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UNTIL APPROVED BY THE CITY COUNCIL

SPECIAL MEETING OF THE
CITY COUNCIL
CULVER CITY, CALIFORNIA

August 13, 2020
7:00 p.m.

Call to Order & Roll Call

Mayor Eriksson called the special meeting of the City Council to order at 6:06 p.m. in the Mike Balkman Chambers at City Hall via Virtual Webex.

Present: Göran Eriksson, Mayor
Alex Fisch, Vice Mayor
Daniel Lee, Council Member
Meghan Sahli-Wells, Council Member
Thomas Small, Council Member

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Pledge of Allegiance

Mayor Eriksson led the Pledge of Allegiance.

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**Community Announcements by City Council Members/Information
Items from Staff**

Jeremy Green, City Clerk, reported that the list of nine qualified candidates for City Council had been posted on the City website for the November 3, 2020 election.

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Joint Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

Jeremy Green, City Clerk, indicated that there were no speakers for Items Not on the Agenda.

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Receipt and Filing of Correspondence

Mayor Eriksson reported that 150 pages of correspondence had been distributed to Council Members.

MOVED BY COUNCIL MEMBER SAHLI-WELLS, SECONDED BY COUNCIL MEMBER SMALL AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL RECEIVE AND FILE CORRESPONDENCE.

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

CC - (1) Presentation of Capital Investment Amortization Study for the Culver City Portion of the Inglewood Oil Field; (2) Discussion of Options for Future of Culver City Portion of the Inglewood Oil Field; and (3) Direction to City Council Oil Drilling Subcommittee and City Staff as Deemed Appropriate

Council Member Sahli-Wells discussed work done; improving regulation of existing non-conforming use; changes in the City; benefits of a green economy; failures of aging infrastructure; using the study to inform next steps; empowering staff and the Oil Drilling Subcommittee to work together to bring forward a framework to phase out oil drilling in the Culver City portion of the Inglewood Oil Field (IOF); and planning for the future of the City.

Melanie Doran Traxler, Contract Project Manager, discussed City Council consideration of whether amortization should continue to be pursued as a concept, and taking a look at financial considerations.

Charles Kemp, Baker and O'Brien, provided background on the company and on the presenters; discussed the study available on the City website; use of historical data and public information; California Geological Energy Management Division (CalGEM), previously the Division of Oil Gas and Geothermal Resources (DOGGR); the portion of the IOF in Culver City; resources shared across the entire area; parameters of the study; and creation of the income model.

Will Cheek discussed the financial analysis; the determination of the amortization of capital investment; Net Present Value; the income model; analysis of the financial capabilities of the City; components of the financial analysis; and key assumptions.

Don Flessner discussed amortization of capital investment for different scenarios; fair market value; California State Board of Equalization Guidelines; historical capital investment; production rates; testing of the analysis; changes in key inputs that could alter results; the sensitivity analysis; conclusions of the study; questions from the June 4, 2020 Oil Drilling Subcommittee meeting; values related to mineral rights and land ownership; remaining oil reserves; and clarification regarding information used for the study.

Discussion ensued between the consultants, staff and Council Members regarding potential changes in the timelines for amortization given fluctuations due to the pandemic; the ability to update the model to reflect changes; finetuning the study; valuations; and the accuracy of the valuation.

Mayor Eriksson invited public comment.

The following members of the audience addressed the City Council:

David Campbell, Steelworkers Local 675, provided background on the organization; discussed the proposed change of land use; well remediation for conversion to public use; fulfilling a just transition for the community; the number of impacted workers; and he urged City policy makers to consider workers when making changes.

Terri Saucier expressed support for phasing out oil operations for the Culver City portion of the IOF and wanted to see full remediation and monitoring to ensure there are no accidents or exposures.

Maeve Cullinane expressed support for phasing out the Culver City portion of the IOF and agreed with involving workers in the just transition of the field into a community asset.

Ben Oakley, Western States Petroleum Association, expressed opposition to the City's amortization program, asserting that it was flawed; discussed hardship for workers; noted that jobs should be protected; stated that the program did not address mineral owners; discussed reliance on foreign crude; annual oil supply source data; sustainable energy future; and he urged the City not to move forward with the proposal.

