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EXECUTIVE OFFICER


200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

TEL: (213) 978-0261
TDD: (213) 978-2310
FAX: (213) 978-0278

<http://bpw.lacity.org>

May 23, 2018

Honorable Herb J. Wesson, Jr., Los Angeles City Council President
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Honorable Paul Krekorian, Member
Honorable Gilbert Cedillo, Member
Honorable Mitch O'Farrell, Member
Energy, Climate Change, and Environmental Justice Committee

FROM: Uduak-Joe Ntuk, Petroleum Administrator 
Office of Petroleum and Natural Gas Administration & Safety

**SUBJECT: CF# 18-0203 – PROPOSED PLAN TO ESTABLISH AN ANNUAL
CITYWIDE OIL WELL AND GAS FACILITIES COMPLIANCE
INSPECTIONS PROGRAM**

On March 9, 2018, Council Motion #18-0203 (Wesson-Bonin) Citywide Oil Well and Gas Facilities / Annual Compliance Checks / Health and Welfare of Public, was introduced and was referred to the Energy, Climate Change and Environmental Justice Committee. The council motion instructs the Office of Petroleum and Natural Gas Administration and Safety, with the assistance from the Planning Department to perform the following action(s):

1. Report to the City Council with a plan to implement annual compliance checks of oil well and gas facilities throughout the City in order to protect the health and welfare of City residents.

The Office of Petroleum and Natural Gas Administration and Safety conducted an extensive study of petroleum related inspection programs within the city and externally by other government agencies. This report identifies proposed staff positions, oil and gas infrastructure to be inspected within the City, a proposed annual compliance inspection program, and an outline of the required fee study.

As a direct result of consulting with City departments and other agencies, four (4) recommendations are hereby included for Council consideration to establish an annual city wide inspection program for oil and gas facilities.



RECOMMENDATIONS

It is recommended that the Los Angeles City Council, subject to the Mayor's approval:

1. Request the Office of the City Attorney to prepare and present an ordinance creating an Annual Oil Well and Facilities Compliance Inspection Program to be overseen by the Board of Public Works and authorizing the coordination of local oversight with internal city departments and external related government agencies, including the establishment of a new permit type, as described in this report;
2. Instruct the Office of the City Administrative Officer to identify and propose funding source in the amount of \$50,000 to conduct a fee study establishing the fee amount of the proposed permit;
3. Request the Petroleum Administrator to report back on a work plan and resources required to implement the proposed program once the study is completed and ordinance presented;
4. AUTHORIZE the Board of Public Works to make any technical corrections required to implement the formation of an annual oil well and facilities compliance inspection program in the Board of Public Works, Office of Petroleum and Natural Gas Administration and Safety.

DISCUSSION

Background - The Office of Petroleum and Natural Gas Administration and Safety (OPNGS) is an Office within the Board of Public Works and its daily activities are managed by the Petroleum Administrator. The OPNGS is responsible for administering and managing all functions and related components of the petroleum and natural gas pipeline franchise agreements that authorize the transportation of various hydrocarbon commodities throughout the City via underground pipelines. The OPNGS partners with local, State, and Federal agencies to implement and enforce the various laws, rules and regulations. OPNGS provides policy and technical advisement to the Mayor, City Council, and Board of Public Works on petroleum and natural gas matters. The OPNGS is divided into three functional areas – Franchise and Contract Administration, Safety and Compliance, and Community Engagement and Policy.

The Franchise and Contract Administration Division is responsible for overseeing and monitoring the City's franchise agreements, including acting as lead negotiator, and reporting on evaluation of oil, gas, and electric utility fees. The Safety and Compliance Division performs comprehensive inspection and safety compliance function, including examining safety measures and best practices. The Community Engagement and Policy Division is responsible for community engagement and conducting public outreach to neighborhood councils, non-profit organizations, and intergovernmental relations with local regulatory agencies.

OPNGS conducted an extensive review of the inspection activities of the California Department of Conservation Division of Gas and Geothermal Resources (CA DOGGR), California Regional Water Quality Control Board, South Coast Air Quality Management District (AQMD), Los Angeles County Department of Public Health, City of Los Angeles Fire Department Fire Prevention Bureau, City of Los Angeles Fire Department CUPA Program, Department of Building & Safety, Bureau of Sanitation, Industrial Waste Management Division, Watershed Protection Division, and Los Angeles World Airport. This report includes the oil and facilities inventory oil fields, wells, and drill site facilities in all the council districts.

The Los Angeles County Department of Public Health released a report in February 2018 concerning the potential risks associated with living in close proximity to oil and gas facilities. The report noted that there are approximately 3,500 active oil wells in the county; with approximately 880 of these wells operating in the City of Los Angeles (City). A number of these oil facilities are within 100 to 300-feet of residential properties. The county's report provided five recommendations; however, the following three are relevant to the establishment of an annual compliance inspection program:

1. Preventative Testing and Monitoring: A variety of state and federal regulations require routine inspections, maintenance, testing, and leak detection systems for oil and gas facilities; however, local oversight of these regulations is limited. Optimal local oversight would enhance monitoring for public health and safety risks associated with aging infrastructure, and should include a local auditing and certification process, streamlined coordination, and data sharing among agencies. A local auditing program would confirm that operators are complying with federal, state and local regulations.
2. Comprehensive Community Safety Plan: Operators should prepare and make available to the public a comprehensive Community Safety Plan, in coordination with City and County departments, including Fire, Building and Safety, and Law Enforcement. The plans for each site should include information on hazardous chemicals stored onsite; air emission monitoring efforts; and health-based exposure thresholds to identify the need for additional mitigation. For operations to plug wells permanently or to perform well maintenance, the responsible party should also prepare and implement a Community Safety Plan. The Community Safety Plan should facilitate communication and input from local stakeholders, and be submitted to Los Angeles County Department of Public Health for review and approval. The Plan should include protocols and procedures for immediate notification to the County Health Officer in the event of odor or health complaints.
3. Updated Emergency Preparedness Plans: Operators should maintain enhanced Emergency Preparedness Plans that account for proximity to sensitive land use. These plans must include communication procedures to immediately notify local government agencies of any emergencies, such as spills or other releases.

