



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 012
For Agenda Of: May 24, 2022
Placement: Departmental
Estimated Time: 1 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department: Mona Miyasato, County Executive Officer
Director(s): Jeff Frapwell, Assistant County Executive Officer
Contact Info: Lisa Plowman, Director, Planning and Development
SUBJECT: Further Analysis Related to 2021 Grand Jury Report: Idle Oil Wells in Santa Barbara County, Recommendations 1 through 4

County Counsel Concurrence

As to form: Yes

Other Concurrence: Select_Other

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file a presentation of further analysis related to the 2021 Grand Jury report entitled "Idle Oil Wells in Santa Barbara County," Recommendations 1 through 4; and
- b) Authorize the Chair to sign a letter and forward the letter and responses to the Presiding Judge of Santa Barbara County Superior Court updating the Grand Jury on the further analysis; and
- c) Determine pursuant to CEQA Guidelines 15378(b)(5) that the above action is not a project subject to CEQA review, because it is a government administrative activity that does not result in direct or indirect physical changes to the environment.

Summary Text:

On March 8, 2022, the Board of Supervisors considered the responses to the Grand Jury Report titled "Idle Oil Wells in Santa Barbara County" prepared by staff, received public comment and requested that staff return with further analysis for Recommendations 1 through 4. As part of this item returning, your Board also requested that staff provide a multi-agency briefing to include discussions of the enforcement roles as they relate to idle wells from the County Fire Department, the Santa Barbara County Air Pollution Control District (APCD) and the State of California Geologic Energy Management Division (CalGEM).

This Board Letter describes the further analysis completed since the March 8 hearing and includes the Grand Jury response with the further analysis as Attachment A. The timeframe for the matter to be prepared for discussion by the Board shall not exceed June 20, 2022.

Background:

As part of deliberations on this item, your Board requested descriptions of the agency enforcement roles as they relate to idle wells from the Fire Department, the Santa Barbara County Air Pollution Control District (APCD) and the State of California Geologic Energy Management Division (CalGEM). The prior response to Recommendation 1 has been revised to include more detailed descriptions of the regulatory role of each agency for monitoring onshore oil and gas wells including inspections for idle wells. Additionally, the prior response to Recommendation 1 has been enhanced to reiterate the County's unique practice of overlapping inspections by multiple departments that ensures that idle wells are appropriately monitored so they do not negatively impact the health and safety of the community.

Also during deliberations, the Board highlighted the limitations of financial assurances required at the state level by CalGEM for idle wells and noted the absence of financial assurance requirements for idle wells at the local level. The prior response to Recommendation 2 has been revised to include a more detailed discussion of the financial assurance mechanisms required by CalGEM and chain of custody regulations which allow CalGEM to hold previous operators financially responsible for orphaned wells. The response to Recommendation 2 also includes a discussion of new federal funding sources that are available to the State which are planned to be allocated to address orphaned wells at the former HVI, Cat Canyon (formerly known as Greka) leases. Finally, the response to Recommendation 2 has been enhanced to include a description of a new rulemaking effort that CalGEM is undertaking where operators are required to provide well and lease abandonment cost estimates.

The responses to Recommendations 3 and 4 have been enhanced to add information highlighting the unique overlapping inspections conducted by the County and also regarding the removal of equipment at idle well sites, respectively.

Fiscal and Facilities Impacts:

Budgeted: Staff anticipates no fiscal or facilities impacts as a result of the Board's consideration on this matter.

Special Instructions:

1. As per Recommendation b), please forward the original signed letter and responses to the Presiding Judge of Santa Barbara County Superior Court.
2. Please send a copy of the signed letter and a copy of the minute order to Reese Ellestad, Fiscal & Policy Analyst, CEO office.

Attachments:

Attachment A: Letter documenting Further Analysis to prior Board of Supervisors Responses

Attachment B: March 8, 2022 Board of Supervisors Responses

Attachment C: FY2020-21 Grand Jury Report

Authored by:

John Zorovich, Deputy Director, (805) 568-2519
Energy, Minerals & Compliance Division, Planning & Development Department