. The D&R permit process also establishes a one-year timeline after a facility has been idled in which the operator must apply for either a deferral permit or D&R permit, and holds permittees accountable for timely execution of demolition and reclamation.

The permitting process, as proposed in SB-MAJ-2-04 Part (B), works as follows. The permittee of an oil and gas operation/land use that has been idled (not operating) for one year, or whose throughput has fallen below a minimum permitted level is required to apply for either: (1) a

deferral of abandonment; or (2) a Demolition and Reclamation Permit (D&R) to remove its facilities and reclaim the host site. Either application is processed for decision by the County's Director of Planning and Development (Planning Director). Any denial of an application to defer abandonment must fully consider the vested rights of the permittee to operate a legal land use. However, the permittee generally does not have a vested right to convert an oil and gas operation into a salvage yard without permits. Deferrals of abandonment are revisited every two years. All decisions may be appealed to the County's Planning Commission and, ultimately, the County Board of Supervisors.

A summary of the proposed LUP/CP policies and IP/CZO regulations is provided below, with full text provided in Exhibit B.

- (1) Add new *Policy 6-30* and revise the preamble to the LUP/CP's *Chapter 3.6 Industrial and Energy Development* to promote timely and proper removal of certain oil and gas facilities upon their abandonment.
- (2) Add new Section 35-170 to CZO Division 11 (*Permit Procedures*) to establish new permit procedures for the timely abandonment and proper removal of certain oil and gas land uses.
- (3) Revise the permit requirements in CZO Section 35-158 (*On-Shore Exploration and/or Production of Offshore Oil and Gas Reserves*) of Division 9 (*Oil and Gas Facilities*) to be consistent with the new CZO Section 35-170.
- (4) Revise the appeal procedures in CZO Section 35-327 (*Appeals*).
- (5) Add new definitions in CZO Division 2 for "abandonment," "idled," "natural conditions," "permitted land use," and "reclamation."

#### **SUMMARY OF STAFF RECOMMENDATION**

The Staff recommends the Commission certify the County's proposed LUP/CP and IP/CZO revisions concerning oil transportation and the removal of abandoned oil and gas facilities, as submitted by the County in LCP Amendment SB-MAJ-2-04 Parts (A) and (B).

**Additional Information:** Please contact Robin Blanchfield, California Coastal Commission, Energy and Ocean Resources Unit, 45 Fremont Street, Suite 2000, San Francisco, CA 94105. 415-904-5247; email to: [rblanchfield@coastal.ca.gov](mailto:rblanchfield@coastal.ca.gov).

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**EXHIBIT A: Text of Updates to Oil Transportation Policies and Ordinances. . . . .A-0**

1. Resolution No. 04-302 *In the Matter of Adopting Amendments to Section 3.6.4 of the Coastal Plan, Revising Oil Transportation Policies and Repealing Marine Terminal Policies to Ensure that Oil Produced Offshore of the County will be Transported by Pipeline* . . . . . A-1
2. Ordinance No. 4554, Case No. 04-ORD-0000-00014, *An Ordinance Amending the Santa Barbara County Code by Revising Article II of Chapter 35, titled Coastal Zoning Ordinance.* . . . . . A-8

**EXHIBIT B: Text of New Policies and Ordinances for Ensuring Timely Removal of Oil and Gas Facilities Supporting Offshore Oil Development . . . . .B-0**

1. Resolution No. 04-263, *In the Matter of Adopting An Amendment to the Coastal Plan, Adding a New Section and Policy to Chapter 3.6 "Industrial and Energy Development," Promoting Timely and Proper Abandonment for Certain Oil and Gas Facilities.* (New policy section is entitled "Infrastructure Related to Recovery of Offshore Oil and Gas.") . . . . . B-1
2. Ordinance No. 4550, Case No. 04-ORD-0000-00008, *An Ordinance Amending the Santa Barbara County Code by Revising Article II of Chapter 35, titled Coastal Zoning Ordinance.* (Revision of ordinance and addition of new section 35-170 entitled "Abandonment of Certain Oil/Gas land Uses") . . . . . B-4

## STAFF RECOMMENDATIONS, MOTIONS AND RESOLUTIONS

### 1.1. MOTION AND RESOLUTION I: APPROVAL OF LUP/CP AMENDMENT SB-MAJ-2-04 PARTS (A) AND (B) AS SUBMITTED

Staff recommends a **YES** vote. Passage of the motion will result in certification of the land use plan amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative (yes) vote of a majority of the appointed Commissioners present.

**Motion:** *I move that the Commission certify Land Use Plan Amendment SB-MAJ-2-04 Parts (A) and (B) as submitted by Santa Barbara County.*

**Resolution to Approve:** *The Commission hereby certifies the Land Use Plan Amendment SB-MAJ-2-04 Parts (A) and (B) as submitted by the County of Santa Barbara and adopts the findings set forth below on the grounds that the amendment conforms to the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.*

### 1.2. MOTION AND RESOLUTION II. APPROVAL OF IP/CZO AMENDMENT SB-MAJ-2-04 PARTS (A) AND (B) AS SUBMITTED

Staff recommends a **NO** vote. A **NO** vote for this motion will result in the approval of the Implementation Program amendment as submitted and the adoption of the following resolution and findings. (Note: an affirmative (YES) vote on the motion by the majority of the Commissioners present will actually result in the rejection of this amendment.)

**Motion:** *I move that the Commission reject the County of Santa Barbara Implementation Program/Coastal Zoning Ordinance Amendment SB-MAJ-2-04 Parts (A) and (B) as submitted.*

**Resolution to Approve:** *The Commission hereby certifies the County of Santa Barbara implementation program/coastal zoning ordinance amendment SB-MAJ-2-04 Parts (A) and (B) as submitted and adopts the findings set forth below on grounds that the implementation program conforms with, and is adequate to carry out, the provisions of the certified land use plan, and that certification of the implementation program will meet the requirements of the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the implementation program on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the implementation program.*

## 2.0 PROCEDURAL ISSUES

### 2.1. STANDARDS OF REVIEW

Coastal Act Section 30512.1(c) provides:

*The commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200)*

Coastal Act Section 30513 provides:

*The local government shall submit to the commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions which are required pursuant to this chapter.*

...

*The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of [the] land use plan with which the rejected zoning ordinances do not conform or which it finds will not be adequately carried out together with its reasons for the action taken.*

The amendment proposed affects the LUP/CP and IP/CZO components of the certified Santa Barbara County LCP. The standard of review for land use plan (LUP/CP) amendments is consistency with the policies of Chapter 3 of the Coastal Act. Implementation (IP/CZO) amendments must conform to, and be adequate to carry out, the policies of the certified Santa Barbara County LUP/CP. All Chapter 3 policies of the Coastal Act have been incorporated in their entirety in the certified County LUP/CP as guiding policies pursuant to Policy 1-1 of the LUP.

### 2.2. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in the preparation, approval, certification and amendment to any LCP.

For the proposed abandonment policies and regulations, the County held two County Planning Commission hearings (11/6/2000, and 7/7/2004) and three Board of Supervisor hearings (9/21/2004, 10/19/2004, and 10/26/2004). For the proposed updates to the oil transportation policies and regulations the County held one Planning Commission hearing (9/22/2004) and three Board of Supervisor hearings (9/7/2004, 10/19/2004, and 10/26/2004). These public hearings were noticed to the public consistent with Sections 13552 and 13551 of the California Code of Regulations. Notice of the subject LCP amendment components was distributed to all known interested parties. The County received verbal and written comments from concerned parties and members of the public.



The County did not conduct any formal public workshops for the oil and gas facility abandonment or oil transportation amendments; however, the County staff did meet and confer with key industry stakeholders (*i.e.*, Western States Petroleum Association (WSPA) and the oil company Greka<sup>4</sup>) and environmental advocacy stakeholders (*i.e.*, Environmental Coalition<sup>5</sup>) to discuss various concepts and drafts of policies and regulations concerning oil transportation and the removal of abandoned oil and gas facilities. All the stakeholders expressed greater satisfaction with the foregoing method of soliciting input on the draft policies and ordinances prior to public hearings.

### **2.3. PROCEDURAL REQUIREMENTS**

Pursuant to Section 13551 (b) of the California Code of Regulations, the County may submit a local coastal program amendment that will either require formal local government adoption after the Commission approval, or is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources Code Sections 30512, 30513, and 30519. The County's Board of Supervisors' Resolution 04-304 provides that LCP amendment SB-MAJ-2-04 Parts (A) and (B) will take effect immediately upon the Commission's approval.

### **3.0 FINDINGS AND DECLARATIONS FOR PART A: UPDATES TO OIL TRANSPORTATION POLICIES AND ORDINANCES**

The Commission declares and finds the following.

#### **3.1. BACKGROUND**

##### **3.1.1. History Of The County's LCP Oil Transportation Policies And Ordinances**

The County's certified oil transportation policies and related regulations require offshore producers who land oil in Santa Barbara County to use overland pipelines, if feasible, to transport oil to refining centers. When the Commission certified the policies in 1984 extensive offshore leasing was under way, and anticipated future offshore oil production far exceeded the capacity of the then-existing pipelines.<sup>6</sup> Pipelines had been proposed, but were not expected to be

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<sup>4</sup> Greka is the only oil company that is not represented by WSPA, but is also affected by the proposed abandonment ordinance.

<sup>5</sup> The Environmental Coalition is a broad group formed and led by the Environmental Defense Center to track oil and gas leasing and development. Members include Citizens for Goleta Valley, local chapters of the Sierra Club and League of Women Voters, Citizens Planning Association, and Get Oil Out.

<sup>6</sup> In 1984, the volume of oil produced offshore and landed in Santa Barbara County was projected to peak in the range of 500 to 800 thousand barrels per day in the early 1990s, a production increase of more than tenfold in less than a decade. The anticipated production volume far exceeded the capacity of the then-existing pipelines. The oil transportation policies and ordinances envisioned the development of pipelines to Bakersfield, and from there to McCamey (Texas) and Los Angeles which would nullify the need for marine terminals and vessel shipments once operational. Accordingly, the existing oil transportation policies and ordinances required that when pipeline transport became feasible, marine terminals would become non-conforming uses and construction or modification of crude oil processing facilities would be permissible only if the oil is transported by pipeline.

operational in time to accommodate the escalating production. Under those circumstances, and with the understanding that pipeline transport was the environmentally superior option, the policies were formulated to allow tankering of oil, but only to the extent necessary, and only until pipelines were built and pipeline transport became feasible. Hence, the County's certified oil transportation policies and ordinances reflect a package of measures that balance the need for offshore oil development against its significant adverse effects on the environment, by requiring mitigation to the maximum extent feasible, enhanced environmental review and monitoring, and enhanced safety controls and inspection.

Now, twenty years later, the context of oil transportation has changed. Except for the Ellwood Marine Terminal<sup>7</sup>, all the marine terminals that previously operated in the Santa Barbara, Ventura, and San Luis Obispo tri-County area have been decommissioned. Largely as a result of the 1984-certified LCP policies and ordinances, the County's oil transportation infrastructure has evolved from a hybrid of tankering and insufficient pipeline system to a robust common-carrier pipeline system with capacity far in excess of current production needs, and capable of transporting oil production from foreseeable future offshore development. A summary of the transportation infrastructure changes is provided below:

1. In 1984, there were five marine terminals operating in the County and about 10 in the tri-county area. All of these terminals, except for Ellwood Marine Terminal, have since been decommissioned. Oil produced from Platform Holly is shipped by barge from Ellwood Marine Terminal 2-3 times per month (representing less than 5% of Santa Barbara County's total offshore oil production). The County rezoned the onshore portion of the terminal in the early 1990s, rendering it a legal, non-conforming use. A consolidated marine terminal that was permitted offshore Las Flores Canyon was never installed, in favor of using new pipeline capacity.
2. All American Pipeline<sup>8</sup> (AAPL) was built in the late 1980s. The pipeline runs from the County's South Coast (LCP planning area) to Kern County, where it connects to common carrier and proprietary lines to refining centers in the Los Angeles and San Francisco Bay areas. It began operating as a common-carrier pipeline in 1991 immediately before offshore production began the rapid rise to its 1995 peak. The AAPL soon became the backbone of the County's South Coast oil transportation system, carrying all the oil produced from the Point Arguello project and ExxonMobil's consolidated processing facility at Las Flores Canyon. The AAPL was designed to carry 300 thousand Barrels Per Day (MBD), more than five times the 50-60 MBD it currently transports. Due to a lack of demand for the full pipeline capacity, the pumps were modified in the early 1990's to carry a maximum of 180 MBD (improving efficiency and reducing emissions); however, the modifications could be reversed if necessary.

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<sup>7</sup> Ellwood Marine Terminal continues to operate as a legal, nonconforming use.

<sup>8</sup> AAPL was recently renamed Plains Pipeline.

3. The Sisquoc Pipeline began operating in 1992. It is a common-carrier pipeline connecting the AAPL with the Point Pedernales pipeline (ConocoPhillips Line 300), running north to the Santa Maria upgrader refinery in San Luis Obispo County, and then on to the Rodeo and Avon refineries in the San Francisco Bay Area. It has a permitted capacity of 84 MBD. Current throughput averages about 30 MBD. It is approved for bi-directional flow, allowing flexibility to either transfer oil brought ashore in the northern part of the County to the AAPL, or to transport the County's South Coast oil into ConocoPhillips' northern pipeline system.
4. Pacific Pipeline began operating in 1999 as a common-carrier designed to carry heavy crude from Kern County to Los Angeles refineries. Its capacity is 130 MBD, which significantly augments the existing pipeline capability to transport OCS oil from the AAPL to Los Angeles.
5. In addition to the new pipelines, several pipelines that were proprietary (or common-carrier serving a single operator) in 1984 now operate as common-carrier pipelines serving multiple operators. These include the ConocoPhillips northern lines, ConocoPhillips and Shell lines southbound from Ventura, and Pacific Line 63 southbound from Kern County. Shell's northern line from Bakersfield to the San Francisco Bay Area is not a common carrier, but carries some OCS oil from the AAPL.

The proposed amendments to the oil transportation policies and ordinances are a continuation of the County's policy direction clearly set out 20 years ago, rather than a change of direction. The main effects of the amendments would be: (1) to remove exceptions that allowed tankering of Santa Barbara's offshore production before adequate pipelines were built; and (2) to repeal sections potentially enabling construction of marine terminals in the County east of Point Conception.<sup>9</sup> The amendments would not be applicable to onshore oil producers, would not affect current offshore-related operations, and would not infringe on the vested rights of the one remaining marine terminal (*i.e.*, Ellwood Marine Terminal). The intent of the proposed amendments is to update the County's LCP's oil transportation policies and ordinances to conform to the amended provisions of Coastal Act Section 30262 as enacted in 2003 by Assembly Bill 16 (Stats. 2003, Chapter 420 ) and present day circumstances, in which pipeline capacity now exceeds the amount of oil that is produced offshore and transported through the County.

### **3.1.2. History of Past Commission Actions In Support of Onshore Pipeline Transportation as the Superior Mode of Transport Over Marine Tankering or Barging.**

In 2003, Assembly Bill 16 amended Coastal Act Section 32062 (Stats. 2003, Chapter 420 (AB 16)) to specifically require that all oil produced from new or expanded oil operations offshore

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<sup>9</sup> Under the existing certified LUP/CP policies marine terminals are not permitted north of Point Conception.

California shall be transported onshore by pipeline only. More detailed information about the language and amendments to Section 30262 is discussed in Section 3.3 of this report.

Prior to the 2003 amendment to Coastal Act Section 30262, the Legislature had made the following finding and declaration in Coastal Act Section 30265(b) and (c) supporting pipeline transportation of crude oil as the superior environmental option.

...

