<u>Protecting Communities Near Oil and Gas Drilling Operations</u> <u>in Los Angeles County</u>

AGN NO. []

<u>REVISED</u> MOTION BY SUPERVISORS HOLLY J. MITCHELL AND SHEILA KUEHL

September 15, 2021

<u>Protecting Communities Near Oil and Gas Drilling Operations in Los Angeles County</u>

At the turn of the twentieth century, oil and gas development dominated the Los Angeles County (County) landscape fueled by minimal regulations, little understanding of the health and environmental impacts, and low population density. However, over the next century, the population and need for housing in the region grew significantly, which led to less separation between industrial and residential areas, especially in residential areas where communities of color could afford to live, or were forced to live due to discriminatory land-use policies. Today, tens of thousands of County residents live in close proximity to an oil well; nearly 73 percent of whom are people of color. Within the boundaries of the unincorporated County alone, there are approximately 1,600 active and idle oil wells. Over half of those wells are within the Inglewood Oil Field, the largest urban oil field in the nation, located in the Baldwin Hills community in the County's Second Supervisorial District.

A substantial body of national and California-based scientific research documents evidence the harmful health impacts resulting from living in close proximity to oil drilling operations, including asthma, cardiovascular disease, low birth weight, and reproductive health impacts. A study of oil drill sites in South Los Angeles published by the scientific

- MORE
MOTION

MITCHELL

KUEHL

HAHN

BARGER

SOLIS

<u>REVISED</u> MOTION BY SUPERVISORS MITCHELL AND KUEHL SEPTEMBER 15, 2021 PAGE 2

journal, Environmental Research in June 2021, documents a significant decrease in lung and pulmonary function associated with living near both active and inactive oil wells. A 2018 Los Angeles County Department of Public Health Report found that even at a distance of 1,500 feet, oil wells still pose a safety risk to nearby communities. In addition, recent studies from Harvard and the American Lung Association point to the connections between fossil fuel-related air pollution and premature death. These health impacts are a result of the particulate matter and toxic pollutants, such as volatile organic compounds, released from oil and gas extraction. Surprisingly, health protections and mitigation measures at oil production sites are not standardized across the County, which often results in low-income and marginalized communities disproportionately suffering from poor health due to the lack of strictly-enforced regulatory controls.

In recent years, the County has made efforts to better regulate oil drilling operations and prioritize the public health and safety of its residents living near oil wells. This includes the creation of the <u>Baldwin Hills Community Standards District (BHCSD)</u> in 2008, which established stricter regulations, safeguards, and controls for oil and gas production activities at the Inglewood Oil Field following a series of gas release and odor events in the Baldwin Hills area. However, despite the additional regulations imposed by the BHCSD, residents of neighboring communities, which are largely communities of color, continue to express serious concern about odors, noises, and the impacts of spills, the most recent of which occurred in April 2021. This latest incident was prominently covered in the <u>media</u>.

The County has acknowledged the need to be more informed about existing oil and gas operations and more coordinated in protecting public and environmental health. In July 2015, the County Board of Supervisors (Board) requested an inventory of all oil and gas fields in unincorporated areas and the level of monitoring taking place at these facilities. Subsequently in March 2016, the Board directed the Department of Regional Planning (DRP) to convene a Strike Team to assess public health and safety risks associated with existing oil and gas facilities in the unincorporated County areas. In addition, the Board directed DRP to update the County's Zoning Code to ensure that: 1) regulations reflect best practices and current mitigation methods, minimize environmental

<u>REVISED</u> MOTION BY SUPERVISORS MITCHELL AND KUEHL SEPTEMBER 15, 2021 PAGE 3

impacts, and protect sensitive uses and populations; and 2) that oil and gas facilities may no longer operate by right in the unincorporated portions of the County, except within the BHCSD. In September 2017, the Strike Team submitted a <u>report</u> to the Board outlining recommendations for updating the County's outdated Zoning Code that has allowed oil and gas production activities to occur dangerously close to residences, schools, and other sensitive land uses. The Strike Team's last report will be submitted to the Board this fall, at which time their work will be complete.

