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May 15, 2019

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Kathryn-Barger

From: Sachi A. Hamai
Chief Executive Officer

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Fifth District

FEASIBILITY OF CREATING THE OFFICE OF OIL AND GAS ADMINISTRATION AND SAFETY COMPLIANCE (ITEM NO. 2, AGENDA OF DECEMBER 18, 2018)

On December 18, 2018, the Board approved the *Feasibility of Creating the Office of Oil and Gas Administration and Safety Compliance* motion which directed the Chief Executive Office, in consultation with the Chief Sustainability Office (CSO), the Departments of Public Works (PW), Regional Planning, Public Health (DPH), and Fire, and relevant Federal and State agencies to report back within 120 days on the feasibility of establishing a County Office of Oil and Gas Administration and Safety Compliance (Office of Oil and Gas).

Summary of Current County Duties Related to Oil and Gas

In response to the Board motion, CSO convened a working group composed of the County departments listed above, as well as County Counsel. CSO also spoke with the cities of Los Angeles, Long Beach, and Culver City; Santa Barbara County; and the California Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR).

The working group compiled detailed information on County roles and responsibilities, which is included as Attachment I to this report. In general, the County's authorities related to safety oversight and enforcement in this arena are limited. The County's current roles are comprised of negotiation and administration of franchise agreements, including collection of associated fees; approval and oversight of land-use permits for oil and gas facilities; providing recommendations related to public health during the permitting process, as well as investigating public health concerns; and emergency response.

In addition to these general, ongoing duties, extensive work has been completed through the County's Oil and Gas Strike Team. Most recently, the team embarked on Phase II of their work focusing on specific oil and gas facilities, including abandoned and orphaned wells. Summaries of their work can be found on Regional Planning's website.

Potential Enhancements to County Functions

During discussions with the entities described above, a few key themes emerged regarding where the County may play an enhanced role in this arena. These points are discussed in further detail in Attachment II and are summarized below:

Centralized Communications: A County Office of Oil and Gas could serve as a central point of contact for the community, regulators, and industry. Our discussions highlighted a particular need for enhanced communications with the public as well as a clear single point of contact that would be responsible for these communications across all oil and gas issues.

Centralized and More Proactive Coordination: Having a single office coordinate the work of County departments would facilitate a more efficient approach to: 1) managing and potentially streamlining inspection processes; 2) developing adequate permit conditions; and 3) ensuring that community concerns are being appropriately communicated and addressed. This office could also coordinate legislation that may impact County oversight of these facilities. Finally, this office could be used to implement recommendations from the Oil and Gas Strike Team and the "OurCounty" sustainability plan, once adopted.

Centralized coordination of current oil and gas related oversight could also allow the County to be more proactive on these issues. This would be facilitated by potential changes to Title 22 that are currently being drafted in response to a March 29, 2016 Board motion, "Proactive Planning and Enforcement of Oil and Gas Facilities Operating in Unincorporated Los Angeles County." The County's public health oversight role may also be expanded by enhancing the authorities and involvement of the Health Officer in the permitting process. Legislation that is currently under consideration in the State Legislature, AB 1500, would further enhance this role.

Based on the foregoing, we are recommending that such an office be established in PW, as further described in detail below.

Toxic Substances

The December 18 Board motion also directed that staff consider whether to expand the purview of the office to include oversight of other toxic substances. At this time, we are not recommending that toxics be included within the newly created office because DPH has already done much work in recent years to improve oversight and coordination of toxic substances and there is already more defined and rigorous state and federal regulation of these materials. As a result, there is less of a clear gap needing to be filled by the new office.

Other Considerations

Fee Study: Based on our discussions, we believe it would be valuable for the County to complete a comprehensive study of the fees related to oil and gas, such as permit fees that the County currently charges. This would include an audit to determine whether the County is receiving all revenues that are due, how these fees compare to those charged by other local

jurisdictions, and whether there may be other potential sources of revenue that the County does not currently collect.

Partnership with Local Jurisdictions: Given the regional nature of oil and gas infrastructure and operations, the County might consider ways of establishing ongoing communication and coordination with other relevant local jurisdictions. While this would not result in establishing new authority, it would ensure a more coordinated regional approach.

