



**STATE FIRE MARSHAL
Pipeline Safety Advisory Committee (PSAC) Meeting
Meeting Minutes**

November 15, 2016
09:00 A.M. to 10:45 A.M. (Pacific Standard Time)
Pipeline Safety Division
3950 Paramount Boulevard, Suite 210
Lakewood, California 90712

MEMBERS PRESENT

Doug Allen, OSFM- Pipeline Safety Division (Chairperson)
Robert Distaso, Orange County Fire Authority
Bill Reardon, Huntington Beach Fire Department
Alan Elliott, Shell Pipeline Company
Ron Morones, Kinder Morgan Energy Inc.
*Errin Briggs, County of Santa Barbara

**Via teleconference*

MEMBERS NOT PRESENT

Todd Letterman, Pacific Fire Engineering
Mark Reese, Beacon Energy Services, Inc.
Wolfgang Knabe, Cities of Brea and Fullerton

GUESTS

Johnny Thomasson, Kinder Morgan Inc.

OSFM STAFF

Chuck Mac Donald, OSFM- Pipeline Safety Division
Debra French, OSFM- Pipeline Safety Division
Daniel Hastert, OFSM- Pipeline Safety Division
Ben Ho, OSFM- Pipeline Safety Division
Enrique Jimenez, OSFM- Pipeline Safety Division
Joshua Cleaver, CAL FIRE/OSFM

I. WELCOME AND INTRODUCTION

Doug Allen called the meeting to order at 09:10 A.M. and attendees gave self-introductions. It was determined that the meeting has a quorum.

Item That Was Not on The Agenda

Joshua Cleaver brought up an item that was not on the agenda and provided the PSAC members with a copy of the Bagley-Keene Open Meeting Act of 2004. Joshua Cleaver gave an overview of the Bagley-Keene Open Meeting Act and encouraged all the PSAC members to review it. This act applies to all state boards, and commissions meetings. This act is similar to the Brown Act. These two Acts permit any member of the public to attend any meeting of a "state body" or a "legislative body of a local agency," subject to specific exceptions. It also entitles the public to receive advance notice of the meetings and to inspect and copy meeting minutes.

Ron Morones asked if the public could ask questions at a PSAC meeting. Joshua Cleaver responded that the public can ask questions and discuss issues at the meeting. Joshua also noted that topics that the public brings up might be moved to become an agenda item at a future meeting. Joshua Cleaver also informed the PSAC members that if they have any questions on The Bagley-Keene Open Meeting Act, they can contact him directly.

II. APPROVAL OF MINUTES

The May 17, 2016 PSAC meeting minutes were reviewed. Ron Morones made a motion to approve the minutes as written and Alan Elliott seconded the motion. The committee took a vote and the minutes were approved. It will be posted on the Office of the State Fire Marshal (OSFM) website at the following link:

http://osfm.fire.ca.gov/advisorycommittees/advisorycommittees_psac

III. PIPELINE SAFETY DIVISION PROGRAM UPDATE

a. Acting Program Manager

Doug Allen informed the PSAC members that he is the Acting Program Manager for the Pipeline Safety Division. Doug will serve in this position until the Program Manager (CEA) is hired.

b. CEA/Program Manager

OSFM is going through the process of hiring a new CEA/Program Manager for the Pipeline Safety Division (PSD).

c. Staffing Update

The PSD has filled all existing Pipeline Safety Engineers (PSE) vacant positions and currently has ten PSEs. These positions are not included the recently approved 13 positions authorized by SB 295 and AB 864 that including 2 Supervising Pipeline Safety Engineers (SPSE) and 11 PSEs. The PSD has conducted interviews for the two SPSE positions and anticipates to have fill both positions by January 2017. Chuck MacDonald is currently acting as the Operations Supervisor, and is covering the Lakewood Office until the new supervisors are hired. The PSD recently hired Enrique Jimenez and Hossein Monfared as PSE. Enrique Jimenez transferred from the California Air Resources Board and Hossein Monfared came back to the OSFM from the Pipeline and Hazardous Materials Safety Administration (PHMSA). Currently, none of the eleven new PSE's from the Budget Change Proposal (BCP) that was approved have been hired. The PSD is in the process to hire them. The PSD is looking to relocate into a larger office in the next twelve months and the location of the new office is somewhere in the Long Beach or Lakewood areas. The new office will accommodate all the new positions that were approved under the BCP.

