CITY OF CULVER CITY

9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232-0507
CITY HALL Tel. (310) 253-6000
FAX (310) 253-6010

JEFFREY COOPER
MAYOR

MEGHAN SAHLI-WELLS
VICE MAYOR

COUNCILMEMBERS
JIM B. CLARKE
MICHEÁL O'LEARY
ANDREW WEISSMAN

April 28, 2014

Los Angeles County
Department of Regional Planning
Attn: Timothy Stapleton, Zoning Enforcement West
320 W. Temple Street,
Los Angeles, CA 90012

Subject: Comments on the Initial Draft Periodic Review for the Baldwin Hills Community Standards District, dated February 2014

Dear Mr. Stapleton:

As you are aware, the Inglewood Oil Field ("Oil Field") is located within and adjacent to the City of Culver City ("City") and the County of Los Angeles ("County"). As such, thousands of City residents and businesses have been impacted by and are interested in the on-going operations of the Oil Field. As you are also aware, the City has been interested in matters pertaining to the Community Standards District ("CSD") since its inception.

On May 23, 2013, at the meeting of the Citizens Advisory Panel ("CAP"), the County of Los Angeles presented an overview of the required 5-Year Periodic Review Process of the Baldwin Hills Community Standards District. At that meeting, the City submitted comments regarding issues it believed needed to be addressed as part of the 5-Year Review. In February 2014, the County issued its Public Draft of the Baldwin Hills Community Standards District Periodic Review Report ("Report").

The City fully supports and concurs with the comment letter, dated April 28, 2014, submitted by Community Health Councils, Natural Resources Defense Council, the City Project, and Mujeres de la Tierra; and comments submitted by John Kuechle, via email and letter on April 6, 2014; and the comment letter submitted by Kenneth Kutcher on April 25, 2014. The City hereby incorporates these comments by reference, in this letter. In addition, the City provides the following supplemental comments on the Report:

1) <u>Well Stimulation</u>:

The CSD does not contain regulations specific to well stimulation methods, including hydraulic fracturing, acidization and gravel packing. However, the City believes that it is important for the County to address impacts from the use of well stimulation in the Oil Field. Although the Report states that "hydraulic fracturing is not in use at the Oil Field save for the wells 'fracked' for the

Hydraulic Fracturing Study," the City has significant concerns that the Oil Field Operator may determine it wants to use hydraulic fracturing and other well stimulation techniques in the future. Therefore, the City requests that, at a minimum, the County should prohibit the process of well stimulation, until DOGGR or the State Legislature adopts comprehensive regulations that will adequately protect the public health and safety and the environment. Included in those protections should be a well stimulation monitoring program and an adequate community public notification process.

2) Landscaping:

In 2009 and 2010, the City submitted comments on the CSD Landscaping Plans. (Attachments 1 and 2) The City believes that those Plans did not adequately address the aesthetic impacts of the Oil Field operations for the portion of the Oil Field that is adjacent to Culver City. The Report mentions the City's comments about the lack of adequate screening from the City's view shed (Page 54). However, the Report states that the landscaping provisions in the CSD and Settlement Agreement are considered to be fully effective at this time, and no further analysis is recommended. While the approved plans are being implemented, the City continues to assert that the Mia Lehrer Plans do not meet the intent of CSD Environmental Impact Report Mitigation Measures, as discussed in the attached letters. Specifically, measures need to be taken to ensure that the landscaping meets the intent "to beautify and screen the operations from adjoining residential, recreational, institutional areas or adjacent public streets or highways," as stated in Mitigation Measure V.1-1. Very few, if any, plans address the view shed from the City of the impacts of the Oil Field operations.

The City repeats its request made in the December 15, 2010, letter (Attachment No. 2) to meet with the Oil Field Operator and the County to tour the boundaries of the Oil Field to identify the City's areas of concern, understand the Operator's constraints, and discuss possible solutions for mitigating the view impacts of the Oil Field operation on the City and adjacent communities.

