

Tracer Staff Profile: John M. Deacon Joins Tracer ES&T

Tracer ES&T is pleased to announce that John Deacon has joined our professional team as Senior Manager, Santa Maria Operations. John spent the last 20 years working for major and independent oil companies. Most recently he served as the Corporate Manager of Environmental, Safety and Regulatory Compliance (ES&RC) for Nuevo Energy Company. In this capacity, he managed all aspects of Nuevo's ES&RC efforts including:

1. Permitting, safety and regulatory compliance for 12 offshore platforms and numerous onshore facilities. In addition, he obtained all permits for a gas reinjection project and a gas processing plant in Santa Barbara County.
2. Compliance with Cal-OSHA Process Safety Management regulations at 4 oil and gas processing facilities.
3. Due diligence for all oil and gas property acquisitions, divestitures and mergers. Last year John oversaw environmental due diligence for transactions in excess of \$121 million. He also coordinated Nuevo's ES&RC due diligence effort for the recent \$900 million PXP/Nuevo merger.
4. Multi-agency Natural Resource Damage Assessments (NRDA). John was the Nuevo NRDA representative for the 1997 Pt. Pedernales spill.

In addition, John was the Chairperson for
(John Deacon, Continued on page 5)

Due Diligence in Property Transactions-Caveat Emptor?

Even with the numerous protections that state regulations now provide property buyers, the old adage "let the buyer beware" still rings true. Almost all property transfers go through some type of "due diligence" wherein the buyer evaluates the condition of the property prior to consummating the purchase. In most cases, the due diligence is relatively simple. For example, in a residential transaction you may need to only evaluate the structure for termite damage and whether or not it exists in an area subject to increased earthquake risks. However, if a property (or the surrounding property) has a varied use history, the environmental due diligence should be more extensive.

Tracer has staff with extensive due diligence experience who can help you to avoid unpleasant surprises...

The American Society for Testing and Materials (ASTM) has published a standard for performing the necessary environmental due diligence for property transactions. This standard (ASTM E-1527-00) provides guidance for performing a Phase 1 Site Assessment. A Phase 1 Site Assessment identifies "recognized environmental conditions" which, in laymen's terms, is the presence or likely presence of any hazardous substances or petroleum products which may affect the value of the property. It is interesting to note that this evaluation includes environ-

mental conditions that may even be in compliance with applicable laws. Phase 1 Site Assessments involve collecting all available and pertinent data on the property. A Phase 1 Site Assessment generally involves a walk through inspection, a survey of the adjacent properties, interviews with people who know the site and its history, a review of any existing environmental documents prepared for the property, a review of agency files, a review of aerial photos and preparation of a final report.

If the Phase 1 Site Assessment identifies environmental conditions, a Phase 2 evaluation may be warranted. In a Phase 2, tests are performed on the property to determine the extent of the contamination. The Phase 1 serves as a guide for the Phase 2 Site Assessment. Phase 1 Site Assessments are relatively inexpensive whereas Phase 2 Site Assessments can be very expensive depending on the extent of sampling and analysis dictated by the Phase 1.

Another important factor in due diligence is an evaluation of obstacles for the future use of the property. Government regula-

(Due Diligence, Continued on page 5)

Inside This Issue...

Risk Group Update: June 21, 2004 is Coming Soon!!	2
Vulnerability Assessments	3
Mold Testing	4
Dear Tracer ES&T	5
Tracer ES&T Anniversaries	Back
Happy 4th of July	Back

Risk Group Update JUNE 21, 2004 IS COMING SOON!!

The Environmental Protection Agency's Risk Management Program proposed updates, published in the Federal Register in August 2003 have finally been adopted!! April 9, 2004, marks the day when the Amendments to the Chemical Accident Prevention Rule (40 CFR Part 68 a.k.a. Risk Management Program) were published in the Federal Register (69 FR 18819).