Shawn Paczkowski expressed opposition to the amortization of the IOF; discussed property ownership rights; natural changes in the environment; and he urged the City Council to protect American freedoms.

Michel Rochmes, So Cal 350 Climate Action, expressed support for the amortization plan; discussed public health and climate change; and he thanked the Council for their leadership.

Richard Kennedy, LA South Chamber of Commerce, provided background on the organization; expressed opposition to the amortization program; asserted that the IOF is an essential business; discussed critical resources supplied by the IOF; jobs; public resource monies spent pursuing a dead end avenue that would result in legal fees and damages when the process is over; he encouraged wise expenditure of public funding; and he reported that Sentinel Peak Resources (SPR) donates to non-profits, engages in community outreach, and complies with state and federal regulations.

Armine Sargsyan read a statement from Senator Holly Mitchell expressing concern with the negative effects on public health of continued operation of the IOF; discussed the consequences of active wells; she reaffirmed support for the closure and remediation of the portion of the IOF within Culver City and for establishing a statewide 2500 foot distance setback to separate oil and gas extraction operations; and she indicated that work was needed to reverse the impacts of dependence on fossil fuels.

Jamie Wallace discussed money spent on changes for less than 1/10th of the IOF; expressed concern about the continued waste of taxpayer money; questioned how much the report cost; discussed detectable problems, emissions and health issues; holding SPR accountable for plugging and remediating the land; bonds; and felt funds should be used to address the many other problems in Culver City instead.

Carlene Brown expressed support for the statement from Holly Mitchell and for the shortest possible timeline for phasing out the IOF in Culver City starting in January 2021; discussed protecting the health and safety of Culver City residents; negative impacts of urban oil drilling on the environment and on public health; empowering the community to lead the decision-making process on the future of the site; and moving away from oil and gas infrastructure and toward clean energy.

Liz K. Gosnell provided background on herself; indicated that she is a stakeholder in both LA County and Culver City; discussed money spent by the City to stop oil and gas production in the Culver City portion of the IOF; failed processes; she expressed concern with transparency in the City budget; lack of response to numerous requests for documentation; income from the IOF; asserted that the City was engaged in taking land which would result in a costly lawsuit; and discussed people who have owned the land for 100 years.

Alexandra Nagy, California Clean Water Action and Food and Water Watch, discussed work to phase out oil drilling; congratulated the City Council for their work; asked that the City Council pass the amortization project and consider the workers in the community in plans for what should happen next; wanted the corporation and companies to be accountable for clean up; acknowledged the leadership of Culver City on climate issues; and she expressed eagerness to work with the City.

Paul Ferrazzi was called to speak but had no comment.

Sandrine Cassidy, Ballona Creek Renaissance, provided background on the organization; confirmed support for the leadership of the City Council to shut down the Culver City portion of the IOF through a responsible and fair amortization process; discussed continued work to move the City away from oil and gas infrastructure; renewable energy; reuse of the Oil Field site after remediation; ensuring that those responsible

for the oil extraction are responsible for repairing the damage done; and appreciation to the City Council for their leadership.

Thomas Howard-Dolid expressed support for amortization and concern for the health of his family due to negative effects of the nearby oil field.

Damon Nagami, Natural Resources Defense Council, expressed support for the subcommittee recommendations; discussed prioritization of resident health by Culver City; moving away from fossil fuels and toward a clean energy future; adverse effects to health and the environment; cities questioning the appropriateness of oil drilling in urban areas; responsibility of the oil company for the costs of remediation and properly plugging and abandoning the wells and cleaning up the property; requiring a living wage for a properly trained, union workforce with preference for local hire; and he thanked the City for their leadership on the issue.

Aidan Geronimus spoke in support of the proposed amortization plan; echoed comments made by David Campbell and Damon Nagami as he felt a just transition for affected workers was a step in the right direction; and he felt further studies were unnecessary to understand the negative impacts of the IOF on residents.

Ralph Combs provided background on himself; expressed concern with the motivation for and accuracy of the amortization study; flawed assumptions; issues with research; unemployment and the current economic crisis; budget and tax shortfalls experienced by municipalities; and encouraging unemployment.

