

OFFICE of the STATE FIRE MARSHAL
Pipeline Safety Advisory Committee Meeting

OSFM – Pipeline Safety Division Office – Lakewood, CA

May 30, 2012

1:00 pm to 3:00 pm

MINUTES

MEMBERS PRESENT:

Bob Gorham, OSFM-Pipeline Safety Division (Chairperson)
Gene Braithwaite, Kinder Morgan Energy Partners
Robert Pace, Shell and Western States Petroleum Association
Robert Distaso, Orange County Fire Authority
Mark Reese, Beacon Energy Services, Inc.
Ken Johnson, Paso Robles Department of Emergency Services
Roya Borman, Sacramento Municipal Utilities District
Todd Letterman, Riverside County Fire Department

MEMBER NOT PRESENT:

Tony Semenza, Fire/Emergency Response Consultant

GUESTS

Mike Wang, Western States Petroleum Association

OSFM STAFF:

Chuck MacDonald, OSFM-Pipeline Safety Division
Linda Zigler, OSFM-Pipeline Safety Division (by phone)

CALL TO ORDER:

Bob Gorham called the meeting to order at 1:00 pm.

INTRODUCTIONS:

Each attendee introduced him or herself and what organization he or she represented.

APPROVAL OF MINUTES:

Copies of the November 30, 2011 PSAC meeting minutes were reviewed. Ken Johnson moved to approve the minutes as they were and Todd Letterman seconded the motion. A vote was taken by the committee and the minutes were passed and so will be posted on the CSFM website.

GENERAL DISCUSSION:

Bob Gorham opened the meeting by talking about the 2012 National Association of Pipeline Safety Representatives (NAPSR) Western Region Meeting. There are a total of fourteen states that make up the Western Region and each year the state that hosts this meeting rotates. This time it was California's Office of the State Fire Marshal that hosted the annual meeting which was held May 1-3, 2012 in Long Beach. This meeting gives all the states an opportunity to discuss new and/or upcoming federal regulations, program expectations, Pipeline and Hazardous Materials Safety Administration (PHMSA) guidelines, etc. for both natural gas and hazardous liquid pipelines. Part of this meeting involves each state program manager talking about issues that they are seeing in their state. Bob read the most current State Program Report for the California State Fire Marshal (see attachment).

Highlights from the report: Regarding accidents, the total number of accidents for the CSFM in CY 2011 was 24 where none were "serious". (Note that PHMSA defines "serious" incidents in a broader sense than just those involving pipelines – to PHMSA, a "serious" incident could involve a

different mode of transportation or involve hazardous materials other than crude oil, gasoline, jet fuel, diesel, etc.). The serious incidents that would relate to hazardous liquid pipelines would involve a fatality or major injury caused by the release of a hazardous material, the evacuation of 25 or more persons as a result of a release of a hazardous material or exposure to fire, or a release or exposure to fire which results in the closure of a major transportation artery.

One unique accident that Bob reported concerned a crude oil release from a ConocoPhillips 16-inch crude oil pipeline in the Pacheco Pass area which is in Contra Costa County (east of San Francisco). This occurred on August 27, 2011 and had a release of 56 barrels in a HCA (High Consequence Area). The reason this spill was so unusual was that this release was caused by an excavator operated by a unknown 3rd party operator who struck the crude oil pipeline several times- we believe on purpose - and did eventually punctured the pipeline. We say “unknown excavator operator” because the puncture occurred in the middle of the night when it was dark. Was it sabotage? Was it caused by a disgruntled employee? The local sheriff, federal PHMSA, and the Office of Inspector General opened an investigation into this matter, but there was not enough evidence to find the person(s) who caused this accident.

2010 SAN BRUNO INCIDENT:

There have been many new regulations and recommendations that now exist as a result of this tragedy. One safety issue that has been emphasized is the need for more communication – between pipeline operators, fire departments, other governmental agencies, etc. The Office of the State Fire Marshal is assisting with the development of a contract designed to train local fire departments about pipelines. The money for this contract will come from our Civil Penalty Fund. We have close to \$500,000 in our fund – we just needed a mechanism to spend this money – so this contract with Sacramento State University will be a useful way to help train fire department personnel.