*(b) Transportation studies have concluded that pipeline transport of oil is generally both economically feasible and environmentally preferable to other forms of crude oil transport.*

*(c) Oil companies have proposed to build a pipeline to transport offshore crude oil from central California to southern California refineries, and to transport offshore oil to out-of-state refiners. . . .*

Large oil spills from oil and gas activities in the waters offshore California can cause significant adverse impacts to coastal resources. Since 1973 the Commission has identified the environmental advantages of oil transportation by overland pipeline versus marine tanker or barge. Large marine oil spills, as demonstrated most vividly by the 1989 VALDEZ Alaska oil spill and the 1990 AMERICAN TRADER spill off Huntington Beach, California, cause widespread and long-term damage to the marine resources.

The benefits of overland pipelines typically include, most predominantly, reduced oil spill hazards. Overland spills are relatively small and less damaging than marine oil spills and can be cleaned up more effectively.

Pipeline transportation of crude oil can also have air quality advantages when compared to tankering or barging. Tankering/barging of oil results in emissions of air pollutants due to the escape of hydrocarbon vapors resulting from both loading and unloading activities and from tanker emissions. Although a vapor recovery system could reduce the emission of hydrocarbons substantially, system failure, repairs or maintenance will release significant amounts of hydrocarbons. There is better containment of vapors with pipeline transfers of oil. Any pollutants emitted stem from pumping operations that are also necessary for tanker loadings.

These advantages are supported by data compiled by the Commission, the Council of Environmental Quality (1985), the Rand Corporation (1975), the State Lands Commission (1982), the Oil Spill Intelligence Reports, the U.S. Coast Guard (1981), and the Department of the Interior (1983). The American Petroleum Institute (API) states in its 1990 pamphlet, ". . . pipeline design and operation have advanced to the point where pipelines are by far the safest mode for transporting petroleum."

The Commission has a long record of detailed findings in its federal consistency actions documenting the environmental superiority of onshore pipeline transportation of crude oil over transportation by marine tankers or barges because of the reduced risk of massive oil spills and

reduced air pollution emissions. Furthermore, in past actions the Commission has stated that consolidated land pipeline transport offset the potential to significantly reduce the long-term cumulative impacts on marine water quality associated with accidental and routine discharges from tanker activities. The Commission’s findings for the Santa Ynez Unit [CC-7-83, E-87-4 & CC-36-87], Platform Hermosa [CC-12-83], Platform Eureka [CC-4-84], Platform Hildago [CC-24-84], Gaviota Interim Marine Terminal [E-88-1 & CC-64-87] and the Point Arguello Project Appeal [A-4-STB-89-33, A-4-STB-90-96] identify the negative effects of tankering on sensitive habitats and recreational areas, as well as related industries, such as commercial fishing and tourism.

**3.2. DESCRIPTION OF AMENDMENTS TO LUP/CP POLICIES AND IP/CZO ORDINANCES**

LCP Amendment SB-MAJ-02-04 Part (A) proposes revisions to the text and policies of *Section 3.6.4* of Santa Barbara County’s Coastal Plan and to *Article II, Chapter 35* of the Coastal Zoning Ordinance to: (1) specify that all crude oil from offshore oil production shall be transported to onshore facilities within the County by pipeline, and then transported onshore by overland pipeline to its “final refining destination,”<sup>10</sup> except under certain circumstances: there is a governor-declared emergency that prevents pipeline transport, the oil is too viscous for pipeline transport, or the operator has vested right to transport by marine vessel; and (2) delete sections allowing the development of marine terminals. The proposed revisions do not apply to facilities supporting onshore oil and gas extraction fields. The table below gives an overview of the updates.

	<b>Current Policies/Ordinances</b>	<b>Proposed Updates</b>
<b>Oil Transportation by Pipeline</b>	Permits for new processing facilities must be conditioned to require oil to be transported to refinery by pipeline if technically and economically feasible and when a pipeline of adequate capacity is available to the refinery of a shipper’s choice. Marine transport is allowable in case of emergency or refinery upset.	Require that all oil received in County from existing offshore production, new or expanded offshore oil production, or from new onshore facilities extracting from offshore reservoirs, be transported by pipeline from onshore facilities to final refining destination, <sup>11</sup> with three exceptions: 1) transport by marine vessel allowed if an operator has a vested right; 2) transport by marine vessel allowed in case of a Governor-declared emergency that disrupts pipelines; 3) transport by highway or rail may be allowed if oil is too viscous for pipeline transport.
<b>Marine Terminals</b>	No new marine terminal is allowed to be permitted north of Point Conception. One new consolidated marine terminal could be permitted in the South Coast LCP planning area. A new terminal is not a permitted use after an onshore pipeline becomes feasible. Once a pipeline becomes operational, existing marine terminals become legal, non-conforming uses. A marine terminal may be permitted if pipeline transport is not feasible for a particular shipper.	Prohibits new or expanded marine terminals in Santa Barbara County. Repeals policies and related ordinances that enable construction of a marine terminal. The Ellwood marine terminal (the last remaining terminal) would be allowed to continue operating under its vested right, subject to the restrictions on a non-conforming use.

<sup>10</sup> See footnote 3.

<sup>11</sup> See footnote 3.

A summary of the proposed LUP/CP and IP/CZO updates is provided below. Full text is provided in Exhibit B.<sup>12</sup>

### 3.2.1. Summary of Proposed Text and Policy Amendments in LUP/CP

- (1) Repeal portions of the preamble to the policies under *Section 3.6.4 Oil and Gas Processing Facilities* (LUP/CP p. 62-63).

The theme of the paragraphs proposed for repeal is that oil transport by pipeline is environmentally preferable to tankering, but some previous tankering was still necessary because sufficient pipeline capacity was not yet built. At such time as pipelines were built and the cost of pipeline transport became reasonable, then pipeline transport would be required. The context described is now outdated, as adequate pipeline capacity now exists and pipeline transport is economically feasible.

- (2) Renumber *Policy 6-6A to 6-10F* under *Section 3.6.4 Oil and Gas Processing Facilities* and delete text preceding it (LUP/CP p. 63).

This section concerns equitable, pro-rata access of oil transportation facilities to all shippers. This section is relocated under the new policy heading of *Oil Transportation*.

- (3) Revise *Policy 6-6B* under *Section 3.6.4 Oil and Gas Processing Facilities* (LUP/CP p.64).

Delete reference to marine terminals.

- (4) Revise *Policy 6-8* under *Section 3.6.4 Oil and Gas Processing Facilities* (LUP/CP p.66).

Delete exceptions to requirement for pipeline transport that assume adequate pipelines do not exist. Require pipeline transport according to new *Oil Transportation* policies.

- (5) Repeal *Policies 6-8A through 6-8E* under *Section 3.6.4 Oil and Gas Processing Facilities* (LUP/CP p. 66-67).

Delete various exceptions to requirement for pipeline transport that assume adequate pipelines do not exist. These sections are superseded by new *Oil Transportation* policies.

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<sup>12</sup> The County inadvertently overlooked the quotation of Coastal Act Section 30262 language in LUP/CP *Section 3.6.1 Coastal Act Policies* (LUP/CP p. 48). Because of this oversight, at this time the County has not included an update to the language in Section 3.6.1 to reflect the current amended language to Coastal Act Section 30262 as enacted in 2003 by Assembly Bill 16. To correct this oversight, the County has committed to submit a separate LCP amendment in the summer of 2005 that will include an update to the LUP/CP's quoted language of Coastal Act Section 30262 in LUP/CP *Section 3.6.1*, as part of a general update to the entire preamble text to LUP/CP Chapter 3.6. The Commission staff believes this inadvertent oversight does not have any substantive effect on the proposed revisions to the LUP/CP policies and ordinances, because the language proposed for LUP/CP Section 3.6.4, and policies 6-10A through 6-10F contained therein, directly reflects the intention of the 2003 amended language to Coastal Act Section 30262 (Stats. 2003, Chapter 420 (AB 16)) as it applies to the context of County's coastal development permitting authority. The County has committed to submit a separate LCP amendment in the summer of 2005 that will include an update to the language for Coastal Act Section 30262 as part of a general update to the entire preamble Section 3.6.1 of Chapter 3.6.

- (6) Repeal the preceding preamble to *Marine Terminals* and policies 6-10 through 6-12 concerning marine terminals (LUP/CP p. 67-69).

These policies for marine terminals are no longer relevant, because construction of new or expanded marine terminals will be precluded by new *Policy 6-10A* (below).

- (7) Add a new policy section and preamble entitled *Oil Transportation* (to replace the repealed section and preamble of *Marine Terminals*). Under *Oil Transportation* add new policies 6-10A through 6-10F.

*Oil Transportation*

*The following policies apply to the transportation of oil produced from any offshore reservoir and landed in Santa Barbara County. Pipelines are environmentally less damaging than other modes of crude oil transport, including highway, rail, and marine tank vessel. In particular, while tanker or barge accidents occur less frequently than pipeline spills, the adverse environmental impacts of tanker or barge spills can be far greater due to the large volumes of oil released, the extreme difficulty in containing and cleaning up offshore spills, and the overall sensitivities of marine and coastal resources.*

*Whereas:*

*The County seeks to minimize adverse environmental impacts of oil transportation, both onshore and offshore, by requiring crude oil produced from offshore reserves to be transported by pipeline to the maximum extent feasible.*

*Policy 6-10A: Phase-out of Marine Terminals.*

*No new marine oil terminals, or expansion of existing marine terminals, shall be permitted in the County. As used here, "expansion of existing facilities" means any activity beyond what an owner has a vested right to do under existing permits. Existing marine terminals shall remain classified as a legal, non-conforming uses, with the expressed intent that they be phased out of existence once the owner's current vested right to operate under existing permits is exhausted.*

*Policy 6-10B: Transport of Crude Oil from Offshore to Onshore.*

- 1) Crude oil produced from offshore production facilities shall be transported to onshore facilities exclusively by pipelines that conform to all applicable regulations and standards.*
- 2) Any new pipeline shall be routed to maximize protection of coastal and marine resources. Factors to be balanced in selecting the route include, but are not limited to, minimizing the length of the offshore segment (to reduce the risk of oil spills in coastal waters), location of sensitive species and habitats both onshore and offshore, and anticipated hazards to pipeline integrity.*



Policy 6-10C: Transport of Crude Oil to Refineries.

1) *Production from new offshore facilities.*

*Crude oil received onshore from new or expanded offshore production facilities, or from onshore operations to extract oil from offshore reserves, shall be transported to processing facilities and final refining destination by overland pipeline, except as provided for in Policy 6-10D and E. The pipelines shall conform to all applicable regulations and standards.*

2) *Production from existing offshore facilities.*

*Crude oil received onshore from existing offshore production facilities shall be transported to processing facilities and final refining destination by overland pipeline, except where an owner has a vested right to transport oil by marine vessel or as provided in Policy 6-10D and E.*

3) *“Final Refining Destination” shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline and does not reenter the County by truck or train, and is not transferred to a marine terminal vessel for further shipment to a port in California prior to final refining.*

Policy 6-10D: Exception to Policy 6-10C Requirement for Transport via Pipeline.

*Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.*

*Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.*

Policy 6-10E: Emergency Provision.

*Notwithstanding the provisions of Policies 6-10A to 6-10D, temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly*



*be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport."*

Policy 6-10F (renumbered from previous Policy 6-6A).

*If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported.*

**3.2.2. Summary of Proposed Amendments to the IP/CZO**

- (1) Repeal Section 35-87.3.3 (*Permitted Uses for M-CD Coastal Dependent Industry*) and Section 35-92.3.3 (*Permitted Uses for M-CR Coastal Related Industry*) in CZO Division 4 (*Zoning Codes*).

Remove marine terminals as a permitted use in the Coastal Development Industry (M-CD) and Coastal-Related Industry (M-CR) zone districts by deleting sections 35-87.3.3 and 35-92.3.3.

- (2) Revise the Development Standards in Section 35-154.5.i. (*Onshore Processing Facilities*) in Division 9 (*Oil and Gas Facilities*)

Amend the development standards for approval of onshore oil/gas processing facilities to require the transport of crude oil by overland pipeline to its final refining destination, except under certain specified circumstances when it is not feasible to do so. Revise and add new language as follows:

*Section 35-154.5.i Onshore Processing Facilities*

~~*Permits for expanding, modifying, or constructing crude oil processing or related facilities shall be conditioned to require that*~~ *All oil processed by the facility shall be transported from the facility and the County to the final refining destination by overland pipeline, as soon as the shipper's oil refining center of choice is served by pipeline, except as provided in this section.*

*"Final Refining Destination" shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline and does not reenter the County by truck or train, and is not transferred to a marine terminal vessel for further shipment to a port in California prior to final refining.*

- (1) Emergency. Temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by waterborne vessel shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by waterborne vessel shall cease immediately when it becomes technically feasible to resume pipeline transport.
- (2) Highly Viscous Oil. A Development Plan may permit transportation of oil by highway or rail only if the Director makes the following finding, in addition to findings required for Development Plans under this section: The oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this section shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.

- (3) Repeal Section 35-156 (Marine Terminals) from CZO Division 9 Oil and Gas Facilities.

Delete entire language of Section 35-156 Marine Terminals.

### 3.3. ANALYSIS OF LUP/CP AMENDMENTS FOR CONSISTENCY WITH COASTAL ACT CHAPTER 3 POLICIES

The standard of review for the County's land use plan (LUP/CP) amendments is be consistency with the policies of Chapter 3 of the Coastal Act.

New provisions were amended to Coastal Act Section 30262 in 2003 (Stats. 2003, Chapter 420 (AB 16)) to require that all oil produced offshore California shall be transported onshore by pipeline only:

a) Oil and gas development shall be permitted in accordance with Section 30260, if the following conditions are met:

...

(7)(A) All oil produced offshore California shall be transported onshore by pipeline only. The pipelines used to transport this oil shall utilize the best achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.

(B) Once oil produced offshore California is onshore, it shall be transported to processing and refining facilities by pipeline.

*(C) The following guidelines shall be used when applying subparagraphs (A) and (B):*

*(i) "Best achievable technology," means the technology that provides the greatest degree of protection taking into consideration both of the following:*

*(I) Processes that are being developed, or could feasibly be developed, anywhere in the world, given overall reasonable expenditures on research and development.*

*(II) Processes that are currently in use anywhere in the world. This clause is not intended to create any conflicting or duplicative regulation of pipelines, including those governing the transportation of oil produced from onshore reserves.*

*(ii) "Oil" refers to crude oil before it is refined into products, including gasoline, bunker fuel, lubricants, and asphalt. Crude oil that is upgraded in quality through residue reduction or other means shall be transported as provided in subparagraphs (A) and (B).*

*(iii) Subparagraphs (A) and (B) shall apply only to new or expanded oil extraction operations. "New extraction operations" means production of offshore oil from leases that did not exist or had never produced oil, as of January 1, 2003, or from platforms, drilling island, subsea completions, or onshore drilling sites, that did not exist as of January 1, 2003. "Expanded oil extraction" means an increase in the geographic extent of existing leases or units, including lease boundary adjustments, or an increase in the number of well heads, on or after January 1, 2003.*

*(iv) For new or expanded oil extraction operations subject to clause (iii), if the crude oil is so highly viscous that pipelining is determined to be an infeasible mode of transportation, or where there is no feasible access to a pipeline, shipment of crude oil may be permitted over land by other modes of transportation, including trains or trucks, which meet all applicable rules and regulations, excluding any waterborne mode of transport.*

*(8) If a state of emergency is declared by the Governor for an emergency that disrupts the transportation of oil by pipeline, oil may be transported by a waterborne vessel, if authorized by permit, in the same manner as required by emergency permits that are issued pursuant to Section 30624. . . .*

An expressed purpose of the County's update of its LUP/CP oil transportation policies is to bring the policies into conformance to the amended provisions of Coastal Act 30262 , as enacted in 2003 by Assembly Bill 16, (Stats. 2003, Chapter 420) that require oil to be transported by pipeline. Overland pipelines are the environmentally preferred transportation option for crude oil. Pipelines minimize the risk of extreme oil spills into the coastal and marine environments and reduce other adverse impacts associated with tankering.

