

MINUTE ITEM

This Calendar Item No. 30 was approved as Minute Item No. 30 by the State Lands Commission by a vote of 3 to 0 at its 6-27-79 meeting.

CALENDAR ITEM

30.

STANDARD LEASE PROVISIONS TO GOVERN MARINE PETROLEUM TRANSFER FACILITIES ON STATE TIDELANDS AND SUBMERGED LANDS

6/79
Senders
W 30001

On January 12, 1977 and January 19, 1977, the State Lands Commission held fact-finding hearings on the subject of tanker and marine terminal operations precipitated by the explosion of the Sansinena in Los Angeles Harbor in December, 1976. The purpose of these hearings was to gather information on tanker and marine terminal safety and to determine if improved safety standards could be incorporated into the regulations and/or lease agreements administered by the State Lands Commission.

Subsequent to those hearings, the State Lands Commission instructed the staff to develop rules and regulations deemed necessary to enhance the safe operation of marine terminals under lease with the State Lands Commission. Staff then developed a proposed Article 6.1 which would, upon adoption by the Commission, be incorporated in Title 2 of the California Administrative Code. Hearings were held on November 17, 1977 and December 6, 1977, pursuant to Government Code Section 11420, et seq., for the purpose of receiving statements, arguments and comments on such proposed regulations. Based on information received at such hearings, revisions were made to the draft regulations and a final public hearing was held on July 20, 1978 to receive comments prior to their formal consideration by the Commission.

On the basis of such hearings and communications from lessees, the staff on the State Lands Commission met on several occasions, under the auspices of the Western Oil and Gas Association (WOGA), with representatives of the industry to discuss the inclusion of the proposed regulations in the existing and future lease agreements for marine petroleum transfer facilities located on State tidelands and submerged lands. Such discussions included representatives of utilities, independent oil companies and members of WOGA. The attached Exhibit "A", proposed for consideration by the Commission, is based on: (1) the contents of the above-mentioned rules and regulations; and (2) conditions previously agreed upon by lessee representatives. By letter dated May 7, 1979, these provisions were submitted through WOGA to the members of the industry (WOGA, independents and utilities) for final review and comment. The proposed lease changes have also been submitted to the U.S. Coast Guard which

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advised staff of the Commission that they had no further comments.

Such provisions, upon adoption by the Commission, will form the core of a Marine Terminal Safety Program which has been funded for the next 2 years by the Federal Coastal Energy Impact Program (CEIP) administered through the California Coastal Commission.

IT IS RECOMMENDED THAT THE COMMISSION:

1. ADOPT THE MATERIAL CONTAINED IN EXHIBIT "A" ATTACHED AS STANDARD PROVISIONS, COVENANTS AND RESTRICTIONS FOR EXISTING AND FUTURE LEASE AGREEMENTS FOR MARINE PETROLEUM TRANSFER FACILITIES ON STATE TIDELANDS AND SUBMERGED LANDS.
2. AUTHORIZE AND DIRECT STAFF TO TAKE ALL STEPS NECESSARY TO INCORPORATE SUCH PROVISIONS IMMEDIATELY INTO EXISTING AND FUTURE LEASES.
3. AUTHORIZE STAFF TO REINSTITUTE THE PROCEDURES NECESSARY TO INCORPORATE RULES AND REGULATIONS, THROUGH ARTICLE 6.1, INTO TITLE 2 OF THE CAL. ADM. CODE IN THE EVENT AMENDMENT OF EXISTING LEASES TO INCORPORATE THE NEWLY ADOPTED STANDARD PROVISIONS, COVENANTS AND RESTRICTIONS PROVE UNSUCCESSFUL.

EXHIBIT A

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(Added 6/25/79)

EXHIBIT "A"

PROPOSED LEASE COVENANTS AND RESTRICTIONS
MARINE TERMINAL LEASE AGREEMENTS

I. Terminal Personnel

A. Each terminal facility shall have specifically designated personnel (Persons-In-Charge) who shall be responsible for assuring that the terminal-related portion of any loading, unloading or bunkering operations are carried out in a manner which is safe and will not pollute the surrounding waters. More specifically, with respect to the following types of facilities:

1. Land-Based Terminals (with Wharfs)

(a) There shall be a designated Person-In-Charge of the terminal premises at all times during transfer activities over the wharf and any time a vessel being loaded, unloaded or bunkered is at the wharf. Such person shall be specifically trained to carry out his or her responsibilities with respect to the transfer and shall have the authority to take all actions, including starting and stopping transfer operations, conducting business with representatives of any governmental authority and initiating spill clean up and containment operations, necessary to assure that loading, unloading and bunkering operations are conducted in a manner which is safe and will not pollute the surrounding waters.