Colin Diaz discussed the fiscal emergency declared before the pandemic; the need to scrutinize every expenditure; opposition by the Culver City Chamber of Commerce to moving forward with amortization; risks involved; money already spent; and public money needed for services.

Vivian Price provided background on herself; spoke in support of shutting down the Culver City portion of the IOF; discussed the importance of considering workers in the shutdown and transition; reduced dependency on oil; collateral damage; utilizing workers in the remediation and repurposing process; accountability; refinery and gas plant shut downs in other areas; and providing a model to follow.

Bubba Fish expressed support for the amortization process; discussed risks associated with living near the IOF; the pandemic; the need for healthy air; ensuring that operators are held responsible for remediating the City's portion of the IOF; living wage compensation of a properly trained and unionized workforce; and he thanked the City Council for their work on the issue.

Alisa Reich expressed support for recommendations made by the Oil Subcommittee; discussed health hazards and property value losses associated with living near the IOF; putting social justice and the well-being of residents over the interests of fossil fuel companies; legal rights to phase out non-conforming uses; the contract with SPR; creation of new jobs by closing and remediating the wells; responsibility of past and present oil operators; and support from state and national environmental groups who look to Culver City to be a model.

Sarah Wiltfong, Los Angeles County Business Federation, provided background on the organization; expressed concern with the study; the intent to practice eminent domain without having to compensate the owners; setting a precedent for phasing out well-established businesses by declaring them non-essential; legal fees the City cannot afford; the financial state of the City; employment lost with the potential closure; and she expressed opposition to the process and encouraged the City to weigh the consequences before moving forward.

Brian Frange expressed support for phasing out oil drilling in the City as soon as possible; questioned whether the people who oppose shutting down the oil wells live near them; he recounted an incident where oil and injection water had leaked into the Dog Park; discussed efforts of the Fire Department to plug up Ballona Creek so that oil did not leak into the Pacific Ocean; the toxic benzene cloud that polluted the air on Thanksgiving; those who take profits while those who live nearby suffer the consequences; and he reported attending events put on by the Oil Field to ameliorate public concerns.

Monica Embrey, Sierra Club, expressed support for the recommendations of the Oil Drilling Subcommittee; thanked the City Council for their leadership; wanted to see phase out and remediation before January 2021, with owners and operators held accountable for the costs of full-remediation; asserted that Culver City taxpayers should not have to bear the costs any longer; supported ensuring that a local, unionized and trained

workforce be hired for remediation; and she indicated that the entire country was watching.

Maya Golden-Krasner, Climate Law Institute of the Center for Biological Diversity, expressed support for the Subcommittee proposal; discussed increased health and safety risks for those in proximity to oil operations; hinderances to progress on climate goals; increased health costs; air pollution and COVID-19; phasing out operations by January 2021; operator responsibility to pay for cleanup using local, union workers; repurposing the land for clean energy, green spaces and natural infrastructure; creating a community and worker led process; the importance of transitioning to a clean-energy future; and she thanked the Subcommittee for their leadership.

Jeff Schwartz read a comment from Leah Pressman discussing climate change; encouraging the City Council to adopt and enact the plan with the shortest timeline for action to phase out the Culver City portion of the Inglewood Oil Field; expressing concern with repeated subsidies to the oil companies; and asking for continued monitoring.

Jed Smith, California Nurses Association National Nurses United, provided background on the organization; thanked the City for their leadership in phasing out oil drilling in the City; discussed the impacts of oil extraction on the health of the community; encouraged a just transition; expressed support for good union jobs for those being displaced; asked that plans for redevelopment of the land be made by residents of Culver City; and he hoped to see others follow the example of Culver City.

Shari Barnicle expressed opposition to the proposal; asserted that the City was seeking to steal her rights as a tax-paying, mineral rights owner; discussed costs of the study; arbitrary decisions; avoiding compensation of owners for the loss; apportioning tax payments; the amortization process; she expressed concern with losses to retirement money; the current economic situation; and the potential illegal process.

