

CORRECTED REPORT

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT relative to establishing an annual Citywide oil well and gas facilities compliance inspections program.

Recommendations for Council action, as initiated by Motion (Wesson - Bonin):

1. REQUEST the City Attorney to prepare and present an Ordinance creating an Annual Oil Well and Facilities Compliance Inspection Program to be adopted by the Council and overseen by the Board of Public Works; and, AUTHORIZE the coordination of local oversight with relevant City Departments and external related government agencies, including the establishment of a new permit type, as described in the May 23, 2018 Office of Petroleum and Natural Gas Administration and Safety (OPNGAS) report, attached to the Council file.
2. INSTRUCT the City Administrative Officer (CAO) to identify funding sources and propose the appropriate funding to enable the Petroleum Administrator to develop a centralized annual inspection program, including compliance standards and enforcement protocols for non-compliance, and to subsequently conduct a commensurate fee study establishing the fee amount of the proposed permit.
3. INSTRUCT the Petroleum Administrator, in consultation with the Department of City Planning (DCP) and the Zoning Administrator, to report in regard to existing or potential ability to incorporate real-time air monitoring at new or modified oil and gas facilities prior to commencement of operations, or upon the annual reauthorization of existing operations in close proximity to sensitive uses.
4. INSTRUCT the Petroleum Administrator to:
 - a. Report in regard to a work plan and resources required to implement the proposed program once the study is completed and Ordinance presented, as detailed in the above recommendations.
 - b. Initiate, until the Compliance Inspection Program is formalized, preliminary review of sites for general compliance, with consideration of:
 - i. The CalEnviro Screen
 - ii. Clean Up Green Up Communities
 - iii. Proximity to residential and sensitive uses to determine the priority order of sites to be reviewed.
5. INSTRUCT the Petroleum Administrator, in consultation with the DCP, to report in regard to the viability/feasibility of implementing 2,500-foot setback requirements for new or modified oil and gas facilities in close proximity to sensitive and/or dense areas.

Fiscal Impact Statement: None submitted by the OPNGAS. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On August 21, 2018, your Committee considered a May 23, 2018 OPNGAS report in response to Motion (Wesson - Bonin) relative to establishing an annual Citywide oil well and gas facilities compliance inspections program. According to the Motion, in February 2018, the Los Angeles County Department of Public Health released a report 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 880 of these wells operating in the City and a number of these oil facilities are within 100 to 300-feet of residential properties. The report's findings indicated that one of the effective approaches the City could take would be to implement annual compliance checks of oil well and gas facilities throughout the City. Annual compliance checks can help reveal whether oil and gas facilities are meeting appropriate regulatory health standards and mitigating impacts. This approach is a critical first step to protecting the City residents from the potential negative health effects of these facilities.

According to the OPNGAS, it an Office within the Board of Public Works and its daily activities are managed by the Petroleum Administrator. The OPNGAS 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 OPNGAS partners with local, State, and Federal agencies to implement and enforce the various laws, rules and regulations. The OPNGAS provides policy and technical advisement to the Mayor, City Council, and Board of Public Works on petroleum and natural gas matters.

The OPNGAS 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.

OPNGAS has conducted an extensive review of the inspection activities of the California Department of Conservation Division of Gas and Geothermal Resources, California Regional Water Quality Control Board, South Coast Air Quality Management District, Los Angeles County Department of Public Health, Los Angeles Fire Department, Los Angeles Department of Building and Safety, Bureau of Sanitation, and the Los Angeles World Airports. Included in the OPNGAS report is an inventory of 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 and in the report, it was noted that there are approximately 3,500

active oil wells in the county; with approximately 880 of these wells operating in the 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. After consideration and having provided an opportunity for public comment, the Committee moved to make a number of recommendations as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
KORETZ:	YES
KREKORIAN:	YES
CEDILLO:	YES
O'FARRELL:	ABSENT

ARL
8/21/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-