Structure and Funding for Office

Office Location: Due to the technical expertise needed for this office and PW current role in administration of franchise agreements, we recommend that the office be housed within PW, but that the work be undertaken through an interdepartmental team consisting of all departments that currently participate in the Oil and Gas Strike Team, as well as CSO.

Staffing and Funding: We recommend that one staff person be added to serve the coordinator functions described above. As such, PW will make a budget request on this issue as part of the Fiscal Year 2019-20 budget process. This will allow recommendations to be made within the context of the overall budget and the various funding priorities and requests. We recommend that the staff person have expertise in oil and gas operations, as well as knowledge and experience with public health and environmental justice issues.

Within one year of this staff being hired, PW should: 1) establish an interdepartmental working group to coordinate oil and gas activities at the County; 2) develop a plan for public communications related to oil and gas operations; 3) complete the fee study described above; 4) investigate opportunities for regional collaboration; and 5) work with the CEO during the budget process to request additional staffing needs and potential funding sources if necessary.

SAH:JJ:GG
RK:jg

Attachments

c: Executive Office, Board of Supervisors
 County Counsel
 Fire
 Health Agency
 Public Health
 Public Works
 Regional Planning

FEASIBILITY OF CREATING THE OFFICE OF OIL AND GAS ADMINISTRATION AND SAFETY COMPLIANCE

The following summarizes oil and gas facilities within the Los Angeles County (County) and provides more detailed background information on the current County department roles related to oil and gas administration.

Oil and Gas Facilities Located Within Unincorporated Areas

There are currently three underground natural gas storage facilities located entirely or partially in unincorporated portions of the County: Aliso Canyon Natural Gas Storage Facility is located entirely in unincorporated County, and Honor Rancho Natural Gas Storage Facility and Playa Del Rey Natural Gas Storage Facility are partially located in unincorporated County.

To date, the existing oil refineries within Los Angeles County are located in the cities of Carson, El Segundo, Hawthorne, Los Angeles (Wilmington area), South Gate, and Torrance. There are no oil refineries located in the unincorporated areas of the County.

About 90 percent of the Inglewood Oil Field is located in unincorporated County, with the remaining 10 percent under the jurisdiction of Culver City. The portion of the Inglewood Oil Field in unincorporated County has additional regulations under the Baldwin Hills Community Standards District that were adopted in October 2008. Beyond what is required by regular zoning requirements in Title 22 of the Los Angeles County Code (County Code), the Baldwin Hills Community Standards District applies additional development standards, performance standards, and monitoring to the part of the Inglewood Oil Field located in unincorporated areas of the County.

In addition to these facilities, as of 2017, there were approximately 30 oil and gas pipeline franchises in public rights-of-way located in unincorporated areas of the County, and as of 2016, there were over 1200 active wells and nearly 400 idle wells in unincorporated areas of the County. There are an additional seven oil and gas operators who currently have leases to operate on County-owned property.

County Department Roles

Department of Regional Planning

The Department of Regional Planning (DRP) regulates land use on private property within the unincorporated County based on Title 22 of the County Code. The County Code contains development standards on buildings and structures, as well as performance standards for various uses, including oil wells. Since the 1920s, the County Code has regulated, in some form, the storage of oil. The most recent revisions of County Code regulations for oil wells were adopted in 1978.

On March 29, 2016, the Board of Supervisors instructed DRP to amend the County Code to: 1) require a Conditional Use Permit (CUP) for all oil and gas facilities in unincorporated areas of the County; and 2) update regulations for oil and gas facilities to reflect best practices and current mitigation methods and technologies, minimize environmental

impacts, and protect sensitive uses and populations. The CUP and the California Environmental Quality Act review process provides DRP the opportunity to consult and coordinate with other County agencies, state agencies, and regional agencies. It also allows DRP to condition requirements as part of the approval. Requirements may be specific to a use, building, or property. The CUP process generally includes an inspection of the property every two years.

