

CALIFORNIA COASTAL COMMISSION

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Th4a

June 24, 1999

TO: Coastal Commissioners and Interested Parties

FROM: Susan Hansch, Chief Deputy Director
Jaime Kooser, Deputy Director
Alison Dettmer, Manager, Energy & Ocean Resources Unit
Moirra McEnespy, Analyst, Energy & Ocean Resources Unit
Steve Monowitz, Analyst, Central Coast District Office

SUBJECT: Unocal Avila Beach Remediation Status Report

Staff Notes:

In a report dated April 22, 1999, (prepared for the May, 1999, Commission meeting), Coastal Commission staff provided a brief history of the Unocal Avila Beach oil spill; past Coastal Commission involvement, including permits issued for spill characterization, containment or remediation; current ongoing remediation activities; and future remediation activities and permitting requirements. This status report provides updates on the most recent activities. Note that Unocal's "Project Avila Update" is also attached.

Avila Beach Site Visit Opportunity. At their June, 1999, meeting, several Coastal Commissioners expressed interest in an Avila Beach site visit. San Luis Obispo County planning staff has responded by offering to assist in arranging such tours for Coastal Commissioners, either as a group or individually. (Please see the attached letter from Bryce Tingle, Acting Director of Planning and Building, SLO, to Sara Wan, Chair, CCC, June 18, 1999).

BACKGROUND HISTORY

Project Location. The community of Avila Beach is located on the coastline of San Luis Bay between the cities of Morro Bay and Pismo Beach, approximately eight miles west of State Highway 101. The town is bordered to the south by the Pacific Ocean, to the east by the Unocal Avila Tank Farm facility and the coastal bluffs at Fossil Point, and to the north and west by the San Luis Creek and Estuary. Further west lie the Unocal Pier and Port San Luis.

History of Unocal Operations. Petroleum hydrocarbon storage and transfer activities were conducted in the Avila Beach area from the early 1900's until 1997. Gasoline, diesel, gas oil (a semi-refined product similar to diesel) and crude oil were pumped between Unocal's bluff top tank farm and the Unocal Pier through a network of underground pipelines that run beneath Front Street and Avila Beach Drive. Unocal discontinued the tank farm and terminal operations in 1997.

Discovery of Contamination. In 1989, petroleum hydrocarbon contamination in soil and groundwater was discovered during a routine geotechnical survey for a commercial building permit. The attached "Current Hydrocarbon Soil Plume Map" shows the extent of the known gasoline-, diesel-, and crude oil-grade hydrocarbons underlying the town (particularly along and in the vicinity of Front Street), beach areas, and intertidal areas.

Cleanup Order. In April, 1998, the Regional Water Quality Control Board ("RWQCB") ordered Unocal to excavate much of the contamination. The order requires Unocal to commence and complete remediation by December 1, 1998, and December 1, 2000, respectively.

Unocal's Three-Celled Cleanup Approach. Unocal intends to remediate in three phases: Cell 1, the west town, October, 1998 – May, 1999; Cell 2, beach, April, 1999 – October, 1999; Cell 3, east town, October, 1999 – May, 2000.

Coastal Commission and Staff Involvement. Since 1992, the Coastal Commission and its staff have been actively involved in oil spill assessment and remediation activities at Avila Beach. The Commission and its staff also worked very closely with San Luis Obispo County to finalize County permit conditions covering the area within the appeal jurisdiction. The process was an innovative and unusual approach that allowed the Commission to withdraw its appeal and to keep the project on a RWQCB-ordered time schedule. On September 8, 1998, the Coastal Commission granted CDP No. E-98-13 to Unocal to conduct the beach portion of the cleanup. The Commission staff is also involved in developing the Avila Beach Specific Plan, to address reconstruction of the town. The staff provides monthly updates to the Commission on the status of the remediation and specific planning process.

ONGOING SITE ACTIVITIES, JUNE 1999

To summarize major cleanup activities at Avila this past month:

Town Areas:

- Unocal is backfilling Cell 1B; and
- Demolishing the seawall and sidewalk.

Beach Areas:

- Unocal continues cleanup on the beach. Excavation of contamination in Cell 2A is generating large volumes of free product that is being removed using skimmers and vacuum trucks;
 - Much of the contamination lies below the water table, extending to depths of -4 to -7 feet MSL, and is being removed using a dredge instead of an excavator;
 - Substantial remains of the old railroad are being unearthed and removed when feasible;
 - Initial sampling from the completed portions of Cell 2A indicates that residual contamination levels are well below the target cleanup level;
- Unocal is also removing overburden in Cell 2B.