Changes to the Risk Management Program regulation include the following new **update** requirements:

1. A facility is now required to update the Five-Year Accident History portion of their Risk Management Plan submittal within six (6) months of any accident that meets the accident history reporting requirements*.
2. A facility is now required to update their Risk Management Plan submittal within 30 days of a change to the emergency contact information.

* *"The owner or operator shall include in the five-year accident history all accidental releases from covered processes that resulted in deaths, injuries, or significant property damage on site, or known offsite deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage."*

Changes to the Risk Management Program regulation include the following new **submittal** requirements:

1. You are no longer required to include a summary of your Hazard Assessment in the Executive Summary portion of the EPA RMP submittal.
2. The Emergency Contact Email address is now a required field.
3. If you use a consultant to prepare your Risk Management Plan submittal, there are now required fields to include the consultant's name, address, and telephone number.
4. There is now a list of nine (9) reasons for resubmitting your RMP (e.g. new process, revised PHA, revised Hazard Assessment, five-year update, no longer covered, or voluntary update).

Changes to the Risk Management Program rule in general include the following:

All facilities that submitted **prior** to June 21, 1999 are required to submit NEW Risk Management Plan prior to June 21, 2004 using EPA's new 2004 RMP*Submit Software.

All facilities that submitted **after** June 21, 1999 are required to submit a CORRECTION to their Risk Management Plan prior to June 21, 2004 using EPA's new web-based correction tool.

The amendments to the RMP regulation can be found on the EPA Federal Register website:

<http://www.epa.gov/fedrgstr/EPA-AIR/2004/April/Day-09/a7777.htm>

(June is Soon, Continued on page 5)

Tracer ES&Times
A Quarterly Newsletter by
Tracer Environmental Sciences
& Technologies, Inc.

President

Thomas J. Rappolt

Editors/Layout Design

Lee Pyle & Mary-Pat Lemon

Staff Authors

Friends & Staff of Tracer ES&T

Do you have questions about an article appearing in Tracer ES&Times? Call us at (760) 744-9611.

Vulnerability Assessments

Water Utilities

The Environmental Protection Agency (EPA) has been tasked with the responsibility to protect the United States water infrastructure. This was originally outlined in the Presidential Decision Directive (PDD) 63, issued on May 22, 1998, which called for “vulnerability assessments...for each sector of the economy and each sector of the government that might be a target of infrastructure attack intended to significantly damage the United States...” and “within both the government and the private sector to sensitize people to the importance of security and to train them in security standards”. The Public Health Security and Response Act of 2002 was signed by President Bush in June 2002. This mandated that funding be provided to assist large water utilities (serving a population in excess of 100,000) conduct these Vulnerability Assessments.

Deadlines shake out as follows:

Large Utilities (>100,000 population): COMPLETE

Medium Size Utilities (50,000 to 100,000 population):

- Vulnerability Assessments - December 31, 2003
- Emergency Operations Plan Update Certification Letter - due 6 months following certification and submittal of Vulnerability Assessment, but no later than June 30, 2004.

Small Utilities (3,300 to 50,000 population):

- Vulnerability Assessments - June 30, 2004
- Emergency Operations Plan Update Certification Letter - due 6 months following certification and submittal of Vulnerability Assessment, but no later than December 30, 2004.

EPA has prepared a detailed submittal protocol (<http://www.epa.gov/safewater/security>).

Other Industry Sectors

Currently, there are two bills that are designed “to protect human health and the environment from the release of hazardous substances by acts of terrorism”: 1) House Resolution (HR) 2901, Chemical Facility Security Act of 2003 introduced on July 25, 2003 by Representative Vito Fossella, and 2) Senate Bill (S) 994, Chemical Facilities Security Act of 2003 introduced on May 5, 2003 by Senator Jim Inhofe. Both bills would require owners or operators of selected chemical storage facilities to develop and implement a site security plan that addresses the facility’s vulnerability to a terrorist release. These two proposed bills are very similar; the major differences are outlined below:

- HR 2901 will require the Secretary to establish a list of “High Priority” facilities. This classification will consider:
 - a) severity of the harm that could be caused by a terrorist release, b) proximity to population centers, c) threats to national security, d) threats to critical infrastructure, and e) nature and quantity of substances at the facility.
- S 994 requires the Secretary to consider the following regulatory criteria when developing their list of chemical sources:
 - a) the likelihood that a chemical source will be a target of terrorism, b) the nature and quantity of substances at the facility, c) potential extent of death, injury, or serious adverse effects, d) potential harm to critical infrastructure, e) cost and technical feasibility, and f) scale of operations.
- HR 2901 will require that the High Priority facility submit a copy of the Vulnerability Assessment report and Site Security Plan, whereas S 994 will require a submittal upon request.
- HR 2901 requires the Secretary to endorse or recognize procedures protocols and/or standards, whereas S 994 only suggests that the Secretary complete this task.

Tracer will be following the progress of these bills in future Tracer ES&Times issues.

References: <http://www.epa.gov/safewater/security/>
<http://www.epa.gov/epahome/>

✓

Mold Testing

As a result of deleterious health effects, there has been great public concern in recent years over the presence of mold and other microorganisms in the indoor environment. This concern has led to a marked increase in indoor air sampling.

For anyone who may suspect a problem with mold or other potential indoor contaminants, it is best to carefully assess whether a sampling program is needed. If so, the type of sampling program should be well thought out.

Why Sample?

Indoor air sampling is performed in order to determine whether sufficient biological particles exist in an environment to affect individuals in that environment. It is a fact that we are exposed to an array of microorganisms during the course of our daily lives. Sampling can help determine whether the environment sampled contains more organisms than would otherwise be expected.



What Type of Sampling?

Biological sampling is divided into culturable and non-culturable sampling methods. Non-culturable is more common as it allows a cheap, accurate snapshot of the indoor environment at a given time and place. The drawback is that non-culturable sampling does not identify viable organisms that have the potential for causing health problems.

Sampling Methods

Samples are collected using an air pump with a known and traceable flow rate (~ 15 lpm). Air is drawn through the sampling media at a constant flow rate for a short period of time (10-15 min). A sample is collected from each area of concern in the indoor environment. **In addition, one sample must be collected from the outdoor environment for comparison purposes.** Samples are catalogued and sent to a specialized laboratory for analysis.

Reporting

Sampling results are normally turned around in a matter of two to three business days. Reports consist of a summary of sampling, results, interpretation and recommendations.

For further information on mold testing, please contact Paul Schafer at (760) 744-9611 ext. 111. ✓

Dear Tracer ES&T:

Last year my upstairs shower had a small leak. The leak was fixed immediately after it was noticed. However, I'm not sure how long the leak was there before it was noticed. There didn't appear to be any residual moisture or water damage to the surrounding areas.

Lately my five year old son has been congested and has complained about pain while breathing. His bedroom is under the shower of incident.

Could my son's condition have something to do with the leaky shower? There is no visual evidence of mold growth.

Is there a way for me to find out if I have an issue with mold contamination, and if so, what are the associated costs?

~Concerned Parent

Dear Concerned Parent,

You have reason to be concerned. Even small leaks could lead to significant mold growth. This is true even if there is no visible evidence of water damage or residual moisture. If mold growth goes unchecked it could pose a significant health concern for you, your son and the rest of your family.

The good news is that your home's indoor air quality can be tested quickly, inexpensively, and without any structural damage. Typically, residential mold testing ranges from \$350-600.

Please call Paul Schafer at (760) 744-9611 ext. 111 to discuss your particular needs and set up an appointment. ✓

(June is Soon, Continued from page 2)

EPA will have many references available on their website(<http://www.epa.gov/emergencies>), including a factsheet ("Changes to the Chemical Accident Prevention Rule"), Frequently Asked Questions, and RMP*Submit 2004 software and User's Manual.