A question was asked if there is a specific PSE assigned to Orange County. Chuck MacDonald responded that the PSD has PSE's in various locations who can respond within an hour.

Another question was asked about emergency response as it relates to pipeline incidents. Doug Allen responded that it is still best to call the Governor's Office of Emergency Services (Cal OES), and we will be notified immediately.

d. Enforcement Update

Doug Allen informed the PSAC members that pipeline Right-of-Way (ROW's) encroachment issues are becoming more common. Recently the PSD has discovered mobile homes built permanently directly over the pipeline. The PSD has taken enforcement actions regarding this issue. Chuck MacDonald noted that the pipeline ROW inspections is something that the PSD will be focusing on in the next few years. Doug Allen asked that if any operators have successful damage prevention practices that they can share with the PSD. The PSD will be able to share this as guidance for other operators. Doug Allen also noted that the PSD requires the pipeline operator's pipeline riders to document each encroachment issue they discovered.

Alan Elliott asked if fences over the pipeline ROW were all right. Chuck MacDonald responded that if the fence post is not over the pipeline, and the fence does not obstruct the operator's ability to make repairs to or inspect the pipeline, then it would be acceptable.

Doug Allen gave an update on the Out-of-Service (OOS) Pipelines. He informed the PSAC members that PSE Tom Williams is the lead engineer for this project. Operators of the OOS pipelines will have until June 30, 2017 to verify that all the OOS pipelines are purged of all hazardous liquids, disconnected from an operating system and rendered safe. PHMSA has recently issued an Advisory Bulletin that clarified the issue of out-of-service pipelines. PHMSA considers all pipelines "Active" until they are abandoned. Operators must provide documentation to the PSD indicating that the pipelines were taken out-of-service correctly. If documentation is not provided these OOS pipelines will be treated like all other active pipelines.

Alan Elliott asked what type of paperwork is required since some of the out-of-service pipelines have been out for fifty or more years. Doug Allen responded that, if an operator does not have any paperwork on the pipeline then they will be required to go out and physically verify and check all the low spots in the pipeline.

Ron Morones asked if the PSD wants a plan on how each operator is going to deal with the pipelines that they do not have paperwork on. Doug Allen responded that the PSD wants a plan, and the associated paperwork of the pipelines with the plan.

Alan Elliott asked a question of what type of inspections will be conducted on the out-of-service lines. Chuck MacDonald responded that with ROW patrols, any applicable maintenance and inspections required under 49 CFR Part 195 must be followed. The PSD understands that there would not be any Hydro-Testing or Smart Pigging done on an OOS pipeline.

Alan Elliott asked a question regarding putting a line back into service, that is still within the five-year interval of its last Smart Pig or Hydro-Test. The question is what would the operator be required to Smart Pig or Hydro-Test the line to put it back into service. Chuck MacDonald responded that it is not necessary, however, the operators still must submit a plan, and proof that all maintenance has been conducted, as well as ROW patrols, and responses to the Dig Alert Tickets.

Alan Elliott asked how much notice the PSD would need before an operator could bring a pipeline back into service. Chuck MacDonald responded that it should be as soon as possible, but we would prefer at least two or three weeks' notice.

Robert Distaso asked if the OOS pipelines were being tracked on the PSD Geographic Information Services (GIS). Doug Allen responded that since the OOS pipelines are considered active and jurisdictional; it would be beneficial to track them on the PSD GIS.

e. PHMSA Reauthorization

Every four years, PHMSA needs to be reauthorized to continue its enforcement duties. Recently PHMSA was reauthorized until Fiscal Year 2019. In the last four years, the reimbursement rate of the PHMSA grant allocation had a maximum of eighty percent (80%). However, under the current reauthorization the PHMSA grant will lower the maximum reimbursement rate to forty percent (40%).

Ron Morones asked when the PSD will know if there will be a fee increase soon. Doug Allen responded that the PSD would be able to inform the operators at the 2017 Pipeline Safety Conference.

