



United Neighborhoods NEIGHBORHOOD COUNCIL

UNNC

February 8, 2016

To: City Administrative Officer Miguel A. Santana
CC: LAFD Chief Terrazas; LAFD Chief Andrew Wordin; Mayor Eric Garcetti; Mike Feuer, City Attorney; Herb Wesson, City Council President CD10; Sylvia Lacy, District Director CD10

By a vote of 13 YES, 0 NO, with 1 ABSTENSION, the Governing Board approved this Community Impact Statement urging prompt passage of the Council Motion filed under # 16-0129 and immediate appointment of a Petroleum Administrator.

The duties of Petroleum Administration are a matter of already existing law, but the City has not been performing them.

Since 1958, Administrative Code Sections 19.48 and 19.49 have prescribed expansive duties of Petroleum Administration that include: inter-agency coordination; review of permits, approvals, and legislation; and investigation of issues referred by any City agency or officer.

Promises of strict controls and enforcement to protect the health, safety, and peaceable lives of residents around drill sites have been written into the Municipal Code since at least 1945, and thus are matters of law. These promises have been reiterated in the conditional use approvals for drill sites, giving them legal status as contracts and as regulatory requirements subject to penalties for violation. The promises have been repeated over the years, both orally and in writing, by the Mayors, members of Council, and Zoning Administrators who have authorized continued development and production of oil and gas from wells in the City.

The 1958 amendment of the Administrative Code that assigned responsibilities of Petroleum Administration to the City Administrative Officer was first introduced in 1957, following disputes over opening drill sites in residential areas of the City.

In 1957, a proposal to open drill sites on what is now the Rancho Park Golf Course and on the adjacent Hillcrest Country Club prompted local residents to raise concerns about negative side effects from drilling and petroleum production. Indeed, the City Council and Mayor's office then had a 20 year track record of raising similar concerns and showing caution when allowing expanded petroleum production, and most proposals for new drill sites proved controversial. In the 1957 case, the City's Zoning Administrator, Huber E. Smutz, echoed the Code in promising "strict control" and, according to the LA Times, he also promised residents of Rancho Park and Cheviot Hills that "there will be no relaxation of measures designed to protect adjacent property owners."

In response to the Rancho Park case and others, the City Administrative Officer recommended to Council that Petroleum Administration duties should be created and housed in his office. In fact, the CAO also recommended that there should be a civilian Petroleum Commission to provide oversight and

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public accountability. Council did not approve the proposal for a civilian commission, but did create the duties of Petroleum Administration in 1958.

Petroleum production was allowed to expand gradually in Los Angeles after WWII and then much more rapidly in the 1960s. This was justified as reasonable public policy for the residents of the City on two preconditions: 1) that drilling and petroleum production would be done safely, with no ill effects or nuisances to people living around the drill sites because it would be strictly controlled by the City, and 2) that the production of petroleum would benefit people around the drill site, or at least property owners around the drill sites, because the City's law guaranteed to them a share of royalties for the oil underneath their land (at the time surface ownership and oil rights were usually conjoined in the areas around the new drill sites).

Promises were made, requirements were encoded in law, and obligations were undertaken in conditional use approvals (which are a kind of contract in which the City protects the interests of the public). Performance was imperfect, as it always is. The historical record shows that mitigation measures at drill sites improved during the 1960s, eventually including fully enclosed and sound-proofed sites and even an early use of electric rather than diesel rigs. But problems occurred, too, including blow-outs, gas explosions, fires, and complaints about noise, odors, and vibrations from drilling. During this period and into the 1980s the City responded to most of these problems. The responses were imperfect and not always successful, but most problems were at least investigated by the Petroleum Administrator and other City agencies. In 1968, Council directed Building and Safety to hire a full time drill site inspector to supplement inspections by the Petroleum Administrator and Fire Department. In 1971, the Zoning Administrator threatened to order full enclosure of the Jefferson drill site if problems there were not corrected. In 1986, the last Petroleum Administrator pushed hard for a clean-up of the numerous well sites in Wilmington that escaped modern regulation partly because they pre-dated the modern code.

And then the Petroleum Administrator office disappeared and the duties ceased to be performed, even though they were still in the law.

We have seen over the past few years that the City's review processes, requirements of condition compliance, and preparedness to respond to problems and emergencies related to the oil and gas industry are sorely lacking.