Pipeline transport of offshore-produced crude oil has become feasible, owing to installation of major new overland pipelines since 1991 (as discussed in Section 3.1 of this report). The present common-carrier pipeline system is more than sufficient to transport current and reasonably foreseeable future offshore oil production, and affords multiple choices of refineries in the Los Angeles and San Francisco Bay areas. All current offshore production that is landed in the County is transported to refineries via overland pipeline, with the exception of oil shipped by barge from Ellwood Marine Terminal, which is the sole remaining marine terminal and operates as a legal, non-conforming use under its vested rights. All other marine terminals in Santa Barbara, Ventura, and San Luis Obispo counties have been decommissioned, and marine transport has ceased in favor of pipeline transport.

Consistent with the intent and language of Section 30262(a)(7) and (8), the County's proposed LUP/CP amendments to Policies 6-10 A through F will require that: (a) all oil produced offshore shall be transported by pipeline exclusively to onshore processing and refining facilities within the County; (b) all oil from existing offshore production facilities shall be transported onshore by overland pipeline to processing facilities and final refining destinations, — except under the following special circumstances: where there is a governor-declared emergency; where the oil is too viscous for pipeline transport; or where an owner has a vested right to transport by marine vessel<sup>13</sup>; and (c) all oil received onshore (within the County) from "new or expanded" offshore production facilities, or from new onshore operations extracting oil from offshore reserves, shall be transported onshore to processing facilities and final refining destinations by overland pipeline, except under the special circumstances as noted under (b) above.

Consistent with Coastal Act Section 30262(a)(7)(C)(iv) and (8), the proposed LUP/CP oil transportation policy amendments provide for: (a) alternate modes of overland oil transport if very heavy oil, which cannot feasibly be shipped by pipeline, is produced in future offshore operations; or (b) oil transport by marine vessel in case of an emergency declared by the Governor of California.

Consistent with the resource protection and public safety standards provided in Coastal Act Section 30262(a)(7)(A), the proposed LUP/CP policy amendments 6-10B and 6-10C provide that any new oil pipeline shall be routed to provide "maximum protection of coastal and marine resources" and that oil shall be transported by overland pipelines that "conform to all applicable regulations and standards."

For the reasons discussed above, the Commission finds that the LUP/CP amendments proposed in SB-MAJ-2-04 part (A) are consistent with Section 30262 of the Coastal Act.

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<sup>13</sup> The amended provisions in Coastal Act Section 30262 (Stats. 2003, Chapter 420, (AB 16)) require that all "new" or "expanded" offshore oil operations shall transport oil onshore by overland pipeline. The County's proposed amendments prohibit the construction of any new marine terminals. The Ellwood Marine Terminal, the last operating marine terminal in the County, would be allowed to continue its marine barge tankering operations supporting existing offshore oil production under the proposed LCP amendments, as it has a vested right to do so, subject to the County's restrictions for a "legal non-conforming use." However, any new or expanded offshore oil operation would not be eligible to use the marine tankering services at the Ellwood Marine Terminal. This is consistent with the intent and provisions of the amended provisions of Section 30262.

### **3.4. ANALYSIS OF IP/CZO AMENDMENTS FOR ADEQUACY TO CARRY OUT THE LUP/CP**

The standard of review for amendments to the County's implementation program (IP/CZO) is that they must conform with, and be adequate to carry out, the policies of the certified Santa Barbara County LUP/CP.

The County has updated Sections 35-87.3.3 and 35-92.3.3 under *Division 4, Zoning Districts* of the IP/CZO to delete "marine terminals" as a permitted use in the M-CD Coastal Dependent Industry and in the M-CR Coastal Related Industry zoning districts and has deleted Section 35.156 (*Marine Terminals*) from *Division 9, Oil and Gas Facilities*. (See Exhibit A). These amendments conform to the proposed LUP/CP policies that require the transport of oil by pipeline and carry out the proposed LUP/CP policy 6-10A that provides "existing marine terminals shall remain classified as a legal, non-conforming uses, with the expressed intent that they be phased out of existence once the owner's current vested right to operate under existing permits is exhausted."

The County also updated the development standards in the IP/CZO Section 35-154.5.i. under *Division 9, Oil and Gas Development* to remove provisions that allowed for the transport of oil by a mode other than pipeline. (See Exhibit A). The proposed replacement standards require that all oil processed in Santa Barbara County be transported to the final refining destination<sup>14</sup> only by overland pipeline, except under certain circumstances (e.g., Governor declared states of emergency or where the oil is too viscous for pipeline transport). These development standards conform with and are adequate to carry out the proposed LUP/CP policies 6-10B thru 6-10E.

For the reasons stated above, the Commission finds that the IP/CZO amendments proposed in SB-MAJ-2-04 Part (A) conform to and are adequate to carry out the proposed amendments to the County's certified LUP/CP.

## **4.0 FINDINGS AND DECLARATIONS FOR PART B: REMOVAL OF ABANDONED OIL AND GAS FACILITIES**

### **4.1. BACKGROUND**

The County's existing LUP/CP policies and IP/CZO ordinances do not define or require due diligence for the timely removal of abandoned facilities and reclamation of the host sites for those onshore oil and gas operations that supported development of offshore oil and gas reserves. To date, the removal of oil and gas facilities has varied widely on a case by case basis, because facility removal and site reclamation was included as a condition of the coastal development permit (CDP) granted for the construction and operation of the facilities.

Consequently, the County often finds itself dependent upon the good faith of each permittee to remove facilities and reclaim host sites following permanent cessation of operations. Some

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<sup>14</sup> See footnote 3.

permittees diligently removed facilities and reclaimed host sites following abandonment, but others have not. In one case, the permittee completed removal and reclamation obligations (not including post-abandonment monitoring of re-vegetation) within three years of ceasing operations. In another case involving a very similar operation, the permittee did not commence facility dismantlement and site reclamation until 26 years following permanent cessation of use.

In some cases, permittees have removed facilities in a timely manner but delayed reclamation of the sites for several years when relatively high levels of contamination were discovered. In other cases, the removal of facilities and reclamation of the host site have been combined with the permitting of a new use at the host site. This latter practice has become problematic when the new development encounters permitting delays or outright denial that, which further delays site reclamation (e.g., Dos Pueblos Golf Links).

The incidence of idled and abandoned oil and gas infrastructure increased during the 1990s, as older offshore fields were depleted of economically recoverable reserves. Currently within the County, five downstream facilities, along with several inter-facility pipelines, support offshore oil and gas development (Table 1). There is a need for clearer, enforceable policies and regulations to help to narrow the scope of abandonment and reclamation possibilities in favor of more specific and timely practices.

**Table 1: Projected Future Decommissioning of Onshore Facilities Downstream of Offshore Oil and Gas Fields<sup>15</sup>**

Downstream Facility	Projected Termination of Operations*			
	2001-	2006-2010	2011-2015	Beyond
Ellwood Marine Terminal				
Las Flores Canyon Processing Facilities				
Gaviota Pipeline Terminal (north of 101)				
Gaviota Oil Terminal (south of U.S. 101)				
Lompoc Processing Facility				
 = operations active		 = operations terminated		

<sup>15</sup> Minerals Management Service, *California Offshore Oil and Gas Energy Resources*; and other more recent information obtained from operators. These projections are rough approximations, subject to variation.

Seven other facilities have ceased operations, most of which are either actively removing facilities or reclaiming sites, reflecting a reduction in offshore production. These facilities include Unocal's Battles Gas Plant, Cojo Bay Marine Terminal, and Government Point production and processing facility, ARCO's Alegria processing facility and Dos Pueblos production/processing site, Harvest's Molino gas exploratory project, and Chevron Texaco's Hollister Ranch inter-facility pipelines.

Additionally, the County currently hosts one oil refinery outside the coastal zone – the Santa Maria Asphalt Refinery west of Santa Maria – that manufactures asphalt and a few other petroleum products from heavy crude oil. It can receive crude oil from onshore fields both in and outside the County.

Amendment SB-MAJ-2-04 (B) proposes a more precise, dedicated permitting process — with its own set of performance standards — that will enable the County to enforce the timely and proper closure of specific types of onshore oil/gas operations that support offshore oil once they have discontinued use permanently (*i.e.*, been abandoned). Affected operations include onshore infrastructure used to produce, process, store, or transport oil, gas, and byproducts from offshore reserves.

#### **4.2. DESCRIPTION OF AMENDMENTS TO LUP/CP POLICIES AND IP/CZO ORDINANCES**

The permitting process proposed in SB-MAJ-2-04 (B) works as follows. The permittee of an oil and gas operation/land use that has been idled (not operating) for one year, or whose throughput has fallen below a minimum permitted level is required to apply for either: (1) a deferral of abandonment; or (2) a Demolition and Reclamation Permit to remove its facilities and reclaim the host site. Either application is processed for decision by the County's Director of Planning and Development (Planning Director). Any denial of an application to defer abandonment must fully consider the vested rights of the permittee to operate a legal land use. However, the permittee generally does not have a vested right to convert an oil and gas operation into a salvage yard without permits. Deferrals of abandonment are revisited every two years. All decisions may be appealed to the County's Planning Commission and, ultimately, the County Board of Supervisors.

The first permitting option, Deferral of Abandonment (DA), is suited to temporarily idled operations, where there is demonstrated evidence of intent to restart the oil and gas operations. If approved by the Director, the matter of deferral, including the relevance of the evidence and need for such deferral, is revisited every two years, unless the Planning Director approves a shorter period.

The second permitting option, Demolition and Reclamation (D&R), comprises a dedicated permitting path, with specific standards, to process the removal of facilities and reclamation of the host sites following their abandonment. The facility operator will still be required to get a new CDP for the demolition and reclamation activities because those activities constitute development. However, the new CDP will incorporate the specific demolition and reclamation standards set forth in the D&R permit, which are not available in the existing certified ordinances governing the construction and operation of oil and gas facilities. This permitting path also



establishes a one-year timeline after a facility has been idled in which the operator must apply for either a DA permit or D&R, and holds permittees accountable for timely execution of demolition and reclamation.

A brief summary of the proposed amendments to the LUP/CP and IP/CZO are provided below in Sections 4.2.1 and 4.2.2., respectively. Full text of the amendments is provided in Exhibit B.

#### **4.2.1. Summary of Proposed Amendments to LUP/CP**

Add new section 3.6.8 *Abandonment of Onshore Infrastructure* and new *Policy 6-30* to the LUP/CP's *Chapter 3.6 Industrial and Energy Development* to promote timely and proper removal of certain oil and gas facilities upon their abandonment. The new section and policy will read as follows:

##### *3.6.8 Abandonment of Onshore Infrastructure*

###### *3.6.8.1 Infrastructure Related to Recovery of Offshore Oil and Gas*

*Abandonment of onshore infrastructure entails permanent cessation of an entire land use or an independent business function of a land use. Several tasks to reclaim sites follow abandonment. Facilities are dismantled and removed from the site, while inter-facility gathering and transmission pipelines may either be abandoned in-place or removed. Some facilities (e.g., water tanks) and other improvements (e.g., roads) may be permitted at the site for future use. Any contamination of soils and water is remedied and the host site is returned to natural conditions or reclaimed to accommodate any approved future use of the site.*

*Historically, the County has experienced mixed results with regard to the timely demolition of facilities and reclamation of oil and gas sites following the abandonment of use. Some operators have diligently closed sites within 3-5 years following abandonment, while others have delayed commencement of site closure for unreasonably long periods (10-26 years). Other experience indicates that remediation of contamination may lag several years behind initial dismantling and removal of surface facilities.*

###### *Whereas:*

*The County seeks to encourage, by way of a formal public process, the timely removal of facilities and appropriate reclamation of host sites following permanent cessation of an oil, gas, or oil/gas operation in the coastal zone.*

*Policy 6-30: Oil and gas facilities shall be dismantled and removed, and their host sites cleaned of contamination and reclaimed to natural conditions, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.*



Applicability

Policy 6-30 applies to all onshore land uses that are, or at one time were, wholly or partially dedicated to the production, processing, storage, and transportation of oil or gas derived from offshore reservoirs.

Implementing Procedures

(a) The County shall establish a process in its Coastal and Inland Zoning Codes for determining if, based on reasonable evidence, permitted land uses or independent business functions thereof have discontinued operations permanently. The County shall also establish a discretionary process to permit the removal, retention, or abandonment in-place of facilities, structures, and improvements associated with permitted land uses determined to be abandoned, and to reclaim host sites to natural conditions, or other conditions, in compliance with applicable laws and permits. This permit shall be independent of any development permits associated with future use of the land, but may be processed concurrently with development permits.

(b) Permittees shall obtain all applicable permits to remove (or retain) facilities, structures, and other improvements, and reclaim the host site upon the intentional abandonment of operations of a permitted land use. Otherwise, the permittee shall obtain either County approval to defer abandonment or all applicable permits to remove facilities and reclaim host sites under the following circumstances:

(1) Any event designated in an existing County permit that would require consideration of abandonment; or

(2) The permitted land use has become idled.

(c) Long-term salvage operations, recycling facilities, or junkyards shall not be considered ancillary to permitted land uses. For the purpose of this procedure, "long-term" shall be a period of 2 or more consecutive years. Permittees who desire to operate long-term salvage or recycling operations at an oil/gas site shall first obtain the appropriate permits to do so, and such permits shall be issued independent of the oil/gas operation."

**4.2.2. Summary of Proposed Amendments to IP/CZO**

- (1) Add new Section 35-170 *Abandonment of Certain Oil/Gas Land Uses* to CZO Division 11 (*Permit Procedures*) to establish new permit procedures and standards for the abandonment of certain oil and gas land uses. A summary of the new subsections are as follows:
- *Sec. 35-170.1 Purpose*
  - *Sec. 35.170.2 Applicability*
  - *Sec. 35-170.3 Requirements to File an Application*
  - *Sec. 35-170.4 Filing an Application to Defer Abandonment*

- *Sec. 35-170.5 Contents of Application to Defer Abandonment*
  - *Sec. 135-170-6 Processing of Application to Defer Abandonment*
  - *Sec. 35-170-7 Decision on Application to Defer Abandonment*
    - *Decisions for Idle Facilities*
    - *Decisions for Consideration of Abandonment Under Permit Conditions*
  - *Sec. 35-170.8 Deferral Period and Extensions of Approval to Defer Abandonment*
  - *Sec. 35-170.9 Filing an Application for a Demolition and Reclamation Permit*
  - *Sec. 35-170.10 Content of Application for a Demolition and Reclamation Permit*
  - *Sec. 35-170.11 Processing of a Demolition and Reclamation Permit*
  - *Sec. 35-170.12 Findings Required for Approval of a Demolition and Reclamation Permit*
  - *Sec. 35-170.13 Performance Standards for Demolition and Reclamation Permits*
  - *Sec. 35-170.14 Revocation and Entitlement to Land Use*
  - *Sec. 35-170.15 Expiration of a Demolition and Reclamation Permit*
- (2) Repeal Sub-section 35-158.7.m in CZO Section 35-158 (*On-Shore Exploration and/or Production of Offshore Oil and Gas Reserves*) of Division 9 (*Oil and Gas Facilities*) to be consistent with the new CZO Section 35-170.
- (3) Revise the appeal procedures in CZO Section 35-182.2.a (*Appeals*) of Division 12 (*Oil and Gas Facilities*) by adding the following language:
- “Sec. 35-182.2.a. . . . except for appeals pursuant to Sec. 35-170, in which case, filing shall occur within thirty days following the date of decision.”*
- (4) Add new definitions in CZO Division 2 for “*abandonment*,” “*idled*,” “*natural conditions*,” “*permitted land use*,” and “*reclamation*.”