(b) In addition to the Person-In-Charge, there shall be at least one additional person stationed at the wharf at all times transfer operations are

occurring who has been specifically trained to carry out loading, unloading and bunkering operations in a manner which is safe and will not pollute the surrounding waters.

2. Offshore Terminals

(a) There shall be a designated Person-In-Charge on the shore terminal premises at all times transfer activities are occurring at the offshore mooring. Such person shall be specifically trained to carry out his or her responsibilities with respect to the transfer and shall have the authority to take all actions, including starting and stopping transfer operations, conducting business with representatives of any governmental authority and initiating spill clean up and containment operations, necessary to assure that loading, unloading and bunkering operations are conducted in a manner which is safe and will not pollute the surrounding waters.

B. The operator of every terminal facility shall take reasonable steps, including but not limited to, periodic unannounced inspections of the facility and its transfer operations to ensure that terminal personnel at such facility, and specifically those engaged in such operations, are observing: (1) applicable Federal, State and local laws and regulations; and (2) prudent working practices, i.e. terminal personnel are alert, have not been on duty for an unreasonable period of time and are not under the

influence of alcohol or drugs. Subsequent to such inspections, the operator shall file a report summarizing his findings and enumerating deficiencies, if any, and recommended or established procedures to correct such deficiencies. These operational reports shall be maintained at each facility for a period of one year and will be accessible for review by the staff of the Commission and other public safety agencies such as the U. S. Coast Guard. In addition to such inspections of routine operations, the personnel and equipment, if any, at each terminal shall be subjected to periodic fire safety and oil spill training and drills. Such training and drills will be conducted on a periodic basis, which shall be designated in the operations manual.

II. Oil Spill Clean Up and Containment Plan

Every terminal facility shall have an oil spill containment and clean up plan. Oil spill containment booms and other oil spill equipment shall be available to the terminal by means of either (1) owned or leased equipment with trained manpower at the terminal site, or (2) contractor equipment and manpower readily available in the harbor area, or (3) oil spill cooperative arrangements for equipment and manpower with other terminal operators in the harbor area, or (4) a combination of the above.

Such oil spill containment and clean up plan shall be a part of the operations manual and shall be submitted to the staff of the State Lands Commission for review and

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comment. In making modifications, if any, to the plan and/or the oil spill clean up equipment available pursuant to such plan, effective consideration shall be given to the State Lands Commission's comments. Prior to the submission of such comments, the staff of the Commission shall consult with the U. S. Coast Guard.

III. Operations Manual

Each terminal facility shall have an operations manual which has been reviewed and accepted by the U. S. Coast Guard as soon as practicable, but in no case more than one year from the effective date of these provisions. The manual or any amendment thereto shall also be submitted to the staff of the State Lands Commission for review and comment at the earliest practicable time, but not later than its submission to the Coast Guard as provided herein and under federal rules and regulations.

IV. Communications

An effective communication system shall be available and in operation between the vessel and shore terminal personnel at all times when transfer operations are occurring. If, for any reason, the communication system becomes inoperable, transfer operations shall be suspended using the procedures in the terminal operations manual.

V. Documents

A. Subsequent to the completion of berthing and prior to the commencement of loading or unloading operations, the terminal operator shall satisfy himself that the vessel is operating with a Federal Maritime Commission Certificate

of Financial Responsibility and under a valid Coast Guard certificate of inspection in the case of a United States flag vessel or documentation indicating the results of the latest Coast Guard inspection of the vessel in the case of a foreign flag vessel. He shall also assure, from the vessel master, that all equipment and procedural deficiencies noted by the Coast Guard have been or are being corrected in the manner prescribed by the Coast Guard, and that a declaration of inspection has been executed prior to bulk cargo transfer verifying that a vessel inspection has been conducted by vessel personnel. The declaration of inspection shall include all inspection items set forth in the operations manual. The terminal operator shall also verify that a terminal inspection has been conducted by terminal personnel prior to commencement of the transfer operation.