The growing body of scientific and public health evidence demonstrating the health, safety, and climate threats posed by oil and gas extraction has led to increased support for stronger regulations as well as the call to phase out urban oil drilling in its entirety. In 2019, the Board adopted the OurCounty Sustainability Plan (OurCounty Plan), an equity-focused, stakeholder-driven process that identified goals, strategies, and actions to achieve a shared vision for a sustainable County. Two actions identified in the OurCounty Plan include: 1) addressing the proximity between oil and gas operations and sensitive land uses; and 2) developing a sunset strategy for oil and gas operations. Other jurisdictions in the County are pursuing these actions as well. The City of Los Angeles is currently considering a policy to address urban oil drilling as an incompatible land use throughout the city. Decision-makers in Culver City, where a portion of the Inglewood Oil Field is located, recently approved a full phase-out of oil and gas drilling operations over the next five years. These local actions are set against the backdrop of Governor Newsom's recent directive to phase out oil extraction across the state by 2045, signaling California's commitment to addressing the climate impacts caused by oil and gas extraction.

Just last month, the United Nations' Intergovernmental Panel on Climate Change released a report with a dire forecast, that the impacts of climate change will continue to intensify over the next 30 years and there is a short window to curb fossil fuel emissions to prevent an even worse fate for our environment and current and future generations. The County should not wait to act. As DRP is currently updating oil and gas well regulations for unincorporated areas outside of the BHCSD, there is an opportunity for the County to demonstrate leadership on climate change, environmental justice, and

public health. Furthermore, the County is poised to leverage its efforts to develop a just transition approach to phasing out oil drilling, first initiated by Board action in 2020. Building upon this existing effort, the County can proactively plan for a long-term just transition strategy informed by the needs of impacted workers and frontline communities, while addressing the long-standing health and environmental impacts facing communities across the County, including the Baldwin Hills area.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

- 1. Instruct the Director of Department of Regional Planning (DRP), in coordination with the Chief Sustainability Office (CSO), the Director of the Los Angeles Department of Public Health (DPH), and the Office of Oil and Gas to:
 - a. Modify the pending Draft Oil Well Ordinance for unincorporated Los Angeles County (County) as directed by the Board of Supervisors' (Board) March 29, 2016 motion as follows:
 - Prohibit all new oil and gas extraction wells in all zones, including those allowed or planned for under existing discretionary permits; and
 - ii. Designate all existing oil and gas extraction activities, including those allowed or planned for under existing discretionary permits, as legal nonconforming uses in all zones.
- 2. Instruct the Director of DRP, in collaboration with the Chief Executive Officer (CEO) and County Counsel, to report back to the Board in writing within 120 days detailing the process for selecting and contracting with an expert/consultant to conduct an amortization study of oil and gas drill sites in the unincorporated areas of the County to determine the most accelerated phase out period that is legally justifiable and recommendations to guide a phase-out process. This report should include, without limitation:
 - a. An initial written progress report to the Board within 60 days with the estimated cost and identification of potential funding sources to pay for the amortization study, including utility franchise fees, and state and federal

funds for just transition efforts. The report should also include recommendations for the most expeditious and cost-effective completion of the amortization study, including studying a representative sample of drill sites by type, and use of existing data from the Los Angeles County Oil and Gas Strike Team reports and relevant amortization studies where possible;

- b. An analysis of the feasibility of a 5-year phase-out period as outlined in Culver City's amortization program;
- c. Recommendations on how the Board can effectuate the closure of wells using a data-driven health and environmental equity approach; and
- d. Recommendations on the engagement of diverse community stakeholders throughout the phase out, remediation, and process for visioning future land uses.
- 3. Instruct the Director of DRP, in collaboration with County Counsel, to update the Baldwin Hills Community Standards District (which expires in 2028) to be consistent with the final updates to Title 22 Zoning Code for new and existing oil and gas extraction activities; and
- 4. Instruct the Directors of the Department of Public Works, DRP, DPH, and Fire in consultation with the CSO and CEO Legislative Affairs and Intergovernmental Relations to coordinate with state elected officials and relevant state and regional agencies, including California Geologic Energy Management Division California Air Resources Board, California Environmental Protection Agency, and South Coast Air Quality Management District to ensure funding and implementation of annual inspections, ongoing air monitoring, and health impact assessment data continue to be collected and used to prioritize and facilitate the timely phase out of existing wells.

<u>Developing an Oil Well Cleanup Pilot Program</u> <u>for Los Angeles County</u>

A _ A	1 1	\sim	
AGN	N.	INO.	