#### **4.3. ANALYSIS OF LUP/CP AMENDMENTS FOR CONSISTENCY WITH COASTAL ACT CHAPTER 3 POLICIES**

The standard of review for the County’s land use plan (LUP/CP) amendment is that it must be consistent with the policies of Chapter 3 of the Coastal Act.

The proposed LUP/CP policies for the timely removal of abandoned oil and gas facilities supporting offshore oil development are consistent with the Coastal Act’s Chapter 3 goals and policies that provide for the protection of the coastal zone resources from individual and cumulative development impacts.

Coastal Act Section 30250 provides that industrial development shall be located “where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.”

Coastal Act Section 30240 provides that “development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas . . . shall be compatible with the continuance of those habitat and recreation areas.” Coastal Act Section 30230 further provides that “marine resources shall be maintained, enhanced, and where feasible, restored.”

Under the Coastal Act, onshore oil and gas facilities that support offshore oil and gas developments are industrial developments that are allowed as priority use in the coastal zone in order to provide for national energy interests and public welfare. In many cases, these onshore oil and gas facilities are located adjacent to or in coastal areas that have sensitive resources as well as offer prime scenic values, recreational use, and agricultural use. Once an oil and gas facility has become “abandoned” and permanently ceased its operations for the transport, processing and storage of offshore oil, then it is no longer serving the public welfare and energy needs of the nation.

It is important to look at all phases of impacts of an oil and gas facility from the beginning to end of its useful life. When oil and gas facility operations are permanently ceased, or abandoned, what remains above ground are the remnants of the buildings, pipelines, storage tanks, etc., while below ground the soils and water may be contaminated with residual hydrocarbons left from the many years of use. In some cases, where the oil and gas facility is located adjacent to scenic areas or recreational serving areas (e.g., such as the Gaviota processing facility), the remaining abandoned above-ground structures now create adverse impacts to the scenic quality and recreational use of the surrounding area. More important, any unremediated soil and water contamination may lead to significant cumulative adverse impacts on the soil, water, and sensitive resources that exist on or adjacent to the host site. In other cases, once oil and gas facilities have served their useful life for oil production and have been abandoned, the host site becomes desirable for other visitor serving and recreational priority uses in the coastal zone, but contamination of the site may impede timely development of the host site into these other priority uses (i.e., the ARCO Dos Pueblos Golf Links).

The County’s proposed *LUP/CP Policy 6-30* provides

*Oil and gas facilities shall be dismantled and removed, and their host sites [shall be] cleaned of contamination and reclaimed to natural conditions, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.*

*Policy 6-30 Implementing Procedures (a)* provides that the IP/CZO shall establish a process to determine if, based on reasonable evidence, permitted land uses or independent business functions thereof have ceased operations permanently (i.e., abandoned). For those oil and gas facilities that are temporarily idle, with plans to restart operations in the future, the proposed *LUP/CP Policy 6-30 Implementing Procedures (b)* provides a second permitting path that allows an oil and gas operator to obtain a Deferral of Abandonment. Similarly, there is a process to accommodate those oil and gas operations, in which part of the facility continues to operate while the use of other parts of the facility have been abandoned (e.g., Gaviota oil storage and processing facility).

To ensure the timely removal, or abandonment-in-place, of oil and gas facilities/land uses that are determined to be abandoned, *Policy 6-30 Implementing Procedures (a) and (b)* provide for the establishment of a separate Demolition and Reclamation (D&R) permitting process, that will complement the coastal development permit (CDP) process. The facility operator will still be required to get a new CDP for the demolition and reclamation activities because those activities constitute development. However, the new CDP will incorporate the specific demolition and reclamation standards set forth in the D&R permit, which are not available in the existing certified ordinances governing the construction and operation of oil and gas facilities. In addition, the D&R permit process establishes a one-year timeline after a facility has been idled in which the operator must apply for either a DA permit or a D&R permit, and holds permittees accountable for timely execution of demolition and reclamation.

Proposed LUP/CP *Policy 6-30* further sets forth the specific objective that an oil and gas facility's "*host site shall be cleaned of contamination and restored to natural condition, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.*" The intent of LUP/CP *Policy 6-30* is to provide a dedicated, simplified, and enforceable permit process that not only assures the removal of abandoned oil and gas facilities, but also assures the timely clean-up of any residual contamination on the host site in order to prevent or minimize the continuation of individual and cumulative adverse impacts on the scenic/recreational qualities and the natural ecosystems of the host site and its surrounding coastal resources, as well as on the health, safety, welfare of the public. To implement this objective of *Policy 6-30*, the County's IP/CZO has established procedures for the D&R permit that include a set of clear performance standards to measure the adequacy and success of the permitted demolition and reclamation activities for avoiding long-term individual and cumulative adverse impacts to the public's health and safety and to the environment. The County's approach is consistent with the intent and language of Coastal Act Sections 30250, 30230, and 30240 to avoid individual and cumulative adverse impacts and provide for the long-term protection of coastal zone resources.

#### **4.4. ANALYSIS OF IP/CZO AMENDMENTS FOR ADEQUACY TO CARRY OUT THE LUP/CP**

The standard of review for amendments to the County's implementation program (IP/CZO) is that they must conform with, and be adequate to carry out, the policies of the certified Santa Barbara County LUP/CP.

Amendment SB-MAJ-2-04 proposes adding a new *Section 35-170 Abandonment of Certain Oil /Gas Land Uses to Division 11- Permit Procedures* of the IP/CZO. *Subsections 35-170.1 through 170.3* set forth clear permit procedures and criteria to inform oil and gas operators what information must be submitted to the Planning Director in order to determine whether their facility qualifies as either: (1) an abandoned facility and therefore subject to the permit requirements for a D&R permit; or (2) an idled facility and therefore eligible for a Deferral of Abandonment.

For those oil and gas facilities/land uses that are determined to be abandoned, *subsections 35-170.9 through 170.15* set forth the D&R permit process that specifies: the information required in the D&R application, the application processing procedures, the findings that will be used to approve the D&R permit, and the performance standards that will be used for determining the success and completeness of the facility/infrastructure removal and site reclamation activities performed under the D&R permit. The permit procedures and development standards set forth in *subsections 170.9 through 170.15* conform to and are adequate to carry out the intent of the implementing procedures specified under proposed LUP/CP *Section 3.6.8.1, Policy 6.30 (a), (b) and (c)*.

The IP/CZO *Section 35-170.13* sets forth seventeen performance standards to implement and carry out the mandate of LUP/CP *Policy 6-30* that requires that abandoned oil and gas facilities and host site are “. . . cleaned of contamination and restored to natural condition, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.” These performance standards include, but are not limited to, the following provisions: (a) pre-and post-reclamation surveys of sensitive resources shall be employed as appropriate to measure compliance; (b) native seeds and plants shall be used when returning the area to natural conditions; (c) contouring of land shall be compatible with the surrounding natural topography; (d) the site shall be assessed for previously unidentified contamination and the permittee shall diligently seek all necessary permit approvals [from other County and State agencies] to remediate the contamination; (e) where applicable, the permittee shall prepare and submit an Spill Contingency Plan that shall identify measures to prevent and contain spills during dismantling and removal of facilities, as well as how spills will be cleaned-up once they have occurred; and (f) the Planning Director, in consultation with other County agencies, may impose other appropriate and reasonable conditions or require any changes to the project as deemed necessary to protect the health, safety, and welfare of the public, protect property, preserve the character, natural resources, or scenic quality of the area. The seventeen performance standards set forth in IP/CZO *subsection 35-170.13* conform with and are adequate to carry out the objectives of *Policy 6-30* as proposed under *Section 3.6.8.1* of the LUP/CP.

For those oil and gas facilities/land uses that may be eligible for a deferral, *subsections 35-170.4 through 170.8* set forth the process for the submittal of an application to defer abandonment, including the type of information required, the decision criteria that will be used to approve a deferral, and the time period granted for abandonment deferrals. The process and standards set forth in *subsections 35-170.4 through 170.8* conform with and are adequate to carry out the intent of the implementing procedures specified under proposed LUP/CP *Section 3.6.8.1 Policy 6.30 (b)*.

Amendment SB-MAJ-2-04 (B) proposes to delete *Section 35-158.7.m* from the IP/CZO's *Division 9, Oil and Gas Facilities* because it is no longer applicable. Replacing IP/CZO *Section 35-158.7.m* with the permit procedures and standards set forth in IP/CZO *subsections 35-170.1 through 170.15* conforms with and is adequate to carry out the intent of the implementing procedures specified under proposed LUP/CP *Section 3.6.8.1 Policy 6.30 Implementing Procedures (a) (b) and (c)*.

Amendment SB-MAJ-2-04 (B) proposes adding to the IP/CZO *Division 2* definitions for “abandoned,” “idled (or idle),” “natural conditions,” “permitted land,” and “reclamation.” The addition of these definitions will add clarity to the criteria and standards that are used in the IP/CZO *Section 35-170.1 –170.15*. These definitions conform to and are adequate to carry out the language and intent of the proposed LUP/CP *Section 3.6.8.1 Abandonment of Onshore Facilities*.

For the reasons stated above, the Commission finds that the IP/CZO amendments proposed in SB-MAJ-2-04 (B) conform to and are adequate to carry out the proposed amendments to the County’s certified LUP/CP.

## **5.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT**

Pursuant to Section 21080.9 of the California Environmental Quality Act (CEQA), the Coastal Commission is the lead agency responsible for reviewing Local Coastal Programs for compliance with the CEQA. The Secretary of the Resources Agency has determined that the Commission’s program of reviewing and certifying LCPs qualifies for certification under Section 21080.5 of the CEQA. In addition to making the finding that the LCP amendment is in full compliance with the CEQA, the Commission must make a finding that no less environmentally damaging feasible alternative exists. Section 21080.5(d)(2)(A) of CEQA and Section 13540(f) of the California Code of Regulations require that the Commission not certify a LCP, “...if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.”

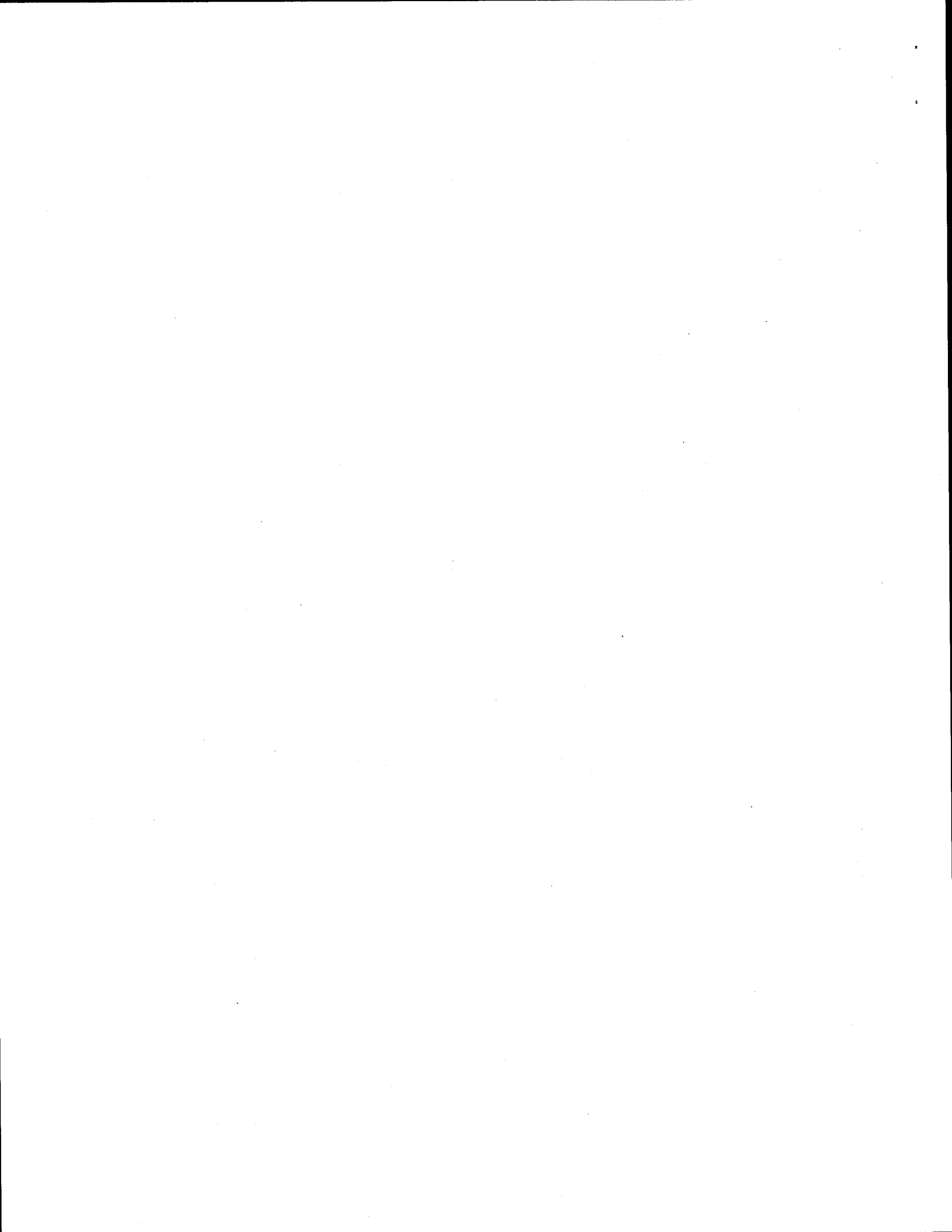
As discussed in this report, the purpose of the County’s proposed amendments are to strengthen the protection of the County’s natural resources and environment by providing LUP/CP policies and IP/CZO regulatory processes to: (1) require that all oil produced from offshore reserves and landed in the county shall be transported by pipeline, which is the environmentally preferred mode of transportation; and (2) ensure the timely removal of abandoned oil and gas facilities and timely reclamation of the host sites.

Thus, the amendments, as proposed and submitted in SB-MAJ-2-04 (A) and (B), do not have any adverse impacts on the environment. To the contrary, they will result in significant beneficial effects. Accordingly, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact that the activity may have on the environment. Therefore, the LUP/CP and IP/CZO amendments contained in SB-MAJ-2-04 Parts (A) and (B), as proposed and submitted, are consistent with the provisions of the CEQA.

## Attachment A

### SUBSTANTIVE FILE DOCUMENTS

1. Resolution No. 04-304, *In the Matter of Submitting to the Coastal Commission Amendments to the Texts and Maps of the Santa Barbara County Local Coastal Program*, passed, approved, and adopted October 26, 2004 by the Board of Supervisors of the County of Santa Barbara, California.
2. Resolution No. 04-302 *In the Matter of Adopting Amendments to Section 3.6.4 of the Coastal Plan, Revising Oil Transportation Policies and Repealing Marine Terminal Policies to Ensure that Oil Produced Offshore of the County will be Transported by Pipeline*, passed, approved, and adopted October 26, 2004 by the Board of Supervisors of the County of Santa Barbara, California.
3. Ordinance No. 4554, Case No. 04-ORD-0000-00014, *An Ordinance Amending the Santa Barbara County Code by Revising Article II of Chapter 35, titled Coastal Zoning Ordinance*, passed, approved, and adopted October 26, 2004 by the Board of Supervisors of the County of Santa Barbara, California.
4. Resolution No. 04-263, *In the Matter of Adopting An Amendment to the Coastal Plan, Adding a New Section and Policy to Chapter 3.6 "Industrial and Energy Development," Promoting Timely and Proper Abandonment for Certain Oil and Gas Facilities*, passed, approved, and adopted September 21, 2004 by the Board of Supervisors of the County of Santa Barbara, California.
5. Ordinance No. 4550, Case No. 04-ORD-0000-00008, *An Ordinance Amending the Santa Barbara County Code by Revising Article II of Chapter 35, titled Coastal Zoning Ordinance*, passed, approved, and adopted September 21, 2004 by the Board of Supervisors of the County of Santa Barbara, California.
6. Submittal of *Santa Barbara County LCP Amendments Update of the County's Oil Transportation Policies and Regulations*, Case Nos. 04GPA-00000-00014 & 04GPA-00000-00014 to the California Coastal Commission, dated November 8, 2004.
7. Submittal of *Santa Barbara County LCP Amendments Policy and regulations for Abandonment of Oil and Gas Facilities that Support Development of Offshore Reservoirs*, Case Nos. 04GPA-00000-00006 & 04GPA-00000-00008 to the California Coastal Commission, dated November 8, 2004.