Mary McTrautwein expressed support for the work of the City Council to close the Culver City portion of the IOF; discussed climate change; wanted to see the operators pay the costs of remediation, not City taxpayers, and local union workers paid a fair wage for the work done; and she noted that Culver City would provide an example for the rest of the nation.

Amanda DeRosier read a portion of a letter sent by SPR; discussed the report prepared by Baker & O'Brien; unsubstantiated assumptions, errors, and factors that were not considered; a critical review of the report prepared by Robert Lange of Alvarez and Marshall; fundamental legal issues not addressed; vested rights; and the General Plan process.

Karen Schmidt, Clean Power Alliance, provided background on the organization; expressed support for a clean energy future as it relates to the IOF; discussed efforts to secure local clean energy and storage projects; investment in the local economy; willingness to collaborate with the City on a viable location for renewable energy; helping the region exceed state environmental goals; and potential use of the oil field.

Jennifer Rivera, California Independent Petroleum Association, expressed support for SPR and opposition to the amortization study; discussed displacement of employees; loss of tax revenue; the process as infringing upon Constitutional rights; legal opposition; and she urged the City Council not to move the amortization process forward.

Ethan Sense, Food and Water Action, commended the City on the study and encouraged follow through; discussed damage to the health of the community and environment; the unsustainable nature of the operations; consequences of recent bankruptcies faced by oil companies; holding the former owners of the site accountable; ensuring that remediation is performed by local, union workers being paid a sustainable wage; and the process for looking at the future of the site.

Alonzo Hill provided background on himself as an oil and gas industry worker; discussed the importance of the IOF as a resource; threats to workers, small businesses and vendors; concern with a loss of local jobs; mineral owners; threatened property rights; reduced property values; and he asked the City Council to consider the serious impacts of implementing policies that would harm the industry, his family, the state and local economy, and the energy supply.

David Haake, The Sierra Club, expressed support for Subcommittee recommendations; wanted the shortest possible timeline and continued monitoring to reduce risks; expressed support for oil industry workers; noted the unfairness of allowing the oil industry to profit while polluting the air, water, land and bodies of people in Culver City; discussed jobs created by

remediation and costs; and he supported using properly trained, unionized local workers to cap the wells and clean up the land.

Dr. Kelly Kent, Culver City Unified School District (CCUSD), provided background on herself; discussed meeting the needs of children in the District; sensitive receptors; racial justice; climate disruption; COVID-19; leadership influencing the region, the state and the nation; and she encouraged the City to do what's right for the children and students.

Dr. Khin Khin Gyi provided background on herself; applauded the City Council's move to phase out oil operations in the Culver City portion of the IOF; discussed recent mishaps; aging infrastructure; decreased oil prices; and the need for adjusted figures for the fair market value.

Diane Fletcher-Hoppe reported living adjacent to the IOF; provided background on herself; expressed support for the proposed plan to phase out use; felt it was unfair for those holding the assets to profit off of everyone else; asserted that the land, air and water should be put right to help combat climate change; and she wanted to see the owners compensated and not stripped of their ownership rights.

Jim Clarke discussed the reserve study of the IOF conducted by SPR; differences in the projections by the consultant and the actual situation; the need to create a more accurate representation of the life and value of the IOF; and he asserted that the amortization study remained a work of fiction and speculation.

Yasmine-Imani McMorris indicated that she stood with the Sierra Club in support of the study recommendations; asserted that phase out of operations should begin in January 2021 to protect the health and safety of residents; supported continued monitoring; discussed employment created by closure and remediation; utilization of properly trained, union workers; expense to restore the land; responsibility for clean up; and she noted positive impacts of actions on neighboring communities.

Ron Bassilian, Protect Culver City, expressed concern with proposed changes while people are on lockdown and can't speak out; discussed the need for proper compensation for the stakeholders; value; amortization; lawsuits; and he indicated that SPR was willing to speak with the City and work out an agreement.

Karina Maher provided background on herself; expressed support for the proposed changes; discussed health impacts of living near an oil drilling site; equity; disparate effects of COVID-19 on lower income populations; and she urged the City Council to do better for the children.