The Los Angeles County Department of Public Health report requests collaboration with County partners, local and state enforcement agencies, and interested stakeholders to enact these recommendations. The County's report also recommends site-specific assessments at existing oil

and gas operations located near sensitive land use to determine the appropriate mitigation measures City wide.

In the April 12, 2016 report titled, “Petroleum/Natural Gas (P/NG) Expert and Related Matters (CF# 15-0387),” the Los Angeles Planning Department identified the citywide need for the creation of a fee-based annual inspection of current and future oil and gas operators. The new system would be similar to the Department of Building and Safety (LADBS) Annual Inspection and Monitoring (AIM) program and would ensure existing compliance with applicable code sections and Conditions of Approval. The Planning Department has yet to provide any updated recommendations for this report and additional input will be sought for the final program.

I. Proposed Positions and Program

Periodic inspections reduce the risk of equipment failure and volume of emissions, prevent leaks/spills, confirm changes in facility equipment, and ensure conformance with safety regulations. An annual inspection program can provide the public with more confidence that the oil and gas operations in the City are safe and minimize any potential health impacts. Increased information sharing and transparency is a benefit for the public, operators, and the City. Several annual inspection models already exists in other municipalities with oil and gas operations, such as in the cities of Huntington Beach, Signal Hill, and Carson. The programs vary in breath and scope, but all are done on an annual basis and coordinate with external regulatory agencies. For example, in the City of Signal Hill’s code, oil operators are responsible for maintaining their oil wells without operational nuisances to neighbors. Their annual maintenance inspection and permits also include each well and the associated production facilities. The new inspection program should benchmark other local municipal and county programs to adopt existing inspection protocols and/or best practices which can be applied to Los Angeles.

The City currently has a decentralized inspection model conducted by multiple departments over various time frames. The Fire Department inspects for the fire suppression systems, hazardous materials, emergency business plans, and provides an annual oil well permit. The Building and Safety department issues multiple permits for plumbing, electrical, tanks and other equipment. Building and Safety’s inspection system is a reactive complaint driven model. The Planning Department conducts zoning hearings, issues permits, and sets land use conditions, but does not conduct any inspections. There is no centralized information system for coordinating these inspections nor systematic method for sharing of this data within each relevant department.

The proposed annual oil well and facilities compliance inspection program should be coordinated by the Department of Public Works, specifically the Board of Public Works’, Office of Petroleum and Natural Gas Administration and Safety. The proposed inspection program should include verification of site records, permits, zoning conditions, equipment, site plans, emergency plans, and community safety plans. A key role of the program should be interagency coordination. It must coordinate and collaborate with internal departments, external regulators, operators, and the community. The oversight of petroleum and natural gas operation is a highly specialized and technical function. The staff must have the resources to maintain required certifications, access to industry leading training, and continuous professional development to stay up-to-date with the changing regulations and industrial technologies. The following

proposed staff duties and roles should be included in the proposed program to ensure internal and external department coordination.

Proposed role and duties:

- Develop and manage a comprehensive oil well inspection protocol, facility checklist, well checklist, and public health screening checklist to perform the site inspections and to document the infrastructure and compliance of the oil and gas facilities in the City;
- Coordinate with internal and external regulatory agencies for all oil wells and associated facilities within the boundaries of the City of Los Angeles;
- Perform physical site visits to each oil well, injection well, observation well, gas well, and associated production facilities across the city each year;
- Maintain digital records of internal and external permits, violations, equipment, emissions, production, plot plans, and other public records;
- Perform annual inspection audits of production facilities to ensure that equipment, practices, and procedures are in accordance with the regulations, orders and any applicable approval documents;
- Conduct annual compliance inspections of existing producing wells, idled wells, abandoned wells, plugged wells, or service wells during workover operations.
- Meet with operators to verify that equipment, best practices, and procedures are in accordance with the approved documents and permits;
- Coordinate the oversight of the environmental remediation or removal of former oil drilling sites as they are abandoned and re-purposed for alternate uses;
- Coordinate permitting and annual inspections with other city departments without duplication of duties or regulatory requirements;
- Collect permits and records from external local, state, and regulatory agencies on each oil well and drill site citywide;
- Maintain a comprehensive digital database management system to house multiple records, permits, and workflows;
- Hold annual regulatory workshops for operators, annual emergency planning workshops for residents, and annual community safety plan reviews with all stakeholders;
- Hold frequent internal meetings with relevant City departments to review work schedules, deadlines, current issues, and review past inspections; and
- Align with regional air quality monitoring rules and the new state laws, such as Assembly Bill 617 for Community Air Protection and Communications Program.

External agency coordination:

- Environmental Protection Agency (EPA)
- California Air Resources Board (CARB)
- California Division of Gas and Geothermal Resources (CA DOGGR)
- California Department of Toxic Substances Control (CA DTSC)
- California Public Utility Commission (CPUC)
- Los Angeles Regional Water Quality Control Board (LARWQCB)
- South Coast Air Quality Management District (SCAQMD)

Internal departmental coordination:

- Los Angeles Department of Public Works Bureau of Sanitation, Industrial Waste Management and Watershed Protection Divisions
- Los Angeles Office of the City Attorney
- Los Angeles Department of Building & Safety
- Los Angeles Department of Recreation and Parks
- Los Angeles Department of Planning
- Los Angeles Fire Department CUPA Program and Fire Prevention Bureau

Coordinating with a large number of internal and external agencies will generate large volumes of data in multiple formats. A 21st century integrated data management system will be required to successfully manage critical information, track key performance metrics, house the supporting documents, manage workflows, display a geospatial visual interface, and ensure compliance with annual deadlines. In the course of research for this motion a proposal was sought from a current contractor, Laserfische. The estimated timing and costs to implement a city wide oil well and facilities inspection data management system will be 125 hours of computer coding and software design time. The estimated implementation and product costs total \$45,000 with an annual ongoing data maintenance expense of approximately \$20,000 per year. Additionally, an oil and natural gas production data service proposal was requested from Drilling Info Inc. The annual subscription service provides third party verified oil and gas production, water injection, regulatory permits, mineral rights, and current active operator information city wide. The annual cost for this data service is \$4,500 per year. All of these costs need to be recovered on a ratio basis from each operator whose site will be inspected annually. The final system needs to align with current and future structures that are still to be determined. The final data management software system must be a common system that meets all regulatory and citywide departmental needs.

