

Minutes of Chevron Burnaby Refinery Community Advisory Panel Meeting

Wednesday April 6, 2011

7 – 9 pm at the Confederation Seniors Centre

PRESENT

Pat Connelly, Ian Lacoursiere, Maziar Kazemi, Rob Mclean, Kathy Mezei, Al Mytkowicz and Art Quan

Chevron representatives:

Jim Gable, Refinery Manager; Ray Lord, Public & Govt. Affairs Manager; Jill Donnelly, Health Environment & Safety Manager

Metro Vancouver Representatives:

Larry Avanthay and Darrell Wakelin, Regulatory representatives for Metro Vancouver

Guest Presenters:

Hugh Hemphill, Chevron Refinery Operations Manager and Incident Commander; Mike Ward, Chevron Refinery Emergency Response Safety Lead; Pete Turner, Chevron Facilities Planning Manager

Facilitator:

Kim Barbero, Carah Worldwide Consulting, Inc.

REGRETS

Kathy Curran, Bonnie Hayward and Eileen Luongo

CAP BUSINESS

1. Opening Remarks

- Kim Barbero welcomed CAP members and thanked them for supporting the efforts made to hold this meeting one month prior the date set originally.
- Kim introduced three new members of CAP – Ian Lacoursiere, Maziar Kazemi and Al Mytkowicz – and announced that Myrna Bennefeld had resigned from CAP but was attending this evening's meeting as an observer.
- Kim also acknowledged the recent retirement of Metro Vancouver's long-term representative to CAP, Silvano Padovan and welcomed Larry Avanthay as a new MV representative.

- Ray Lord introduced Chevron staff – Hugh Hemphill, Mike Ward and Pete Turner – who would be presenting and participating in the earthquake preparedness and emergency response portions of the meeting.

2. General Refinery Operations

- Jim Gable provided an operational update, which included reference to an on-site injury in January that resulted in an employee requiring three stitches to his finger. This was the refinery's second injury of the year. Jim also mentioned that there were mechanical problems with a compressor that has since been addressed; that Tank 1002 had been re-commissioned following completion of maintenance work and that a power failure March 21 resulted in an unplanned temporary shut-down of several units in Area 2. The affected units were returned to normal operations without incident.
- Kathy Mezei mentioned that a neighbor of the tank farm near McGill Park had recently noticed a strong odour in the area. Kathy queried whether or not the odour could be from solvents used to clean out the tanks. Jill Donnelly encouraged Kathy to have the neighbor call the Refinery so it can be investigated and assured CAP that, typically, tank cleaning does not necessarily create odours nor, in Chevron's view, does it pose a community health or safety concern.
- Al Mytkowicz asked if the power failure, attributed to BC Hydro, referenced in Jim Gable's update could be a concern to community safety. CAP was advised that all affected units were taken down safely and re-started within 30 hours with no safety concerns and no impact to the environment.
- Rob McLean requested an update on the status of a landscaping issue that a community resident had voiced at the public CAP meeting in November 2010. Ray Lord explained that the landscape design for the refinery buffer zone was developed in consultation with a committee of local residents. Chevron has worked to maintain that landscaping plan as designed and is sensitive to the wishes of nearby home owners. Efforts have been made to engage this particular neighbor on the subject and the refinery is prepared to continue with that dialogue to try to find mutually agreeable solutions to any concerns he may have.
- A concern was expressed about a recent attempt by a neighbour to register a noise complaint via the Refinery's Community Contact telephone line (604-257-4040.) The caller was put into a voicemail queue that circled and repeated prompts. Chevron explained that the problem was the result of Telus moving to a new system and that the migration had experienced a programming problem. The issue has since been resolved.

- On behalf of Eileen Luongo, Kim Barbero asked for an update on the previously discussed media reports regarding Husky's expansion of its downstream presence in BC and reference to a Chevron re-organization. Jim Gable explained that Chevron Corporation regularly reviews its asset portfolio around the world, citing the recent sale of refineries in Wales and other facilities in Latin America. Jim confirmed that there is no similar consideration underway for the Burnaby Refinery that he is aware of. Jim also emphasized that Chevron is a leader in safety and environmental practices, being consistently ranked higher than its competitors.

3. Earthquake Preparedness

- Questions related to earthquake preparedness and seismic upgrading were deferred to the next section of the agenda regarding Chevron's overall Emergency response planning and preparations.
- It was noted that Chevron Corporation had made a significant donation to support the recovery efforts in Japan.

4. Chevron Emergency Response - Earthquake Preparedness

- Pete Turner, Chevron Facilities Planning Manager, provided an overview of a study Chevron undertook in 2009 to conduct a seismic assessment of the refinery's occupied buildings. The purpose of the study, done pro-actively and voluntarily by Chevron, was to assess if certain structures on the property were safe for employees in the event of a seismic event. The assessment indicated that there were buildings on the refinery property that were at risk of collapsing in the event of an earthquake.
- Buildings that house operations staff in key control rooms for the tank farm, the main control room for the refinery and the field operations centre, have been originally constructed or recently upgraded to current seismic standards.
- A plan was developed, approved, funded and scheduled in order to complete a multi-year, multi-million dollar retro-fit of the identified buildings on the refinery site. The required upgrades are being focused on occupied refinery buildings in a similar effort to the one currently underway in critical public buildings across the lower mainland including hospitals and schools.
- As a California based company, seismic safety and construction has been a high priority at Chevron for many years. The design of processing equipment, piping, pressure vessels and tanks, incorporates seismic considerations. As processing units and other facilities are built, retrofitted or replaced, upgrading to current seismic standards is part of the project engineering process.
- It was noted that regulatory oversight for the refinery as it relates to seismic requirements of pressure vessels, piping and pipelines is under the jurisdiction of the B.C. Safety Authority, the BC Oil & Gas Commission and Work Safe BC.

