CALIFORNIA COASTAL COMMISSION





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Commission Action/	/ote:

STAFF REPORT REGULAR CALENDAR

Application No.:

E-02-020

Project Applicant:

Project Location:

Project Description:

Venoco, Inc.
Casitas Beach near Casitas Pier at Dump Road, Carpinteria, Santa Barbara County
The project includes (1) repairing a 10-inch gas pipeline by installing three 12³/₄-inch diameter steel pilings approximately 50 feet apart and replacing cathodic protection coating; and (2)

re-grouting a small area of the adjacent oil pipeline casing.

Substantive File Documents: Appendix B

SYNOPSIS

Venoco, Inc. ("Venoco") owns a 10-inch gas pipeline and a 10-inch oil pipeline that runs from Platform Grace (located in federal waters) to the Carpinteria Oil and Gas Processing Facility located within the City of Carpinteria.

In November 2001, Venoco requested from the Executive Director of the Coastal Commission an emergency permit to install three steel pilings to stabilize the gas pipeline that was found to be free spanning 150-feet in the surf zone. The Executive Director agreed the situation constituted an emergency because the pipeline's existing grout bag supports failed and the pipeline was freespanning before the beginning of the winter storm season. Without the additional pilings, the pipeline could have ruptured during a severe winter storm. On November 19, 2001, the Executive Director issued Emergency Permit E-01-028-G authorizing the new pilings. E-02-020 (Venoco, Inc.) Page 2 of 13

In December 2002, winter storms exposed a section of the gas pipeline at the beach resulting in the loss of some cathodic protection wrapping, which put the pipeline at risk of failure. Venoco requested a second emergency permit to replace the lost cathodic protection wrapping and to apply new grout to a small damaged area of the concrete exterior of Venoco's adjacent oil pipeline. The Executive Director issued Emergency Permit E-02-027-G on December 30, 2002.¹

In this application, Venoco seeks authorization to make permanent the emergency work undertaken under the authority of Emergency Permits E-01-028-G and E-02-027-G. That work included: (1) installing three 12³/₄-inch diameter steel pilings approximately 50 feet apart using a pile driver, to replace the gas pipeline support previously provided by grout bags; (2) attaching the pilings to the gas pipeline using steel clamps with armatures up to three feet long; (3) repairing the cathodic protection system along 20 feet of the gas pipeline by applying adhesive and shrink wrap coatings; and (4) applying "Splash Zone" protective coating grout not thicker than two inches to an 18-inch area of the oil pipeline's concrete casing. The work took place on the beach and in the surf zone during low tide, out to 150 feet seaward of the mean high tide line.

The project's most significant potential impact was disturbance to a nearby Pacific harbor seal haul-out and pupping area. Seals are sometimes only several feet away from the pipelines. Repair work could have disturbed harbor seals, resulting in "take" or "harassment" as defined by the federal Marine Mammal Protection Act. The applicant implemented an Executive Director-approved Wildlife Protection Plan. It required, among other measures, the presence of a marine mammal monitor to be onsite during all project activities. Work was prohibited when pregnant seals or pups were present in the project area. The monitor was authorized to halt or redirect work. The monitor reported one incident of four seals leaving the beach and entering the water, perhaps due to project-related noise. Allowing the new pilings and other materials to remain in place will not cause additional disturbance to the seals.

The Commission staff is recommending one condition (**Special Condition 1**) that would require Venoco to inspect for structural integrity each year for the life of the pipelines those segments of each pipeline that lie within the surf zone and on the beach. That structural assessment is to include photographs and a written assessment submitted to the Executive Director and the City of Carpinteria describing any repair or maintenance work that may be necessary before the next storm season. The purpose of this requirement is to ensure that Venoco regularly inspects the lines and identifies any needed repair or maintenance activities early such that (a) no catastrophic line failure will occur resulting in a spill and (b) it can acquire permits and carry out any repairs in advance of the seal's pupping season and the City of Carpinteria's annual beach closure period (December 1-May 31).

The Commission staff believes that the project, as conditioned, is consistent with the Chapter 3 policies of the Coastal Act. The Commission staff therefore recommends <u>approval</u> of coastal development permit application E-02-020, as conditioned.

¹ The work to install of pilings and clamps to support the gas pipeline took place from November 26, 2001 through November 30, 2001. The work to replace cathodic protection on the oil pipeline, and grouting of the oil pipeline's concrete casing, took place on December 31, 2002 and January 3, 2003.

1.0 STAFF RECOMMENDATION

Approval with Conditions

The staff recommends conditional approval of Coastal Development Permit Application No. E-02-020.

Motion:

I move that the Commission approve Coastal Development Permit Application No. E-02-020 subject to the conditions specified below.

The staff recommends a YES vote. To pass the motion, a majority of the Commissioners present is required. Approval of the motion will result in the adoption of the following resolution and findings.

Resolution:

The Coastal Commission hereby **grants** permit No. E-02-020, subject to the conditions below, for the proposed development on the grounds that (1) as conditioned, the development will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976 and (2) there are no feasible alternatives or feasible mitigation measures, other than those specified in this permit, which would substantially lessen any significant adverse impact which the activity may have on the environment.

2.0 STANDARD CONDITIONS Appendix A

3.0 SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. **Pipeline Inspection.** By July 1 of each year for the operating life of the pipelines, Venoco, Inc. shall inspect for structural integrity those segments of its oil and gas pipeline that lie in the surf zone and beach. Venoco shall perform at least one visual inspection with binoculars and a camera during the beach closure (December 1 through May 31) before May 31 of each year when sand levels are still low, and one up-close inspection of the oil and gas pipelines shall be performed after May 31 and before July 1. By August 1 of each year, Venoco, Inc. shall submit the results of each annual inspection to the Executive Director of the Coastal Commission and the City of Carpinteria. The report shall include photographs of each pipeline while uncovered by sand, a written description of the condition of the pipelines and their protective coatings, and a written assessment of whether any repair or maintenance work may be necessary before the next storm season and annual beach closure. Venoco, Inc. shall submit to the Coastal Commission within 60 days of submitting the structural assessment report either an amendment application or new permit application if the report recommends any necessary repair or maintenance work that would require a coastal development permit.

4.0 FINDINGS AND DECLARATIONS

4.1 **Project Location**

The proposed project work took place on the beach approximately 90 feet east of Casitas Pier, which is located at the end of Dump Road in Carpinteria, in Santa Barbara County (See Exhibit 1, "Project Location"), and in the surf zone and nearshore area up to 150 feet offshore.