**EXHIBIT A**

**Text of Updates to Oil Transportation  
Policies and Ordinances**

**A-0**

<b>EXHIBIT NO.</b> 1
<b>APPLICATION NO.</b>
SB-MAJ-2-04
Parts A & B

**RESOLUTION OF THE BOARD OF SUPERVISORS  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

RESOLUTION NO. 04-302

Case No. 04GPA-00000-00014

IN THE MATTER OF ADOPTING  
AMENDMENTS TO SECTION 3.6.4 OF  
THE COASTAL PLAN, REVISING OIL  
TRANSPORTATION POLICIES AND  
REPEALING MARINE TERMINAL  
POLICIES, TO ENSURE THAT OIL  
PRODUCED OFFSHORE OF THE COUNTY  
WILL BE TRANSPORTED BY PIPELINE.

WITH REFERENCE TO THE FOLLOWING:

- A. Santa Barbara County seeks to ensure that oil produced offshore is transported to onshore facilities and thence to refinery by pipeline, and that construction or expansion of marine oil terminals shall not occur, in order to minimize adverse impacts of oil transportation on marine and coastal resources.
- B. The Santa Barbara County Planning Commission has recommended policy amendments to assure that oil produced offshore is transported by pipeline, with certain exceptions, consistent with State law.
- C. The Board has held a duly notice public hearing, as required by Section 65355 of the Government Code, at which the amendments to the Coastal Plan were explained and comments invited from the persons in attendance.
- D. It is now deemed in the interest of the orderly development of the County of Santa Barbara and important to the preservation of the health and safety of the residents of said County to amend the Coastal Plan of the Local Coastal Program by adopting the following amendments to Section 3.6.4, "Land Use Plan Proposals:"

**Repeal Portions of the preamble to Oil and Gas Processing Facilities policies (pp. 62-63):**

~~" Oil transportation is one of the key issues associated with oil development in Santa Barbara County. Pipelines have been found to be environmentally superior to tankers. Tanker transportation presents greater impacts to marine, visual, recreation and air resources than do pipelines. General pipeline "feasibility" will be determined through the market based on producer choice of refining center, refining capacity in that center, and economic feasibility being tested through ability to obtain financing and the choice to build and operate the pipeline. Once constructed and operational, to the refining center of a producer's choice (e.g. Houston, San Francisco, Los Angeles), pipelines shall be the required mode of transportation because they are less environmentally damaging than other modes of transportation. This requirement is based on the assumption that, when operational, pipelines serving various refining centers will have adequate capacity and that the tariffs and costs of transporting the oil to its ultimate refining destination will be reasonable. This "reasonableness" will be based on the balancing of public and~~

~~private interests in economic and environmental factors. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County should assure that producers have access to competitive markets, however, the County need not provide unlimited flexibility to all producers. Since pipelines are not yet in place and may not be constructed to all refining centers, other methods of oil transportation are needed for production that precedes pipeline construction and operation and for refining centers not served by pipeline. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable, pro rata access to the transportation system by all shippers consistent with the County's goals of consolidation. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~Because of uncertainty regarding crude oil production volumes, industry economics, and permits, there is a need for periodic review of the County's oil transportation policies. (Adopted by B/S 6/18/84, Resol. #84 284)."~~

**Renumber Policy 6-6A (as 6-10F) and delete reference in the text preceding it (p. 63):**

~~" Policy 6-6A applies to oil and gas processing facilities and sites that serve offshore producers. "~~

~~" Policy 6-6A If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88)."~~

**Revise Policy 6-6B (p. 64):**

~~" Policy 6-6B: Except for facilities not directly related to oil and gas processing as referenced in Policy 6-11B (Marine Terminals), t This policy applies to areas of the coastal zone that are outside the South Coast Consolidation Planning Area (SCCPA). The SCCPA is the unincorporated area from Point Arguello to the western boundary of the City of Santa Barbara, and from the ridge of the Santa Ynez Mountains to the three mile offshore limit. (Added 12/14/87, B/S Resol. #87 616)~~

If new sites for processing facilities to serve offshore oil and gas development are needed, expansion of facilities on existing sites or on land adjacent to existing sites shall take precedence over opening up additional areas, unless it can be shown that the environmental impacts of opening up a new site are less than the impacts of expansion on or adjacent to existing sites. Consideration shall also be given to economic feasibility. "

**Revise Policy 6-8 (p. 66):**

~~" Policy 6-8: If an onshore pipeline for transporting crude oil to refineries is determined to be technically and economically feasible, proposals *Any permit approval* for expansion, modification, or construction of new oil and gas processing facilities shall be conditioned to require~~

transportation of oil by pipeline, in accordance with policies on Oil Transportation (Policies 6-10A through 6-10F), through the pipeline when constructed, unless such condition would not be feasible for a particular shipper. (Revised 6/18/84, B/S Resol #84-284; 11/19/91, B/S Resol #91-670) ”

**Repeal Policies 6-8a through 6-8e (pp. 66-67):**

- a) ~~Pipeline transportation of crude oil to a refining center served by a pipeline is presumed to be technically and economically feasible and the required method of transportation to that center. (Revised 6/18/84, B/S Resol #84 284).~~
- b) ~~Pipeline transportation of crude oil is presumed feasible for a particular shipper if a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- c) ~~Crude oil processing facilities shall be conditioned to require that each shipper's oil leaving those facilities be transported by pipeline when a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- d) ~~Until pipelines become available, and for refining centers not served by pipeline, other modes of oil transportation are allowed consistent with County policies. Rail is not preferred for large volume shipments of oil. (Revised 6/18/84, B/S Resol #84 284).~~
- e) ~~For refining centers served by pipeline, other modes of transportation up to the limits of permitted capacity for those modes, and with assurances that the shipper or transportation facility operator can and will mitigate the environmental impacts caused by the alternate transportation mode, are allowed only under the following circumstances:
  - 1) Pipeline unavailability or inadequate capacity; or
  - 2) A refinery upset lasting no longer than two (2) months and only where the alternate refining center is not served by pipeline; or
  - 3) An emergency which may include a national state of emergency. (Revised 6/18/84, B/S Resol #84 284). ”~~

**Repeal the preamble to *Marine Terminals* policies (pp. 67-68):**

~~“ Marine Terminals~~

~~The County has permit jurisdiction over those portions of a marine terminal that are on land (i.e., pipelines, storage tanks) except where the County has been granted jurisdiction over State Tidelands.<sup>2</sup> Those portions of a marine terminal which are seaward of the mean high tide line are regulated by the Coast Guard and the State Lands Commission. Further, the County's "Statement of Policy Relative to the Location of On Shore Oil Facilities" favors no more than one additional marine terminal along the South Coast.~~

~~While the existing policies and regulations appear consistent with the policies of the Coastal Act, policies addressing the location of new marine terminals need to be clarified in two aspects: (1) the status of marine terminals if an onshore pipeline proves to be feasible, and (2) the impact of lease sale #53 on the need for marine terminals between Point Conception and the Santa Maria River.~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable access to the transportation system by all~~

shippers entitled to use it consistent with the County's goals of consolidation. Equitable access is intended to prevent non owners of a facility from being forced out of, or not allowed into, transportation facilities. (Added 6/18/84, B/S Resol #84 284).

The County does not wish to encourage the long term use of marine transportation facilities which are incompatible with surrounding land uses or which possess technological limitations significantly affecting or potentially affecting public health and safety and the environment. (Added 6/18/84, B/S Resol #84 284).

~~—2—~~ The County's only granted Tidelands are in Carpinteria. The existing Chevron marine terminal in Carpinteria is under the jurisdiction of the City.

#### Where

— Landward support facilities for the Gaviota Interim Marine Terminal are designated as Coastal Dependent Industry on the land use plan maps.

— Oil storage sites (tank farms) for transportation facilities should be consolidated and serve the entire oil transportation system (pipeline, marine, rail, other). A siting study was conducted in 1984 which identified the preferred environmental characteristics for an oil storage site on the Gaviota coast. These characteristics are based on those of Canada de la Pila for all attributes except geology and soils, which must meet standard County requirements through engineering and design review. Present County policy precludes the use of Canada de la Pila as a tank farm site. Proposed oil storage sites should meet these standards through project design and on and off site mitigation, though the County recognizes that environmental trade offs may be required to ensure than an environmentally preferable site is used. ”

#### **Repeal Policies 6-10 through 6-12 (p. 68-69):**

“ Policy 6-10: All relevant sections of Ordinance No. 661, the Petroleum Ordinance, and "Statement of Policy Relative to the location of On Shore Oil Facilities" are hereby incorporated by reference. ”

“ Policy 6-11: If an onshore pipeline is determined to be technically and economically feasible existing marine terminals shall become, after a specified period, non conforming uses. Crude oil shall be transported by pipeline, unless the County makes the finding that transportation of oil by pipeline is not feasible for a particular shipper according to the provisions of Policies 6-8 and 6-8A. (Revised 6/18/84, B/S Resol #84 284). ”

“ Policy 6-11B: Policies 6-6 and 6-6A regarding consolidation of oil and gas processing facilities shall be applied to all oil and gas facilities. Consolidated storage facilities shall be designed to support a complete oil transportation system including one or more transportation modes. Facilities approved by the County shall be sited to provide for reasonable expansion. (Added 6/18/84, B/S Resol #84 284). ”

“ Policy 6-12: Due to scenic and natural resources in areas between Point Conception and the Santa Maria River, marine terminals are not considered at present as appropriate development in that area. If activity under lease sale #53 results in a need for marine terminal(s) in the North County, detailed

~~studies shall be undertaken to determine appropriate location(s). No onshore facilities, except pipelines, shall be located on any environmentally sensitive habitat areas."~~

**Add a new preamble entitled *Oil Transportation* (to replace repealed preamble to *Marine Terminals*):**

Oil Transportation

The following policies apply to the transportation of oil produced from any offshore reservoir and landed in Santa Barbara County. Pipelines are environmentally less damaging than other modes of crude oil transport, including highway, rail, and marine tank vessel. In particular, while tanker or barge accidents occur less frequently than pipeline spills, the adverse environmental impacts of tanker or barge spills can be far greater due to the large volumes of oil released, the extreme difficulty in containing and cleaning up offshore spills, and the overall sensitivities of marine and coastal resources.

Whereas:

The County seeks to minimize adverse environmental impacts of oil transportation, both onshore and offshore, by requiring crude oil produced from offshore reserves to be transported by pipeline to the maximum extent feasible."

**Add New Policies 6-10A through 6-10E:**

Policy 6-10A: Phase-out of Marine Terminals.

No new marine oil terminals, or expansion of existing marine terminals, shall be permitted in the County. As used here, "expansion of existing facilities" means any activity beyond what an owner has a vested right to do under existing permits. Existing marine terminals shall remain classified as a legal, non-conforming uses, with the expressed intent that they be phased out of existence once the owner's current vested right to operate under existing permits is exhausted.

Policy 6-10B: Transport of Crude Oil from Offshore to Onshore.

- 1) Crude oil produced from offshore production facilities shall be transported to onshore facilities exclusively by pipelines that conform to all applicable regulations and standards.
- 2) Any new pipeline shall be routed to maximize protection of coastal and marine resources. Factors to be balanced in selecting the route include, but are not limited to, minimizing the length of the offshore segment (to reduce the risk of oil spills in coastal waters), location of sensitive species and habitats both onshore and offshore, and anticipated hazards to pipeline integrity.

Policy 6-10C: Transport of Crude Oil to Refineries.

- 1) Production from new offshore facilities.  
Crude oil received onshore from new or expanded offshore production facilities, or from onshore operations to extract oil from offshore reserves, shall be transported to processing facilities and final refining destination by overland pipeline, except as provided for in Policy 6-10D and E. The pipelines shall conform to all applicable regulations and standards.

- 2) Production from existing offshore facilities.  
Crude oil received onshore from existing offshore production facilities shall be transported to processing facilities and final refining destination by overland pipeline, except where an owner has a vested right to transport oil by marine vessel or as provided in Policy 6-10D and E.
- 3) "Final Refining Destination" shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline, and does not reenter the County by truck or train, and is not transferred to a marine vessel for further shipment to a port in California prior to final refining.

Policy 6-10D: Exception to Policy 6-10C Requirement for Transport via Pipeline.

Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.

Policy 6-10E: Emergency Provision.

Notwithstanding the provisions of Policies 6-10A to 6-10D, temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

**Add Policy 6-10F (renumbered from previous Policy 6-6A):**

Policy 6-10F: If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88).

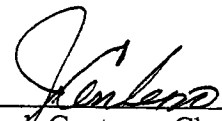
NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Pursuant to the provisions of Section 65356 of the Government Code, this Board adopts the foregoing amendments to Section 3.6.4 of the Coastal Plan.

2. A copy of this Resolution shall be made available pursuant to Section 65357 of the Government Code.

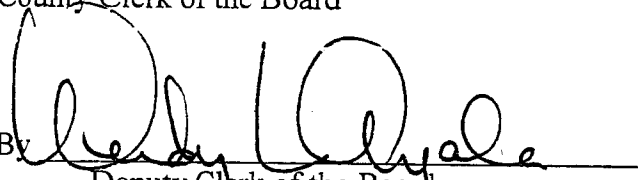
**PASSED, APPROVED, AND ADOPTED** this 26<sup>th</sup> day of October, 2004, by the following vote:

AYES:	Supervisor's Schwartz, Rose, Marshall, Gray and Centeno
NOES:	None
ABSENT:	None
ABSTENTIONS:	None

  
 \_\_\_\_\_  
 Joseph Centeno, Chair  
 Board of Supervisors  
 County of Santa Barbara

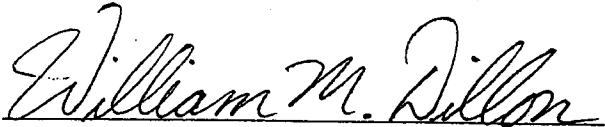
ATTEST:

MICHAEL F. BROWN  
County Clerk of the Board


By   
 \_\_\_\_\_  
 Deputy Clerk of the Board

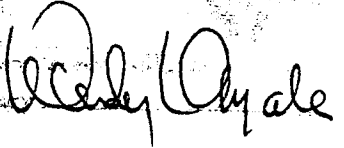
APPROVED AS TO FORM:

STEPHEN SHANE STARK  
County Counsel

By   
 \_\_\_\_\_

This is a true and correct copy of the certified document  
 of the Board of Supervisors of the County of Santa Barbara  
 as the same appears in my office. It bears the seal  
 of the County Clerk of the County of Santa Barbara  
 and the date of recording.