Indeed, the City's system collapsed to the point of disappearing during the health crisis caused by prohibited gas emissions at the AllenCo operated drill site in University Park; the City still has not conducted a review of what went wrong at the drill, nor has it conducted a review of why the City failed to respond to problems at the site. The City did not monitor, take samples, or follow-up on spills and sprays of petroleum fluid at the Jefferson drill site, the Packard drill site, and the pipeline connecting Packard and the Inglewood oil field. The City has improperly skirted the State's CEQA requirements for environmental review in almost all cases by not even collecting the required preliminary information that is required to determine the appropriate level of environmental clearance. Planning Department review procedures for projects proposed at the Murphy drill site have been subject to irregularities. Despite clear provisions in the Code and in ZA assigned conditions, the Planning Department has refused to conduct compliance reviews, asserted that other agencies have this duty, and claimed that there are no mechanisms for enforcing condition compliance, even though the Director of Planning told Council in March 2014 that the requirement to effectuate conditions is "as old as the grants themselves."

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All of this has been deeply troubling and, in fact, dangerous to the welfare of citizens, dangerous to the legal liability of the City, and even deleterious to the business interests of the oil companies. We are coping with an administrative wreckage that benefits nobody.

But of all the problems and failures that have beset the apparatus for managing the oil and gas industry in the City, none has been clearer and more centrally important than the failure to perform the duties of Petroleum Administration for approximately 25 years.

The essential duties of reviewing approvals and providing inter-agency coordination have gone unfulfilled for so long that hardly anyone in the City even remembered that the duties existed when we first made inquiries about them. As a result, the City has been and is unprepared for emergencies, and it is incapable of making sure that its various agencies are doing their jobs when it comes to implementing and enforcing the City's laws and regulations.

The promise that Zoning Administrator Huber E. Smutz made to the residents of Rancho Park and Cheviot Hills that "there will be no relaxation" of protective measures was also made to every resident around every drill site in the City by way of the regulations embedded in the City's Code and ZA assigned conditions of operation. The promise was not kept. It must be restored.

The United Neighborhoods Neighborhood Council (UNNC) supports appointment of a Petroleum Administrator forthwith.

For more than two years we have been calling upon the elected and appointed officials of the City to fulfill their duties with regard to the regulation and review of oil and gas production as prescribed in already existing law, Zoning Administrator approvals, and contractual commitments. We have held numerous discussions and votes on these issues. We have repeatedly called upon the City to appoint a Petroleum Administrator and perform the duties prescribed by the Administrative Code.

Our letter today repeats the request we have been making for two years. By a vote of 13 YES, 0 NO, with 1 ABSTENSION, the Governing Board approved this Community Impact Statement urging prompt passage of the Council Motion filed under # 16-0129 and immediate appointment of a Petroleum Administrator.

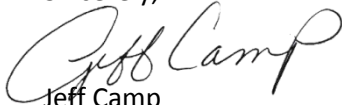
Appointing a Petroleum Administrator forthwith and performing the duties prescribed by the Administrative Code will be an essential first step toward repairing the wider City problem of failing to live up to the City's own laws, prescribed conditions, contracts, and public promises in the area of regulating petroleum production to protect citizens and the public welfare.

The question of where the duties of Petroleum Administration should be located has only one viable answer: Under the City Administrative Officer (CAO), which is where the Administrative Code has always required them to be located.

The motion before Council directs the CAO to study and report on the question of where the duties of Petroleum Administration should be located, but thankfully only after first appointing a Petroleum Administrator to fulfill the duties that are already prescribed by the Code.

We believe that the Code's current assignment of these duties to the CAO is the only viable answer to this question, and for a very simple reason: the task of inter-agency coordination needs to be performed from a central location that is organizationally superior to and separate from the individual departments and agencies of the City, such as Planning, the Fire Department, Building and Safety, Public Works, etc. The only alternative to placing the duties under the CAO would be to create a new and separate Department under the Mayor with supervisory capacities over the other departments and agencies, but that would cost far more than keeping the duties where they are now, with no apparent public benefit.

Sincerely,

A handwritten signature in black ink that reads "Jeff Camp". The signature is written in a cursive style with a large, stylized "J" and "C".

Jeff Camp

UNNC President

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