4.2 Project Background and Description

Project Background

In 1965, Chevron installed Casitas Pier following the installation of platforms Hazel, Hilda, Hope, and Heidi off Carpinteria (which were decommissioned in 1996). In March 1999, Venoco, Inc. ("Venoco") took over operation of the Casitas Pier. The pier is used to load supplies and personnel for offshore oil platforms owned or operated by Venoco, Pacific Operators Offshore, Torch Oil Company, Nuevo Energy, and Pacific Oil and Pipeline Company. The Carpinteria Oil and Gas Processing Facility located inland from the pier is used to store and process oil and gas produced from the platforms. Oil and gas pipelines, along with power and telephone cables for the offshore oil platforms, extend offshore from just east of Casitas Pier. A Venoco-owned 10-inch gas pipeline transports sweet gas from Platform Grace, and a Venocoowned oil pipeline also originating at Platform Grace both terminate at the Carpinteria Oil and Gas Processing Facility.

The beach at Casitas Pier is closed each year from December 1 to May 31 pursuant to a municipal ordinance from the City of Carpinteria. The beach closure is intended to protect the harbor seal colony located immediately adjacent to Casitas Pier, as pregnant harbor seals haul out onto the beach to give birth and nurse seal pups during that time period.

In November 2001, Venoco requested the issuance of an emergency permit to install three new steel pilings and clamps to stabilize its free-spanning 10-inch gas pipeline. The Executive Director agreed the situation constituted an emergency because the pipeline's existing grout bag supports had failed and the pipeline was free-spanning before the beginning of the winter storm season. Without the additional pilings, the pipeline could have ruptured during a severe winter storm. On November 19, 2001, the Executive Director issued Emergency Permit E-01-028-G authorizing installation of three new pilings. The work to install of pilings and clamps to support the gas pipeline took place from November 26, 2001 through November 30, 2001.

In December 2002, winter storms and sand scour exposed a section of the gas pipeline at the beach. This exposed section lost its cathodic protection wrapping putting the pipeline at risk of failure. Venoco requested a second emergency permit to authorize replacement of the cathodic protection wrapping and repair by applying grout a small area of the concrete exterior of Venoco's adjacent oil pipeline. The Executive Director issued Emergency Permit E-02-027-G on December 30, 2002. The work to replace cathodic protection on the oil pipeline, and grouting of the oil pipeline's concrete casing, took place on December 31, 2002 and January 3, 2003. This coastal development permit application is a follow-up application to the two emergency

permits, E-01-028-G and E-02-027-G, requesting that the emergency work be permanent. (See Exhibits 2 and 3).

Project Description

Venoco seeks authorization to make permanent the emergency work undertaken under the authority of emergency permits E-01-028-G and E-02-027-G. That work included: (1) installing three 12³/₄-inch diameter steel pilings approximately 50 feet apart using a pile driver, to replace the gas pipeline support previously provided by grout bags; (2) attaching the pilings to the gas pipeline using steel clamps with armatures up to three feet long; (3) repairing the cathodic protection system along 20 feet of the gas pipeline by applying adhesive and shrink wrap coatings; and (4) applying "Splash Zone" protective coating grout not thicker than two inches to an 18-inch area of the oil pipeline's concrete casing. The work took place on the beach and in the surf zone during low tides, out to 150' seaward of the mean high tide line.

To install the three steel pilings, the applicant's contractors lowered equipment onto the beach using a crane from Casitas Pier. The contractors jetted away beach sand from the pipeline area as necessary to provide work space, and used a pile driver to install the three pilings. The contractors then installed pipeline clamps, cut off the top of the pilings above the clamps, and removed all equipment and debris from the project area.

4.3 Other Agency Approvals

4.3.1 National Marine Fisheries Service

The National Marine Fisheries Service ("NMFS") is the agency responsible for enforcing the Marine Mammal Protection Act. NMFS issued an Incidental Harassment Authorization ("IHA") to Venoco on November 21, 2002, which was valid from November 26, 2001 through November 28, 2002. Venoco elected not to apply to extend the IHA after that date.

4.3.2 U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers issued a Certification of Compliance 200200030-MDC with the Army Corps' Nationwide program on November 19, 2001, for installation of three pilings to provide structural support to the gas line and wrapping the gas pipeline for cathodic protection.

4.4 Coastal Act Issues

4.4.1 Fill Policy

Coastal Act § 30233(a) states:

(a) The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible

mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:

(1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.

(2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps. (3) In wetland areas only, entrance channels for new or expanded boating facilities; and in a degraded wetland, identified by the Department of Fish and Game pursuant to subdivision (b) of Section 30411, for boating facilities if, in conjunction with such boating facilities, a substantial portion of the degraded wetland is restored and maintained as a biologically productive wetland. The size of the wetland area used for boating facilities, including berthing space, turning basins, necessary navigation channels, and any necessary support service facilities, shall not exceed 25 percent of the degraded wetland. (4) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities. (5) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines. (6) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.

(7) Restoration purposes.

(8) Nature study, aquaculture, or similar resource dependent activities.

Coastal Act Section 30108.2 defines "fill" as "earth or any other substance or material ... placed in a submerged area." The installation of three pilings in open coastal waters constitutes "fill" as that term is defined in the Coastal Act. Coastal Act Section 30233 restricts the Commission from authorizing a project that requires filling open coastal waters unless it meets three tests. The first test requires the proposed activity to fit within one of eight categories of uses described in Coastal Act Section 30233(a)(1)-(8). The second test requires that there be no feasible less environmentally damaging alternatives to the fill. The third test mandates that feasible mitigation measures be provided to minimize the project's adverse environmental effects.