In fall 2018, DRP began working on the ordinance amendment to Title 22 per the March 29, 2016 motion. The County Department of Public Health (DPH) and the County Fire Department are considering revisions to other Titles in the County Code related to this motion. Once Title 22 is amended to require a new CUP for all existing and new oil wells, DRP anticipates additional staffing needs for case processing and monitoring, which would be submitted to the Chief Executive Office (CEO) during the budget process.

Until the amendment to Title 22 is complete, existing oil wells in the unincorporated areas of the County will continue to operate under either: previously issued land use permits; a ministerial site plan review, which does not expire if used; or a CUP or Zoning Exception Case, which also do not have expiration dates. These permits were issued in the 1970s and do not include monitoring conditions.¹

The development standards for oil wells under the County Code is set forth in Section 22.140.400. Generally, the development standards take into account where the oil well is located (i.e., whether it is in an established oil field as delineated by the California Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR) or within 300 feet of any public school, park, or any residential or light agricultural zone) to determine if the well will be permitted by a ministerial site plan review or a CUP. Either permit requires compliance with oil well development standards that regulate matters of land use concern, including the following:

- Setbacks from adjacent uses;
- Community impacts from the use of derricks and pumping equipment;
- Hours of use of heavy equipment;
- Noise;
- Fences and walls;
- Signs;
- The number and capacity of production tanks; and
- Certain health and safety concerns related to discharge and containment.

The development standards also expressly prohibit oil refining, other than normal production operations, such as the initial separation of oil, gas, and water, and handling and storage. In certain land use zones where a CUP may be required, DRP can impose additional development or performance standards that it feels prudent and necessary, considering staff recommendations, community comment, and input from other County departments such as Public Health and the Fire Department. Thus, the CUP process is

¹ Because there are no renewals required, or conditions requiring regular inspections, the existing oil wells do not generate any additional fee or assessment by DRP; the only assessment collected from the oil well operators was at the time of the application for the land use permit.

a means for DRP to require land use conditions that go beyond the basic development standards set forth in the County Code for oil wells.

While DRP has the authority to adequately regulate traditional land use goals and objectives such as location, placement, appearance, community nuisance impact (e.g., noise and odor), and safety – and can exercise that authority with respect to oil wells – the extent of that authority is unclear. The County's ability to regulate land use derives from the police power, the well-established and ever evolving right of local governments to protect public health, safety, and welfare. However, it is equally well-established that applicable federal and state laws may limit a local government's exercise of its police power. Some of the main state and federal entities that have jurisdiction over County oil and gas operations are discussed later in this document.

In addition to the Title 22 County Code amendments, the March 29, 2016 motion also directed the Director of Regional Planning (lead Department) in coordination with the Fire Chief, the Director of Public Health, and the Director of Public Works to convene the Oil and Gas Strike Team to assess the conditions, regulatory compliance, and potential public health and safety risks associated with existing oil and gas facilities located in unincorporated areas of the County. The County contracted with MRS Environmental to study existing oil facilities in unincorporated County. The Oil and Gas Strike Team has generated several reports and will continue to report back to the Board of Supervisors through end of year 2021.

Public Works

The right to grant franchises and leases is very limited and does not extend to enacting or enforcing pipeline safety laws or regulations. With respect to intrastate and interstate pipelines, the County lacks statutory authority to regulate safety and/or is preempted under federal law from regulating safety. The United States Department of Transportation (DOT), acting by and through the Pipeline and Hazardous Materials Safety Administration and state agencies certified by the DOT to enforce safety laws and regulations on its behalf, enforces federal pipeline safety laws. In California, pipeline safety laws and regulations are enforced by the Office of the State Fire Marshal, DOGGR, and the PUC, depending on the type of pipeline and the type of product it contains.²

Public Works (PW) grants franchises on behalf of the County to oil and gas companies for the right to lay pipelines along County rights-of-way to transport oil and gas products. Historically, this program had been administered by the CEO, but is in the process of being transferred to PW. Authority to grant franchises for use of the public right-of-way is found in California Public Utilities Code, Division 3, and in Title 16, Divisions 3 and 3A of the County Code (County Code). Additionally, the County Flood Control District (FCD) grants leases to oil and gas companies for the right to lay pipelines along its rights-of-