Although the project is proceeding fairly smoothly, noise continues to be an issue:

- Simultaneous demolition (seawall, sidewalk), excavation, and sheet pile driving elevate noise and vibration levels. Noise levels are relatively high in all areas with a line of sight view of sheet pile activities. Vibration propagation is higher in areas with harder subsurface soils, such as Cell 1B. An environmental monitor will be on-site this week to conduct detailed noise monitoring to confirm peak noise levels and the frequency/duration of peak levels.

With respect to the Front Street Enhancement Plan:

The Front Street Enhancement Plan as incorporated in the Local Coastal Program provides guidelines for improvements along Front Street.

- Unocal is pursuing "Phase I" of the Front Street Enhancement Plan, which primarily involves replacement of previously existing facilities rather than new improvements. Specifically, Phase I includes replacing public bathrooms at the base of the pier, replacing beach access stairs west of the pier, rebuilding the base of the pier, and establishing an observation deck on the seaward side of Front Street at the end of San Miguel (the set of bathrooms that previously existed at this location have been consolidated with the bathrooms at the base of the pier).
 - Although all of these developments were included and authorized as part of the County clean-up permit, some redesign of the plans prompted the County to require a new coastal permit, including full public review.
 - The new review was helpful, primarily because it led to consolidation of the bathrooms at the base of the pier, eliminating the old restroom structure at the base of San Miguel which blocked coastal views.
- The Phase I project was brought to the SLO Planning Commission on June 10, but continued in order to let the Avila Valley Advisory Council ("AVAC") complete its review. The project will be brought back to the Planning Commission in early July.

- "Phase II" of the Front Street Enhancement Plan will address the replacement/improvement of beach access facilities on the west side of the pier. The County expects the Phase II application this week.

Other Issues

- The rebuilt pier design can accommodate the replacement of the Yacht Club building, and the County clean-up permit allows for its replacement at its previous location. The Yacht Club, Port San Luis Harbor District, Army Corps of Engineers, and others signed an agreement that the Yacht Club building would be replaced in its pre-cleanup location in order to protect its historic value. There is, however, local controversy over its replacement location that has not yet been completely resolved.

With respect to the Specific Planning Process:

- The Central Coast District staff received the Public Review Draft of the Specific Plan on June 7, and the Draft EIR on June 3. The district staff will provide comments, which are due July 21. The County Planning Commission will be introduced to the Public Review Draft of the Plan at a workshop scheduled for July 8.

With respect to Disbursement of the Settlement Agreement Monies:

- The Commission staff is working with the Department of Fish and Game's Office of Spill Prevention and Response ("OSPR") to disburse settlement monies held in trust by the OSPR per the MOU that was entered into by the CCC and the OSPR on September 16, 1998. The disbursement process is still in the early planning stages. The Commission staff will bring recommendations and proposals before the Commission for comment. *(Please see the attached letter relating to this process from Peg Pinard, Supervisor, District Three, to Avila Multi-Agency Committee members, March 26, 1999).*

Project Avila Update



From the Desk of
Bill Sharrer

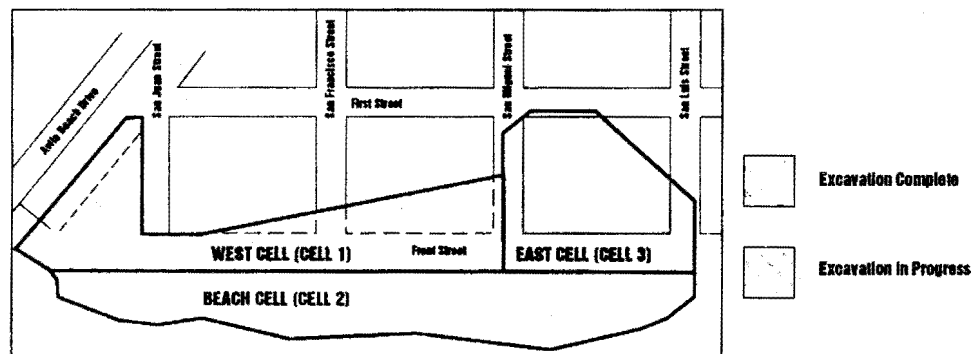
UNOCAL 

May 24, 1999

Dear Neighbor,

Unocal's first priority in Avila Beach is to complete Project Avila on schedule, and we are making great progress.

Excavation in Cell 1 is complete, and we are on schedule to complete Cells 2 and 3 before the summer of 2000. By early next year, Unocal will have fulfilled its commitment to remove affected soil from the town and replace it with clean soil. (See progress map below:)



The rebuilding portion of the project, called the Front Street Enhancement Project, has recently been divided into two phases. Work will begin on both phases as soon as the community's vision for Avila is finalized and permits are approved by local and state agencies.