- <u>Allowable Use Test</u>: Coastal Act Section 30233(a)(5) allows fill in open coastal waters for "new or expanded port, energy, and coastal-dependent industrial facilities." The purpose of the proposed fill is to repair the gas pipeline support, and the gas pipeline is an essential part of the infrastructure of a coastal-dependent industrial facility. Therefore, the Commission finds that the proposed gas pipeline supports and clamps qualify as an allowable use pursuant to Coastal Act Section 30233(a)(5).
- 2) <u>No Feasible Less Environmentally Damaging Alternatives</u>: The second test of section 30233 requires an assessment of whether there are feasible less environmentally damaging alternatives to the fill. The purpose of the fill in this circumstance is to provide necessary pipeline structural support. The applicant considered the following project alternatives:

- (a) <u>No Project.</u> The no-project alternative would not solve the problem of the freespanning gas pipeline, which exceeded the design maximum length of pipeline that could operate without support. The no-project alternative could also be much more environmentally damaging than the proposed project if the lack of support for the gas pipeline resulted in a catastrophic break of the pipeline and an explosion occurred near the adjacent harbor seal rookery.
- (b) <u>Grout bags.</u> The past use of concrete grout bags as support for the gas pipeline has been demonstrated to be inadequate as the high energy intertidal location and strong winter storms have regularly eroded and destroyed grout bag supports. Moreover, grout bags also constitute "fill" and therefore this alternative would not eliminate the filling of open coastal waters.
- (c) <u>Trenching of pipeline through hard bottom substrate.</u> The nearshore portion of the gas pipeline is located within and above successive ridges of hard bottom substrate. One alternative to stabilize and support the gas pipeline would be to create a trench for the pipeline through hard bottom substrate with explosives. However, this alternative would destroy or damage environmentally sensitive intertidal hard bottom habitat. Such a project might also be highly disruptive to the seal rookery. Therefore, this alternative would be more environmentally damaging as compared to the proposed project.

The above-described alternatives either do not achieve project objectives, or would have greater environmental impacts than the proposed project. The Commission thus agrees that the proposed project is the least environmentally damaging feasible alternative.

3) <u>Feasible Mitigation Measures</u>: The third test under Section 30233 requires that the project include feasible mitigation measures to minimize adverse environmental effects. The two emergency permits issued for this project required implementation of construction-related measures to avoid or minimize adverse impacts to coastal resources such as marine mammals. In other sections of this report, the Commission has found that allowing the fill to remain will not adversely affect coastal resources. The Commission thus finds that the third test of Coastal Act Section 30233(a) has been met.

4.4.2 Marine Resources

Coastal Act § 30230 states:

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environmental shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.



4.4.2.1 Marine Mammals

The area immediately east of the pipelines is used by Pacific harbor seals (*Phoca vitulina richardsi*) as a pupping and haul out area. The seals use the area for hauling out year round, but the area is of particular importance during pupping season from December through May of each year, and during molting season during June and July each year. The beach is closed to the public from December 1 to May 31 to prevent disturbance to the seals during pupping season under City of Carpinteria municipal ordinance 12.24.090. This harbor seal colony is one of only two seal colonies along the mainland coast of Southern California that is accessible to the public.

Harbor seals are protected under the Marine Mammal Protection Act ("MMPA"), which defines "take" as to "harass," hunt, capture, or kill, or attempt to harass, hunt, capture or kill any marine mammal. "Harassment" is defined under 1994 amendments to the MMPA to mean any act of pursuit, torment, or annoyance which either has the potential to injure a marine mammal or marine mammal stock in the wild (Level A); or has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption or behavioral patterns, including, but not limited to, migration, breathing, nursing, breeding, feeding, or sheltering (Level B). The National Marine Fisheries Service ("NMFS") is the federal authority with authority to enforce the MMPA and to issue Incidental Harassment Authorizations ("IHAs") for limited impacts to marine mammals. NMFS issued an IHA to Venoco on November 21, 2002, which was valid from November 26, 2001 through November 28, 2002. Venoco chose not to seek an extension to its existing IHA or apply for a new one for the two days of additional work that occurred in December 2002 and January 2003.

An *ad hoc* citizens group called Seal Watch was formed in 1990 to educate the public about the Carpinteria seal colony and to protect the seals, and the group monitors the colony from January through April of every year. It records the numbers of animals seen hourly, as well as disturbances to the colony.

This work had the potential to disturb the harbor seals due to presence of project personnel and equipment and project noise. Such disturbance may result in take or harassment as defined by the MMPA. Short-term impacts may include "flushing" the seals, or forcing them off the beach and into the water, which has the potential to kill newly born seal pups or harm pregnant seals which should not be moving rapidly, if the project occurs during pupping season. Long-term impacts from significant disturbance may include eventual abandonment of the seal rookery site due to the cumulative effect of various projects at the same beach site.

For all activities, a marine mammal monitor, approved by the Executive Director, was present on site. Before installing the gas pipeline piling supports and clamps, the applicant prepared a Wildlife Protection Plan. The Wildlife Protection Plan described in detail the applicant's proposed measures to prevent and minimize potential impacts to the harbor seals. These measures included: training of project personnel; a prohibition of work when seal pups or pregnant seals were present; establishment of a 500-foot buffer around the project site to prevent harm to harbor seals during pile-driving; minimization of project-related noise; authorization of the marine mammal monitor to halt or redirect project work; and a requirement for a written report from the marine mammal monitor following completion of project work. In addition,

Emergency Permit E-01-028-G required that the pilings, clamps, armatures, and bolts be wrapped or coated with suitable material to provide a smooth surface that will reduce the possibility of harm to human or marine life.

The work authorized under E-02-027-G (replacing a portion of the gas pipeline's cathodic protective coating and re-grouting an area of the oil pipeline) was carried out over a two-day period during the harbor seal pup season. The marine mammal monitoring report noted that 67 seals were present on the beach on January 3, 2002. One minor disturbance occurred that caused four seals to temporarily leave the beach and enter the water. NMFS is currently reviewing the monitoring report and investigating the incident to determine if any violation of the MMPA occurred.

Now that construction is complete, the development will not cause ongoing adverse impacts to marine mammals. To further minimize potential future impacts, and to minimize the possibility that emergency, repair or maintenance work will disturb seals during pupping season, Special Condition 1 requires that by July 1 of each year for the operating life of the pipelines, Venoco, Inc. shall inspect for structural integrity those segments of its oil and gas pipeline that lie in the surf zone and beach. Venoco shall perform at least one visual inspection with binoculars and a camera during the beach closure (December 1 through May 31) before May 31 of each year when sand levels are still low, and an up-close inspection of the oil and gas pipelines shall be performed after May 31 and before July 1. By August 1 of each year, Venoco, Inc. shall submit the results of each annual inspection to the Executive Director of the Coastal Commission and the City of Carpinteria. The report shall include photographs of each pipeline while uncovered by sand, a written description of the condition of the pipelines and their protective coatings, and a written assessment of whether any repair or maintenance work may be necessary before the next storm season and annual beach closure. Venoco, Inc. shall submit to the Coastal Commission within 60 days of submitting the structural assessment report either an amendment application or new permit application if the report recommends any necessary repair or maintenance work that would require a coastal development permit.