² Pipeline safety laws include the Natural Gas Pipeline Safety Act of 1968 (Public Law 90-481), the Hazardous Liquid Pipeline Safety Act of 1979 (Public Law 98-464), the Pipeline Safety Reauthorization Act of 1988 (Public Law 100-561), the Pipeline Safety Improvement Act of 2002 (Public Law 107-355), Pipeline Inspection, Protection, Safety and Enforcement Act of 2006 (Public Law 109-468), the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Public Law 112-90), the Protecting Our Infrastructure of Pipelines and Enhancing Safety Act of 2016 (Public Law 114-183), applicable federal regulations (49 Code of Federal Regulations Parts 190-199), and the Elder California Pipeline Safety Act of 1981 (California Government Code Section 51010 et seq.).

way. The authority to grant leases of land owned by the FCD is found in Subsection 13 of the Los Angeles Flood Control Act, which was adopted by the State Legislature in 1915. PW also verifies compliance with the terms and conditions of the franchises and leases and monitors and retains required franchise bonds and insurance certificates.

Franchise fees collected by PW are deposited in the General Fund. In Fiscal Year 2017-2018, the County generated over \$9M. Leasing fees are deposited in the Flood Control District fund. In Fiscal year 2017-2018, the District generated over \$600K.

PW's Industrial Waste and Stormwater Programs also regulate oil and gas facilities to a very limited extent. The Industrial Waste Program is administered under Title 20, Division 2, Chapter 20.36 of the County Code. It requires oil and gas companies to obtain permits for facilities that discharge industrial waste waters into the sanitary sewer system or inject waste waters into the ground. The Stormwater Program is administered under Title 12, Chapter 12.80 of the County Code. Its purpose is to enforce Best Management Practices at oil and gas facilities to prevent stormwater pollution and to track State Water Resources Control Board Industrial Permit management. These programs are limited to the equipment and activities permitted and do not extend offsite to pipelines or hazardous materials that may be transported to and from these sites.

PW may review, grant and/or oversee permits related to the following: design of structures that are built on, adjacent to, or within 300 feet of any active, abandoned, or idle oil and gas wells; grading; construction or reconstruction of facilities within public rights-of-way; and abandonment or removal of facilities within public rights-of-way.

Lastly, PW acts as a Participating Agency under the Certified Unified Program Agency (CUPA) program, defined below and administered by the County's Fire Department, to oversee underground storage tanks (USTs). The UST Program is administered under Title 11, Division 4 of the County Code. Its purpose is to protect groundwater resources. Oil and gas companies utilize pipelines and aboveground storage as a means to store and transfer regulated substances and generally do not store hazardous substances underground as retail gas stations do (as these are refined products). There are no underground oil or gas storage tanks within the unincorporated County with the exception of Aliso Canyon. All other oil and gas storage tanks within the unincorporated County are aboveground and under the oversight of the Fire Department, acting as the CUPA.

County Fire Department

The Fire Department's Fire Prevention Division (FPD) and Health Hazardous Materials Division (HHMD) have a regulatory role with respect to oil and gas facilities such as oil wells, tank farms, and petroleum refineries. FPD's authority to regulate is established in Chapter 57 of the 2018 County of Los Angeles Fire Code. HHMD's authority to regulate is established in the California Health and Safety Code, Division 20, California Code of Regulation, Titles 19, 22, and 27, and by local ordinance. These regulations define a fee structure for all CUPA program elements.

The FPD is involved in emergency responses and regulates the oil and gas industry by approving new construction, conducting inspections, and issuing permits for oil wells, tank

farms, pipelines, and other aboveground oil and gas facilities, in accordance with Los Angeles County Code, Title 32. The FPD inspects each facility on an annual basis to ensure compliance with permits. They do not have the ability to impose additional requirements on oil and gas companies, as that falls to the State Agency, the Division of Oil, Gas, Geothermal Resources (DOGGR).