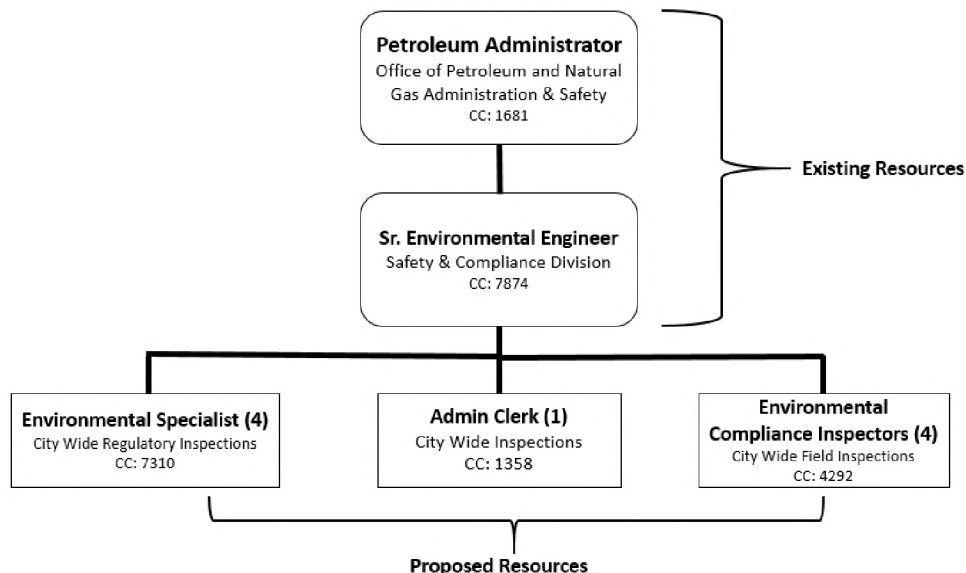
The following nine (9) resolution positions are proposed to conduct the day-to-day operation related to the annual inspection program of oil and gas facilities.

Positions Classification	Class Code	Functional Area
Four Environmental Compliance Inspectors	4292	Field Inspection
Four Environmental Specialists	7310	Desk Inspections
One Administrative Clerk	1358	Support All Functions

The OPNGS preliminary assessment includes the additions of the Environmental Compliance Inspector and Environmental Specialist classifications. The Environmental Compliance Inspector positions should be four (4) Full Time Equivalents (FTE's) and the Environmental Specialist positions should also be four (4) FTE's to cover the large geographic nature of the City's oil and gas infrastructure. This proposal estimates at least eight (8) FTE's for these inspection roles, but the addition of an Administrative Clerk to support the two functions will ensure a balanced work load for all staff. It's important to note that OPNGS already has one existing Environmental Compliance Inspector. However, the existing position is already tasked with other required inspection work related to pipeline safety and franchise agreement compliance. The Environmental Compliance Inspectors, Environmental Specialist, and Administrative Clerk will

report to the Senior Environmental Engineer in the current Safety and Compliance section of the office. The new inspections need a work plan to ensure a coordinated implementation. A summary of related inspector's duties in relevant agencies is listed in Appendix 1.

The following organization chart depicts the proposed structure in relation to existing resources:



*Note: Organizational Chart excludes entire OPNGS structure, including one (1) existing Environmental Compliance Inspector.

The table below provides the annual funding salary breakdown for the proposed positions:

Position Classification	Annual Salary	
Four Environmental Compliance Inspectors	\$348,776	(\$87,194 x 4)
Four Environmental Specialists	\$301,756	(\$75,439 x 4)
One Administrative Clerk	\$49,593	
TOTAL	\$700,125	

In total, to fully staff the proposed annual oil well and facilities inspection program, it will require approximately \$700,000 in annual salaries for nine (9) positions. These costs and all associated costs must be recovered through a new permit type for this program.

II. Oil and Gas Infrastructure for Inspection

Oil & Gas Fields

The City of Los Angeles has twenty-six (26) oil and gas fields that intersect city boundaries and 5,229 oil and gas wells. There are approximately 819 active, 296 idled, 3,181 plugged, and 933 buried wells. There are oil and gas facilities in nearly every section of the 503 square miles of the City of Los Angeles. The oil well information in this report is based on March 2018 data provided by the California Division of Gas and Geothermal Resources (DOOGR) and verified by the City of Los Angeles Department of Planning. The following table itemizes which oil field are in each council district:

Council District/Member	Oil Fields
1. Gilbert Cedillo	La Cienegas Los Angeles City
2. Paul Krekorian	None
3. Bob Blumenfield	None
4. David Ryu	Salt Lake Salt Lake South
5. Paul Koretz	Cheviot Hills Beverly Hills Inglewood Salt Lake Salt Lake South San Vicente Sawtelle
6. Nury Martinez	Pacoima
7. Monica Rodriguez	Pacoima
8. Marqueece Harris Dawson	Inglewood La Cienegas
9. Curren D. Price Jr.	Los Angeles Downtown La Cienegas
10. Herb J. Wesson Jr.	Beverly Hills Inglewood La Cienegas South Salt Lake
11. Mike Bonin	Hyperion Playa Del Rey Sawtelle Venice Beach (Abd)
12. Mitchell Englander	Aliso Canyon Cascade Horse Meadows (Abd) Mission (Abd)
13. Mitch O' Farrell	Los Angeles City
14. Jose Huizar	Boyle Heights (Abd) Los Angeles Downtown Union Station (Abd)
15. Joe Buscaino	Old Wilmington (Abd) Rosecrans Torrance Wilmington

The following table lists the types of oil wells in each oil field in the City of Los Angeles:

Oil Field	Active	Idle	Plugged	Buried	Total
1. Aliso Canyon	24	6	9	0	39
2. Any Field	1	5	235	32	273
3. Beverly Hills	98	37	80	3	218
4. Boyle Heights (Abandoned)	0	0	4	0	4
5. Cascade	21	2	12	0	35
6. Cheviot Hills	14	14	45	0	73
7. El Segundo	2	0	1	0	3
8. Horse Meadow (Abandoned)	0	0	5	0	5
9. Hyperion	0	0	6	0	6
10. Inglewood	0	0	4	0	4
11. La Cienegas	66	37	30	0	133
12. Los Angeles City	5	9	317	855	1,186
13. Los Angeles Downtown	13	15	6	0	34
14. Mission (Abandoned)	0	0	13	0	13
15. Old Wilmington (Abandoned)	0	0	483	0	483
16. Pacoima (Abandoned)	0	0	12	0	12
17. Playa Del Rey	42	7	284	4	337
18. Rosecrans	14	6	135	3	158
19. Salt Lake	5	2	373	29	409
20. San Vicente	38	4	2	2	46
21. Sawtelle	0	0	1	0	1
22. South Salt Lake	11	6	9	4	30
23. Torrance	80	17	175	1	273
24. Union Station (Abandoned)	0	0	12	0	12
25. Venice Beach (Abandoned)	0	0	2	0	2
26. Wilmington	385	129	926	0	1,440
Total:	819	296	3,181	933	5,229

Note: Sawtelle field has 14 active wells and 1 idle well that are zoned by the City of Los Angeles but are outside the city boundaries on federal lands.