<u>REVISED</u> MOTION BY SUPERVISOR<u>S</u> JANICE HAHN <u>AND</u> HOLLY MITCHELL

September 15, 2021

Developing an Oil Well Cleanup Pilot Program for Los Angeles County

Idle, unsealed wells can leak pollutants into the groundwater, soil, and air, which can expose residents to harmful emissions that may go unchecked for years, if not decades. As the County continues work on the Just Transition Strategy for oil extraction workers, it is important to develop a framework for capping and plugging oil wells, remediating sites and returning lands to uses that are beneficial to local communities. As the County continues to support clean energy goals, it is anticipated that the number of idle and abandoned wells will grow. The Los Angeles County Office of Oil and Gas will need to work closely with the lead regulatory agency, California Geologic Energy Division (CalGEM), to coordinate and oversee the cleanup of old oil wells.

In December 2018, the Board of Supervisors (Board) passed a motion, "Feasibility of Creating the Office of Oil and Gas Administration and Safety Compliance," which recognized the need for a centralized structure to coordinate the oversight of oil and gas operations and communicate between community, industry and regulators. Housed in the Department of Public Works, the Office of Oil and Gas is the central hub of communication between the various County departments with oversight responsibilities

	<u>IVIOTION</u>
MITCHELL	
KUEHL	
HAHN	
BARGER	
SOLIS	

MOTION

for oil and gas operations within the County; participates in the efforts of the to implement recommendations from the County Oil and Gas Strike Team; and supports goals outlined in the "OurCounty" Sustainability Plan.

In September 2020, the Board unanimously passed a motion, "Facilitating the Development of a 'Just Transition' to Clean Energy" that directed the Department of Public Works, in consultation with other members of the County Oil and Gas Strike Team, to identify priority wells in the County that should be abandoned and develop a financial and operational strategy for initiating this work. The report back published in June 2021 identified a number of possible funding sources and recommended that the County move forward with consider establishing a Pilot Program focused on abandonment of idle and orphaned wells in unincorporated areas. Also, the Pilot Program should be utilized to further inform the Just Transition Strategy (e.g. community workforce agreements, local hire and inclusive decision making on the future of sites).

The County's Oil and Gas Strike Team identified a total of 637 idle wells (i.e. wells that have not operated for two years or more) and 2,173 2,731 wells that were plugged and abandoned according to the standards at the time of abandonment. It is not known how many of these are likely orphan wells or at risk of becoming orphan wells (i.e., a well that has an insolvent or unknown operator). Of the 2,173 2,731 abandoned wells, the Strike Team identified 128 "higher priority" abandoned oil wells based on proximity to frontline communities and based on the risk of well leakage. The lead regulatory agency, CalGEM, publishes annual reports regarding the status of idle wells and may have additional information on idle wells that should be considered priorities.

Proper well abandonment is expensive and there are significant funding challenges, with costs ranging from \$150,000 to \$1,000,000 per well, depending on the environmental conditions. California state law holds operators responsible for properly

abandoning idle wells and in the case of insolvent or unknown operators, CalGEM must is authorized to step in and perform the legal process to determine if the well is an orphaned well. plug orphan wells. Once the well is determined to be orphaned, CalGEM can start the process to plug and abandon these wells and charge. The State budget allocates \$200 million of funding for proper plugging and abandonment of orphaned wells, many of which are located in Los Angeles County. Additionally, rRecent state legislation has increased bonding requirements, idle well fees and use of idle well management plans. The fees are deposited into an abatement fund and are available to remediate hazardous well conditions to protect public health and the environment.

The County should move forward with exploring revenue sources to support enhanced enforcement <u>and</u> public health response and site remediation activities; while at the same time, take steps to develop a framework for an Oil Well Cleanup Pilot Program.

WE, THEREFORE MOVE that the Board of Supervisors:

- 1. Direct the Office of Oil and Gas, in coordination with the California Geologic Energy Division, the Chief Sustainability Office and Department of Regional Planning, Department of Public Health and Fire Health HazMat to develop a framework for an Oil Well Cleanup Pilot Program to plug and abandon idle oil wells, with the goals of improving environmental conditions for frontline communities and maximizing local, high-road jobs. The Pilot Program Framework shall include:
 - a. Prioritization of oil wells that pose health and safety risks to residents based on proximity to frontline communities, risk of leakage, unknown operator and other health and environmental equity measures;

EXHIBIT E September 15, 2021 Board Motions

 Stakeholder consultation steps that involve workers, communities, and other stakeholders in the planning process;

Within 180 days, return with recommendations and next steps for an Oil
 Well Cleanup Pilot Program Framework;

2. Direct the Chief Executive Officer (CEO) to explore options to increase revenue dedicated to oil and gas oversight efforts, such as updating the utility franchise fees and redirecting any marginal revenue accruals to the Office of Oil and Gas, and report back within 90 days; and

3. Direct the County's legislative advocates to support state and federal policies and proposals that increase funding sources to help plug, abandon, remediate and revitalize idle and orphaned well sites, and advocate for increased funding that will provide critical relief to the County and its residents.