- B. A copy of each declaration of inspection prior to bulk cargo transfer shall be maintained by the terminal operator for a period of at least one year from the date such declaration is executed. The declaration shall promptly be made available to State Lands Commission representatives upon demand.

Items for Possible Inclusion On
Facility and/or Vessel Check-off Lists

No.	Item Description	Facility	Vessel
1.	The Persons-in-Charge shall speak fluent English. If not possible, a person who speaks fluent English shall be stationed near the shutdown button or valve and shall maintain continuous communication with the terminal and vessel Persons-in-Charge.	X	X
2.	The vessel shall have a red flag or light. Warning signs on the wharf, gangway, radio room, and off-shore side of the vessel shall be in place.		X
3.	Vessel mooring lines shall be strong enough to hold in and be of sufficient length to adjust to expected conditions.		X
4.	The vessel cargo transfer system shall be aligned and ready to transfer. Unnecessary or unused manifold connections shall be blanked off using adequate gaskets and at least 4 bolts, or an approved blanking device. The transfer system shall be connected to a fixed piping system.		X
5.	All overboard discharge and sea suction valves connected to oil transfer system, dirty ballast, or cargo tanks shall be closed and sealed, or lashed.		X
6.	The loading hose must have no loose covers, kinks, bulges, soft spots and no gouges, cuts or slashes that penetrate the hose reinforcement. Loading hoses or arms must be long enough to allow ship movement and must be supported so as to prevent strain on the hose or arm coupling.	X	X
7.	Suitable material must be used in joints and couplings to make a tight seal. Hose connections must be made with the proper size bolts in at least every other hole with ANSI standard flanges or with a USCG approved quick disconnect coupling. Permanent hose connections		

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Items for Possible Inclusion on
Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
	and other than ANSI connections shall have a bolt in every hole.	X	X
8.	The vessel must have a containment system under or around each manifold, connection, vessel fuel tank vent, and overflow and fill pipe which complies with Coast Guard regulations. Each scupper or drain in the discharge containment system must be closed.		X
9.	The Persons-in-Charge shall remain in the vicinity of the transfer operation and be available to the oil transfer personnel to supervise connections, disconnections, topping off and emergency shutdowns, if needed.	X	X
10.	No fire or open flame will be permitted during transfer operations. All repair work on the vessel or wharf which can serve as an ignition source must have prior Coast Guard approval and, where required, approval by local fire and harbor officials. Power or manual spark producing devices shall not be operated on weather decks, in pumprooms, in cargo or fuel tanks, or in compartments which may accumulate vapors. Boiler and galley fires must not constitute a fire hazard.	X	X
11.	The vessel and shore facility will have adequate lighting to safely conduct the transfer operation.	X	X
12.	Smoking shall be permitted only in approved areas. "No smoking" signs shall be conspicuously posted in all other areas.	X	X
13.	A pre-transfer conference must be held by the Persons-in-Charge covering: products; discharge sequence and rates; names of persons involved; transfer system de-		

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Items for Possible Inclusion on
Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
	tails and critical stages; applicable rules; emergency, discharge containment and reporting, and shutdown procedures; and shift change procedures.	X	X
14.	Sufficient crewmen to get the vessel underway in an emergency shall remain aboard the vessel, if self-propelled, at all times. Emergency towing wires shall be rigged outboard fore and aft and maintained within 2 meters of the water surface while the vessel is moored along side a wharf. The engines and vessel shall be kept ready to depart within 30 minutes in an emergency and whenever possible the vessel shall be moored so as to facilitate departure. If the engines are down, one or more tugs, depending on vessel size, shall be on standby call.		X
15.	The terminal and vessel Persons-in-Charge shall indicate and acknowledge to each other that they are ready to transfer prior to starting the operation.	X	X
16.	Intoxicated and disorderly persons shall not be permitted on the terminal premises or aboard the vessel, except crewmen who are escorted from the gate to the vessel by the ships' personnel when transfer operations are not occurring. It shall be the responsibility of the vessel Person-in-Charge to ascertain whether vessel personnel are intoxicated and disorderly and it shall be the responsibility of the terminal Person-in-Charge to ascertain whether terminal personnel are intoxicated and disorderly.	X	X
17.	All vessel cargo and personnel compartment openings will be closed during transfer, except when required to be temporarily opened. Pressure relief valves and cargo vents shall be fitted with Coast Guard approved flame screens. When open, ullage holes shall be fitted		