CA DOGGR defines the current status of an oil well as Active, Buried, Idle, New, Plugged and Unknown. An **active** well is an oil well that has been drilled and completed, a **buried** well is an older well not abandoned to current standards, an **idle** well is idle, not producing, but capable of being reactivated, and a **plugged** well has been plugged and abandoned to current standards.

There are approximately nineteen (19) drill sites which include active oil and gas operations across the City. The following table lists the drill sites by Council District and Neighborhood Council:

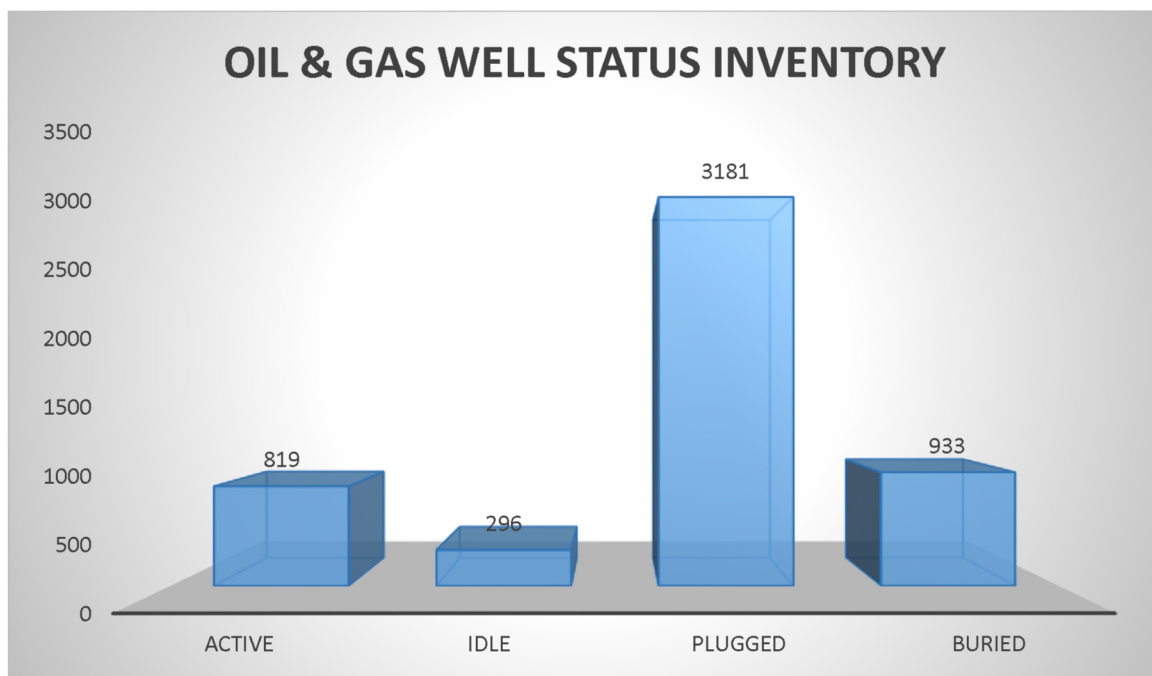
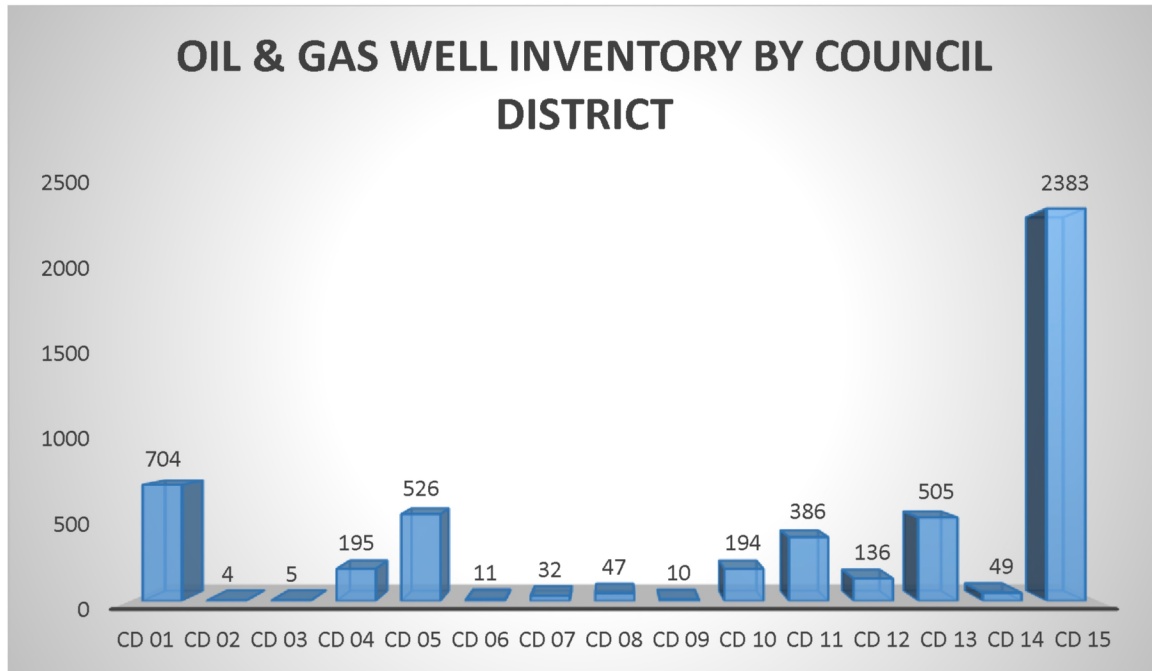
Oil & Gas Drill Sites	Council District	Neighborhood Council
1. AllenCo (Inactive)	CD 1	Empowerment Congress North
2. Jefferson	CD 8	Empowerment Congress North
3. Fourth Avenue	CD 10	United Neighborhoods
4. Murphy	CD 10	United Neighborhoods
5. Pacific Electric (Inactive)	CD 10	United Neighborhoods
6. West Pico	CD 5	South Robertson
7. Rancho Park Golf Course	CD 5	South Robertson
8. Hillcrest Country Club	CD 5	Westside
9. San Vicente	CD 5	Mid-City West
10. Packard	CD 10	Pico
11. Sawtelle	CD 5 / CD 11	Outside City boundaries
12. Paxton (Inactive)	CD 6	Arleta
13. Mission Visco	CD 12	Granada Hills North
14. Aliso Canyon	CD 12	Porter Ranch
15. Filipino Town	CD 13	Westlake North
16. Echo Park	CD 13	Greater Echo Park
17. Broadway	CD 14	Downtown Los Angeles
18. Harbor Gateway 1	CD 15	Harbor Gateway
19. Harbor Gateway 2	CD 15	Harbor Gateway
20. Joughin	CD 15	Harbor City
21. Warren E&P	CD 15	Wilmington
22. Playa Del Rey	CD 11	Venice