#

JH:kb

Developing a Comprehensive Strategy for a Just Transition

Away from Fossil Fuels in Los Angeles County

AGN NO. []

REVISED MOTION BY SUPERVISORS HOLLY J. MITCHELL AND JANICE HAHN

September 15, 2021

<u>Developing a Comprehensive Strategy for a Just Transition Away from Fossil</u> <u>Fuels in Los Angeles County</u>

While Los Angeles County (County) continues to take steps to combat climate change and the related environmental health threats, it must at the same time ensure a just transition towards an environmentally sustainable economy. A just transition requires that the County break down false dichotomies between jobs and the environment and develop strategies that improve economic, health, and environmental outcomes for all.

Recognizing this, the County Board of Supervisors (Board) adopted the <u>OurCounty Sustainability Plan</u> in August 2019 which specifically called for the creation of a 'Just Transition' plan. Subsequently, on September 29, 2020, the Board adopted a motion titled "<u>Facilitating the Development of a 'Just Transition' to Clean Energy"</u> that directed the creation of a Just Transition Strategy (Strategy), with focus on properly plugging and abandoning idle and orphaned oil wells in the unincorporated areas of the County. The motion cited goals in the Board-adopted OurCounty Sustainability Plan that prioritized a transition away from fossil fuels, and the creation of an inclusive economy, noting that the Strategy "must treat both the environmental transition and workforce transition as coequal goals." The Sustainability Plan also recommends that the County coordinate and collaborate with the City of Los Angeles and other local jurisdictions on this effort. The motion further described the need to address the numerous wells in the unincorporated

- MORE -

<u>MOTION</u>

MITCHELL	
KUEHL	
HAHN	
BARGER	
SOLIS	

areas of the County that were improperly abandoned or have been left idle for long periods of time, which may pose public health and safety risks.

The initial Strategy, presented to the Board on June 3, 2021, recommended expansion of the scope to better address the needs of workers and frontline communities. This expansion was recommended based on feedback from the diverse taskforce that was designed to support development of the Strategy, which included representatives from labor, industry, environmental justice stakeholders, academia, and local governments. A comprehensive Strategy requires investments and partnership across all sectors and levels of government to inclusively create a vision for Los Angeles' energy and economic future that ensures that no one is left behind. This work will include building climate-resilient infrastructure that supports human health, and developing and resourcing a transition plan for workers at all career stages.

A sustainable County is one in which a healthy economy and healthy communities are not mutually exclusive. As the County responds to the urgency of our current moment and begins to transition away from fossil fuels, it is imperative that we develop a comprehensive Strategy in coordination with the relevant stakeholders to ensure that this transition does not come at the expense of people's livelihoods, health, safety, or dignity.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

- 1. Direct the Chief Sustainability Office to implement the recommendations outlined in the initial Just Transition Strategy report, including the following:
 - a. Expand the Stakeholder Taskforce to be inclusive of frontline and tribal communities, including indigenous communities and representatives of local Native Nations, additional industry representatives, <u>labor</u> <u>organizations</u> and workers, and workforce development partners;
 - b. Contract with a third-party consultant to study the impacts to jobs in the fossil fuel industry and to identify and address key data gaps, including the demographics, wages, and skills of fossil fuel workers and economics of the fossil fuel industry in Los Angeles County (County), to

- inform a Just Transition Strategy <u>for workers affected by the proposed</u> <u>phase out of oil drilling and extraction activities in the County</u>; and
- c. Broaden the scope of the Just Transition Strategy for fossil fuel workers in the County, in coordination and collaboration with other relevant jurisdictions, including the City of Los Angeles, and provide a written progress report to the Board within 180 days with an annual update thereafter.
- Direct the Chief Executive Officer to explore options to increase revenue dedicated to the ongoing implementation of the Just Transition Strategy, including relevant state and federal funding sources, and report back in writing within 60 days.

####

(LM)