IV. UPDATE ON SENATE BILL 295 (JACKSON) PROPOSED RULEMAKING

Ben Ho informed the PSAC that SB 295 received 17 public comments. None of the comments required the PSD to amend the text of the regulations. The PSD has responded to all the comments and has prepared the Final Statement of Reasons. The regulations for SB 295 are now going through the internal approval process. The Final Statement of Reason should be submitted to the Office of Administrative Law (OAL) in the next few weeks, and should become effective January 1, 2017. Doug Allen informed the PSAC the Form PSD-101 will be due to the PSD July 1, 2017. The PSD will then conduct an internal review of the form and assign different inspection modules to each pipeline. Doug Also noted that in the fourth quarter of 2017 the PSD would begin its annual operator inspections and schedule the annual pipeline inspections for the upcoming year.

V. SENATE BILL 661 (HILL) PROTECTION FOR SUBSURFACE INSTALLATIONS

This bill was vetoed in the last legislative cycle. This year the Governor has signed the bill. The bill authorized the creation of an Autonomous Board that will be supported by staff from the OSFM, but will not answer to the State Fire Marshal. SB 661 will create a new Division within the OSFM. The board will be required to meet annually starting July 1, 2018. This bill encompasses all subsurface installations, not just pipelines. The new board will have its own entire staff, including investigators, and attorneys. The board is intent to act as an enforcement entity to address gaps in damage prevention enforcement at the local level.

Alan Elliott asked of this bill applies to all public utilities as well. Doug Allen responded that it applies to all except Caltrans.

VI. PHMSA 2016

PHMSA has announced that they are adjusting the Maximum Civil Penalty in January 2017. This change is to adjust for annual inflation.

PHMSA has given notice of Proposed Rule Making that would govern the reporting requirements for gathering lines.

PHMSA has also made Notice of Proposed rulemaking that will subject all lines to Integrity Management, which required to accommodate a Smart Pig by 2036. This will not be an issue in California.

PHMSA has issued the following Advisory Bulletins, which pertain to Hazardous Liquid Pipelines:

- Docket Number – PHMSA-2016-0075 Pipeline Safety: Clarification of Terms Relating to Pipeline Operations Status. PHMSA does not recognize an Idled Status. PHMSA only recognizes two categories of pipeline Active or Abandoned.
- Docket Number – PHMSA-2016-0071 Pipeline Safety: Ineffective Protection, Detection, and Mitigation of Corrosion Resulting from Insulated Coatings on Buried Pipelines. PHMSA is reminding all operators to consider the overall integrity of their facilities.
- Docket Number – PHMSA-2016-00765 Pipeline Safety: Potential for Damage to Pipeline Facilities Cause by Flooding, River Scour, and River Channel Migration. PHMSA is reminding operators of pipelines of the potential for damage to pipelines caused by severe flooding.
- Docket Number – PHMSA-2016-0101 Pipeline Safety: General Policy Statement; Civil Penalties. PHMSA has made the framework of civil penalties available on the website for operators, and the public to view.
- Docket Number PHMSA-2012-0068 Pipeline Safety: Verification of Records. PHMSA is reminding operators to verify their records to verify they records relating to operating specifications for maximum allowable operating pressure.

VII. NEW BUSINESS AND OPEN FORUM

Doug Allen informed the PSAC members that the PSD would begin to notify local fire agencies when an inspection is being conducted in their respective local jurisdiction.

Bill Reardon asked if the PSD would be able to provide a schedule of inspections. Doug Allen responded that we would not be able to since schedules are constantly changing. PSD would be able to inform local agencies at least a week prior to the inspection taking place. Bill Reardon also noted that the best person to notify when conducting inspection would be the local fire marshal.

Robert Distaso Informed the group that construction of the fuel tanks at the John Wayne Airport will begin shortly.

Four Committee positions will be expiring at the end of the year and they will be coming up for re-appointment or appointment. Alan Elliott and Robert Distaso would like to stay on the committee.

VIII. Next Meeting Date & Location

The next meeting was scheduled for December 13, 2016 from 1:00 P.M. – 3:00 P.M. at the Lakewood Office.

IX. Adjournment

The meeting was adjourned at 3:17 P.M.