Oil & Gas Well Status by Council District

All oil and gas wells, located on State and private lands are permitted, drilled, operated, maintained, plugged and abandoned under requirements and procedures administered by the California Division of Oil, Gas and Geothermal Resources (DOGGR). There are 5,229 oil and gas wells in the City of Los Angeles based on the March 2018 data from the DOGGR website database. The table below provides the status of the oil and gas inventory by council district.

Council District	Active	Idle	Plugged	Buried	Total
1. Gilbert Cedillo	0	23	267	414	704
2. Paul Krekorian	0	0	3	1	4
3. Bob Blumenfield	0	0	2	3	5
4. David Ryu	1	1	176	17	195
5. Paul Koretz	115	42	343	26	526
6. Nury Martinez	0	0	11	0	11
7. Monica Rodriguez	0	0	28	4	32
8. Marqueece Harris Dawson	29	7	11	0	47
9. Curren D. Price Jr.	0	0	10	0	10
10. Herb J. Wesson Jr.	88	29	61	16	194
11. Mike Bonin	44	8	327	7	386
12. Mitchell Englander	45	9	82	0	136
13. Mitch O' Farrell	5	7	67	426	505
14. Jose Huizar	13	16	53	9	49
15. Joe Buscaino	479	154	1,740	10	2,383
Total:	819	296	3,181	933	5,229

The following graphs show the number of oil & gas wells and their status for each council district:



III. Proposed Annual Compliance Inspection Program

The Office of Petroleum and Natural Gas Administration and Safety is tasked with reporting on all matters petroleum and interagency coordination per the Los Angeles Municipal Code Sections 19.48 through 19.71. The program will require OPNGS staff to coordinate and verify a comprehensive assessment and review of each site in order to issue a compliance permit. The Environmental Specialists will collect records, review compliance criteria, and prepare a pre-inspection report of each site. This annual desk audit will include internal and external agencies records. In order to receive a permit, the Environmental Compliance Inspector must physically verify compliance through an on-site visit to all wells, drill sites, and associated facilities. All data must be housed in the new digital database for tracking and workflow coordination.

Opening Conference

Environmental Compliance Inspectors (ECI) should be authorized to enter and inspect facilities pursuant to the provisions of the new inspection ordinance that is recommended. Upon entry, the ECI presents proper OPNGAS identification, then informs a facility representative of the purpose and scope of the inspection and the procedures that will be followed. During this opening conference, Inspectors typically describe inspection requirements, fees, or other issues related to compliance, and answer any preliminary questions before being escorted by the facility representative through the facility. The typical inspection will be broken down into three components:

1. Pre-Inspection Activities

These are the activities conducted by the Environmental Compliance Inspector and the Environmental Specialist in preparation for the inspections which include the review of the oil/gas well operators file folder, permits to operate, operator's compliance history, and review the DOGGR, Planning and Navigate LA websites.

2. On-Site Inspection

The Environmental Compliance Inspector will tour the facility with the operator's representative and make observations of equipment, processes and employee practices to determine if the facility is operating in compliance with their permit and operating requirements.

During the inspection itself, the Inspector looks to see if the proper permits are posted near the equipment. Inspectors may ask the facility representative to describe the types of equipment at the facility, and how each type is used and maintained. All conditions, practices, and other relevant observations are noted, and those which are unusual or which may create problems are recorded and described in detail.

Inspectors frequently request copies of production or usage records, and may also take samples or photographs as appropriate to further support their observations of facility operations. Throughout the inspection, Inspectors explain the inspection process and respond within their ability and authority to questions raised by the facility representative. The Inspector gathers any other information needed to complete the overall determination of compliance.

3. Closing Conference

Once the inspection has concluded and the inspector has made a compliance determination, a closing conference will typically be held with the facility representative to discuss the inspector's findings. The closing conference provides the inspector the opportunity to:

1. Identify and fill in any gaps in the information collected;
2. Review applicable rule requirements;
3. Discuss any non-compliant or other problematic areas, and issue any compliance notices, as appropriate;
4. Suggest available resources;
5. Ensure that the facility representative understands all of the information provided and address any questions the company may have.

This proposed inspection program will need to be memorialized through a municipal ordinance and establishment of a new permit type. The ordinance should include the inspection of active and idle sites, along with the oversight of the remediation of sites that are in the process of clean up. These inspection activities must include the integration of the regional air quality monitoring rules and the new state laws, such as Assembly Bill 617 for Community Air Protection and Communications Program. An appropriate enforcement mechanism needs to be evaluated and included in the final version of the new ordinance. Additional recommendations for the final ordinance are still required from the Los Angeles Fire Department, Planning Department, Building & Safety, Sanitation Bureau, and Public Works.