The Commission thus finds that the project was carried out in a manner that maintains healthy populations of marine organisms, as required by Coastal Act Section 30230.

4.4.3 Water Quality

Coastal Act § 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams. E-02-020 (Venoco, Inc.) Page 10 of 13

Installing the gas pipeline pilings and clamps could cause localized disruption of sediments due to placement of heavy equipment on the beach and in the intertidal zone. Intertidal project activities could suspend sand and silt near the work area, thereby increasing local turbidity. Any disturbance of sediments was short-term, however.

To minimize any adverse impacts to water quality, Emergency Permit E-01-028-G required that work on the beach occur only during low tides so that heavy equipment on the beach would not be working directly in seawater. Other conditions required all debris from the project to be recovered immediately, and required any application of anti-corrosion coatings and wraps to take place outside of the water column to the maximum extent feasible. The three steel pilings are coated with chemically inert materials that will not have adverse long-term impacts on water quality.

The Commission thus finds that the biological productivity and quality of coastal waters is maintained and therefore the project is consistent with Coastal Act Section 30231.

4.4.4 Public Access and Recreation

Coastal Act § 30210 states:

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Coastal Act § 30211 states:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Coastal Act § 30220 states:

Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

Coastal Act § 30234.5 states:

The economic, commercial, and recreational importance of fishing activities shall be recognized and protected.

The project location on the beach and nearshore areas adjacent to Casitas Pier are used by the public for various recreational purposes, including walking, hiking, and running on the beach, swimming, fishing, tide pool observing, kayaking, and observation of the seal rookery from the

Carpinteria Bluffs. Approximately 800,000 people visit the adjacent Carpinteria State Beach per year, and many of these visitors also visit the project area. City of Carpinteria municipal ordinance 12.24.090 closes the beach in the project area during harbor seal pupping season, from December 1 through May 31 each year.

The work performed under Emergency Permit E-01-028-G occurred between November 26, 2001 and November 30, 2001, immediately before the beginning of the beach closure. Therefore, the project could have affected public recreation in the project area. However, the project work was only five days in duration, and therefore impacts to public recreational use of the beach were minimal and not significant. There were also several alternative beach locations in the immediate vicinity of the project location, such as Carpinteria State Beach. The work performed under Emergency Permit E-02-027-G was performed on December 30, 2002 and January 3, 2003, during the city-mandated beach closure. Therefore, due to the fact that the beach closure was in effect at that time, there was no impact to public access or recreation.

The Commission thus finds that the project did not interfere with the public's access to and recreational use of the coast. The project is therefore consistent with Coastal Act Sections 30210, 30211, 30220, and 30234.5.

4.4.5 Oil Spill

Coastal Act § 30232 states:

Protection against spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.

This project included installation of pilings and clamps and cathodic protection wrapping on the applicant's gas pipeline, which is located approximately ten feet away from the applicant's oil pipeline. Venoco also re-grouted a portion of the oil pipeline's concrete casing. While the risk of an oil spill due to project-related activities was low, the project could have resulted in an accidental release of hydrocarbons from the following sources: (1) the oil or gas pipelines due to a project-related accident with heavy construction equipment; or (2) leaks or spills from heavy construction equipment.

Section 30232 of the Coastal Act first requires the applicant to provide "protection against the spillage of crude oil, gas, petroleum products, or hazardous substances...." The applicant undertook the following preventive measures to minimize the risk of a spill occurring during construction activities:

- Absorbent pads and other oil spill cleanup materials were on site in the event that construction equipment leaks oil.
- The small crane used to install the pilings and clamps were fitted with a waterproof tarpaulin underneath its frame to prevent oil leaks.

To further ensure prevention of an oil or fuel spill, Emergency Permit E-01-028-G required:

- During all project operations, the on-site project foreman was to maintain radio contact with the pipeline operator at Venoco's Carpinteria facility. If there was unintended contact with either the oil or gas pipelines, the foreman was to immediately inform the pipeline operator to shut in the pipeline. The pipeline was not to be re-started until determined by the foreman that there is no leak or spill or potential for leak or spill due to the unintended contact.
- A requirement that all heavy equipment and supplies be removed from the beach each day at the end of each work session.
- A prohibition on performing fuel storage and transfers on the beach.
- A requirement that equipment shall be inspected daily for fuel or fluid leaks. Leaking equipment was to be repaired or replaced immediately.

The second test of section 30232 requires the applicant to provide effective containment and cleanup equipment and procedures for accidental spills that do occur. Emergency Permit E-01-028-G required that (a) a Clean Seas 40-foot enclosed trailer van (equipped for spill response in environmentally sensitive areas) be on standby and available for immediate response from the Clean Seas storage yard in Carpinteria, and (b) the applicant maintain on-site spill response adequate to respond to any fuel or oil spills or leaks from equipment used on the beach or stored at the upper or lower parking lots.

No spill occurred during construction activities. The installation of the steel pile supports, repair of the line's cathodic protection system, and the re-grout of a section of the concrete casing of the oil pipeline will, in fact, minimize the risk of a spill from occurring. However, to further ensure that the potential for a catastrophic failure of the oil or gas pipelines in the high-energy surf zone is minimized, Special Condition 1 requires that by July 1 of each year for the operating life of the pipelines, Venoco, Inc. shall inspect for structural integrity those segments of its oil and gas pipeline that lie in the surf zone and beach. Venoco shall perform at least one visual inspection with binoculars and a camera during the beach closure (December 1 through May 31) before May 31 of each year when sand levels are still low, and an up-close inspection of the oil and gas pipelines shall be performed after May 31 and before July 1. By August 1 of each year, Venoco, Inc. shall submit the results of each annual inspection to the Executive Director of the Coastal Commission and the City of Carpinteria. The report shall include photographs of each pipeline while uncovered by sand, a written description of the condition of the pipelines and their protective coatings, and a written assessment of whether any repair or maintenance work may be necessary before the next storm season and annual beach closure. Venoco, Inc. shall submit to the Coastal Commission within 60 days of submitting the structural assessment report either an amendment application or new permit application if the report recommends any necessary repair or maintenance work that would require a coastal development permit.

