

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 3/31/05
Department Name: Planning and Development
Department No.: 053
Agenda Date: 4/12/05
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

F:\GROUP\ENERGY\WP\POLICY\Cal v Norton\CZMA review\Board Agenda Letter-CCC contract

TO: Board of Supervisors

FROM: Dianne Meester, Assistant Director
Planning and Development Department

STAFF CONTACT: Steve Chase, Deputy Director
Energy Division, 568-2520

SUBJECT: Contract Authorization – Consistency Determination for 40 Undeveloped Leases

Recommendation(s): That the Board of Supervisors authorize the Chair to execute the attached contract for services with the California Coastal Commission, in an amount not to exceed \$45,000 and for the period commencing upon execution through March 30, 2006, wherein the County would provide technical support for consistency determinations on undeveloped federal oil and gas leases offshore Santa Barbara County.

Alignment with Board Strategic Plan: This recommendation primarily aligns Goal 1: An efficient government able to anticipate and respond effectively to the needs of the community; and objective 5 of that goal: Maximize the effective application of County resources through collaborating and partnering with public and private entities.

Executive Summary and Discussion: On April 6, the U.S. Minerals Management Service will submit consistency determinations to the California Coastal Commission, regarding renewals/time extensions of 40 undeveloped leases.¹ By law, the Commission has 75 days to formally review the determinations, hear the matter and render decisions and associated findings in agreement or objection to the federal determinations. This requires a hearing at the Coastal Commission's June meeting. Given the short time frame and significant work effort involved, the Coastal Commission has requested that the Energy Division assist in the technical review of the federal determinations. The Coastal Commission is proposing to reimburse the County for staff services with grant funds from the Coastal Impact Assistance Program.

The Energy Division has evaluated the request and can proceed with contracting under the following understanding and terms. First, the staff of the Energy Division has an institutional knowledge of the subject matter content and the consistency review process. The Energy Division has an extensive catalogue of

¹The consistency determinations pertain to 36 undeveloped leases in federal waters of the Outer Continental Shelf off of California, plus 4 leases previously terminated but under appeal.

project case files, geologic maps, natural resource inventories, platform siting analysis, processing plant consolidation studies and transportation mode analyses to draw from. Second, the staff work to be done is limited to technical services such as a factual analysis of information and assertions set forth in the federal determinations and support documents. The analysis would involve validation of information and data relative to prescribed standards set forth in Chapter 3 of the California Public Resources Code – Coastal Act. Third, the Energy Division has considerable experience in permitting and compliance plan-checking large, complex development plans for drilling, production, processing and shipment of oil and gas, such as the recent authorization to proceed with extended reach development of Lease 451 Rocky Point and the recent approval of major plant improvements and tank storage at the PXP Gaviota processing plant. Fourth and most importantly, staff will not engage in the formulation of policy recommendations for the Coastal Commission. That is neither called for in the scope of services nor desired by either party. The Energy Division manager would supervise and be responsible for staff's efforts and product deliverables. County staff will represent only the County at the Coastal Commission's hearing of the consistency reviews, and will not provide any services under this contract to the Coastal Commission during the hearing.

The Coastal Commission's request for technical staff assistance comes forth under extraordinary circumstances. There is a tremendous amount of staff work to conduct within a short timeframe. The recommended action is based on goodwill - interagency assistance. Simply put, the Energy Division happens to have a staff level institutional knowledge, experience and information data base that is of help to the Coastal Commission. They need staff technical assistance and the Energy Division has the resources to provide it, should the Board concur with the recommended action.

Staff understands the core work to involve approximately 80 to 100 staff-hours, with the bulk of that effort occurring in April and May. A re-prioritization of assignments would occur to accommodate this matter and, if necessary, backfill would be provided by available extra-help resources. The contract would be written to provide a window of one-year for the technical work to be conducted, as a contingency in case Coastal Commission staff finds the information submitted by the MMS to be insufficient to conduct the required analysis for a consistency determination. In this case, the MMS would likely resubmit its consistency determination with additional information, which would then delay the 75-day review to a later period this year.

Once the Coastal Commission staff issues their staff report (anticipated to be late May), Energy Division staff will provide a separate policy analysis, recommendations and a draft comment letter to the Coastal Commission for the Board's deliberation. Upon the Board's direction, the authorized comment letter and testimony would then be provided to the Coastal Commission at their June hearing.

Mandates and Service Levels: None

Fiscal and Facilities Impacts: The County would be fully reimbursed by the California Coastal Commission for the technical work by Energy Division staff. A budget revision would be processed accordingly.

Special Instructions: N/A

Concurrence as to Form: County Counsel, Auditor Controller, Risk Manager