FISCAL IMPACT STATEMENT

Approval of these recommendations will have not have an immediate fiscal impact in Fiscal Year 2017/2018. However, to begin the process of establishing the compliance program, a fee study must be conducted to fully evaluate the total costs and full cost recovery in the Fiscal Year 2018/2019 budget. The process for establishing and implementing a fee study associated with the needed personnel cost, required equipment & vehicles, on-going training & professional development, new integrated data management system, startup costs of and associated ongoing costs of data services is very common within the City.

The study will determine the feasibility of assessing an annual oil well and drill site maintenance fee and establish an annual oil and gas facility inspection compliance fee rate schedule. Currently, the City does not impose a maintenance inspection fee and does not fully recover its cost associated with existing partial inspections of oil wells by various city departments. The inspection of these sites is required by various local, state, and federal regulations and is considered a public safety and health matter. In total, the City has 150 addresses of oil well locations; however, there are approximately 20 large controlled drill sites with associated oil and gas facilities located across the City.

The proposed fee study for the establishment and implementation of the annual oil well and associated facilities inspection must include in its evaluation the current costs of existing inspections done by the various city departments and any new costs, such as the proposed \$700,000 in annual staff salaries, \$45,000 startup costs for a new data management software system, \$20,000 in ongoing costs for the data management system, \$4,500 in annual oil and gas data subscription cost, vehicles for inspectors, required testing equipment, annual training and professional development costs, industry certifications, and any other associated costs with the establishment of this citywide program (which funding for all of these items were not identified nor proposed in this report).

Therefore, the fiscal impact to fund the required fee study is \$50,000 and is requested for the Fiscal Year 2018/2019 budget.

If you have any questions, please call me at (213) 978-1697 or via email at Uduak.Ntuk@lacity.org.

Courtesy Copy:

Kevin James, President, Board of Public Works
Dr. Fernando Campos, Executive Officer, Board of Public Works
Tanea Ysaguirre, Office of the City Attorney
Yeghig Keshishian, Planning Department
John Biezins, Building and Safety Department
Royce Long, Fire Department CUPA Program
James Hayden, Fire Department Fire Prevention Bureau
Cid Macaraeg, Recreation and Parks

Appendix 1 – Summary of Inspector Duties by Agency

1. City of Los Angeles Fire Department – Bureau of Fire Prevention and Public Safety

The Bureau of Fire Prevention and Public Safety primary objectives are the prevention of fires; the investigation of the cause, origin, and circumstances of fires; the elimination of fire and life safety hazards in buildings, marine vessels, aircraft, and vehicles; the maintenance of fire protection equipment and systems; the regulation of storage, use, and handling of hazardous materials and hazardous substances; and enforcement of the basic building regulations of the State Fire Marshal as they apply to the City of Los Angeles in matters regarding fire, panic, and explosion safety. In addition, the Bureau is dedicated to enhancing environmental protection and creating a more business friendly environment.

An **Oil Well Inspector** is assigned in the Harbor Industrial Unit and is responsible for conducting inspections of 1,121 oil wells (active and idle) throughout the City of Los Angeles. The inspector follows the California Fire Code, Los Angeles Municipal Code, and Section 57 of the Los Angeles Fire Code. The Oil Well Inspector performs the following duties:

1. Annual oil well and oil production facility site inspection;
2. Inspection of specialized extinguishing systems and production facilities;
3. Witnessing of oil well abandonment and cone/vent installation;
4. Inspection of specialized extinguishing systems at production facilities;
5. Ensure operators have current fire permits and maintain complete oil well records;
6. Responds to emergency incidents related to oil and gas wells and provide technical advice to incident commanders.

2. City of Los Angeles Fire Department – CUPA Program

The City of Los Angeles Fire Department is designated by the State of California as a Certified Unified Program Agency (CUPA) and is authorized to apply statewide standards to each facility within its jurisdiction that treats on site or generates hazardous waste, operates underground storage tanks, or stores hazardous materials. The Fire Inspector has the following responsibilities:

1. Conducts a hazardous material inspection a minimum of once every 3 years.
 - a. Research business information prior to arriving at the location. This includes researching the hazardous material business plan (HMBP) information on the California Environmental Reporting System (CERS) and fire department programs. Some of the items that will be confirmed are the business plan, site map, hazardous materials inventory, and training documentation that are required by the State.
 - b. Arrive at location and communicate with business representative and explain the intent of the inspection.
 - c. Confirm location has a permit and has it posted.
 - d. Walk location and confirm compliance with fire code and State requirements.
 - e. Generate notice and leave copy with business or send via email.

2. Follow up 30 days later to confirm compliance and or increase the severity of the violation level if needed.
3. Abate all corrected violations.
4. Generate legal packet and send to City Attorney if needed.
5. Educate the public as to new laws and procedures.
6. Provide enforcement when needed.
7. Provide workshops to educate the public.
8. Provide training for other department members.
9. Attend staff meetings.

CUPA Inspection Criteria: Many variables exist that could require a location to be inspected or exempt a location from requiring an inspection. The most common criteria that would require a hazmat inspection would be as follows; Storage or use of any hazardous materials or hazardous waste over 55 gallons of liquid, 200 cubic foot of gas, or 500 lbs. of solids.

3. City of Los Angeles – Building and Safety Department

The Department of Building and Safety advises, guides, and assists customers to achieve compliance with the Building, Zoning, Plumbing, Mechanical, Electrical, Disabled Access, Energy, and Green codes and local and State law through a timely, cooperative, and transparent process. LADBS is the enforcement division for the Planning Department's zoning determinations and permits.

The **Building Inspector** has the following responsibilities:

1. Inspects multi-unit residential, commercial, industrial, and other buildings and their appendant features, within an assigned area, for conformance to the provisions of the building and zoning laws and approved plans, specifications, and standards;
2. Issues notices for corrections required to persons responsible for conformance;
3. Makes interpretations of requirements and recommends procedures to contractors, craftsperson's, and owners;
4. Makes investigations of damaged, deteriorated, or hazardous buildings and structures, premises where fires have occurred and where violations have been observed or reported;
5. Consults with supervisor relative to procedures to be followed in the application of pertinent laws in unusual cases;
6. Keeps inspection records and prepares reports.