The Commission thus finds the project, as conditioned, is consistent with the Coastal Act's oil spill prevention and response policy, Section 30232.

4.5 California Environmental Quality Act

The Coastal Commission's permit process has been designated by the State Resources Agency as the functional equivalent of the CEQA environmental impact review process. Pursuant to Section 21080.5(d)(2)(A) of the CEQA and Section 15252(b)(1) of Title 14, California Code of Regulations (CCR), the Commission may not approve a development project "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." The Commission finds that only as conditioned are there no feasible less environmentally damaging alternatives or additional feasible mitigation measures that would substantially lessen any significant adverse impact which the activity may have on the environment, other than those identified herein. Therefore, the Commission finds that the project as fully conditioned is consistent with the mitigatory requirements of the CEQA.

APPENDIX A STANDARD CONDITIONS

- 1. <u>Notice of Receipt and Acknowledgment</u>. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. <u>Expiration</u>. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. <u>Interpretation</u>. Any questions of intent of interpretation of any condition will be resolved by the executive director or the Commission.
- 4. <u>Assignment</u>. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
- 5. <u>Terms and Conditions Run with the Land</u>. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

APPENDIX B SUBSTANTIVE FILE DOCUMENTS

Coastal Development Permit Application Materials

Application for Coastal Development Permit E-02-020.

Venoco, Inc. Final Report, Carpinteria Pier Pipeline Span Support, received September 24, 2002.

Application for Emergency Permit E-01-028-G.

Application for Emergency Permit E-02-027-G.

- Wildlife Protection Plan, dated November 2001, prepared for Venoco, Inc. by Peter Howorth, Marine Mammal Consulting Group.
- Marine Mammal Monitoring Interim Report: Remedial Gas Pipeline Support Repairs with Pile Driving at Carpinteria, California, dated December 2001, prepared for National Marine Fisheries Services, California Coastal Commission, and Venoco, Inc. by Peter Howorth, Marine Mammal Consulting Group.
- Marine Mammal Consulting Group Report, Venoco Pipeline Repair: Casitas Pier, for work performed on January 3, 2003, prepared by Glenn Allen, consultant with Marine Mammal Consulting Group.

Agency Permits and Orders

Army Corps of Engineers, Nationwide Permit 12 Authorization, dated November 19, 2001.

National Marine Fisheries Service, Incidental Harassment Authorization, dated November 21, 2001.

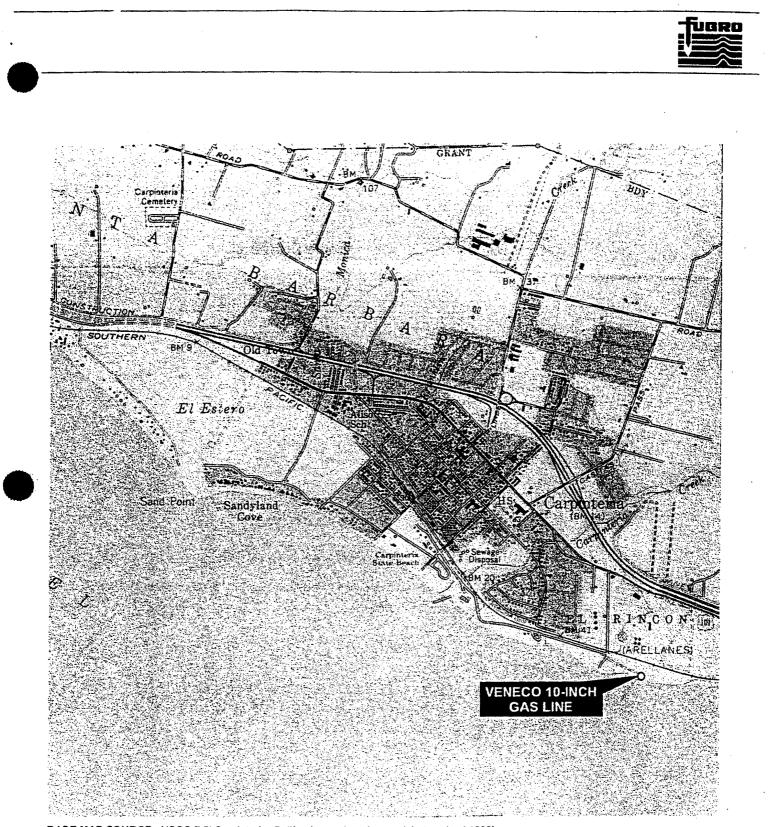
Correspondence

- Electronic communication from Matthew Roberts, City of Carpinteria, to Marina Cazorla, California Coastal Commission, Re: Ellwood Pipeline LLC, dated December 10, 2002.
- Electronic communication from Richard Rosenbaum, Venoco, Inc., to Marina Cazorla, California Coastal Commission, Re: Carpinteria Pipeline Taping/Coating, dated December 27, 2002.
- Electronic communication from Richard Rosenbaum, Venoco, Inc., to Marina Cazorla, California Coastal Commission, Re: Carpinteria Pipeline Taping/Coating, dated December 30, 2002.

Electronic communication from Richard Rosenbaum, Venoco, Inc., to Marina Cazorla, California Coastal Commission, Re: Emergency Permit E-02-027-G, dated January 21, 2003.

Electronic communication from Richard Rosenbaum, Venoco, Inc., to Marina Cazorla, California Coastal Commission, Re: Venoco Carpinteria Permit Matters, dated February 14, 2003, with attachments.

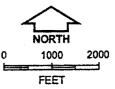
Electronic communication from Richard Rosenbaum, Venoco, Inc., to Marina Cazorla, California Coastal Commission, Re: Venoco Carpinteria Permit Matters, March 5, 2003.