3) Funding:

The City's concern is that many of the studies conducted under the CSD, including the Public Health, Ground Movement, and Air Quality Studies lacked sufficient funding to produce an accurate and meaningful analysis of these important issues. This fact has been publicly commented upon numerous times. Provisions of the Draw-Down Account (G.2) in the CSD, allow the County to use the account "for the purpose of defraying the expenses involved in the County's review and verification of the information contained in any required reports and any other activities of the County, including but not limited to, enforcement, permitting, inspection, coordination of compliance monitoring, administrative support, technical studies, and the hiring of independent consultants."

The Report should require enforcement provisions that state the County may take whatever measures are necessary to ensure that adequate funding exists to cover the cost of preparation of accurate and reliable studies (required under the CSD). This includes requiring the analysis of the studies' findings by appropriate experts in the specific area of study. This has not been sufficiently utilized. The existing studies are inadequate and have lacked satisfactory funding; therefore, they should be enhanced with further detail and methodology to improve their accuracy and confidence in their findings. Measures should include the requirement that the Oil Field Operator replenish or increase the County's Draw Down-Account, as necessary, in order to fund studies, as well as implementation and enforcement of the County CSD provisions and requirements.

4) Public Notice:

The County should not rely on the CAP to notify the public of important information regarding the Oil Field operations, including the events and timelines involved in this 5-Year Review of the CSD. It is the County's obligation, not the CAP's, to ensure the public is fully informed about these matters, and it is insufficient to solely place the information on the County's website. For example, there should be a concentrated effort to establish meaningful methods for maintaining an email list of interested persons and stakeholders for notifications, along with publishing notices in local publications.

5) Ground Movement Survey:

The 2013 Annual Ground Movement Survey has been prepared and concluded that subsidence exists in the Oil Field. However, the County's staff has not been able to determine whether the subsidence is caused by the Oil Field operations. If necessary to properly analyze the survey, the County should retain a consultant with the expertise to evaluate it (which cost can be passed along to the Oil Field operator through the Draw-Down Account).

The Report states DOGGR staff concluded that due to the complex geology and subsidence history of the area, additional ground movement survey data is required to make a determination on the possible impact from Oil Field operations on ground movement. They also list a combination of factors that are more likely to have contributed to ground movement and potential property damage than the operations of the Oil Field. At the March 27, 2014 CAP meeting, representatives from DOGGR acknowledged that additional ground movement survey data and studies are needed to more definitely determine the factors causing the observed ground movement. Such data should be provided by the Operator and any further studies should be paid for through the Draw-Down Account.

6) Annual Joint Meeting:

The City recommends that the CAP and Multiple-Agency Coordination Committee (MACC) meet on an annual basis to better communicate with and inform each other and the public about issues relating to the Oil Field operations.

7) Emergency Response Review:

In consideration of the sensitive nature of the area, including status as a hazardous fire zone, further review should be given to ensure that the best emergency response plans, including notification and evacuation routes, are in place and that individual neighborhoods are better informed about such plans. Identification of evacuation locations and routes should be coordinated with Culver City and Los Angeles County Fire Departments.

It is also important to ensure that unannounced drills are conducted periodically at the Oil Field.

8) Greenhouse Gas Emissions:

In 2008, the EIR for the CSD identified almost 160,000 tons of new annual greenhouse gas emissions ("GHGs") that will be created by the Oil Field project (almost 3.2 million tons over the life of the project). At that time, the County failed to adopt a significance threshold and failed to require any mitigation measures. Since that time, significant new information has come to light about the threat from fugitive methane emissions from oil production and processing facilities, as highlighted by the White House's recently released "Climate Action Plan: Strategy to Reduce Methane Emissions." (Methane is at least 21 times more potent than carbon dioxide in causing global warming.) In addition, lead agencies have made significant progress in establishing appropriate significance thresholds for GHGs (e.g. SCAQMD's 12,000 ton CO2e threshold for industrial projects). Clearly, GHG emissions from the Oil Field are more than significant and cannot be ignored. The County should consider establishing an accurate inventory of annual GHG emissions from the Oil Field and consider meaningful and effective ways to mitigate those emissions both from stationary sources and fugitive sources.