Unocal has received numerous questions regarding its plans for its private property in town. We provided two parcels of private property to the community last June as a part of the settlement agreement we reached with San Luis Obispo County and the State of California. We do not plan on developing our remaining property ourselves. However, we do plan on selling it in a responsible way so that Avila can be rebuilt and become self-sustaining in a timely fashion.

If you have any questions regarding the status of the project, please call our toll-free hotline at 1-877-Unocal-7 or visit our web site at www.projectavila.com.

Thank you for your patience and understanding as we conclude our activities in a responsible way.

Sincerely,

Bill

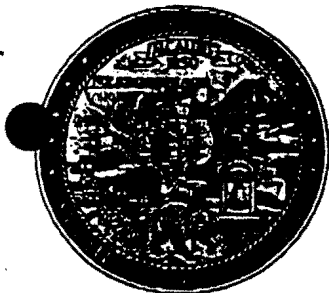
Bill Sharrer



CONCLUDING OUR ACTIVITIES
IN A RESPONSIBLE WAY.

Toll-Free Hotline
1-877-Unocal-7

Visit our Website
www.projectavila.com



James
SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

ALEX HINDS
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ASSISTANT DIRECTOR

ELLEN CARROLL
ENVIRONMENTAL COORDINATOR

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CHIEF BUILDING OFFICIAL

PATRICK BRUN
ADMINISTRATIVE SERVICES OFFICER

June 18, 1999

Sara Wan, Chair
California Coastal Commission
45 Fremont Street; Suite 2000
San Francisco, CA 94105

RECEIVED
JUN 23 1999
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COASTAL COMMISSION

Post-It™ brand fax transmittal memo 7671		# of pages >
To <i>Alison Dettner</i>	From <i>J. Caruso</i>	
Co. <i>CCC</i>	Co. <i>San Luis Obispo County</i>	
Dept.	Phone #	
Fax #	Fax #	

Dear Chairperson Wan:

County staff attended your recent Commission meeting in Santa Barbara to discuss the Unocal clean up projects in San Luis Obispo County. At that meeting, several Commissioners expressed a keen interest in visiting both the Avila Beach and Guadalupe oil field clean up sites. As you know, your Commission will be addressing the specific plan now being prepared for Avila Beach, as well as the 5X clean up project on the beach at the Guadalupe oil field.

We concur that a field trip to these two areas would be educational for all Commissioners especially the new Commissioners who have not yet had an opportunity to visit the sites. We realize the difficulties in arranging logistics for the entire Commission to visit the County; however, we would be very pleased to assist in arranging tours for Commissioners, either as a group or individually. Please feel free to have your staff contact John Euphrat, Principal Planner, at (805) 781-5194 to assist in making arrangements for these site tours.

We continue to appreciate your agency's cooperation and assistance in working with San Luis Obispo County on the oil cleanup projects. We look forward to touring the project sites with you.

Sincerely,

Bryce Tingle

Bryce Tingle, AICP
Acting Director of Planning and Building

cc: Peter Douglas

BOARD OF SUPERVISORS

COUNTY GOVERNMENT CENTER, Room 370 • SAN LUIS OBISPO, CALIFORNIA 93408-2040 • 805.781.5450



TO: Avila M.A.C.C. Members

FROM: Peg Pinard, Supervisor District Three

DATE: March 26, 1999

SUBJECT: Avila Mitigation Funds

SUPERVISOR PEG PINARD
DISTRICT THREE

This procedure was presented to all the agency representatives at the Avila M.A.C.C. meeting as well as in discussion with Steve Sawyer, Dept. of Fish and Game, but I'd like to follow it up in writing. That way, you can all take a look at it and add your suggestions so that we can make this work for the best interests of the people we serve and honor the provisions and intent of the Settlement Agreement.

Rather than each agency holding mitigation funds in trust having to duplicate efforts and really, not know what each other is doing, I suggest an open process that allows the community to voice their issues, concerns, questions, etc., in a forum with all trustee agencies present. The benefit is that:

1. Each agency's criteria will be met.
2. It will save overhead expenses. Each dollar spent on a consultant is a dollar that will not be able to be used to help recover from this very invasive excavation.
3. It will insure that projects aren't "double funded." One problem that arose in the past is that an applicant with a project will likely try to submit it to multiple agencies hoping to get the project funded by one of them. Of course, the agencies won't know this unless the process and applicants are fully disclosed.
4. It will make sure that the projects selected have the support of the community. After all, what agency would want to fund a project for Avila that no one in Avila wants?
5. It will provide everyone with an understanding of why the projects that are selected were chosen to be funded. With the ability to explain the 'reasoning' at a public workshop, people will be able to understand the strengths or weaknesses of a project without having to speculate as to any agency's motivations. This is particularly important since the best way to undermine trust in a government agency is for the people to feel that decisions were made behind closed doors or by a group of people who know very little about the area and it's needs.