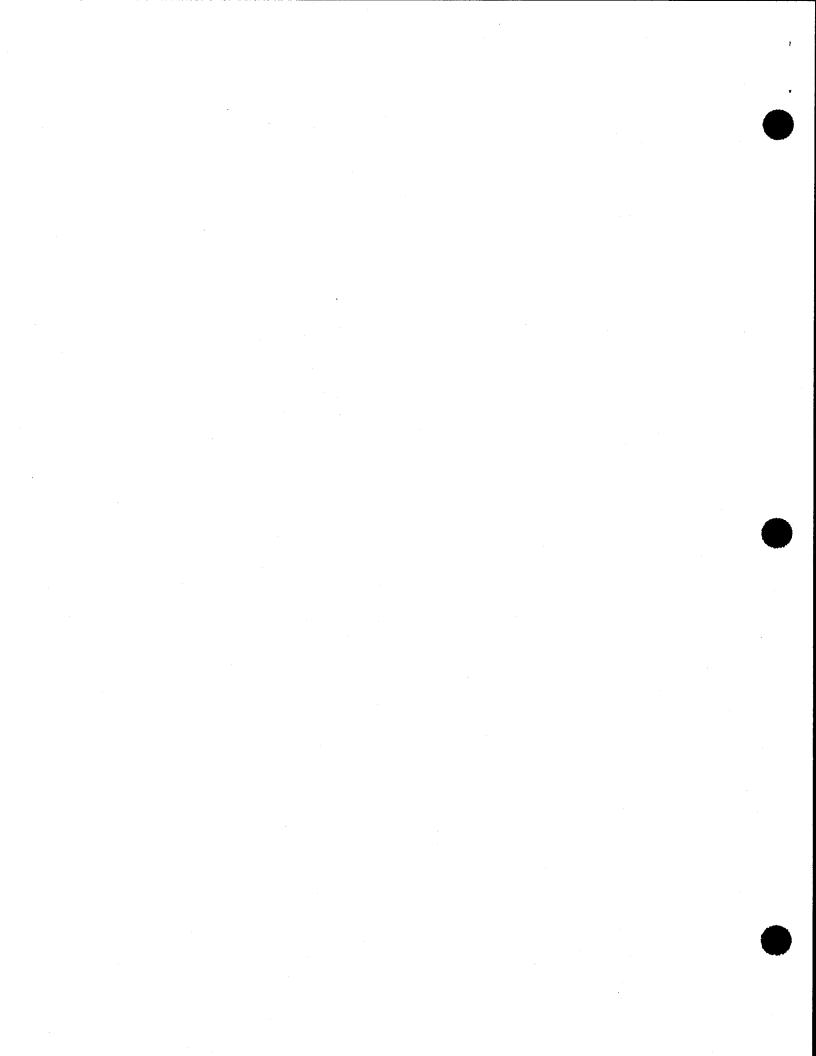


BASE MAP SOURCE: USGS 7.5' Carpinteria, California quadrangle map (photorevised 1988).

EXHIBIT NO. 1	
APPLICATION NO.	
E-02-020	

VICINITY MAP Veneco 10-Inch Gas Line Carpinteria, California





CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000 SAN FRANCISCO, CA 94105-2219 VOICE AND TDD (415) 904- 5200 AX (415) 904-5400

EMERGENCY PERMIT

November 19, 2001

Applicant: Venoco, Incorporated

Emergency Permit No. E-01-028-G - Replace lost structural support on a 10-inch gas pipeline by driving up to three steel pilings.

Location of Emergency Work: Shoreline and nearshore area approximately 90 feet east of Casitas Pier, in Carpinteria, Santa Barbara County. The work would extend from the beach to approximately 150 feet offshore. The project site is part of an area of tidelands extending 2 miles waterward deeded to the City of Carpinteria (the City).

Background: The applicant, Venoco, Incorporated, operates oil and gas platforms Gail and Grace in federal waters off the coast of the City. Venoco transports sweetened gas from these platforms to its onshore processing facility through this pipeline. The pipeline is buried or rests on the ocean floor until it comes within a few hundred feet of shore, where it has been supported by grout bags placed approximately 30-40' apart.

In January 2001, Venoco found that two sets of grout bags were missing and one set had been displaced, likely due to normal winter storm events and sand migration at the project site. The loss of grout bags and sand resulted in the pipeline exceeding its designed freespan length.

In April 2001, Venoco applied for a coastal development permit (CDP) to replace the lost grout bags, but the normal seasonal sand movement at the beach buried the pipeline before work could be started, and Venoco withdrew its permit request later that month. In October 2001, Venoco again applied for a CDP to replace the lost pipeline support by using up to five steel pilings placed approximately 32' apart. On November 9, 2001, Venoco modified its request to use up to three steel pilings placed up to 50' apart, and provided its proposed Wildlife Protection Plan.

Proposed Work: Venoco proposes to use pilings to replace the pipeline support previously provided by the lost grout bags. Venoco would drive up to three 12³/₄-inch diameter steel pilings approximately 50' feet apart and attach the pipeline to the pilings using steel clamps with armatures up to 3' long. The pilings would be driven about six feet into the underlying bedrock, the pipeline would be attached to the pilings, and the pilings would be cut off just above the pipeline clamps.

Venoco anticipates that the work will take 10 to 15 days, depending on tides and weather conditions, during the periods of low tide each day. Work would include determining whether any parts of the pipeline require additional corrosion protection, installing any necessary coating or wrapping, lowering necessary heavy equipment onto the beach using a crane, using a dozer to move beach sand to create a work pad for the pile driver and a sand berm to protect the area from wave action, jetting away beach sand from the pipeline area as necessary to provide work space, driving up to three piles and pipeline clamps, cutting the pilings, adding coating or wrap as necessary, and removing all equipment and debris from the project area.

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EXHIBIT NO. 2	
APPLICATION NO.	
E-02-020	

The proposed project is more fully described in <u>Venoco's Project Execution Plan: Carpinteria</u> <u>Pier Pipeline Span Support</u> dated July 3, 2001, and as modified November 9, 2001.

Other Permits and Approvals: This proposed project is also subject to the following permits, approvals, or regulatory requirements:

- U.S. Army Corps of Engineers Section 10 permit.
- Federal Department of Transportation, Office of Pipeline Safety compliance with pipeline safety regulations pursuant to 49 CFR 192.
- National Marine Fisheries Service (NMFS) Incidental Harassment Authorization.
- Regional Water Quality Control Board Section 401 water quality certification.
- City of Carpinteria compliance with City requirements regarding beach closures, limits on development in Environmentally Sensitive Habitat Areas, and harbor seal protection.

Executive Director's Determination: This permit constitutes approval of the emergency work you or your representatives have requested to undertake at the location listed above. I understand from your information and our site inspection that an unexpected occurrence in the form of an imminent threat to human life and marine mammals due to a gas pipeline exceeding its maximum designed freespan length requires immediate action to prevent or mitigate loss or damage to life, health, property or essential public services. (14 Cal. Admin. Code § 13009). The Executive Director hereby finds that:

- (a) An emergency exists which requires action more quickly than permitted by the procedures for administrative or ordinary permits and the development can and will be completed by November 30th, 2001, unless extended pursuant to the terms of the permit;
- (b) Public comment on the proposed emergency action has been reviewed as time allows; and
- (c) As conditioned, the proposed work would be consistent with the requirements of the California Coastal Act of 1976.