4. City of Los Angeles – Bureau of Sanitation – Watershed Protection Division

The Watershed Protection Division, Enforcement Section of the Bureau of Sanitation enforces local, state and federal laws, investigates environmental crimes and refers cases to the City of Los Angeles Attorney's Office for evaluation and possible prosecution. Enforcement of Los Angeles' Stormwater and Urban Runoff Pollution Control ordinance (L.A.M.C. 64.70) is an integral part of protecting LA's watersheds.

The **Environmental Compliance Inspector** performs the following responsibilities:

1. Conducting emergency response activities related to hazardous materials/waste incidents occurring in the public's right of way at all hours that include but are not limited to: oil spills, chemical spills, gas emissions, sanitary sewage spills, abandoned hazardous materials, and biohazardous waste, which could potentially impact State receiving waters and/or the public health & safety. Perform criminal investigations to identify sources of illicit discharges and abandoned chemicals.
2. Overseeing remediation efforts during spills, illicit discharges, and abandoned chemical waste; Performing hazardous materials categorization of abandoned chemicals and materials;
3. Performing homeless encampment clean-ups on City property and public right-of-way throughout the City of Los Angeles. Tasks include operational lead, health and safety hazard determinations, legal documentation, encampment assessment, site security, and oversight of clean-up operation.
4. Directed enforcement activities: inspection a variety of facilities including commercial, industrial, residential, and City facilities to determine compliance with NPDES (storm water/urban runoff) regulations, codes, statutes, and ordinances.
5. Investigating construction sites for compliance with the NPDES (storm water/ urban runoff) permit and all applicable storm water issues;
6. Preparing reports and other documents associated with inspections and enforcement cases;
7. Collect samples, photographs, witness statements, and other evidence during investigations;
8. Perform other assigned projects and/or studies regarding compliance, watersheds/receiving waters, and other applicable administrative duties, including but not limited to generating investigation reports and preparing enforcement cases for referral to prosecutors.
9. Attend training classes to stay current with all NPDES, hazardous materials, hazardous waste, and safety regulations and law enforcement investigation techniques from federal, State, and local agencies.

5. Bureau of Sanitation – Industrial Waste Management Division

The Industrial Waste Management Division's (IWMD) primary job is to maintain the health and safety of the public and environment while protecting the City's water reclamation plants and their byproducts, biosolids, and treated wastewater. IWMD administers the City's EPA-approved pretreatment program in accordance with the City's Industrial Waste Control Ordinance. Specifically, we regulate, monitor, and control the wastewater discharges of over 16,000 industrial users into the City sewers.

The **Environmental Compliance Inspector** responsibilities include inspection of the commercial and industrial facilities and sampling of the industrial wastewater discharge. Listed below are the essential duties:

1. Conducts inspection of industrial users, dental offices, dry cleaners and food service establishments in accordance to Los Angeles Municipal Code 64.30 and Board of Public Works Rules and Regulations;

2. Inspect the facility to check the pretreatment system and to determine if there are any unpermitted discharges to the sewer and or storm drains;
3. Review previous inspection reports in the Pretreatment Information Management System (PIMS) and hard copy information on file;
4. Perform an annual flow update, which requires determining all process discharge flow, water losses due to processes and calculation of sanitary flow discharge;
5. Conducts night surveillance of illegal wastewater discharge to the City's collection system;
6. Samples industrial wastewater to verify federal and local discharge requirements;
7. Prepares various reports to record the findings of inspection and complaint investigation, data entry to the Pretreatment Information Management System;
8. Issues notices to owners and operators of commercial and industrial sources to ensure compliance with the Clean Water Act and local rules and regulations;
9. Audit industrial users for RCRA Hazardous Waste Handling, Storage and Disposal practices;
10. Verify that the appropriate Material Safety Data Sheets (MSDS) are on file for all chemicals used and insure that all chemical are properly stored;
11. Review all logs applicable to the IU such as flow discharge logs, equipment calibration records, pretreatment system maintenance, and logs at Private Septage Disposal Facilities (PSDF);
12. Attend mandatory Quarterly Staff meetings and monthly Knowledge Transfer Training

6. Los Angeles World Airports - Environmental Programs Group Regulatory Compliance

Los Angeles World Airports (LAWA) is the City of Los Angeles department that owns and operates Los Angeles International (LAX) and Van Nuys (VNY) general aviation airports. LAWA devotes considerable efforts and resources to developing and maintaining programs that lessen the environmental impacts of operations at its airports, while also creating a healthier environment for neighboring communities and neighbors throughout Southern California. LAWA's Environmental Programs Group Regulatory Compliance Section is tasked with air quality, storm water, hazardous material and hazardous waste compliance inspections, reporting and coordination.

Duties of the Environmental Specialist:

- Conducts site inspections as necessary;
- Conducts field investigations to obtain data on environmental matters by operating a variety of field sampling equipment and interviewing citizens;
- Conducts investigations on complaints from public or agencies regarding environmental concerns or compliance issues;
- May conduct investigations on complaints regarding noise or air quality;
- Evaluates the potential environmental impact from the storage and handling of hazardous materials;
- Implements environmental compliance programs;

- Acts as an enforcement officer to conduct site inspections of solid waste facilities to ensure compliance.
 - Makes recommendations in accordance with established environmental policy and relevant technical information;
 - Contacts various agencies to determine their methods, policies, and laws on environmental issues;
 - Catalogs research materials for the development and maintenance of a professional library;
 - Prepares environmental permits
 - Prepares correspondence to answer inquiries from various agencies;
 - Prepares reports and makes recommendations on a variety of matters;
 - Attends outside agencies' meetings to enhance awareness of decisions which may affect the City;
 - Evaluates the potential environmental impact from the storage and handling of hazardous materials;
 - Interprets field data and estimates effects on the environment if various conditions are changed;
 - Responds to and coordinates activities to address environmental incidents such as underground storage tank alarms, leaks and spills, and wildlife hazards;
 - Makes recommendations regarding departmental goals, policies, procedures and programs for the control of pollutants;
 - May perform environmental assessment work of a more difficult nature, such as projects involving several factors requiring judgment or involving controversy or public sensitivity;
 - May make presentations to council, community groups and others;
- Maintains records, documentation, and schedules for a variety of environmental projects, including environmental investigations and current legislation affecting City environmental agencies.