CAP questions included:

Q1: How long with the retro-fit take and what is the current process in the event of a seismic event?

A1: The assessment is the first step of a prioritized five-year plan to vacate, retrofit or replace occupied buildings to further secure the refinery and ensure the well-being of its employees in the event of a seismic event. In the meantime, during a seismic event, our emergency response processes and procedures would be activated. This includes an initial assessment of the situation supported by required action. In a worst-case scenario, this could include a controlled shut-down of the refinery bringing the processing units to a safe, stable condition which can be achieved within minutes.

Q2: What about process units in Area 2 during a seismic event?

A2: The seismic standards used during construction of processing equipment comply with current seismic standards in place at the time of construction. The process units at the refinery are in a constant state of renewal as part of ongoing maintenance and upgrading. When any significant changes are made, processing equipment is upgraded to the most current building codes.

Q3: Are the tanks built to seismic standards?

A3: The tanks at the refinery are built and maintained to API (American Petroleum Institute) standards and CCME (Canadian Council of Ministers of the Environment) Guidelines. Tanks – like other process equipment – are designed to withstand seismic events as defined within the building code. According to engineers at E.T.C. (Chevron's Energy Technology Company), other Chevron tank farms that have experienced an actual seismic event have sustained damage to the tanks and some spillage, but have not seen a catastrophic loss of containment due to earthquakes. If similar damage were to occur here at the Burnaby facility, any product spillage would be contained by existing impounding systems that have been designed for this purpose.

Q4: What would occur if the sats depropanizer were ruptured in a seismic event? Would it or its contents explode?

A4: Yes, technically it could. The sats depropanizer processes propane and butane. There is no reason, however, to believe it would be any different than any of the other units at the plant as they are designed to safely contain pressurized, volatile materials.

Refinery Emergency Response Overview

- Hugh Hemphill, Chevron's Refinery Operations Manager, provided an overview of the extensive emergency response processes in place at the refinery.
- He spoke to the importance of risk management and Chevron's focus on emergency prevention and response. He explained that having the best equipment and safety instrumentation, as well as systems ready to react in the event of an emergency, provide the framework for stabilizing the refinery during an emergency situation. A regular focus on operator training helps ensure competency and testing of best practices. Hugh emphasized that the protection of refinery employees, the surrounding community and the environment are of most importance during a response.

Community Notification

- Ray Lord presented an overview of the process for notifications in the event of an incident. (See Addendum 1) Ray spoke to the refinery's incident classifications, geographic zones and available communications tools – all part of Chevron's communications procedures that were developed in collaboration with the City of Burnaby, Fraser Health Authority and the Greater Vancouver Regional District (M.V) in the early 2000's.
- Lengthy discussion ensued on how immediate telephone-based notifications directly from Chevron for some Level 2 and Level 3 incidents could be expanded to include local residences, similar to what is in place for local schools and other institutions. Chevron explained the importance of a combined incident command structure during a major event that would involve Chevron, regulatory authorities, the City of Burnaby and public safety agencies including fire and police. Chevron's view is that a broad-based, multi-platform electronic notification system similar to that employed by other industrial facilities in the area, and executed by the municipality for major Level 3 events could be another useful tool. Currently, in the event of a major incident, a community mail drop and door-to-door communications would be conducted for residences in addition to several other communication methods that were outlined in the presentation given at this meeting and by City of Burnaby representatives at the January 20, 2011 CAP meeting.
- Jim Gable responded by saying that Chevron will take CAP's concerns under advisement as it continues to investigate emergency management practices in the region, including conversations with Burnaby officials and a discussion the week of April 11th with a local industrial facility in North Vancouver that currently uses a municipally-managed, automated emergency notification system for residences.

Refinery Emergency Response Plans & Procedures

- Mike Ward, Chevron Refinery Emergency Response Safety Lead, presented the technical and operational response that would be executed in the event of an incident. (See Addendum 2)

5. Area 2 Seep Update

- Jill Donnelly provided CAP the following update on the most recent activities to address and identify the source of the seep (See Addendum 3):
 - the installation of absorption material at the beach was completed in March and this will be monitored regularly going forward
 - the Detailed Site Investigation at the beach to delineate ground water condition is ongoing
 - installation of a pump at the trench of the railway was completed in March
 - following extensive investigation efforts over the past several months, the refinery's north effluent treatment sewer system has been identified as a contributing source to the seep; a sewer bypass will be installed to take the sewer out of service by the end of April. Options for permanent repairs or replacement of this section of sewer are being developed

Questions to Jill included:

Q1: What is the current volume of seepage?

A2: The refinery is in the process of updating the volumes of material being recovered and will post those to the CAP Web site when they are finalized as part of the bi-weekly regulatory update.

Q2: Will there be an Environmental Impact Assessment?

A2: A detailed site investigation is underway and will include an assessment of the environmental impact.

Q3: Is an external agency also conducting an assessment?

A3: External contractors are undertaking the Detailed Site Investigation and environmental assessment, and the Ministry of the Environment will be reviewing it.

Q4: What is the timeframe?

A4: Following the investigation, a-chemical analyses and data assessment will be conducted. A final report is estimated to be completed in a couple of months.

5. Metro Vancouver Update

- Due to time constraints, Darryl Wakelin was not able to share the MV update; any information received prior the next meeting will be shared via email.

Outstanding Business:

- Due to time constraints, the following items were deferred to the next meeting:
 - Odour Management Plan review
 - Tank Farm Security
 - Membership Sub-Committee (Art Quan agreed to serve as a member in the interim)

Next Meeting:

- Tuesday, June 14, 2011