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Items for Possible Inclusion on

Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
	with Coast Guard approved flame screens. Flame screens shall be of the proper size and in good condition. Vent piping shall be sound and free of leaks.		X
18.	Sufficient servicable fire equipment with suitable nozzles shall be attached to the fire main and shall be ready for instant use. There shall be adequate water pressure to supply at least 50 lbs. of pressure at each nozzle. There shall be at least five portable class BC fire extinguishers with capacities of not less than 20 lbs. each on deck. Two shall be located at each side of the manifold and one at the gangway or accommodation ladder. All fire extinguishers shall be approved by the appropriate authority of the vessel's flag country.	X	X
19.	All transfer system connections and pressure gauges shall be monitored to check for leaks and to insure that the maximum working pressure is not exceeded.	X	X
20.	Provisions shall be made to ensure that all spills are reported immediately to the Persons-in-Charge.	X	X
21.	Electrical equipment shall be approved for the hazardous area it is used in. All electrical installations in the pumproom shall be either explosion-proof and/or intrinsically safe except when handling only grade E cargo. All wiring in hazardous areas shall be in good condition. Electric cables to portable equipment shall be disconnected unless certified for use in hazardous areas.	X	X
22.	If electrical bonding is used, it shall be activated by an approved switch prior to the cargo hose disconnection and spillage removal. The bonding system shall have a means of indicating continuity of the bond.		

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Items for Possible Inclusion on
Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
23.	The facility Person-in-Charge shall have the cargo information card for each cargo being handled immediately available.	X	
24.	All communication equipment used in the transfer operation shall be tested and properly working. Tests shall be made immediately prior to transfer and hourly thereafter.	X	X
25.	Cargo decks of the vessel shall remain free of dirty rags, rubbish, debris and loose tools. Excess hydrocarbon leakage in pumproom bilges shall not be permitted.		X
26.	<p>All cargo transfer, except transfer of high pour-point crude and products, and tank cleaning operations shall be immediately shutdown if any of the following occurs:</p> <ul style="list-style-type: none"> a. A severe electrical storm. b. A fire on the vessel, at the wharf or in the vicinity of either. c. Sufficient competent personnel are not present during cargo handling or a language barrier develops between the vessel and the facility. d. If a break occurs in the transfer system, cargo is leaking at the joints or connections at a rate exceeding the capacity of the containment system, or if a spill occurs. e. If a serious vapor condition develops aboard or around the vessel or facility. f. If an emergency arises which may result in a spill or affect the safety of the 	X	X

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Items for Possible Inclusion on
Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
	Transfer of high pour-point crude or products may continue in spite of the occurrence of (a) through (f) until preparations can be made to prevent damage to the transfer piping and equipment if doing so would not present an immediate risk of fire; explosion or cargo spillage.		
27.	Cargo transferring shall begin slowly. Couplings and hoses shall be inspected for leaks prior to transferring at operating pressure, and during the transfer operation.	X	X
28.	The vessel Person-in-Charge must notify the facility Person-in-Charge that he is ready for final topping-off. This will proceed at an agreed upon loading rate.	X	X
29.	Access to the facility shall be unobstructed. Non-spark proofed motor vehicles shall not be operated in the immediate vicinity of a tank vessel during transfer operations.	X	
30.	If the vessel design permits, all air intakes which may take in vapors or are in the immediate vicinity of a cargo tank opening or venting point shall be closed. Compartment air intake vents shall be trimmed away from the cargo area to prevent intake of vapor. Window-type air conditioning units facing cargo areas shall be disconnected.		X
31.	The main transmitting antennae shall be switched off and grounded.		X
32.	The facility Person-in-Charge shall satisfy himself that the vessel is operating under a valid Coast Guard certificate of inspection		

Items for Possible Inclusion on
Facility and/or Vessel Check-off List

No.	Item Description	Facility	Vessel
	in the case of a United States flag vessel or documentation indicating the results of the latest Coast Guard inspection of the vessel in the case of a foreign flag vessel.	X	
33.	The vessel Person-in-Charge shall provide assurance that all equipment and procedural deficiencies noted by the Coast Guard have been or are being corrected in the manner prescribed.		X