Clerk of the Board of Supervisors  
 Date: 11/4/04 



ORDINANCE NO. 4554

AN ORDINANCE AMENDING THE SANTA BARBARA COUNTY CODE  
BY REVISING ARTICLE II OF CHAPTER 35, TITLED "COASTAL ZONING ORDINANCE"

CASE NO.: 04-ORD-0000-00014

The Board of Supervisors of the County of Santa Barbara, State of California, ordains as follows:

**SECTION 1:**

Division 4 "Zoning Districts" of Article II of the Santa Barbara County Code is hereby amended, by deleting Sections 35-87.3.3 and 35-92.3.3, as follows:

*[Section 35-87.3.3. M-CD Coastal Dependent Industry -- Permitted Uses]*

- ~~3. Onshore components of marine terminals that are determined to be required for waterborne shipments of crude oil or petroleum products and that require a site on or adjacent to the sea to be able to function at all. Such uses are subject to the regulations of DIVISION 9 OIL AND GAS FACILITIES. (Amended by Ord. 3947, 11/19/91)~~

*[Section 35-92.3.3. M-CR Coastal Related Industry -- Permitted Uses]*

- ~~3. Onshore components of marine terminals required for waterborne shipments of crude oil or petroleum products, subject to the regulations of DIVISION 9 OIL AND GAS FACILITIES.~~

**SECTION 2:**

Division 9 "Oil and Gas Facilities" in Article II, Chapter 35 of the Santa Barbara County Code is hereby amended, by revising Section 35-154.5.i and deleting Section 35-156, as follows:

*[Section 35-154.5.i. Onshore Processing Facilities]*

- i. ~~Permits for expanding, modifying, or constructing crude oil processing or related facilities shall be conditioned to require that a~~All oil processed by the facility shall be transported from the facility and the County to the final refining destination by overland pipeline, as soon as the shipper's oil refining center of choice is served by pipeline, except as provided in this section.

"Final Refining Destination" shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline and does not reenter the County by truck or train, and is not transferred to a marine terminal vessel for further shipment to a port in California prior to final refining.

- (1) Emergency. Temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by waterborne vessel shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by waterborne vessel shall cease immediately when it becomes technically feasible to resume pipeline transport.
- (2) Highly Viscous Oil. A Development Plan may permit transportation of oil by highway or rail only if the Director makes the following finding, in addition to findings required for Development Plans under this section: The oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this section shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.

Transportation by a mode other than pipeline may be permitted only:

- ~~(1) within the limits of the permitted capacity of the alternative mode; and~~
- ~~(2) when the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible; and~~
- ~~(3) when the shipper has made a commitment to the use of a pipeline when operational to the shipper's refining center of choice; and~~
- ~~(4) when the County has determined that use of a pipeline is not feasible by making one of the following findings:
  - ~~(a) A pipeline to the shippers' refining center of choice has inadequate capacity or is unavailable within a reasonable period of time;~~
  - ~~(b) A refinery upset has occurred, which lasts less than two months, precludes the use of a pipeline to that refinery, and requires temporary transportation of oil to an alternative refining center not served by pipeline;~~
  - ~~(c) The costs of transportation of oil by common carrier pipeline is unreasonable taking into account alternative transportation modes, economic costs, and environmental impacts; or~~
  - ~~(d) An emergency, which may include a national state of emergency, has precluded use of a pipeline.~~~~

~~———— A permit based on findings (b) or (d) may be granted by the Director of the Planning and Development Department and shall be subject to appeal to the Planning Commission. A permit based on findings (a) and (c) may be granted by the Board of Supervisors. All permits in this section are subject to appeal to the Coastal Commission.~~

~~———— All permits for the use of a non-pipeline mode of transportation may specify the duration for such permitted use. Such permit may be extended upon a showing of good cause based upon a consideration of the findings listed above. A permit based on finding (b) shall be granted for two months only. If refinery upset conditions continue beyond two months and the~~

shipper wishes to continue use of a non pipeline transportation mode, the shipper must seek a new or modified permit that is based on a consideration of finding (a), (c), or (d). In all cases, the burden of proof as to unavailability or inadequate capacity, unreasonable tariffs, and the need for and use of other transportation systems shall be on the shipper.

**Sec. 35-156. Marine Terminals.**

*(Amended by Ord. 3745, 11/21/88)*

1. ~~Applicability. The specific regulations contained within this section shall apply to the onshore portion of the components of a marine terminal which include loading and/or unloading equipment, storage tanks, terminal control and safety equipment and navigational facilities but not including pipelines. The regulations for pipelines and related facilities are located in Sec. 35-157. These regulations shall apply to existing and new marine terminals and as of April 12, 1967, there exists in the County four (4) marine terminals which are located at Cojo Bay, Gaviota, El Capitan and Coal Oil Point.~~
2. ~~Permitted Districts. Marine terminals are a permitted use in the Coastal Related Industry (M-CR) District. They are also permitted in the Coastal Dependent Industry (M-CD) District if such use is determined to require a site on or adjacent to the sea to be able to function at all. (Amended by Ord. 3947, 11/19/91) However,~~
  - a. ~~No more than one (1) additional marine terminal to the number in existence within the County as of April 12, 1967, shall be permitted in the area east of Point Conception.~~
  - b. ~~Where the land to be used for the onshore portions of the marine terminal is also subject to the Environmentally Sensitive Habitat Area Overlay District (ESH), such facilities shall not be permitted.~~
  - c. ~~Where the land to be used for the onshore portions of the marine terminal is also subject to the View Corridor Overlay District (VC), such facilities require a Major Conditional Use Permit, as provided in Section 35-172.~~
  - d. ~~After adoption of a Resolution by the County Board of Supervisors that an onshore pipeline for transporting crude oil to refineries is technically and economically feasible, new marine terminals shall not be a permitted use in any district and existing marine terminals shall continue to be a permitted use until the pipeline is operational, at which time they shall become legal nonconforming uses. After the pipeline is operational, marine terminals are a use permitted subject to a Major Conditional Use Permit in the Coastal Related Industry (M-CR) District, and if determined to require a site on or adjacent to the sea to be able to function at all in the Coastal Dependent Industry (M-CD) District. Marine terminals are permitted in these two districts only upon a finding, in addition to those normally required for a marine terminal, as set forth in paragraph 4, that transshipment of oil by onshore pipeline is not feasible for the particular operator. (Amended by Ord. 3947, 11/19/91)~~
  - e. ~~Major oil storage facilities shall be consolidated and shall support the most environmentally preferred oil transportation system. Minor storage facilities may be allowed at specific operating areas where clearly needed, where it can be shown that it is not feasible to provide such storage at the consolidated site(s), where it is located in the least environmentally damaging location and where the adverse environmental impacts are mitigated to the maximum extent feasible.~~
3. ~~Processing.~~

No permits for development including grading shall be issued except in conformance with an approved Final Development Plan, as provided in Sec. 35-174. (Development Plans), and with Sec. 35-169. (Coastal Development Permits).

In addition to the other information required under Sec. 35-174.3. (Development Plans), the following information must be filed with a Preliminary or Final Development Plan application:

- a. An updated emergency response plan, that addresses the potential consequences and actions to be taken in the event of hydrocarbon leaks or fires. The emergency response plan shall be approved by the County's Emergency Services Coordinator and Fire Department.
- b. A phasing plan for the staging of development which includes the estimated timetable for project construction, operation, completion, and abandonment, as well as location and amount of land reserved for future expansion.

4. Findings Required for Approval of Development Plans.

In addition to the findings for Development Plans set forth in Sec. 35-174.7. (Development Plans), no Preliminary or Final Development Plan shall be approved unless the Planning Commission also makes all of the following findings:

- a. There are no feasible alternative locations for the proposed marine terminal that are less environmentally damaging.
- b. Expansion of an existing marine terminal onto adjacent lands is not feasible or is more environmentally damaging.
- c. The proposed facility is compatible with the present and permitted recreational, educational, and residential development and the scenic resources of the surrounding area.

5. Development Standards.

- a. The level of noise generated by the facility at the property boundary shall not exceed 70 dB(A).
- b. The applicant has received "authority to construct" from the Air Pollution Control District.
- c. There shall be no visible emission of smoke.
- d. Permanent structures and equipment shall be painted a neutral color so as to blend in with natural surroundings.
- e. The installation shall be visually compatible with the potential surroundings by use of any or all of the following measures where applicable: Buffer strips; depressions, natural or artificial; screen planting and landscaping continually maintained; camouflage and/or blending colors.
- f. All lights shall be shielded so as not to directly shine on adjacent properties.
- g. Grading and alteration of natural drainages shall be minimized.
- h. Adequate provision shall be made to prevent erosion and flood damage.
- i. Except in an emergency, no materials, equipment, tools, or pipes used for marine terminal operations shall be delivered to or removed from the plant site through streets within a residential district between the hours of 7 p.m. and 7 a.m. of the next day.
- j. The following standards must be achieved on site or through off-site mitigation:
  - 1) The facility shall not have a significant visual impact.
  - 2) The significance of visual impact shall be determined based on a visual contrast rating developed according to the United States Bureau of Land Management Scenic Quality Inventory and Evaluation System (1981), which utilizes a scale ranging from 0 (best) to 33 (worst). A score of 7 or greater (more severe) following mitigation shall be considered significant.

- 3) No known or potential significant habitat for locally rare or regionally endemic species shall be adversely affected by the facility.
- k. Oil storage facilities shall meet each of the following goals on site or through off-site mitigation except where aggregate impacts, notwithstanding one or more exceedances of the following goals, demonstrate that a particular site is the least environmentally damaging reasonable site available:
- 1) To ensure public health and safety, human exposure to risk of an accident at the tank farm shall be limited to an aggregate of 240 person hours per day on average, exclusive of facility employees, within one half (1/2) mile of the proposed facility;
  - 2) Not more than 1.6 acres or their equivalent of high productivity terrestrial habitat (equivalent to 1025 acres of industrial use land) shall be disturbed;
    - a) Impacts on terrestrial habitat shall be assessed based on a detailed environmental analysis of site specific conditions. "Equivalent acres" shall be determined according to the following guidelines based on a standard of high productivity terrestrial habitat based on wetland productivity and biological assessments, but the determination of the environmentally preferable site and mitigation programs shall be based on site specific environmental data.

(eg. 40 acres Coastal Bluff Scrub is equivalent to 4 acres of high productivity habitat.)

Habitat Type	High Productivity Habitat Equivalent
Wetland	1 acre
Native Grassland	5 acres
Undisturbed Riparian	3 acres
Coastal Strand	5 acres
Disturbed Riparian	9 acres
Coastal Bluff Scrub	10 acres
Oak Woodland/Forest	10 acres
Coastal Sage Scrub	15 acres
Chaparral	20 acres
Cismontane Introduced Grassland	50 acres
Agricultural/Introduced Plantings	200 acres
Recently Disturbed	200 acres
Industrial	640 acres.

preferable site and mitigation programs shall be based on site specific environmental data:

Habitat Type	High Productivity Habitat Equivalent
Kelp, rocky bottom	1 acre
High relief boulder/ Exposed intertidal	

<del>reefs</del>	<del>1.6 acres</del>
<del>Kelp, sandy bottom</del>	<del>3 acres</del>
<del>Low relief intertidal bedrock reefs</del>	<del>6.9 acres</del>
<del>Cobble/gravel beach</del>	<del>8.1 acres</del>
<del>Hard bottom/deep water (no kelp)</del>	<del>10.8 acres</del>
<del>Silty/mud bottom</del>	<del>17.1 acres</del>
<del>Sand beach</del>	<del>18.6 acres</del>

- ~~4) No residents shall be subject to greater than a 9 dB increment above baseline in ambient noise level;~~
- ~~5) No significant cultural resources shall be adversely affected.~~

**SECTION 3:**

This ordinance and any portion of it approved by the Coastal Commission shall take effect and be in force thirty (30) days from the date of its passage or upon the date that it is certified by the Coastal Commission pursuant to Public Resources Code 30514, whichever occurs later. Before the expiration of fifteen (15) days after its passage, this ordinance, or a summary of it, shall be published once, together with the names of the Board of Supervisors voting for and against the same in the Santa Barbara News Press, a newspaper of general circulation published in the County of Santa Barbara.

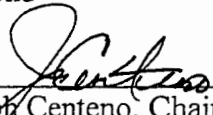
PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this twenty-sixth day of October, 2004, by the following vote:

AYES: Supervisor's Schwartz, Rose, Marshall, Gray and Centeno

NOES: None

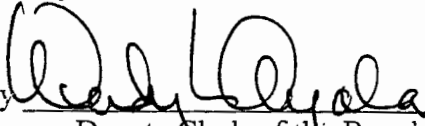
ABSTAINED: None

ABSENT: None

  
\_\_\_\_\_  
Joseph Centeno, Chair  
Board of Supervisors of the County of Santa Barbara  
State of California

ATTEST:

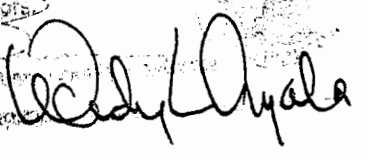
MICHAEL F. BROWN  
County Clerk of the Board

By   
\_\_\_\_\_  
Deputy Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK  
County Counsel

By   
\_\_\_\_\_  
Deputy County Counsel

TO BE FILED WITH THE ORIGINAL DOCUMENT  
IN THE COUNTY CLERK'S OFFICE. IT IS THE DUTY  
OF THE COUNTY CLERK TO RECORD THIS  
DOCUMENT IN THE PUBLIC RECORDS OF THE  
COUNTY OF SANTA BARBARA.  
COUNTY OF SANTA BARBARA  
RECORDED  
11/4/04  






**EXHIBIT B**

**Text of New Policies and Ordinances  
for Ensuring Timely Removal  
of Oil and Gas Facilities  
Supporting Offshore Oil Development**

<b>EXHIBIT NO. 2</b>
<b>APPLICATION NO.</b>
SB-MAJ-2-04
Parts A & B

**RESOLUTION OF THE BOARD OF SUPERVISORS  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF ADOPTING AN  
AMENDMENT TO THE COASTAL PLAN,  
ADDING A NEW SECTION AND POLICY  
TO CHAPTER 3.6 "INDUSTRIAL AND  
ENERGY DEVELOPMENT," PROMOTING  
TIMELY AND PROPER ABANDONMENT  
OF CERTAIN OIL AND GAS FACILITIES

RESOLUTION NO. 04-263

Case No. 04GPA-00000-00006

WITH REFERENCE TO THE FOLLOWING:

- A. Santa Barbara County seeks to promote, by way of a formal process where one does not currently exist, the timely removal of facilities and appropriate reclamation of host sites following permanent cessation of an oil, gas, or oil/gas operation.
- B. The Santa Barbara County Planning Commission has recommended adding of a new section and policy that would provide the foregoing formal process.
- C. The Board has held a duly notice public hearing, as required by Section 65355 of the Government Code, at which this amendment to the Coastal Plan was explained and comments invited from the persons in attendance
- D. It is now deemed in the interest of the orderly development of the County of Santa Barbara and important to the preservation of the health and safety of the residents of said County to amend the Coastal Plan of the Local Coastal Program by adopting the following section to Chapter 3.6, "Industrial and Energy Development:"

**"3.6.8 Abandonment of Onshore Infrastructure**

3.6.8.1 Infrastructure Related to Recovery of Offshore Oil and Gas

Abandonment of onshore infrastructure entails permanent cessation of an entire land use or an independent business function of a land use. Several tasks to reclaim sites follow abandonment. Facilities are dismantled and removed from the site, while inter-facility gathering and transmission pipelines may either be abandoned in-place or removed. Some facilities (e.g., water tanks) and other improvements (e.g., roads) may be permitted at the site for future use. Any contamination of soils and water is remedied and the host site is returned to natural conditions or reclaimed to accommodate any approved future use of the site.

Historically, the County has experienced mixed results with regard to the timely demolition of facilities and reclamation of oil and gas sites following the abandonment of use. Some operators have diligently closed sites within 3-5 years following abandonment, while others have delayed commencement of site closure for unreasonably long periods (10-26 years). Other experience

indicates that remediation of contamination may lag several years behind initial dismantling and removal of surface facilities.