HHMD oversees the public disclosure requirements for hazardous materials at aboveground oil and gas facilities. As such, the HHMD hazardous materials permit requires oil and gas facilities to submit an annual business plan that includes emergency response training/planning and chemical reporting/notification (i.e., crude oil, petrochemicals). In addition, HHMD regulates six petroleum refineries for CUPA program elements which include the California Accidental Release Prevention Plan, Hazardous Materials, Hazardous Waste Generator, and Aboveground Petroleum Storage Act. The CUPA's authority begins once the hazardous materials (oil and gas) are stored or handled aboveground. DOGGR addresses the regulatory issues while the materials are below ground for drilling, operation, and permanent closure of energy wells.

Department of Public Health

The State of California requires local jurisdictions to appoint a Health Officer who is responsible for the protection and preservation of public health and safety. In the County, this responsibility lies with DPH. Title 11 of the County Code of Ordinances provides the Health Officer with the authority to "take measures to preserve and protect the public health, including the regulation of sanitary matters." Current regulations for oil and gas facilities are limited to fencing and protection of well openings. The Health Officer's authority may expand during a declared health emergency involving an oil or gas facility to allow the Health Officer to take any preventive measure necessary to protect public health. The Health Officer enforces Title 11 in the unincorporated County, and in cities with which a contract agreement is in place for the County to carry out Health Officer duties. DPH also regulates noise under Title 12, "Environmental Protection," in unincorporated areas; however, oil and gas facilities are currently exempt.

DPH has a variety of roles and responsibilities with respect to oil and gas facilities. For example, in cases where DRP determines a discretionary permit is required, DPH reviews land use documents to provide health and safety comments and recommendations for conditions. In addition, as a member of the County Oil and Gas Strike Team, DPH participates in assessments of oil and gas facilities in unincorporated County, completing a public health and safety review for each inspected facility. DPH also investigates health concerns in response to noise and odor complaints from the public. Further, under the authority of the Baldwin Hills Community Standards District (CSD), DPH monitors noise and odors from the Inglewood Oil Field operations, participates in the Multiple Agency Coordination Committee to coordinate activities and communications of regulatory agencies with oversight of the CSD, and is responsible for completing a Health Assessment and Environmental Justice study of the surrounding community every five to seven years as part of a settlement between the County, the operator, and other litigants.

Chief Executive Office

The County, acting by and through the CEO, handles non-franchise real estate transactions, which may include granting licenses and leases to oil and gas companies to locate and service their facilities, such as wells, tanks, and processing plants. The authority governing the utilization of County-owned land is found in California Government Code Sections 25350 through 25549.23.

CEO Real Estate Division previously managed County oil and gas franchise transactions. The franchise assignment, including the issuance and renewal of franchise agreements and their subsequent management, was transferred to PW earlier this year. CEO Real Estate Division currently provides advisory and funding services to PW for franchise processing transactions. CEO Real Estate Division's role regarding daily oil and gas pipeline activities shall remain minimal.

Fees charged to franchisees operating within the County right-of-way are based on various factors including, but not limited to, franchise issuance/renewal, annual operating fees, transfer/termination fees, and other fees allowable or required per governmental code(s). Currently, franchise fees are budgeted as non-departmental revenue and as such, both franchise fees and property taxes (locally generated revenues), are used to fund the net County cost portion of the County budget.

Select State and Federal Agencies

The following table identifies the primary state and federal agencies that have jurisdiction over oil and gas operations in the County, but this list is not exhaustive. The United States Department of Homeland Security and the California Coastal Commission, for example, may also have a regulatory role depending on the circumstances.

