

**Consent Agenda Briefing for PWSRCAC Board of Directors – September 2023**

**ACTION ITEM**

**Sponsor:** Sadie Blancaflor and the TOEM Committee

**Project number and name or topic:** 5591 – Crude Oil Piping Inspection Review

1. **Description of agenda item:** The Board is being asked to approve the deferral of FY2024 TOEM project 5591: Crude Oil Piping Inspection Review the total of which is \$51,744, and transfer the funds to the contingency fund. Alyeska has informed PWSRCAC that we will not have access to the crude piping inspection summary report and associated data until fall of 2024, which would mean we would not be able to conduct Project 5591: Crude Oil Piping Inspection Review until FY2025.

2. **Why is this item important to PWSRCAC:** From 2016 through 2018 Alyeska undertook substantial projects to internally inspect the majority of large diameter crude oil piping at the VMT. Those inspections involved the use of a few types of in-line or internal inspection tools that assessed the remaining wall thickness and geometry of the piping segments. The piping segments included the majority of on-land crude oil piping and essentially all of the large-diameter crude piping that extends over the water out to the ends of Berths 4 and 5 (the only in-service berths at the VMT). To enable the internal and in-line inspections, Alyeska significantly modified portions of the VMT's crude oil piping system including the installation of two pig launchers, two pig receivers, and multiple split-tee pieces.

It is the Council's understanding that these substantial inspections were completed in the absence of any regulatory requirement on the VMT's crude oil piping system. However, the Council is aware that for other crude oil piping systems, regulations contained in 49 CFR Part 195 spell out internal or in-line inspection requirements. In 2014, the Council's contractor, Dynamic Risk Assessment Systems Inc., recommended 49 CFR Part 195 as "guidance when developing the inspection program for the VMT piping." Despite there being no current regulatory requirement for the VMT's crude oil piping, the Council would like to know if these 2016-2018 piping inspections were in alignment with the requirements of 49 CFR Part 195. This project is necessary to help ensure that Alyeska is using industry best practices and considers all the pertinent information in the decisions they make to safely maintain the VMT's crude oil piping system.

Findings and conclusions from this project, as well as any recommendations, will be shared with Alyeska, and other appropriate stakeholders (e.g., state or federal regulators), to promote where industry best practices are utilized, and provide input and advice regarding the VMT's crude oil piping system inspections.

3. **Previous actions taken by the Board on this item:** None.

## Approve Deferral of Project 5591: Crude Oil Piping Inspection Review 3-2

4. **Summary of policy, issues, support, or opposition:** None.
5. **Committee Recommendation:** The TOEM Committee voted via email poll following the July 30, 2023 TOEM Project Team meeting to recommend the Board defer the TOEM project 5591: Crude Oil Piping Inspection Review and that the funds allocated for this project be moved to FY2024 deferred project 5081: Storage Tank Maintenance Review. Since that time, staff learned from ADEC representatives that the information on ballast water tank 93 necessary to conduct project 5081 as proposed and deferred in the FY24 budget will also likely not be available during FY2024, so this action item is limited to the deferral of project 5591. It is anticipated that the TOEM Committee will have discussions regarding current project status and may come back to the Board at a later date with a project funding request.
6. **Relationship to LRP and Budget:** Project 5591: Crude Oil Piping Inspection Review is in the approved FY2024 budget in an amount of \$51,744.
7. **Action Requested of the Board of Directors:** Defer TOEM project 5591: Crude Oil Piping Inspection Review transferring \$51,744, of the funds into the FY2024 contingency.
8. **Alternatives:** None recommended.
9. **Attachments:** None.