### Whereas

The County seeks to encourage, by way of a formal public process, the timely removal of facilities and appropriate reclamation of host sites following permanent cessation of an oil, gas, or oil/gas operation in the coastal zone.

**Policy 6-30:** Oil and gas facilities shall be dismantled and removed, and their host sites cleaned of contamination and reclaimed to natural conditions, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.

### Applicability

Policy 6-30 applies to all onshore land uses that are, or at one time were, wholly or partially dedicated to the production, processing, storage, and transportation of oil or gas derived from offshore reservoirs.

### Implementing Procedures

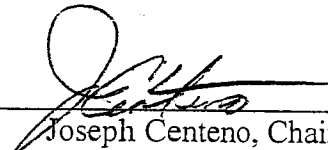
- (a) The County shall establish a process in its Coastal and Inland Zoning Codes for determining if, based on reasonable evidence, permitted land uses or independent business functions thereof have discontinued operations permanently. The County shall also establish a discretionary process to permit the removal, retention, or abandonment in-place of facilities, structures, and improvements associated with permitted land uses determined to be abandoned, and to reclaim host sites to natural conditions, or other conditions, in compliance with applicable laws and permits. This permit shall be independent of any development permits associated with future use of the land, but may be processed concurrently with development permits.
- (b) Permittees shall obtain all applicable permits to remove (or retain) facilities, structures, and other improvements, and reclaim the host site upon the intentional abandonment of operations of a permitted land use. Otherwise, the permittee shall obtain either County approval to defer abandonment or all applicable permits to remove facilities and reclaim host sites under the following circumstances:
  - (1) Any event designated in an existing County permit that would require consideration of abandonment; or
  - (2) The permitted land use has become idled.
- (c) Long-term salvage operations, recycling facilities, or junkyards shall not be considered ancillary to permitted land uses. For the purpose of this procedure, "long-term" shall be a period of 2 or more consecutive years. Permittees who desire to operate long-term salvage or recycling operations at an oil/gas site shall first obtain the appropriate permits to do so, and such permits shall be issued independent of the oil/gas operation."

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Pursuant to the provisions of Section 65356 of the Government Code, this Board adopts the foregoing section to the Chapter 3.6 of the Coastal Plan.
2. A copy of this Resolution shall be made available pursuant to Section 65357 of the Government Code.

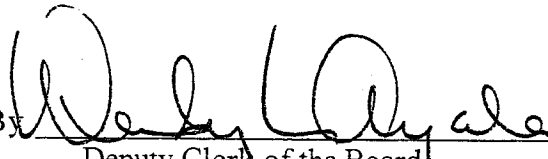
**PASSED, APPROVED, AND ADOPTED** this 21<sup>st</sup> day of September, 2004, by the following vote:

AYES: Supervisor Rose, Marshall, Gray and Centeno  
 NOES: None  
 ABSENT: Supervisor Schwartz  
 ABSTENTIONS: None

  
 \_\_\_\_\_  
 Joseph Centeno, Chair  
 Board of Supervisors  
 County of Santa Barbara

ATTEST:

MICHAEL F. BROWN  
 County Clerk of the Board

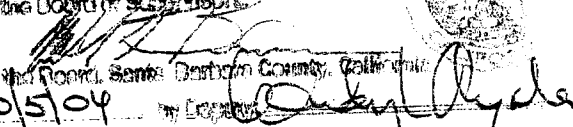
By   
 \_\_\_\_\_  
 Deputy Clerk of the Board


This is a true and correct copy of the original document as  
 the same is on file in my office. I bear the seal  
 and signature, and record in public in the  
 office of the Board of Supervisors.



APPROVED AS TO FORM:

STEPHEN SHANE STARK  
 County Counsel

  
 \_\_\_\_\_  
 Clerk of the Board, Santa Barbara County, California  
 Date: 10/5/04 by Deputy

By   
 \_\_\_\_\_  
 Deputy County Counsel

ORDINANCE NO. 4550

AN ORDINANCE AMENDING THE SANTA BARBARA COUNTY CODE  
BY REVISING ARTICLE II OF CHAPTER 35, TITLED "COASTAL ZONING ORDINANCE"

CASE No. : 04-ORD-0000-00008

The Board of Supervisors of the County of Santa Barbara, State of California, ordains as follows:

**SECTION 1:**

Division 2 "Definitions" of Article II of the Santa Barbara County Code is hereby amended, by adding the following new definitions to read.

ABANDONED (or ABANDONMENT), as used in Section 35-170 of this Article, shall mean the discontinuance of any permitted land use, or any independent business function of a permitted land use, and there is no evidence of a clear intent on the part of the owner to restart operations of the permitted land use, or the independent business function of a permitted land use.

IDLED (or IDLE), as used in Section 35-170 of this Article, shall mean a permitted land use or an independent business function of a permitted land use has had a zero throughput (enter and exit) for a period of one continuous year.

NATURAL CONDITIONS, as used in Section 35-170 of this Article, shall mean the reasonable and feasible return of land to a state that reflects the natural environment of the area without development. Retention of certain improvements or other items such as pipeline support footings would qualify as natural conditions if their removal would result in undesired environmental outcomes such as undesired destabilization of slopes due to removal of a retaining wall. Natural conditions do not necessarily equate to original or pre-development conditions.

PERMITTED LAND USE shall mean any land use, facility, activity, or site subject to this Chapter.

RECLAMATION, as used in Section 35-170 of this Article, shall mean conversion of a host site to natural conditions, or other conditions, in compliance with applicable laws and permits, including remediation of contamination, contouring of topography, re-vegetation and landscaping.

**SECTION 2:**

Division 9 "Oil and Gas Facilities" in Article II, Chapter 35 of the Santa Barbara County Code is hereby amended, by deleting Section 35-158.7.m, which reads:

m. Within 60 days of abandonment of facility operations, the operator shall submit an Abandonment and Restoration Plan addressing the abandonment of the wells and removal of all production equipment pursuant to Sec. 25-32 and 25-33 of the County Code and include provision for site restoration and revegetation.

### **SECTION 3:**

Division 11 "Permit Procedures" in Article II, Chapter 35 of the Santa Barbara County Code is hereby amended, by adding a new Section 35-170 to read:

### **Sec. 35-170. Abandonment of Certain Oil/Gas Land Uses.**

#### ***Sec. 35-170.1. Purpose and Intent.***

This section establishes procedures to achieve the timely abandonment of applicable land uses, and following such abandonment, the timely and proper removal of applicable oil and gas facilities, reclamation of host sites, and final disposition of pipelines, in compliance with applicable laws and permits. Such procedures ensure appropriate due process in differentiating idled from abandoned facilities and protect the vested rights of permittees while also ensuring that facilities with no reasonable expectation of restarting are removed, pursuant to the intent of enabling development permits. Timely abandonment provides a public benefit by avoiding unnecessary delays in remediating any residual contamination that may result during operations, and providing an effective means of mitigating several significant environmental and socioeconomic effects, including aesthetics, compatibility with surrounding land uses, and risk of default on demolition and reclamation obligations by the permittee.

#### ***Sec. 35-170.2. Applicability.***

Section 35-170 shall apply to the following land uses within the unincorporated area of the County:

1. All permitted uses defined in Sections 35-154, 35-155, 35-156, and 35-158 of this Chapter that handle, or at one time handled, oil, natural gas, natural gas liquids, produced water, or waste water that originated from an offshore reservoir, regardless of whether these uses were permitted in accordance with this Chapter or any preceding ordinance.
2. All marine terminals and oil storage tanks, regardless of whether these uses were permitted in accordance with this Chapter or any preceding ordinance.
3. All pipeline systems defined in Section 35-157 that, except for public utility natural gas transmission and distribution systems such as The Gas Company, either transport or at one time transported oil, natural gas, produced water, or waste water that originated from an offshore reservoir, regardless of whether these uses were permitted in accordance with this Chapter or any preceding zoning ordinance.
4. Unless specifically stated otherwise, reclamation of sites and corridors used to support any of the operations identified in 35-170.2.1, 2 or 3, above.

#### ***Sec. 35-170.3. Requirement to File an Application.***

1. The permittee of a permitted land use shall submit an application to the Director for a Demolition & Reclamation Permit (ref. Sec. 35-170.9 *et. seq.*) upon intentional abandonment of a permitted land use, or a major business function thereof.

2. The permittee of a permitted land use shall submit an application to the Director either to defer abandonment (ref: Section 35-170.4 *et. seq.*) or to obtain a Demolition & Reclamation Permit (ref: Section 35-170.9 *et. seq.*) upon the occurrence of either of the following:
  - a. Any event designated in an existing County permit that would require consideration of abandonment; or
  - b. The permitted land use or an independent business function of a permitted land use has become idle.

***Sec. 35-170.4. Filing an Application to Defer Abandonment.***

Any permittee subject to the requirements of Section 35-170.3.2 may file an application to defer abandonment, which shall be considered by the Director. The application shall be filed no later than 90 days after an event specified in Section 35-170.3.2 has occurred.

***Sec. 35-170.5. Contents of Application to Defer Abandonment.***

The application to defer abandonment shall be in a form and content specified by the Director and this chapter. Such applications shall contain the following:

1. Name, address, and contact information for permittee;
2. Name, address, and general description of the permitted land use
3. Date when permitted land use first became idle.
4. Reason for idle status.
5. Status of upstream production facilities, where applicable.
6. Listing of any facility equipment that has been identified on a plan (submitted in satisfaction of a County, Fire, or APCD permit) and has been either removed from the site or is not currently in operational condition. Include an explanation of the effect this missing or inoperable equipment has on the ability to restart operations and runs all processes. Also explain measures necessary to bring inoperable equipment back into operational condition.
7. Plans and schedule to restart operations and identification of any facility components that would remain inactive after restart.
8. Identification of reasonable circumstances that would hinder restart of operations according to plan and schedule.
9. Any other information deemed necessary by the Director.

***Sec. 35-170.6. Processing of Application to Defer Abandonment.***

1. The Director shall determine the completeness of any application and issue a completeness letter within 30 days of receipt. If the application is deemed incomplete, the Director shall specify in detail the deficiencies in the application.
2. The applicant shall submit information in response to an incompleteness letter within 60 days of receipt or, if it is not practicable to respond within a 60-day period, shall request an extension, not to exceed 60 additional days (total of 120 days to respond), within which to provide the required information.
3. The Director may choose, at his or her discretion, to conduct a public hearing to consider any application to defer abandonment. The public shall be given all reasonable opportunity to review the Director's recommended decision no less than ten days prior to conducting a public hearing on any application to defer abandonment in accordance with applicable procedures specified in Sec. 35-181.

4. The Director shall refer an application to defer abandonment to the Fire Department and Air Pollution Control District for review and comment.

***Sec. 35-170.7. Decision on Application to Defer Abandonment.***

1. Decisions for Idle Facilities. The Director shall grant the application unless the evidence shows that an idle facility has no reasonable possibility of being restarted or the owner has no intent of restarting the facility within a reasonable period of time. Notwithstanding the above, the Director shall approve the application for any pipeline subject to the jurisdiction of the Federal Energy Regulatory Commission if that Commission has determined that abandonment is not appropriate. The Director shall consider all relevant evidence in determining if a permitted land use has been abandoned, including whether any of the following have occurred:
  - a. The oil and gas leases that have supplied the permitted land use with product have terminated.
  - b. The oil and gas operations that have supplied the permitted land use with product have been abandoned.
  - c. For oil/gas land uses designated as consolidated facilities and sites under the zoning code, there are no other existing offshore leases that may reasonably be expected to use the consolidated facility or site in the next 10 years.
  - d. Major and essential components of a land use, or an independent business function thereof, have been removed from the site or have fallen into such disrepair that they are no longer functional.
  - e. Permits or other entitlements for the land use, such as permits from the Air Pollution Control District, have been surrendered, expired, revoked or otherwise rendered invalid and no intent has been demonstrated to renew or reacquire such permits.
  - f. The Fire Department has issued an order requiring abandonment.
  - g. Any other evidence that shows clear intent to abandon.
2. Decisions For Consideration of Abandonment Under Permit Conditions. The Director shall grant the application unless:
  - a. The Director finds under the applicable permit condition that abandonment of the permitted land use or independent business function thereof is required without further delay, and
  - b. The permittee no longer has a vested right to continue operation.
3. The Director's decision shall be transmitted by a public notice pursuant to applicable provisions of Section 35-181.
4. The Director's decision may be appealed to the Planning Commission within 30 days of noticing such decision. The Director's decision shall be final upon conclusion with the 30-day appeal period if no appeals have been filed. All appeals shall follow procedures specified in Section 35-182.

***Sec. 35-170.8. Deferral Period and Extensions of Approval to Defer Abandonment.***

The Director may approve an abandonment deferral for a period not to exceed 24 months from the occurrence of an event defined in Sec. 35-170.3.2.a or b. The Director may extend this period for one-year increments upon timely application by the operator. Applications for extensions shall be filed 90 days prior to the end of the approved abandonment-deferral period and shall contain the information specified in section 35-170.5, above.



***Section 35-170.9. Filing an Application for a Demolition & Reclamation Permit.***

Any permittee of a permitted land use that has not filed an application to defer abandonment pursuant to Section 35-170.4, or who has filed and that application has been denied, shall file an application for a Demolition & Reclamation Permit. The application for a Demolition & Reclamation Permit shall be filed no later than 180 days after an application to defer abandonment has been denied and all administrative appeals have been exhausted. If no application to defer abandonment has been filed, an application for a Demolition & Reclamation Permit shall be filed no later than 180 days after an event in Section 35-170.3.1 or 35-170.3.2 has occurred. The Director may grant extensions of time for good cause.

***Section 35-170.10. Content of Application for a Demolition & Reclamation Permit.***

The application for a Demolition & Reclamation Permit shall contain the following.

1. Name, address, and contact information for permittee.
2. Name, address, and general description of the permitted land use.
3. Gross and net acreage and boundaries of the property.
4. Location of all structures, above and underground, proposed to be removed.
5. Location of all structures, above and underground, proposed to remain in-place.
6. Location of all utilities on the property.
7. Location of all easements on or adjacent to the property that may be affected by demolition or reclamation.
8. To the extent known, the type and extent of all contamination and proposed remedial actions to the level of detail that can be assessed through environmental review. This information does not require a new or modified Phase 2 site assessment in advance of any such requirement by the Fire Department or State agencies with regulatory oversight of site assessments.
9. Location of areas of geologic, seismic, flood, and other hazards.
10. Location of areas of prime scenic quality, habitat resources, archeological sites, water bodies and significant existing vegetation.
11. Location and use of all buildings and structures within 50 feet of the boundaries of the property.
12. A proposed decommissioning plan that details the activities involved in removing structures from the site, including the following details: estimated number of workers required on site to decommission facilities and structures, disposition of equipment and structures proposed for decommissioning, projected method of transporting equipment, structures, and estimated debris from the site to the place of disposition as well as number of trips required, and an estimated schedule for decommissioning facilities.
13. A proposed waste-management plan to maximize recycling and minimize wastes.
14. Other permit applications as may be required by the Santa Barbara County Code to retain any existing structures, roadways, and other improvements to the property that were ancillary to the oil or gas operations and are proposed to be retained to support other existing or proposed uses of the property following abandonment of the oil and gas operations.
15. A proposed grading and drainage plan.
16. A proposed plan to convert the site to natural condition or convert to other proposed land use, including a detailed schedule for restoring the site: In the latter case, include other applicable permit applications required, if any, for the proposed land use.