Name of Agency	Description of Duties Related to Oil and Gas
California Department of Conservation's Division of Oil, Gas, and Geothermal Resources (DOGGR)	Maintains exclusive jurisdiction over all subsurface oil and gas activities and is responsible for the issuance of well permits for production and injection wells. Oversees the drilling, operation, maintenance, plugging, and abandonment of oil, natural gas, and geothermal wells in the State of California. Oil drilling in California cannot begin until a permit is issued by DOGGR.
California Regional Water Quality Control Board (RWQCB)	Regulates oil and gas discharge ponds and conducts groundwater monitoring in areas of oil and gas well stimulation; reviews injection well applications.
California Department of Fish and Wildlife	Negotiates and maintains agreements with operators delineating roles and responsibilities in the event that oil and gas projects affect streams, creeks, rivers, or other sensitive habitats near bodies of water within the state.
South Coast Air Quality Management District (SCAQMD)	Responsible for controlling air pollutant emissions primarily from stationary sources. Oil field activities are subject to the SCAQMD's permitting program which implements the federal and state Clean Air Act and the Air Quality Management Plan by specifying operating and compliance requirements related to air contaminants.
California Department of Toxic Substance and Control	Responsible for cleanup efforts as a result of a hazardous substance release.
Office of State Fire Marshal	Oversees safety testing and public reporting of pipelines transporting hazardous substances within the road right-of-way.
US Environmental Protection Agency (US EPA)	Oversees implementation of the federal Spill Prevention, Control, and Countermeasure rule, which may require oil spill Facility Response Plans from certain operators. US EPA also provides the final determination on requests for exemptions from federal Safe Drinking Water Act prohibitions on well injections that may impact aquifers.

FEASIBILITY OF CREATING THE OFFICE OF OIL AND GAS ADMINISTRATION AND SAFETY COMPLIANCE

The following provides additional background and details related to how oil and gas issues are addressed in other jurisdictions and what coordination and oversight functions a new Los Angeles County (County) Office of Oil and Gas could fulfill, including the potential office structure and other considerations.

Oil and Gas Administration in Other Jurisdictions

As part of the development of this report, the Chief Sustainability Officer spoke with several local jurisdictions who have offices or units dedicated to oil and gas oversight and administration, specifically the cities of Los Angeles and Long Beach, and Santa Barbara County.

City of Los Angeles

The City of Los Angeles has an Office of Petroleum and Natural Gas Administration and Safety (Office) which is located within the Board of Public Works. The City's Office is headed by a Petroleum Administrator who has an academic background as well as significant career experience in the petroleum industry, bringing specific technical expertise to the City. In addition to serving as a technical advisor for the City, the Petroleum Administrator is also the lead negotiator for pipeline franchise agreements, serves as a central point of contact for oil and gas operators and the public, oversees inspections and safety compliance, and coordinates internal and external agency interactions, among other functions.

In addition to the Petroleum Administrator who was hired in 2016, the Office was authorized to have six staff positions split between two areas: 1) franchise agreement and contract administration, and 2) safety and compliance. A third staffing area related to community engagement and policy has been proposed.

Santa Barbara County

Oil and gas oversight and administration for Santa Barbara County is led by the Energy Division of the County's Planning and Development Department. The Energy Division oversees both onshore and offshore oil and gas operations, in addition to mining operations in the County. Functions include planning, permitting, environmental review, risk analyses, and public outreach. To facilitate and coordinate permit compliance, the County established a Permit Compliance Program that includes interdepartmental coordination through a committee that discusses safety and compliance issues on a project basis.

The Energy Division currently has 13 staff split into two groups, one that focuses on land use planning, and the other that focuses on inspections of oil and gas operations from a safety perspective. Although franchise fees are collected by the County's Real Estate Department, they do consult with the Energy Division during negotiations of franchise agreements. In addition to franchise fees, the County collects permitting fees; annual per

well and per facility fees; and cost recovery for time spent for inspections, permit reviews, and other oversight activities.

Long Beach

The City of Long Beach operates an oil field and serves as a gas utility, rather than serving as a regulator. Since there is no analog to this in the County's operations, the Long Beach model is less relevant to this report and is not described further.

Potential Enhancements to County Functions

It is recognized that the County lacks significant regulatory authority over oil and gas operations except those related to land use planning and permitting, public health and safety, and franchises for use of the public right-of-way. During development of this report back, we identified three key roles where the County could have an enhanced role in oil and gas administration and oversight.

The key roles that a new County Office of Oil and Gas could play are to: 1) provide a single point of contact for the public, industry, and external agencies, and 2) serve as a coordinator of the various functions related to oil and gas currently performed by different departments. This could be done by convening an interdepartmental working group composed of the County departments that currently provide services related to oil and gas, along with the Chief Sustainability Office.