With that having been said, may I suggest a procedure that will be to everyone's mutual benefit? First of all, the community has been working on the restoration Design Plan for Avila Beach. It has actually been the bright spot in an otherwise dismal sight in Avila right now. We all need to be thankful that we don't have to personally live through what Avila residents are enduring living through---on behalf of everyone else! It's the personal sacrifice of all Avila residents that will allow the rest of us to enjoy a clean environment in the years to come....but WE are not the ones being asked to pay the cost.

Back to the proposal...the community has spent a lot of money and a lot of time going through a process that is exactly what is needed for implementation of the mitigation funds. This open, very public process has reviewed the goals of the community and is in the final stages of the Community Design Plan. There have been over eight such meetings---which have been widely publicized and very well attended. The consensus achieved has been nothing short of remarkable! In this Plan, there are projects that have risen to the top in everyone's mind and which will need to be funded. These projects need to be prioritized and a discernment made as to which mitigation fund it would most properly fit.

This could be achieved by holding a series of joint public workshops by all the agencies involved. At that time, there would be a large chart with all the individual qualifications listed from each agencies for disposition of their funds. (I have received the dept. of Fish and Game's requirements but I need the rest of yours). The community would then bring the list already prioritized to the meeting. We would start with the first item on the list and see which mitigation fund would be most appropriate to handle each specific project. Agency personnel would be available to explain why something would or wouldn't fit their particular niche. Again, the benefit of open dialogue is for the greatest level of understanding.

Each agency representative should leave that meeting with a list of projects that came from a process conducted very openly, smoothly, and having the most community support. What could possibly be a better definition of a success?!

One issue was raised that needs to be addressed, and that is the issue of "trustee" and the need to advertise in a wider area. That's fine, and should someone step forward who can present a really terrific project then I am sure it will be seen for what it is. The one thing that has been so wonderful during this process is that good ideas have come from all segments of the general public and, when presented to the Avila community, are embraced and many have been included in the Design Plan.

Realistically though, after all the publicity and public meetings that have occurred, if someone has not shown any interest until they see an ad about money being available for mitigation projects in Avila, then one would have to wonder about sincerity and motivation. Again, if it's a great idea, the community will see it. This open process makes sure that projects are not funded for Avila that no one in Avila wants. I don't think any agency would want to put itself in that position.

After these workshops then each agency could bring the consensus achieved back to their boards for a decision and disposition.

By doing this together, we can have a more open, public process that will save the community money that can (and should) be better spent on projects in the community. This coordinated effort will make use of the process already underway with the Community Design Plan and not duplicate efforts or fund projects that the community does not support.

This is the process I have consistently used with the community so that the end result is one of understanding and consensus. This is precisely how we were able to go to the Coastal Commission with the united community position for this cleanup effort, even when it meant some tremendous sacrifices on the part of the Avila residents.

I hope you will review this proposal and add any suggestions that you might have. Conducting public meetings is one of the things I do best---and hey, I'm free! Avila needs the funds for rehabilitation and the more we can do to make that happen the better it will all turn out in the end.

Part II

Agency Administration of Settlement Funds

The next step will be for each of the agencies to decide on the projects and get someone to oversee the project's completion. Again, a coordinated effort would be to everyone's advantage. The cost of each agency hiring a consultant to oversee would detract from money that could actually go into those projects. Due to the current cost of projects, it doesn't seem possible that there would be a great number of such projects to manage. One good project could use the entire amount from any one agency. It would be very prudent and responsible for the agencies to agree on one manager who would then oversee the projects selected on behalf of each agency.

Each agency is being asked to hold off on any RFPs at this time. At this point, the amount of supervision needed is unknown. Some projects that will be coming before you for consideration will be very well defined---possibly to engineered working drawings. Those will need only minor supervision and administration. Others may be more conceptual in nature. Who you will want to do this management level work may change when you decide on the actual projects. The particular management skills needed may also change.

The goal of administering this program is to be responsible trustees of these mitigation funds. The community of Avila requests that you do all that you can to insure that the greatest amount of money goes to the restoration effort and not to administrative overhead.

Thank you for listening at the last M.A.C.C. meeting and for reviewing this proposal.

Sincerely,



Peg Pinard

Supervisor District Three

cc: Coastal Commission