MINUTE ITEM
This Calendar Item No. 80
was submitted for information only, no action thereon being necessary.

INFORMATIONAL
CALENDAR ITEM
80

A)
) Statewide
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09/03/99
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STATUS REPORT ON INSPECTIONS FOR MTBE POLLUTION AT MARINA FUELING FACILITIES UNDER CSLC JURISDICTION.

SUMMARY:

The purpose of this item to allow the Commission Staff to present information only. No action is requested of the Commission at this time.

On April 13, 1999, the Commission directed Staff to investigate and review marina fueling docks located on State sovereign lands to determine whether methyl-tertiary-butyl-ether (MTBE) may be released from any of those facilities into the State's waterways. Staff was also directed to report back to the Commission with the findings from its review and with recommendations regarding any remedial action that may be appropriate.

Review of all 29 marina fueling docks has been completed by personnel from the Commission's Land Management and Marine Facilities Divisions (LMD and MFD). The inspectors found no evidence of fuel leakage from any storage or transfer equipment directly or indirectly into any State waters. It was also found that, in most locations, extensive safety measures are in place to prevent leakage or spills into State waters.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code, Division 6, (Sections 6001 *et seq.*)
B. Public Resources Code Sections 8750 through 8760, inclusive

PERMIT STREAMLINING ACT DEADLINE:
N/A

REPORT:
As previously reported to the Commission, MTBE is an oxygenate additive designed to make gasoline burn more cleanly, thereby reducing air pollution. It was introduced in 1996 in response to federal air quality requirements that it be used in those parts of

California experiencing the worst air quality. Because of refining limitations, it is generally used throughout the State.

The Commission expressed concern about the presence of MTBE on the State's environmentally sensitive waterways. Recent studies have indicated that the additive may be toxic. It has been found to leak from storage tanks and pipelines, thereafter contaminating ground water, rivers and lakes.

The specific concern for the Commission are the 29 fueling docks located at marinas on lands leased from the State and used to supply gasoline containing MTBE to watercraft. If those facilities had faulty equipment or employed inadequate operational safeguards, they could be sources of water pollution by MTBE. The Commission therefore directed Staff to undertake an investigation and review of all those facilities in order to identify any problems and to develop solutions to stop any contamination.

Staff's efforts have essentially been divided into three components: the development of an Inspection Checklist to be used in evaluating each facility; the on-site evaluation of each facility and its operations; and a review of existing statutory and regulatory controls governing these facilities and the agencies having applicable jurisdiction. As previously described, the Checklist was developed by MFD in reliance upon both the experience and technical knowledge of its personnel in reviewing similar facilities and fuel transfer operations and upon existing laws governing storage tanks.

The on-site inspections were directed at all 29 marina fueling docks on State leases. Three were found to be non-operational while underground tanks are being upgraded. Of the remainder, nine are located at Lake Tahoe, two are located in Southern California, three are in the San Francisco Bay Area or on the North Coast, and the remainder are in the Sacramento-San Joaquin River Delta or elsewhere in the Central Valley.

The inspection program has revealed no leakage or spillage of any fuel directly from either storage or transfer systems. Furthermore, it was found that, in many cases, a number of different State and local agencies already inspect the facilities to ensure against pollution. The Tahoe facilities, in particular, are under intense scrutiny by the Lahontan Regional Water Quality Control Board, the Tahoe Regional Planning Agency, and Placer and El Dorado Counties. Some areas in the Delta generally receive less oversight, but Staff nevertheless found no problems.

Staff's inspections consisted of a visual evaluation of all parts of each facility's storage and delivery system and interviews with each facility's operator regarding fueling procedures and on site spill prevention and containment measures. In many cases, the inspections were conducted while watercraft were being fueled.

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At this time, a broad range of physical and procedural systems are in place at the various facilities reviewed, with tanks and pipelines ranging in both age and size. The newer marinas have double-walled tanks with pipelines in some type of containment, all of which went through permitting processes by State and local agencies before installation. Several of the older marinas have smaller, single-walled tanks, but they are all set back from the waterfront.

With regard to pumping procedures, the boat operators usually fuel their own vessels. A marina staff person is usually in attendance, standing near the dispenser or shut-off switch in case of emergencies. However, at busier times, the marina staff person may be unable to oversee each refueling. A small number of fuel docks are not self-serve and require facility staff to dispense the fuel.

The only leakage reported at any of these facilities are the very small amounts spilled occasionally at the point where the fuel nozzle is inserted into the watercraft or out of the fuel tank vent. Generally, these instances arise because of defective or poorly designed nozzles or lack of care on the part of the person dispensing fuel. Even in those cases, many marinas provide absorbent cloth or other equipment to help the boat operator prevent these losses. However, during busy summer days, these small losses can present a cumulative problem.

One avenue Staff has used to address this issue involves public outreach efforts, particularly during the annual national Clean Boating Week. This year's focus was "Careful Refueling Practices." We are also distributing information brochures, decals and other materials to remind boaters of the continuing need to avoid fuel spillage.

The issue of fuel losses during watercraft fueling is also being addressed by the State Water Resources Control Board (SWRCB). The SWRCB is currently in the process of studying and establishing equipment standards for all California marinas. These standards will include minimum requirements for storage tanks (both above and below ground), piping, hoses, pumps, dispensers, nozzles, and containment specifications. After these standards are determined, the SWRCB is planning to sponsor legislation which would establish industry wide regulations affecting fueling and spill containment procedures as well as equipment standards.

The Land Management Division also reviewed all existing laws and regulations governing these facilities. It was determined that above- and underground storage tanks were governed by different programs. Currently, there are six marinas on State lands now operating with recently-upgraded underground

storage tanks, both in Tahoe and Southern California. All of the underground storage tanks are overseen by the local county Environmental Heath or Hazardous Materials Departments. Aboveground tanks, which are present at 23 of the operating fueling docks under the Commission's jurisdiction, are governed by the California Aboveground Petroleum Storage Act. While implementation is under the charge of the State and Regional Water Quality Control Boards, the level of scrutiny varies from county to county. In most cases, local governments will address the aboveground tanks as only part of a larger inspection process; for example, one looking at sewage, waste and water. Under the Aboveground Petroleum Storage Act, each aboveground tank owner is required to file a Storage Statement detailing the location, capacity, and owner of the tank, but it would appear that few have in fact complied with that requirement. It is unclear whether these discrepancies are caused by flaws in the data base or by noncompliance.

With regard to the Commission's concern as to whether the fueling docks on State sovereign lands are a direct source of MTBE pollution, the answer appears to be that they are not. Staff could find no evidence of fuel leakage at any of the subject facilities from the storage tanks to the nozzle. However, it is clear that spillage does occur at times at the point where fuel is delivered from the nozzle into the vessel fuel tank due to design flaws in the nozzles or vessels or simply through human operational error. Staff will continue to keep in close contact with the SWRCB and the regional water boards to support their efforts to oversee these facilities and to provide assistance in their efforts to design and standardize requirements specifically for marina fueling operations statewide. Contact between the staffs of the Commission and SWRCB is ongoing; participation by Commission Staff is anticipated in both the technical and business aspects of the efforts being lead by SWRCB. Although the amount of fuel spilled at the point of delivery is insignificant when compared to the pollution caused by operation of two-stroke engines and by other pollution sources, such as storm drain runoff, the problem is still of concern and will continue to be addressed through these interagency efforts.