



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

Tuesday, May 17, 2016
1:30 PM to 3:00 PM (Pacific Standard Time)
Marriott Long Beach
4700 Airport Plaza Drive
Long Beach, California 90815
Conference Call: (877) 810-9415
Participant Code: 3112710

MEMBERS PRESENT

Bob Gorham, OSFM- Pipeline Safety Division (Chairperson)
Robert Distaso, Orange County Fire Authority
Mark Reese, Beacon Energy Services, Inc.
Ron Morones, Kinder Morgan Energy Partners
Alan Elliott, Shell Pipeline Company
Wolfgang Knabe, Cities of Brea and Fullerton
Errin Briggs, County of Santa Barbara
*Ron Morones, Kinder Morgan Energy Partners

**Via teleconference*

MEMBERS NOT PRESENT

Todd Letterman, Pacific Fire Engineering
Bill Reardon, Huntington Beach Fire Department

GUESTS

Steve Marositz, Kinder Morgan Inc.
Janice Van Mullen, Huntington Beach Fire Department
Matt Rezvani, CALSTAD

OSFM STAFF

Mike Richwine, - Assistant State Fire Marshal
Doug Allen, OFSM- Pipeline Safety Division
Debra French, OSFM- Pipeline Safety Division
Daniel Hastert, OFSM- Pipeline Safety Division
Ben Ho, OSFM- Pipeline Safety Division
Chuck Mac Donald, OSFM- Pipeline Safety Division
Tom Williams, OFSM- Pipeline Safety Division
Linda Zigler, OFSM- Pipeline Safety Division

II - CALL TO ORDER

Bob Gorham called the meeting to order at 1:28 PM.

INTRODUCTIONS

Attendees gave self-introductions.

III - APPROVAL OF MINUTES

The November 18, 2015, PSAC meeting minutes were reviewed. Alan Elliott made a motion to approve the minutes as written and Robert Distaso seconded the motion. The committee took a vote; the minutes were approved and will be posted on the Office of the State Fire Marshal (OSFM) website.

IV - State & Federal Legislative Activity & Regulatory Update

State Legislation

Ben Ho gave an overview and provided an update on Assembly Bill (AB) 864 (Williams, Chapter 592, Statutes of 2015) and Senate Bill (SB) 295 (Jackson, Chapter 607, Statutes of 2015). According to Ben, SB 295 will go into effect January 1, 2017, and AB 864 goes into effect July 1, 2017.

Linda Zigler discussed the Pipeline Safety Division Form PSD-101(California Intrastate Pipeline Operator Annual Report), the Annual Inspection Modules, and the Annual Inspection Flowchart. She explained how different modules would be assigned to each pipeline based on the information provided on Form PSD-101. This will also be in conjunction with a risk analysis conducted by the PSD.

Mark Reese asked for clarification on the differences between the Form PSD-101 and the Annual Inspection Modules. Linda Zigler explained that

the Pipeline Operators complete the Form PSD-101 and return it to the Pipeline Safety Division. PSD staff will then review the form along with the risk analysis and assign different inspection modules for each pipeline.

Mark Reese also suggested assigning a score ranking to each pipeline based on different criteria. It was noted that this was not necessary since the new law states every pipeline must be inspected annually.

Alan Elliott asked how long the new annual inspections would take. Doug Allen explained that each inspection differentiates depending on how many inspection modules are assigned. However, it should last approximately two days consisting of both a record review and a field inspection.

Errin Briggs noted that he liked the targeted inspection.

Steve Marositz asked if there are definitions that will accompany the Form PSD-101.

Doug Allen mentioned that he is working on the instructions for Form PSD-101, which will be included in the SB 295 proposed rulemaking package to the Office of the Administrative Laws (OAL). These instructions will provide guidance for each operator to provide the necessary information for the OSFM to carry out the annual inspections. He hopes to have it done within the next few weeks.

Ron Morones asked about the company operations portion of the Form PSD-101. His concerns were that each company might not be able to accurately answer questions at the time the Form PSD-101 is due to the OSFM. Doug Allen explained that each question would be reviewed and answers will be updated during the annual operator meeting.

Doug Allen informed the group that the Form PSD-101 will be due to the OSFM on July 1 of each year, beginning in 2017. The annual operator meetings will be in the 4th quarter of each year starting in 2017 as well.

Wolfgang Knabe asked if local agencies could possibly be notified or coordinate inspections. Bob Gorham noted that these inspections are more focused on regulatory requirements, but OSFM might be able to allow other agencies to join if they were interested in attending.

Errin Briggs asked if the finished report could be given to local agencies, in which Bob Gorham replied that information would be available.

Wolfgang Knabe noted that local agencies are aware of the problems pipelines within their local areas have.

Robert Distaso informed everyone that Orange County has had pipeline operators provide presentations to their technical personnel.

Damage Prevention

Pipeline and Hazardous Materials Safety Administration (PHMSA) - Final Rule – Bob Gorham discussed that every state is required to have a damage prevention authority over pipeline operators, and if it is deemed inadequate, PHMSA can take over enforcement. However, PHMSA would prefer that states conduct its own enforcement. California has five years to comply and failure to do so may impact the PHMSA grant.

SB 661 – Since the Governor vetoed the bill during the last legislative cycle, Senator Hill is attempting to get it reinstated. The bill will be reintroduced this year.

Alan Elliott noted that municipalities are some of the biggest offenders.

PHMSA Regulation Update

Hazardous Liquid Mega Rule - The final notice is coming soon. Major topics under consideration:

- Assessments beyond High Consequence Areas (HCAs)

- Leak detection beyond HCAs

- Piggability of lines in HCA's

- Reporting requirements for gathering lines

Valves and Rupture Detection – Notice of Proposed Rulemaking (NPRM) – This should be published sometime this summer and is focusing on limiting the amount of release in the event a leak. PHMSA discussed the use of automatic shutoff valves and remote controlled valves.

Underground Natural Gas Storage

PHMSA is fast tracking regulations governing Underground Natural Gas Storage. This issue became known because of the Aliso Canyon gas leak.

PHMSA Reauthorization

PHMSA must be reauthorized. This summer it will be going to both houses of congress.

V – Pipeline Program Update

Out of Service Pipelines

Plains lines 901 and 903 are going to become jurisdictional to OSFM, as they have withdrawn their Federal Energy Regulatory Commission (FERC) filing. It will not become jurisdictional to OSFM until Plains has been completed along with all repairs required by PHMSA.

OSFM has approximately 2,000 miles of out-of-service pipelines. All pipelines are now considered active and jurisdictional until they are officially abandoned. OSFM has given the operators more than a one-year notice, considering how it is a difficult issue.

OSFM Staffing and Organizational Changes

Both Bob Gorham and Linda Zigler are planning to retire this year. The PSD will have 21 PSE's (including 11 new PSEs authorized by AB 864 and SB 295) and a total of 5 supervisors, as well as additional support staff.

Ron Morones asked about a fee increase. It was noted that there is no plan for a fee increase until at least 2019.

VI – New Business

Robert Distaso discussed the new Wickland Pipeline that will be going in at the John Wayne Airport.

Errin Briggs asked who would be the next Committee Chair after Bob Gorham retires. Bob Gorham noted that new CEA / Program manager will always be the Committee Chair.

VII – Next Meeting Date & Location

To Be Determined

VII –Adjournment

Meeting was adjourned at 3:17 PM