The work is hereby approved, subject to the attached conditions.

Sincerely,

PETER M. DOUGLAS Executive Director

Emergency Permit E-01-028-G Venoco – November 19, 2001 Page 3 of 6

Standard Conditions

- 1. This permit is not valid until a copy of the permit is signed by the permittee or authorized agent, acknowledging receipt of the permit and the acceptance of the terms and conditions, is returned to the Commission office.
- 2. The <code>[JB1]authorization</code> conferred by this emergency permit to conduct the activities described in the application shall expire on November 30, 2001 unless, before that date, the applicant applies for and the Executive Director grants for good cause, an extension of that expiration date.
- 3. The applicant shall not deviate from the operations, timing, or sequence of operations specified in the application unless and until authorized by the Executive Director.
- 4. Within 90 days of issuance of this emergency permit, the applicant shall submit to the Coastal Commission a regular coastal development permit application to authorize the activities approved herein. At minimum, this permit application shall include information as required pursuant to Coastal Commission regulations at Title 14, Division 5.5, Section 13053.5.
- 5. Prior to starting staging or construction work, the applicant shall provide to the Executive Director a copy of all other necessary permits and approvals.

Special Conditions:

- The project shall be implemented as described in Venoco's <u>Project Execution Plan</u> (July 3, 2001, and as modified November 9, 2001) and the November 2001 <u>Wildlife Protection Plan</u> (prepared by Mr. Peter Howorth, the marine mammal monitor), except as changed or clarified through conditions of this permit.
- 7. All work at the project site, including staging, installation, and de-mobilization activities at the beach and the upper and lower parking lots shall end no later than November 30, 2001.
- 8. Daily work on the beach shall occur only during periods of the tidal cycle when heavy equipment is not directly in the water.
- 9. Venoco shall complete a photo survey of the project site, staging area, and beach access routes before bringing equipment to the site. The photographs shall clearly show existing conditions at the sites, and shall clearly identify types and densities of plant species present. This survey is intended to provide baseline information for any restoration work that may be required as part of a future regular permit.

Emergency Permit E-01-028-G Venoco – November 19, 2001 Page 4 of 6 ş

- 10. This permit does not authorize disturbance or "take" of marine mammals. Venoco shall implement measures contained in the November 2001 <u>Wildlife Protection Plan</u>, including the following changes and clarifications:
 - a) Before starting staging, mobilization, or installation work, Mr. Howorth shall instruct all personnel that will be at the project site on measures necessary to avoid or minimize disturbance to the seals.
 - b) Work shall not occur when, in the opinion of Mr. Howorth, there are seal pups or pregnant seals at the rookery area.
 - c) A 500-foot buffer shall be established around the project site to prevent harm to marine mammals due to project-related noise. Pile-driving shall not occur when marine mammals are observed within this buffer area.
 - d) Project-related noise shall be minimized at all times. When feasible, equipment shall be padded to reduce noise (e.g., wrap hammers, wrenches, etc. to prevent or reduce metal-on-metal contact).
 - e) If, in the judgment of Mr. Howorth, project work is resulting in disturbance to marine mammals, Venoco shall take the following actions:
 - All construction work shall stop.
 - Mr. Howorth shall determine the cause of the disturbance and shall instruct Venoco to take any reasonable measures necessary to avoid further disturbance.
 - Venoco shall note the disturbance in a logbook that describes the type of disturbance, the number of marine mammals affected, the distance between those marine mammals and the source of the disturbance, and the measures taken to avoid or minimize further disturbance.
 - f) Within 30 days of project completion, the applicant shall submit to the Executive Director a written report by Mr. Howorth describing the project work and any noted effects of the work on harbor seals. This report shall include the monitoring data described in Section 4.8 of the <u>Wildlife Protection Plan</u>, and the logbook described in Condition #10e above.
- 11. During the project, Venoco shall ensure that a Clean Seas 40' enclosed trailer van (equipped for spill response in environmentally-sensitive areas) is on standby and available for immediate response from the Clean Seas storage yard in Carpinteria.
- 12. During all project operations, the on-site project foreman shall maintain radio contact with the pipeline operator at Venoco's Carpinteria facility. During these operations, if there is unintended contact with either the oil or gas pipelines (e.g., a pile is dropped onto or near a pipeline, the dozer backs into a pipeline, etc.), the foreman shall immediately inform the pipeline operator to shut in the pipeline. The pipeline shall not be re-started until it is determined by the foreman that there is no leak or spill or potential for leak or spill due to the unintended contact.

Emergency Permit E-01-028-G Venoco – November 19, 2001 Page 5 of 6

- 13. All heavy equipment and supplies shall be removed from the beach each day at the end of each work session. When equipment is on the beach, it shall be stabilized to prevent injury to personnel or damage to the nearby pipelines or power cable.
- 14. Fuel storage and transfers shall not be done on the beach. All fueling, fuel storage, and fuel transfers shall occur only with adequate Best Management Practices in place to contain or treat any possible fuel spills.
- 15. Equipment shall be inspected daily for fuel or fluid leaks. Leaking equipment shall be repaired or replaced immediately.
- 16. Venoco shall maintain on-site spill response equipment (e.g., absorbent materials, containment booms, etc.) adequate to respond to any fuel or oil spills or leaks from equipment used on the beach or stored at the upper or lower parking lots.
- 17. Alterations to the bluff face, toe of the bluff slope, and vegetation in those areas shall be avoided or minimized to the maximum extent practicable.
- 18. All debris from the project shall be recovered immediately, to the maximum extent feasible.
- 19. After installation, the pilings, clamps, armatures, and bolts shall be wrapped or coated with suitable material to provide a smooth surface that will reduce the possibility of harm to human or marine life and will reduce snagging of marine debris.
- 20. Any application of anti-corrosion coatings and wraps after the pilings and clamps are installed shall be applied outside of the water column to the maximum extent feasible.
- 21. Venoco shall provide an "as-built" report of the project to the Executive Director of the Coastal Commission within 90 days of issuance of this permit. This report shall include final project drawings and a narrative description of any changes from the proposed project, the reasons for those changes, and whether additional work remains to be done. The report shall also include post-project photographs taken from the same photo points as those taken pursuant to Condition #3 above showing conditions of the project site, staging area, and access routes from the staging area to the project site.