17. A statement of intent as to the disposition of utilities that served the oil and gas operations, including water, power, sewage disposal, fire protection, and transportation.
18. Measures proposed to be used to prevent or reduce nuisance effects, such as noise, dust, odor, smoke, fumes, vibration, glare, traffic congestion, and to prevent danger to life and property.
19. Any other information deemed necessary by the Director to address site-specific factors.

***Section 35-170.11. Processing of Demolition & Reclamation Permit.***

1. The Planning and Development Department shall process complete applications for Demolition & Reclamation Permits through environmental review after determining such applications to be complete.
2. The Planning and Development Department shall process complete applications for Demolition & Reclamation Permits independently of any other permit applications to develop the site in question. However, Demolition & Reclamation Permits may be processed concurrently with development permits, provided that long delays in securing approval of development permits do not unduly hinder timely demolition of facilities and reclamation of host sites.
3. The Planning and Development Director shall consider complete applications for Demolition & Reclamation Permits and shall approve, conditionally approve, or deny the application. Any denial shall be accompanied by an explanation of changes necessary to render approval of the application.
4. The Director's decision shall be transmitted by a public notice pursuant to applicable provisions of Section 35 181.
5. The Director's decision may be appealed to the Planning Commission within 30 days of noticing such decision. The Director's decision shall be final upon conclusion with the 30-day appeal period if no appeals have been filed. All appeals shall follow procedures specified in Section 35-182.
6. Upon approval of the Demolition & Reclamation Permit or upon abandonment of operations, whichever occurs later, the Demolition & Reclamation Permit shall supercede any discretionary use permit issued for construction and operation of the facilities.

***Section 35-170.12. Findings Required for Approval of a Demolition & Reclamation Permit.***

A Demolition & Reclamation Permit shall only be approved if all of the following findings are made:

1. That significant adverse impacts to the environment due to demolition and reclamation are mitigated to a level of insignificance or, where impacts cannot feasibly be mitigated to insignificance, they are mitigated to the maximum extent feasible.
2. That, where applicable, streets and highways are adequate and properly designed to carry the type and quantity of traffic generated by the proposed demolition and reclamation.
3. That any condition placed upon the operator or responsible party for assessment or remediation of soil or water contamination fully conform with the permitting process and requirements of the Regional Water Quality Control Board and the Santa Barbara County Fire Department.
4. That the proposed reclamation will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood, and will not be incompatible with the surrounding area.

5. That the site will be restored to natural conditions unless any of the following conditions apply:
  - a. Areas within the site are subject to approved development, in which case restoration and landscaping of these areas will conform to the newly permitted development. In cases where development is proposed but not yet permitted, restoration of affected areas to natural conditions may be waived, provided that such development is permitted within five years and the permittee has posted financial assurances acceptable to the Director to assure restoration to natural conditions if the proposed development is not permitted.
  - b. Areas within the site are subject to agricultural uses that do not require a County permit, in which case the restoration will conform to conditions appropriate for such agricultural uses.

For purposes of this finding, the Director may allow abandonment in-place of specific improvements such as retaining walls or emergency access roads if the Director finds that their removal would be detrimental to the health, safety or welfare of the public or the environment (e.g., undesired destabilization of slopes due to removal of a retaining wall, or eliminating a needed public evacuation route).
6. That any retention of improvements to land has been duly permitted in accordance with the County Code where permits are required.
7. That the proposed reclamation will leave the site in a condition that is compatible with any existing easements or dedications for public access through, or public use of a portion of the property.
8. That the permit conditions contain specific enforceable requirements to ensure the timely closure of the host site and completion of post-closure activities.

***Section 35-170.13. Performance Standards for Demolition & Reclamation Permits.***

1. All equipment shall be cleaned of oil or other contaminants prior to dismantlement in order to reduce any risk of contamination of soils or water during demolition of the facility to the maximum extent feasible. Where applicable, the permittee shall prepare and submit a Spill Contingency Plan to the Fire Department. This plan shall identify measures to prevent and contain spills during dismantling and removal of facilities, as well as how spills will be cleaned up once they have occurred.
2. The permittee shall obtain all other necessary permits from other agencies and, where applicable, submit proof of permits issued by the California Division of Oil, Gas, and Geothermal Resources to plug and abandon wells or to inject waste water for purposes of disposal into any State oil and gas field prior to issuance of the Demolition & Reclamation Permit.
3. The demolition and reclamation shall be adequately monitored by a qualified individual, funded by the permittee and retained by the County, to ensure compliance with those conditions designed to mitigate anticipated significant adverse effects on the environment, and to provide recommendations in instances where effects were not anticipated or mitigated by the conditions in the permit.  
Pre- and post-reclamation surveys of sensitive resources shall be employed as appropriate to measure compliance.
4. Topsoil shall be stockpiled, covered, and saved for use as topsoil when excavated areas are back-filled, unless such soil is treated onsite or removed for offsite disposal due to contamination.

5. If appropriate, truck traffic transporting materials to and from the site shall avoid arriving or departing the site during the peak traffic hours of 7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m. weekdays (or other peak-hour periods applicable to the location of the traffic).
6. Adequacy of sight distance, ingress/egress and emergency access shall be verified by the Public Works Department and Fire Department.
7. Measures shall be implemented to inhibit dust generation, where appropriate. Unavoidable generation of dust shall be kept to a minimum through effective controls.
8. The permittee implements a viable recycling plan that meets County approval and includes provisions to maximize recycling of equipment, asphalt, and concrete, and to minimize disposal of wastes into hazardous waste and solid waste management facilities to the maximum extent feasible.
9. Contouring of the land shall be compatible with the surrounding natural topography, unless otherwise approved to accommodate another permitted use or required drainages.
10. Appropriate measures shall be implemented to control erosion both during and after site closure.
11. Establishment of vegetation shall be in conformance with an approved revegetation plan and the following standards:
  - a. In accordance with the County's Fire Plan, as implemented by the County Fire Department, all disturbed areas identified for vegetation shall be disked or ripped to an appropriate depth to eliminate compaction and establish a suitable root zone in preparation for planting, except where such requirement poses a significant adverse environmental impact.
  - b. Native seeds and plants shall be used when returning the area to natural conditions. The Director shall define an acceptable geographic area from which genetically compatible, native-seed stocks may be selected for site restoration in order to protect the genetic integrity and the habitat value of the site and its surrounding area. Other seeds, such a pasture mix, shall be allowed in areas designated for such use.
12. Subsurface segments of inter-facility pipelines may be abandoned in-place except under the following circumstances:
  - a. Presence of the pipeline would inhibit future land uses.
  - b. Modeling approved by the U.S. Army Corp. of Engineers or U.S. Bureau of Reclamation indicates that segments of the pipeline in erosive locations would become exposed at some time during the next 100 years, and environmental review determines that impacts from exposure and subsequent removal during inclement weather are more significant than removal at the time of abandonment.
13. Appropriate notification has been recorded with the County Clerk-Recorder to update, supersede or release the recorded rights-of-way where a subsurface pipeline is abandoned in-place. This notice shall describe the presence and location of the abandoned pipeline, any material placed in the pipeline for abandonment, and the operator and owner of the pipeline prior to abandonment.
14. The site shall be assessed for previously unidentified contamination. Any discovery of contamination shall be reported to the Director and the Fire Department. The permittee shall diligently seek all necessary permit approvals, including revisions to the Demolition & Reclamation Permit, if any are required in order to remediate the contamination.
15. The Director, in consultation with other County agencies, may impose other appropriate and reasonable conditions or require any changes to the project as deemed necessary to protect the health, safety, and welfare of the public, protect property, preserve the character, natural

resources, or scenic quality of the area, or implement the purpose of this Chapter or any other chapter of the County Code.

16. In the case of an Independent Business function of a Permitted Land Use, the Director shall have discretion to determine the timing and extent of the requirements of the Demolition & Reclamation Permit. Factors that the Director may consider include:
  - a. Whether removal of the Independent Business function would substantially reduce the overall footprint of the Permitted Land Use, reduce any significant visual impact, or reduce any significant risk to public safety.
  - b. Whether site restoration is feasible at the time the Independent Business function is removed, compared to deferring site restoration to such time that the entire Permitted Land Use is removed.
17. Appropriate notification has been recorded with the County Clerk-Recorder to describe the presence and location of any contamination left in place under the authority of the Fire Department

***Sec. 35-170.14. Revocation of Entitlement to Land Use.***

1. All entitlements provided in any use permits issued under this ordinance, or under any preceding zoning ordinance, to use the facilities shall be automatically revoked and no longer effective upon the County's denial of an application to defer abandonment and the exhaustion of available administrative remedies. Requirements of use permits necessary to ensure continued protection of public and environmental health, safety and welfare shall continue in full force and effect, including:
  - a. Conditions that specify liability of the owner, operator, and other persons.
  - b. Conditions that specify payment of County fees and costs.
  - c. Conditions that indemnify the County.
  - d. Where applicable, conditions that specify the County's authority to require abatement of public nuisances or require mitigation of environmental impacts that may occur prior to issuance of a Demolition & Reclamation Permit.
  - e. Where applicable, conditions that require oil spill prevention, preparedness, and response.
  - f. Where applicable, conditions that require emergency preparedness and response.
  - g. Where applicable, conditions that require safety inspections, maintenance, and quality assurance.
  - h. Where applicable, conditions that require site security.
  - i. Where applicable, conditions that require fire prevention, preparedness, protection and response.
  - j. Where applicable, conditions that require payment of fees, including fees that provide mitigation for ongoing impacts to the environment (e.g., payments to the Coastal Resource Enhancement Fund).
  - k. Substantive conditions that address abandonment; however procedural requirements for abandonment, demolition, and reclamation shall conform to Section 35-323 of this Chapter.

Upon revocation of entitlements in a use permit, the Director shall notify the owner or operator and include a list of permit conditions that remain in full or partial force.

2. All use permits issued under this ordinance, or under any preceding zoning ordinance, shall be automatically revised to remove any entitlement to continue the use any independent business function of a permitted land use determined to be abandoned in accordance with

Section 35-170. However, permit conditions necessary to ensure continued protection of public and environmental health, safety and welfare, such as those identified in Sec. 35-170.14.1, shall continue in full force and effect.

3. The permittee shall have a grace period of two years from the date of revocation of entitlements in use permits in order to secure a Demolition & Reclamation Permit. The Director may extend the grace period no more than one year, cumulatively, for good cause, or for longer periods for delays attributable to circumstances beyond the permittee's control.
4. Upon completion of the grace period, the abandoned land use or independent business function shall be treated as a deserted and illegal land use until such time that the permittee secures approval of a Demolition & Reclamation Permit.

***Sec. 35-170.15. Expiration of a Demolition & Reclamation Permit.***

1. Requirements. The permittee shall complete all requirements of the Demolition & Reclamation Permit prior to the expiration of the permit, including any extensions thereof. Failure to do so shall constitute a violation of this Article.
2. Term. Demolition & Reclamation Permits shall expire upon issuance of a "Reclamation Complete" letter by the Director, which shall be issued upon the satisfactory completion of the required work, or seven years after the date of issuance, whichever occurs sooner. The Director's "Reclamation Complete" letter shall certify completion of all required work except for remediation of contamination, which is certified by other agencies.
3. Extensions. The Director may extend the expiration date of the permit without penalty if the closure or re-vegetation of the site was delayed by circumstances reasonably beyond the permittee's control. Otherwise, Director may extend the expiration date of the permit with penalties, pursuant to Section 35-185 of this Article, in order to realize completion of all site closure and post-closure requirements. If the permittee requests a time extension for this project, the Director may revise the Demolition & Reclamation Permit to revise conditions and mitigating measures or to add new conditions and mitigating measures, which reflect changed circumstances, including newly identified impacts.

#### SECTION 4:

Division 12 "Oil and Gas Facilities" in Article II, Chapter 35 of the Santa Barbara County Code is hereby amended, by revising Section 35-182.2, "Appeals" to read:

##### *Sec. 35-182.2.*

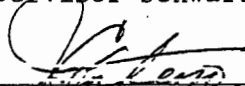
1. Except for those actions on Coastal Development Permits which are appealable to the Coastal Commission as provided for under Sec. 35-182.4., the decisions of the Planning and Development Department on the approval, denial, or revocation of Coastal Development Permits, final approval of projects under the jurisdiction of the Director, or decisions of the Board of Architectural Review may be appealed to the Planning Commission by the applicant, an aggrieved person (see definition) or any two members of the Coastal Commission. The appeal and accompanying fee must be filed with the Planning and Development Department as follows:
  - a. Within the ten calendar days following the date of decision for projects under the jurisdiction of the Director, *except for appeals pursuant to Sec. 35-170, in which case, filing shall occur within thirty calendar days following the date of decision.*
  - b. Within the ten calendar days following the posting date for the notice of Coastal Development Permit approval, as required by Section 35-181.3, or if denied, within the ten calendar days following the decision of the Planning and Development Department to deny such permit application.
  - c. Within the ten calendar days following the date of final decision by the Board of Architectural Review (BAR). If final approval by the BAR is appealed, the hearing on the appeal shall only be held after the decisions on the Coastal Development Permit but, prior to the issuance of the Coastal Development Permit for such project. The BAR appeal shall be processed concurrently with any appeal of the Coastal Development Permit. If a denial by the BAR is appealed, a separate hearing shall be held on the BAR appeal prior to the decision on the Coastal Development Permit. No permits shall be issued until all appeals have been heard and/or resolved.
  - d. The appellant shall state specifically in the appeal how 1) the decision of the Planning and Development Department on a Coastal Development Permit *or on applications under Sec. 35-170*, or a decision of the Director of the Board of Architectural Review is not in accord with the provisions and purposes of this Article or 2) there was an error or an abuse of discretion by the Planning and Development Department, Director or BAR. If the approval of a Coastal Development Permit (not subject to Section 35-182.4) required by a previously approved discretionary permit is appealed, the appellant must identify how the Coastal Development Permit is inconsistent with the previously approved discretionary permit, how the discretionary permit's conditions of approval have been unfulfilled, or how the approval is inconsistent with Sec. 35-181. (Noticing).

**SECTION 5:**

This ordinance and any portion of it approved by the Coastal Commission shall take effect and be in force thirty (30) days from the date of its passage or upon the date that it is certified by the Coastal Commission pursuant to Public Resources Code Section 30514, whichever occurs later; and before the expiration of fifteen (15) days after its passage, this ordinance, or a summary of it, shall be published once, together with the names of the Board of Supervisors voting for and against the same in the Santa Barbara News Press, a newspaper of general circulation published in the County of Santa Barbara.

PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this twenty-first day of September, 2004, by the following vote:

- AYES: Supervisor Rose, Marshall, Gray and Centeno.
- NOES: None
- ABSTAINED: None
- ABSENT: Supervisor Schwartz

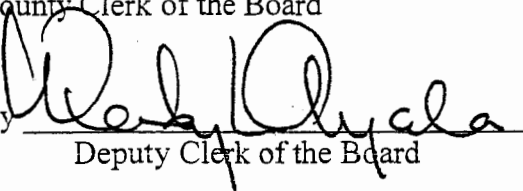
  


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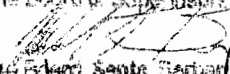
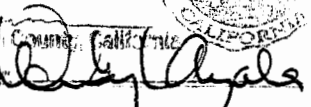
 Joseph Centeno, Chair  
 Board of Supervisors of the County of Santa Barbara  
 State of California

ATTEST:

MICHAEL F. BROWN  
County Clerk of the Board

By   
 Deputy Clerk of the Board

This is a true certified copy of the original document to file or of record in my office. It bears the seal and signature, imprinted in purple ink, of the Clerk of the Board of Supervisors.

  
  
 Clerk of the Board, Santa Barbara County, California  
 Date: 10/20/04 by Deputy 

APPROVED AS TO FORM:

STEPHEN SHANE STARK  
County Counsel

By   
 Deputy County Counsel