Finally, EPA is preparing an internet-based tool for correcting the administrative sections of the Risk Management Plans. It is hopeful that this tool will be available in June 2004. The web-based tool will assist facilities that have anniversary dates after June 21, 2004 to add the new data elements to their submittals. Post-June 21, 2004 facilities should receive a letter from EPA with the web-address, a log-in, and a password for completing these corrections.

In the future, all facilities will be able to make revisions and other small changes to certain administrative sections of their Risk Management Plan submittal on-line, eliminating the need to mail diskettes and certification letters for such corrections. This tool, however, will not

(John Deacon, Continued from page 1)

the Western States Petroleum Association Coastal Producer's Committee and the Chairperson for the Oil Caucus of the Fisheries Liaison Office in Santa Barbara. Prior to his experience in the oil industry, John worked for the Santa Barbara County APCD. He holds a B.S. and M.S. from Brigham Young University. ✓

(Due Diligence, Continued from page 1)

tions vary significantly from state to state, county to county and city to city. Zoning regulations, comprehensive plans, air pollution control district regulations and attainment plans need to be reviewed to insure that the new buyer can properly exercise his plans for the property. This is an important step even if the new owner has no plans to change the use of the property.

Environmental due diligence is a critical step in any property transaction. Luckily, as more and more transactions go through the process, a database becomes available for other property transactions making due diligence more and more cost effective. Tracer has staff with extensive due diligence experience who can help you to avoid unpleasant surprises which can come from property transactions that have not had proper due diligence exercised. In conducting due diligence programs for clients, Tracer uses a detailed database approach whereby specific local, county and federal regulations are cross-referenced with Phase 1 & 2 findings. This analytical approach ensures that no item of concern (relative to environmental compliance) is left unanswered. For answers to your property transfer questions, please contact John Deacon at (805) 346-6591 ext. 16 in our Santa Maria, CA offices. ✓

Tracer Environmental Sciences & Technologies, Inc.

970 Los Vallecitos Boulevard, Suite 100
 San Marcos, CA 92069
 (760) 744-9611
 (760) 744-8616 FAX
 web page: www.tracer-est.com

Key Service Area Contacts

Air Monitoring:	Jim Stirling	(760) 744-9611 x105
Environmental Construction:	Dan Vossler	(805) 346-6591 x12
Permitting & Compliance:	Greg Hauser	(760) 744-9611 x106
Risk Management & Safety:	Lee Pyle	(760) 744-9611 x108
Santa Maria Operations:	John Deacon	(805) 346-6591 x16
Tracer Sciences:	Tom Rappolt	(760) 744-9611 x107

The articles in Tracer ES&Times are written by the staff of Tracer Environmental Sciences & Technologies, Inc. These articles are written for the benefit of our clients and other environmental professionals. Tracer ES&T accepts no liability for any use which readers may make of the information contained herein.



Tracer ES&T Anniversaries

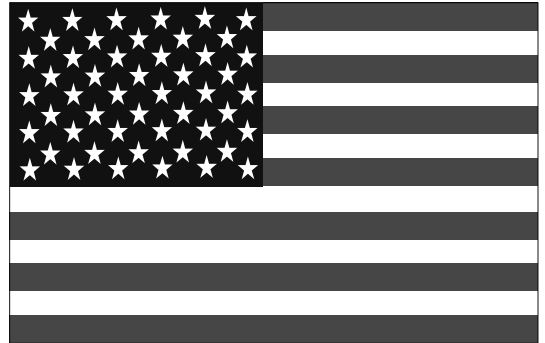
Some of the Tracer ES&T staff have been together through several name changes: Tracer Technologies, Team Environmental Services, and now, Tracer ES&T. Our staff is the foundation for this company and we appreciate their effort and dedication.

21 Years
(3/3/83)

Tom Rappolt

15 Years
(5/9/89)

Lee Pyle



celebrate
the
4th of july