Emergency Permit E-01-028-G Venoco – November 19, 2001 Page 6 of 6

Acknowledgment:

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code § 818.4 which states in pertinent part that "A public entity is not liable for injury caused by issuance ... of any permit..." applies to this permit.

IMPORTANT: THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 CCR § 13158(a).

By: _

_____ Date:_____

Signature of Permittee

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000 SAN FRANCISCO, CA 94105-2219 YOICE AND TDD (415) 904-5200 AX (415) 904-5400

EMERGENCY PERMIT

December 30, 2002

Applicant: Venoco, Inc.

Emergency Permit No. E-02-027-G: The applicant proposes to repair its 10-inch gas pipeline, which runs between platforms Gail and Grace and the Carpinteria Oil and Gas Plant, which has been exposed in the surf zone and has lost its cathodic protective coating. The applicant also proposes to repair the cracked concrete exterior of the nearby oil pipeline by applying a grout.

Location of Emergency Work: Surf zone and nearshore area approximately 90 feet east of Casitas Pier, in Carpinteria, Santa Barbara County.

Background: Venoco, Inc. ("Venoco") operates oil and gas platforms Gail and Grace in federal waters off the coast of Carpinteria. A 10-inch gas pipeline operated by Venoco transports sweet gas from Platform Gail to the Carpinteria Oil and Gas Plant located in Carpinteria. An oil pipeline originating at Platform Gail operated by Venoco is located ten feet west of the gas pipeline.

The area immediately east of the pipelines is used by Pacific harbor seals (*Phoca vitulina richardsi*) as a pupping and haul out area. Harbor seals are protected under the federal Marine Mammal Protection Act, which in Section 102(a) thereof (16 USC § 1372(a)) prohibits "take" of marine mammals.¹ This harbor seal rookery is visible from the area where the pipelines and cable come ashore. The seals use the area for hauling out year round, but the area is of particular importance during pupping season from approximately December 1 to May 31 each year and during molting season during June and July each year. The beach is closed to public access from December 1 to May 31 to prevent disturbance to the seals during pupping season. The City of Carpinteria has indicated that it will allow an exemption to its beach closure ordinance for the proposed emergency work.

Proposed Work: The applicant proposes to repair its 10-inch gas pipeline that runs between platforms Gail and Grace and the Carpinteria Oil and Gas Plant, which has been exposed and has lost its cathodic protective coating, with the following procedure: a) remove rust and debris from the exposed pipeline surface; b) apply adhesive coating to the gas pipeline with brushes; and c) apply shrink wrap pipe coating and heat with a portable heat source. The applicant also proposes to repair the concrete exterior of the nearby oil pipeline by applying a grout.

All work is proposed to be done at low tide in the afternoon of December 31, 2002, with no machinery or heavy equipment, and no more than three workers present on the beach. The

EXHIBIT NO. 3	
APPLICATION NO.	
E-02-020	

¹ The definition of "take" under the Marine Mammal Protection Act includes intentional or unintentional harassment, any act that could cause injury or death, and any action that changes the behavior of the animal. (16 USC § 1362 (13) and (18))

applicant estimates that the above-described work will take no longer than 2-3 hours to complete. If harbor seals are present in the project area when work is to commence, Venoco has proposed to have Peter Howorth, a marine mammal expert, present during the duration of the proposed work in order to monitor the work and ensure no disturbance to the harbor seals.

Executive Director's Determination: This permit constitutes approval of the emergency work you or your representatives have requested to undertake at the location listed above. I understand from your information that the exposed condition of the gas pipeline without its coating to provide cathodic protection, and the cracked exterior of the oil pipeline require immediate action to prevent or mitigate loss or damage to life, health, property or essential public services. (14 Cal. Admin. Code § 13009). The Executive Director hereby finds that:

- (a) An emergency exists which requires action more quickly than permitted by the procedures for administrative or ordinary permits and the development can and will be completed within 60 days, unless extended pursuant to the terms of the permit;
- (b) If the work is done immediately and does not result in take of marine mammals, it is likely to result in fewer impacts to coastal resources than if the work is done later in the season when there is more sand present on the beach, which could require mechanized equipment.
- (b) Public comment on the proposed emergency action has been reviewed as time allows; and
- (c) As conditioned, the proposed work would be consistent with the requirements of the California Coastal Act of 1976.

The work is hereby approved, subject to the attached conditions.

Sincerely PÉTER M. DOUGLAS

Executive Director

Conditions

- 1. This permit is not valid until a copy of the permit is signed by the permittee or authorized agent, acknowledging receipt of the permit and the acceptance of the terms and conditions, is returned to the Commission office.
- 2. The authorization conferred by this emergency permit to conduct the activities described in the application shall expire within 60 days of the date of this permit unless, before that date, the applicant applies for and the Executive Director grants for good cause, an extension of that expiration date.

Emergency Permit E-02-27-G – Venoco, Inc. December 30, 2002 Page 3 of 3

- 3. The applicant shall not deviate from the operations, timing, or sequence of operations specified in the application unless and until authorized by the Executive Director.
- 4. Within 60 days of issuance of this emergency permit, the applicant shall submit to the Coastal Commission a regular coastal development permit application to authorize the activities approved herein.
- 5. The applicant shall not engage in any activities that have the potential to take or disturb marine mammals, as defined by the Marine Mammal Protection Act. If harbor seals are present in the project area when work is to take place, and the marine mammal monitor is therefore required to be present as proposed by Venoco, the marine mammal monitor shall have the authority to stop or redirect work if work activities have the potential to harm or disturb the harbor seals. If the marine mammal monitor determines that the work caused any disturbance to the harbor seals, the applicant shall submit to the Executive Director within 10 business days from the date of work a written report by the marine mammal monitor describing any noted effects of the work on harbor seals.
- 6. The bluff face or toe of the bluff slope along the beach shall not be altered in any way.
- 7. All debris from the project shall be recovered immediately, to the maximum extent feasible.

Acknowledgment:

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code § 818.4 which states in pertinent part that "A public entity is not liable for injury caused by issuance ... of any permit..." applies to this permit.

IMPORTANT: THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 CCR § 13158(2).

Date: 12 30 02 mature of Permittee Rosenham