Centralized Communications

A County Office of Oil and Gas could serve as a central point of contact for the public, external regulatory partners, as well as the industry. During the normal course of operations, an oil and gas operator may have some level of interactions with the various County departments that have oversight authorities over oil and gas facilities. An Office of Oil and Gas could provide information about the status of the comprehensive set of permits, inspections, and other compliance issues that may apply to a single operator. On the community side, our discussions highlighted a particular need for enhanced communications with the public, as well as a clear point of contact that would be responsible for these communications across all oil and gas issues. This community liaison role would be a particularly important function of this new office.

In addition to their regular functions, departments may be communicating with external entities such as other jurisdictions in cases where their oversight authority extends past unincorporated areas, or state or federal level agencies. It would be beneficial to have a single point of contact within the County that is aware of all the communications that are taking place. Consistent with this, during discussions with the California Department of Conservation's Division of Oil and Gas (DOGGR), they expressed positive opinions about their experiences working with the City of Los Angeles' Petroleum Administrator, noting the convenience and clarity of having a single point of contact within the City.

Coordinated Oversight

In general, County oversight over oil and gas operations is currently decentralized, with several departments serving key functions independent of one another. These functions are summarized in Attachment I of this report. Regular coordination through a single office could facilitate a more comprehensive approach that streamlines inspections, ensures the adequacy of permit conditions, and ensures that community concerns are being appropriately communicated and addressed. As described above, Santa Barbara County uses such an approach, creating a forum for all departments involved in oil and gas oversight to come together to discuss safety and permit compliance as related to specific projects.

A key duty of such an office would be to link the findings of the Strike Team to ongoing County duties, using regular oversight, permitting, and enforcement functions to follow-up on any potential issues that the Strike Team identifies. The Office could also serve as the implementor for the Strike Team's recommendations as they continue to develop over the course of Phase II, as well as the lead on actions related to oil and gas identified in the "OurCounty" sustainability plan, once approved by the Board.

There are also several potential ways for the County's public health oversight role, through the Department of Public Health (DPH), to be expanded. These are summarized in the table below:

Title 12 noise ordinance	Oil and gas facilities are currently exempted from the noise ordinance under Title 12 of County Code, which is enforced by DPH. Removal of these exemptions would allow DPH to be more responsive to community concerns related to noise from these facilities.
Conditional Use Permit process	The Conditional Use Permit process for oil and gas facilities could reference protections for the Health Officer to oversee. For example, a requirement for fence line air monitoring; participation in regular Strike Team inspections; review and audit of required documents, plans and operations; and a requirement for the operator to produce and publish a Community Health and Safety plan to keep community members updated with critical health and safety information.
Addressing public health hazards	The ability of the Health Officer to order the abatement of conditions posing a public health hazard regardless of jurisdiction, could be augmented. For example, the South Coast Air Quality Management (SCAQMD) regulates emissions of toxic chemicals, an area critical to public health that DPH cannot enforce.
Public information	The Health Officer could be given the authority to request information from operators to make health-related decisions, which would facilitate DPH's understanding of the true nature and magnitude of health risks, particularly during an emergency event or when responding to community concerns.
Risk assessment and mitigation plan	An ordinance could be added to Title 11 of County Code that requires operators to complete a risk assessment matrix to determine whether additional mitigations are required for noise, air quality/emissions, odors, fire, explosions or other emergencies, and submit the assessment and a mitigation plan for DPH review.

In addition, legislation impacting the industry, and potentially the County's roles and responsibilities with regard to the industry, is frequently being developed. In its coordinator role, the County Office of Oil and Gas could also convene and coordinate County departments relative to state and federal legislation, such as the County-sponsored AB 1500. AB 1500 would provide greater authority to the County Certified Unified Program Agency (CUPA), which is managed by the County Fire Department, to suspend operations at a facility if the CUPA identifies conditions that it considers "an imminent or substantial threat to public health, safety, or the environment."

