

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR REGULAR MEETING OF OCTOBER 23, 2009
Prepared on September 23, 2009

ITEM NUMBER: 10

SUBJECT: Toro Creek Canyon Oil Facility, Santa Barbara County

KEY INFORMATION

Location: 1073 Toro Canyon Road, Santa Barbara, CA 93108
Discharge Type: Crude oil
Discharge Volume: Estimated 7,200 gallons per year
Disposal: Send oil offsite for disposal and/or recycling
This Action: Information Only

SUMMARY

In April 2009, the State Water Resources Control Board (State Board) approved Santa Barbara County's (County) Cleanup and Abatement Account (CAA) application for \$96,500 to operate and maintain the oil/water separator (OWS) located at Toro Creek Canyon in Santa Barbara County (Attachment 1) for approximately ten years. The maintenance actions provided by County staff, using the funding provided by State Board, prevent crude oil from directly discharging to Toro Creek and ultimately reaching the Pacific Ocean.

DISCUSSION

Background: Oil seeps occur naturally at many locations along the California Central Coast. In 1882, Occidental Mining and Petroleum (Occidental) dug a tunnel over 200 feet deep into a steep hill slope near the headwaters of Toro Canyon Creek (located in the Summerland/Carpinteria portion of Santa Barbara County) to enhance the flow of oil. Horizontal oil wells were commonly used at this time to enhance the oil flow from seeps in this area. Commercial exploitation of the resource was never viable at this location and Occidental found the water to be more valuable than the oil. At an unknown date, one or more local property owners constructed an OWS to prevent oil from flowing into the creek and used the water for domestic supply. The OWS supplied water for the Summerland residents for more than 60 years before other water sources were found.

Toro Creek Canyon contains valuable habitat for a variety of species, including Red-Legged Frogs, two-striped gartersnake, nocturnal ring-tailed cat and southwestern pond turtle, all California protected species or Species of Special Concern. Black bear, deer, gray foxes, coyotes, bobcats, raccoons, skunks, rabbits, and gray and ground squirrels rely on this stream for water particularly during the dry months. The inshore area surrounding the mouth of Toro Canyon Creek is frequented year around by California Brown Pelicans (Federal and State listed as endangered) and seasonally (during the winter and spring months) by western grebes, which are protected by the Federal Migratory Bird Act.

In subsequent years, the OWS fell into disrepair and there were numerous resulting crude oil spills to Toro Creek over the years. One of the larger spills occurred on February 14, 1992 when up to 1,200 gallons of crude oil were discharged into the creek. After the Central Coast Water Board

issued Cleanup and Abatement Order (Order) No. 92-45 to the current property owner, John Thorndike, and his partner, the parties removed crude oil from the creek using funding from an insurance claim. After the Central Coast Water Board issued Order No. 93-59 to Mr. Thorndike, Mr. Thorndike signed a statement prepared by the Central Coast Water Board and dated December 6, 1993, that he is "financially unable to cleanup contamination created by the discharge and/or construct a permanent oil/water separator. . . ." The Central Coast Water Board concluded in 1993 Mr. Thorndike does not have expertise or financial resources to purchase, maintain, operate, or insure the OWS facility.

These incidents prompted the Central Coast Water Board to build the first advanced OWS with State Board CAA funds (Project No. C/A 85 and 86) in 1993. The Department of Fish and Game (DFG) provided additional money from its Imminent Threat Fund to supplement State Board funding.

In July 1997, the oil/water separator was vandalized resulting in the release of approximately 3,000 gallons of oil to Toro Canyon Creek and into the Pacific Ocean, located approximately 4.5 miles down stream. USEPA staff determined that the release met the criteria for funding under the Oil Pollution Act of 1990 and secured funding from the Oil Spill Liability Trust Fund. USEPA constructed a new OWS and the Toro Creek Canyon facility was operated and maintained under USEPA management. USEPA installed facility improvements, including a new retaining wall and fencing, to prevent future vandalism.

On July 20, 2005, the U.S. Coast Guard (the funding administrators) contacted DFG and Central Coast Water Board staff indicating that the emergency response phase was over and that federal system funding would be terminated by 2007. The letter also inquired as to possible other funding sources to support continued operation of the system. USEPA held meetings in 2006 through 2008 with various agencies and interested parties to determine potential funding sources and to designate a party to operate and maintain the system. Meeting attendees included: DFG, Central Coast Water Board, Department of Oil and Gas and Geothermal Resources (DOGGR), City of Carpinteria, Santa Barbara County Fire Department, and staff for Assembly Member Pedro Nava.

The interested parties and agencies considered funding by the existing property owner, nearby canyon residents, as well as DOGGR, DFG, and State Board funding. DFG's and DOGGR's experience with old oil mines sealed by Unocal Corporation near Santa Paula indicate it is impossible to shut off either the water or the oil sources even if the Toro Mine were sealed using state-of-the-industry methods, because of naturally occurring rock fractures and faults in the surrounding rock. Oil and water would simply build up hydraulic pressure and quickly migrate around the plug and seep into the watercourse through natural fractures. DOGGR considers the Toro Canyon matter to be a natural oil seep and advises that the best strategy for limiting oil discharges to the creek is to capture the oil and transport it to an off-site facility for processing. Following these discussions, the County of Santa Barbara agreed that they would provide operation and maintenance of the system if outside funding could be obtained.

In December 2007, Santa Barbara County submitted an application for CAA funds and State Board staff approved the application in April 2009, following additional input from Central Coast Water Board staff. The State Board funded the project up to \$96,500 over a ten year period. A condition of CAA funding requires Santa Barbara County to submit annual reports detailing system operation and maintenance and recount their efforts to find additional long-term funding for future maintenance. Since April, Santa Barbara County has been operating and maintaining the OWS and has submitted one invoice to Central Coast Water Board staff for approval; Central Coast Water Board staff approved the invoice for the amount of \$1,151.63. Central Coast Water Board staff will provide periodic updates on the status of this project.

Attachment 1: Toro Creek Canyon Map