

Briefing for PWSRCAC Board of Directors – January 2024

ACTION ITEM

Sponsor: Linda Swiss
Project number and name or topic: 6510 Valdez Marine Terminal
 Contingency Plan Review

1. **Description of agenda item:** This information and action item is intended to brief the Board on the renewal of Alyeska Pipeline Service Company's (Alyeska) Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan (VMT C-Plan) and request additional funding for contingency planning. The VMT C-Plan was approved in November 2019, for a period of five years, and is set to expire in November 2024.

Alyeska submitted the VMT C-Plan renewal to the Alaska Department of Environmental Conservation (ADEC) for a sufficiency review on October 20, 2023, followed by a 45-day public review. Comments were submitted to ADEC on December 15, 2023.

Highlights of PWSRCAC's comments and requests for additional information include:

- **Secondary Containment:** Based on documented damage to the catalytically blown asphalt (CBA)/secondary containment liner by Alyeska contractors, PWSRCAC questions whether Alyeska should receive a 60% prevention credit they currently receive for this prevention measure. Visual inspections of the liner conducted between 2014-2017 demonstrated significant existing damage, thus rendering the liner ineligible for the full 60% prevention credit. Additional testing of the liner needs to be conducted to verify its integrity and whether the liner meets the "sufficiently impermeable" regulatory requirement.
- The significance of the 60% prevention credit is that Alyeska is able to plan and commit resources (including personnel and equipment) for a significantly smaller spill than they would if the credit was not given. Having adequate resources is critical in the event of a spill.
- **Crude Oil Storage Tank Inspections:** Due to the questionable integrity of the secondary containment liner, the age of crude oil storage tanks, and sensitivity of the local environment, PWSRCAC advocates that ADEC use its discretion to impose a maximum of 10 years between internal inspections on tanks.
- **Prevention Training:** The VMT C-Plan lacks details to verify compliance with state regulations.
- **Documents Incorporated by Reference:** The VMT C-Plan incorporates more than 70 documents by reference. Information from these documents that may not be available to the public for review is used to satisfy state and federal requirements.

2. **Why is this item important to PWSRCAC:** The VMT C-Plan approval process includes important actions which could potentially impact every member organization of PWSRCAC. The VMT C-Plan establishes state and federal oil spill prevention and response requirements that Alyeska is required to comply with to prevent a spill from occurring, as well as requirements that Alyeska would be obligated to address should an oil spill occur. This plan is renewed every five years. Reviewing contingency plans is a major task for PWSRCAC, as outlined in both the PWSRCAC/Alyeska contract and OPA 90.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
Board	5/4/23	Board adopted the FY2024 budget as presented during the budget workshop on April 29, 2023, with the inclusion of project 6510 – State Contingency Plan Review.
Board	5/4/23	Authorized individual contracts with Nuka Research and Planning, LLC, and Attorney Breck Tostevin for professional services with the aggregate total not to exceed the amount approved for Project 651 Contingency Plan Review in the final FY2024 budget, and delegation of authority to the Executive Director to enter into individual contracts with selected consultants.

4. **Committee Recommendation:** The OSPR and TOEM Committees have been briefed on the status of the VMT C-Plan renewal. OSPR supports this contract increase and recommends Board approval (email poll dated 12/20/23).

5. **Relationship to LRP and Budget:** Project 651 / State Contingency Plan Reviews is in the approved FY2024 budget and annual work plan.

6510 – State Contingency Plan Review

As of December 19, 2023

Original Budget	\$80,000
Revised Budget	80,000
Actual & Commitments	\$72,205
Amount Remaining	\$7,795

6. **Action Requested of the Board of Directors:** Delegate authority to the Executive Director to negotiate contract increases with selected contingency plan review contractors at a cost not to exceed \$90,000 for project 6510: State Contingency Plan Reviews for FY2024.

Note: This action is contingent on approval of the proposed budget modifications in agenda item 4-2 where \$10,000 is requested be transferred to 6510 contract expense.

7. **Attachments:** The Council’s December 15, 2023 comments on Alyeska VMT C-Plan can be viewed [HERE](#).