Technical Expertise

Establishing an Office of Oil and Gas would necessitate building greater expertise within the County related to oil and gas operations. Although it is likely that the County would still rely on consulting support for some activities related to oil and gas, for instance, the assessments being completed by the Oil and Gas Strike Team may assist in building trust with the community as the County office would likely be viewed as a more neutral party with regard to these issues. In addition, several of the jurisdictions we spoke with during the development of this report informed us that having in-house expertise facilitated deeper, more comprehensive reviews of oil and gas operations that allowed more informed oversight.

Toxic Substances

The Board motion also included direction to consider adding toxic substances to the purview of the office if it were to be established. Currently, regulation and oversight of toxic substances is undertaken primarily by the following three external agencies: SCAQMD; Department of Toxic Substances Control, and the State Water Resources Control Board. In general, these entities, respectively, oversee issues related to air, soil, and water. Additionally, management of hazardous materials and hazardous waste is overseen by CUPAs, which also do oversight of oil and gas facilities such as refineries. The County's CUPA is managed by the County Fire Department and includes Public Works as a participating agency.

The County has done work previously to improve oversight and coordination regarding toxic substances. On June 27, 2016, the Board added Environmental Health Oversight and Monitoring as a fifth priority to those established by the Board a year earlier. The Chief Executive Office subsequently convened the DPH, Fire, Public Works, and the Office of Emergency Management to create a framework for advancing County efforts in this area and provided a written report to the Board on December 13, 2016, which included DPH's framework paper "Environmental Oversight and Monitoring: Building Capacity to Address Environmental Threats." The report outlined the proactive approach to: 1) Increase capacity to prevent, respond to, and recover from environmental threats; 2) Engage and inform community partners in working toward improved environmental conditions; 3) Leverage the authorities of local, state, and federal regulatory agencies; and 4) Promote policy change to advance strategies of prevention and community risk reduction.

The model works to improve the environmental health of all communities in the County, especially those in close proximity to industrial operations. Currently, DPH has dedicated resources to work with the regulators mentioned above in strengthening regulations, achieving higher rates of compliance, and reducing toxic emissions. Additionally, DPH provides evidence-based information to inform decision-making for industry, regulators, and community members. The DPH's goal is to assist in changing environmental conditions, so residents will experience fewer and less severe emergency incidents and ultimately improve the overall health and well-being of County communities.

We see less of a clear gap that could effectively be filled with County resources because of the focused work being done by the County to improve oversight and communications regarding toxic substances. Additionally, hazardous materials and waste are already subject to well defined and robust state and federal oversight. Furthermore, management and use of toxic substances, which are primarily used as part of industry processes or created as waste, have different infrastructure, logistics, and processes associated with them. We would expect staffing expertise needed to oversee these materials to be quite different as compared to oil and gas. As a result of the above considerations, we do not recommend that toxics be included within the scope of a newly created office.

Other Considerations

Based on our discussions with County departments and other key stakeholders, we have also identified two other issues for Board consideration:

Fee Study

It is recommended that a comprehensive study of the fees related to oil and gas that the County currently charges be completed, regardless of the Board decision on establishing an Office of Oil and Gas. The study may include the following:

- An evaluation of current fees collected, such as franchise and permit fees, and how they compare to other local jurisdictions. The County completed a survey of local franchise fees several years ago that was based on 2013 data, however, it should be updated;
- An audit of whether the County is collecting the full amount owed from operators based on current fee structures;
- Additional options, such as a barrel tax, for raising revenue that the County currently does not utilize; and
- Options to recoup costs borne by the County related to improperly abandoned, orphaned, or idled wells and other oil and gas facilities.

Partnership with Local Jurisdictions

Given the regional nature of oil and gas infrastructure and operations, the County might consider establishing joint or coordinated oversight over oil and gas operations with other relevant local jurisdictions, for instance, through a Joint Powers Authority. Though this would not be expected to result in expanded regulatory authority, this may be beneficial financially and logistically as many jurisdictions perform similar functions. However, this idea would require further study of a number of different points, including:

- Interest and commitment from cities to support such a joint venture;
- Any legal/regulatory considerations, including liability, related to such an entity performing oversight/enforcement of County land use permits and franchise agreements; and
- Mechanisms by which such an entity might collect and transfer fees on behalf of the County.