7. Los Angeles County Public Health Department – Environmental Health Division

The Environmental Health Division is the enforcement agency operating as part of the County of Los Angeles, Department of Public Health. The common title of our staff is "Health Inspector," but the official title is "Environmental Health Specialist. Their mission is to assess environmental conditions and reduce exposure to health risks; and to educate the public on sources of environmental risk so they are empowered to protect themselves, their families and their communities.

The **Environmental Health Specialist** performs the following responsibilities:

1. Conducts periodic inspections of food establishments and restaurants to ensure legal compliance and to promote environment health by making observations to see that food is unadulterated, properly labeled, refrigerated, stored, handled, and protected from contaminants.

2. Reviews and observes utensil washing and sanitizing procedures by testing water temperatures and cleaning agents and facilities to ensure that these meet Federal, State, and local legal requirements.
3. Ensures that food equipment such as stoves, refrigerators, and other cooking equipment and appliances are clean and in good repair and takes appropriate enforcement action; completes reports of areas in violation. Investigates complaints concerning the infestation of rodents and insects by looking for evidence of infestation such as telltale signs and avenues of entry, placing poisons, recommending corrective measures, and taking appropriate enforcement action.
4. Conducts periodic inspections and investigates complaints concerning the improper disposal of garbage, rubbish, and sewage and other unsanitary conditions in building, multiple and single family dwellings, and retail food or other establishments by conducting inspections of premises for adequate disposal facilities, such as covered bins to prevent insect and rodent infestation; recommends corrective measures and takes appropriate enforcement action.
5. Conducts specialized technical inspections and investigations to prevent and control consumer fraud in the retail marketing and sale of food under public health laws and regulations concerned with adulteration, mislabeling, and false advertising of food; meets with concerned parties to discuss correction of deficiencies and to obtain compliance through appropriate enforcement action.
6. Initiates and participates in prosecution of environmental health cases of non-compliance with public health laws and regulations by completing investigation reports, securing evidence, taking and collecting photographs, and preparing cases for prosecution, initiating and attending office hearings, and conferring with city or the District Attorney.
7. Participates in communicable disease investigations related to environmental health.
8. Ensures that establishments being inspected have obtained a current public health license or permit: ensures that establishments receive and post a grade/score card.
9. Maintains rapport with community organizations and may serve as a member of the organization's formal structure to provide guidance on environmental health related problems.
10. Testifies in court as the investigating officer for the Department of Health Services, as needed.

8. South Coast Air Quality Management District (SCAQMD)

The SCAQMD is responsible for controlling emissions primarily from stationary sources of air pollution. Oil field activities are subject to the SCAQMD's rules/regulations and permitting program; the program was established to implement the requirements of the Federal and State Clean Air Act (CAA), the Air Quality Management Plan (AQMP) and air quality rules and regulations by specifying operating and compliance requirements for stationary sources that emit air contaminants.

The **Air Quality Inspector** conducts rule specific inspections of air pollution sources to ensure compliance with AQMD rules and regulations, State Health and Safety codes, and federal laws and

regulations. The Air Quality Inspector performs the following responsibilities related to oil and gas facilities:

1. Conducts rule specific inspections and complaint investigations of commercial and industrial equipment, machines, control devices, materials, and processes to determine compliance with AQMD rules and regulations, State Health and Safety codes, and federal laws and regulations such as:
 - a. Rule 201 – Permit to Construct
 - b. Rule 203 – Permit to Operate
 - c. Rule 402 – Nuisance
 - d. Rule 463 – Organic Liquid Storage
 - e. Rule 1148.1 – Oil & Gas Production Wells
 - f. Rule 1148.2 – Oil & Gas Well Electronic Notification & Reporting
 - g. Rule 1173 – Control of Volatile Organic Compounds (VOC)
 - h. Rule 1176 – VOC Emissions from Wastewater Systems
 - i. Rule 2011 – Requirements for Monitoring, Reporting & Recordkeeping for SO_x
 - j. Rule 3002 – Requirements for Title V permit
2. Prepares various reports to record the findings of inspection and complaint investigation, assists or develops recommendations on the implementation, assists in the preparation of Hearing Board cases;
3. Issues notices to owners and operators of commercial and industrial sources to ensure compliance with air pollution laws, regulations and rules;
4. Provides testimony in court or administrative hearings on civil and criminal air pollution cases and represents AQMD at meetings and conferences.

9. California Division of Oil, Gas and Geothermal Resources (DOGGR)

DOGGR is the agency responsible for issuance of well permits for production and injection wells. The Division oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells. All California oil and gas wells (development and prospect wells), enhanced recovery wells, water-disposal wells, service wells (i.e., structure, observation, temperature observation wells), core-holes, and gas-storage wells, onshore and offshore (within three nautical miles of the coastline), located on State and private lands, are permitted, drilled, operated, maintained, plugged and abandoned under requirements and procedures administered by DOGGR.

The **Environmental Scientist** performs a variety of responsible scientific, professional, office, and field work. Listed below are the essential duties:

1. Gathers data on public health, environmental, agricultural productivity and natural resource management issues;
2. Performs assigned public health, environmental, agricultural productivity, and natural resource management analysis, research, surveys, investigations, and studies;
3. Prepares regulatory and compliance documents and writes final reports;
4. Enforces environmental law and regulations;
5. Provides consultative advice to various governmental entities and agencies.

6. Prepare non-routine correspondence and answers non-routine questions from the public.
7. Incumbents may be assigned lead responsibility for a specific project.

10. California/Los Angeles Regional Water Quality Control Board

The State Water Board and the Regional Water Boards do not permit oil and gas wells. The Regional Water Boards regulate oil and gas waste discharge ponds, and the State Water Boards oversee certain well stimulation activities and Class II underground injection wells as requested by the agency (Water Board 13267 orders).

The **Environmental Scientist** performs a variety of responsible scientific professional office and field work. Listed below are the essential duties:

1. Gathers data on public health, environmental, agricultural productivity and natural resource management issues;
2. Performs assigned public health, environmental, agricultural productivity, and natural resource management analysis, research, surveys, investigations, and studies;
3. Prepares regulatory and compliance documents and write final reports;
4. Enforces environmental law and regulations;
5. Provides consultative advice to various governmental entities and agencies.
6. Prepare non-routine correspondence and answer non-routine questions from the public.
7. Incumbents may be assigned lead responsibility for a specific project