9) New Technology:

Under the CSD and the Settlement Agreement, the Oil Field Operator is required to consider feasible and available technology that would reduce environmental impacts in connection with the submission of each Annual Drilling Plan. Historically, the Drilling Plan has evaluated the use of natural gas and electric powered drill rigs, but has not addressed in any detail other technology that could reduce environmental impacts. For example, in the 2014 Annual Drilling Plan, the Oil Field Operator states it will use drill rigs with Tier II or better

engines. To the extent drill rigs with Tier III engines are available, which we believe they are, the Oil Field Operator should be required to use those rigs or state why it cannot. As far as we are aware, the County has failed to press the Oil Field Operator to meaningfully evaluate new technologies and require their implementation if feasible and available. The CSD should be reviewed to impose more specific and comprehensive requirements on both the Oil Field Operator and the County to meaningfully evaluate all available and feasible technologies that are capable of reducing environmental impacts. It may be necessary to provide for review by a third party with expertise in the development and feasibility of new technology that can be used in the Oil Field. In addition, during this Periodic Review, the Settlement Agreement requires that the County itself evaluate the use of electric-powered and natural gas powered rigs and if feasible and reasonably available, requires their use for any new rigs acquired or leased by the Oil Field Operator.

10) Insurance and Bonding:

Section G.4 of the Report fails to state the amount of insurance coverage or security that is currently required and it does not discuss the biases upon which the amounts were determined. Instead, it states that "no additional coverage amounts are necessary," and that the bond amounts "are appropriate." There should be an explanation of the factors which were considered in setting these amounts, including the potential accident scenarios and potential damages, and the support for the conclusion that the CSD required amounts are adequate for the significant Oil Field operations. The fact that the Oil Field is not necessarily comparable to a drilling operation in the Gulf of Mexico does not provide the necessary assurance that the public and surrounding jurisdictions are adequately protected in the event of an accident. There have already been spills and releases in the Oil Field in the past ten years. A serious accident could have catastrophic impacts, in particular, due to the proximity of the Oil Field to schools, homes, businesses, parks and waterways, which empty into the Santa Monica Bay.

In addition, there is no real analysis in Section G.5, regarding how it was determined that the amount of the bond is appropriate for the levels of operations at the Oil Field. The City requests that the information referenced in Sections G.4 and G.5 be made public. In addition, the City requests that an explanation is given to substantiate the conclusion that the bonding and insurance amounts are adequate to provide the best coverage for potential clean-up costs and the impacts of accidental contamination.

11) CAP Membership:

There is very little direction in the CSD regarding the management of the CAP. The City proposes that the County contact any entity whose representative (or alternate) misses more than three meetings within a six month period to inquire if

they would like to appoint a different representative(s). This would encourage more active participation and representation, and help the County better achieve the goal of the CAP, which is to "foster communication about ongoing operations at the oil field and to allow the community representatives to provide input to the county and the operator."

As you are aware, the Oil Field is unique in that it is an "urban" oil field adjacent to parks, schools, residences, and businesses. Additionally, there are numerous fault lines running through and adjacent to the Oil Field, including the significant Inglewood-Newport Fault. It is due to these unique circumstances that Culver City makes the above comments, requests and recommendations in order to more effectively achieve the CSD's objectives. The City believes that the recommendations made in the Report to enhance the implementation of the provisions of the CSD have merit, but also, significant additional measures are needed.

To assure compliance with the intent of the CSD, the above recommendations, along with the recommendations contained in the comment letters from Community Health Councils, John Kuechle and Kenneth Kutcher, should be implemented.

If you have any questions or need any additional information, please contact Sherry Jordan, Project Manager, at (310) 253-5746.

Sincerely,

Jeffrey Cooper
Mayor

cc: The Honorable Mark Ridley-Thomas, Los Angeles County Supervisor
The Honorable Members of the Los Angeles County Board of Supervisors
The Honorable Holly J. Mitchell, Member of the State Senate
The Honorable Sebastian Ridley-Thomas, Member of the State Assembly
The Honorable Members of the City Council
John M. Nachbar, City Manager

Attachments:
1. June 26, 2009, letter to Leon Freeman, DRP, commenting on landscaping plan
2. December 15, 2010, letter to Leon Freeman DRP, commenting on revised landscaping plan