DATABASE UPDATE:

We are in the process of changing from Microsoft Access to Oracle and getting more accurate data. CAL FIRE is developing “Cal Mapper” which will be kept on a secure website. The goal is to allow fire departments access to this website which will contain the locations of all our jurisdictional intrastate hazardous liquid pipelines in our GIS Mapping System which is up-to-date and accurately mapped on an annual basis. We would continue to be responsible for the accuracy of the pipeline data.

The general public may be granted access to this website, although not at the same scale or accuracy as the level of access that would be given to fire departments and other governmental agencies. We still need to determine if there will be any compatibility issues when you access the website and so you might need special software to use it. We are not sure when this will be available – perhaps a year?

INTERSTATE AGENT STATUS:

We have been PHMSA’s interstate agent since 1987, but because of low staffing and increased workload, we have decided to give the approximately 1280 miles of interstate pipelines back to PHMSA effective January 1, 2013. This change will cause OSFM to lose about \$420,000 per year from interstate pipeline operator fees. This is considered insignificant as \$2.75 million is received annually from intrastate operator fees. Yearly expenditures are running around \$2 million. PHMSA does have three inspectors located in Southern California, so they will be able to conduct the required inspections or leak investigations.

CRIMSON PIPELINE SPILL IN THE L.A. HARBOR:

Mark Reese talked about a pipeline leak in Wilmington that the Los Angeles district attorney leveled criminal and civil penalties against Crimson pipeline and their executives. He expressed concerns that their actions were in conflict with the Office of State Fire Marshal’s authority and regulations.

STATE LEGISLATIVE ACTIVITY:

AB 2201 would raise the California pipeline civil penalties to a level equal to those in federal law. Currently, we can assess \$10,000 for each day a violation exists not to exceed \$500,000. Proposed legislation would increase these amounts to \$100,000 and \$1million respectively.

CONSTRUCTION PROJECTS:

- 1) Pier 400 new construction – 10 years in the planning

- 2) Kinder Morgan “Cal Nev” expansion (Colton to Las Vegas) – 4 years in the planning – in the permitting and public comment process.

DAMAGE PREVENTION UPDATE:

AB 1514 would address changes to the one-call law.

NOTICE OF PROPOSED RULEMAKING:

This refers to the new Title 49 CFR Part 196 – if a state is not effective in enforcing the one-call law, PHMSA could step in.

WORKLOAD ISSUES AND PROGRAM UPDATES:

- Chuck MacDonald retires at the end of September 2012. We will then have one Supervising Pipeline Safety Engineer (SPSE) vacancy and five Pipeline Safety Engineer (PSE) vacancies.

- Tonya Hoover has been confirmed and is now the State Fire Marshal. Three out of the five questions given to her were pipeline related.

- We are in the process of developing an exam for the Pipeline Safety Engineer position. We anticipate taking applications in March 2013.
- We have not had any success in increasing the PSE pay scale despite the fact that we have the money to cover this – the situation with the economy, since 2008, has made it impossible. A new geology college graduate can expect to start at \$92,000/year!
- We spend about 80% of our time on the 4800 miles of intrastate pipelines we have and about 20% of our time on the 1280 miles of interstate pipelines that we have.
- A question was asked whether OSFM could hire outside “3rd Party” contractors for construction inspections. PHMSA cannot delegate pipeline safety inspections to any party other than a state agency.
- OSFM reimbursement from PHMSA – in September 2011, PHMSA conducted their annual audit of our program covering calendar year 2010. OSFM’s score was 100% and as a result, we were given a check in the amount of \$1,003,000.
- The next State Fire Marshal “Pipeline Safety Seminar” is being planned for spring 2013. It will be three days long and will cover training on Title 49 CFR Part 195 regulations.

NEXT PSAC MEETING:

November 28, 2012 at 1pm in Lakewood, CA.

MEETING ADJOURNED:

1450 hours

(Minutes approved on Nov 28, 2012)