Discussion ensued between staff and Council Members regarding the SPR study; reserves; information used in the study; willingness of the City to accept any data from SPR; communication with SPR; lack of information from SPR; direction from SPR to get data from the CalGEM website; operator-sourced information; the long-term study of resources by SPR; annual tax revenue received from the IOF; the 2019 Annual Drilling Plan; IOF employees; community outreach and input; community participation; the viewpoint of speakers from Culver City; the 60-year non-conforming use; the General Plan process; long-term thinking; land use throughout the City; aging infrastructure; the incompatibility of oil drilling with the health, safety and welfare of residents; the comprehensive economic report; the finite resource; taking the City to the next level; sensitivity to the rights of workers and their interests; the fact that the oil and gas industry is diminishing; remediation; the Clean Power Alliance; the fact that Culver City runs on 100% renewable energy; money being invested in Los Angeles and Ventura counties for green, sustainable jobs; mineral rights owners who have enjoyed generations of passive income and residents who are paying the price; fundamental inequities; support for subcommittee recommendations; spills and odor incidents; risks with aging infrastructure; the last well drilled in 2002; changing needs of the community; options for using energy that does not harm people; openness to relevant information to make decision-making better and clarification that the report is just one factor in the process; intangible assets; studying end of life possibilities; the decision before the City Council as to whether to invest in the process; concern with stranding the public with substantial costs in the end of life process for the IOF; appreciation to staff and the Subcommittee for their work; bringing the land into compliance; clarification that the situation is not "a taking" and that the amortization study applies specifically to the IOF; exacerbation of COVID-19 due to pollution; decreasing oil prices; creating clean energy infrastructure; increasing numbers of oil company bankruptcies; ensuring that the oil operators have a bond to protect the City for 5-10 years after remediation is done in case there are leaks or something was not capped properly; protecting well casings so that oil does not slip into the water supply; active seismic

faults; contaminated soil in the area and soil remediation; ensuring a clean area for future uses; the condition of other material and machinery not connected to the wells; concern with transferring pollution to another community; ensuring training and well-paying union jobs with benefits for the workers; making a just transition a physical reality; willingness of the Clean Power Alliance to work with the City to explore alternative uses of the IOF; the number of different operators of the IOF; delay tactics by the oil operator; legality of actions being taken; work with the Subcommittee to formulate next steps; risks; partnerships to help manage risk; money spent to date on the process; evaluating legal risks of different options; determining additional costs; consistent and continuing discussion with the city and county of Los Angeles; the Culver City portion of the IOF; the successful outcome of litigation with the previous oil operator; differing expectations between Culver City and Los Angeles; statewide rules and regulations; creation of an additional subcommittee and related Brown Act issues; sharing of information required by the ordinance; efforts to establish a cooperative relationship with SPR including information sharing and compliance; required mediation; ensuring that additional equipment onsite is disposed of in an environmentally sound way; the investment of time and money necessary to move forward; and consensus to adopt the Subcommittee recommendation with additional requests from Council Member Lee to focus on the just transition aspect and from the Mayor to focus on costs and litigation risks.

Jeremy Green, City Clerk, indicated that additional public comment had been received.

Danny Horn, Los Angeles Office of Grid Alternatives, provided background on the organization; discussed the power of jobs; the importance of safety; local electricity generation; disproportionate suffering from investment in pollution; replacing infrastructure to create equity; employing those currently involved in the site in clean energy; support for initiatives that provide training for a just transition; and he indicated that they were ready to help transition the IOF to a just, green and regenerative space.

Suzanne Debeneditis proposed that mineral owners pay health costs associated with production; discussed the view of the IOF as a public nuisance; support for ending urban drilling; public input on the General Plan; quantification of the monetary risks to loss of clean air; recent climate reports and air quality

research; and a suggestion to amend the amortization study to include the health costs.

Wesley Chuang spoke on behalf of the planet and the workers and all affected by air pollution and climate change; discussed the true cost of producing and consuming oil; indirect responsibility; compromise; lies; the moral obligation of the corporation to pay for cleanup and remediation; he wanted to see a just transition to renewable energy; felt it important to help the workers; noted collective responsibility for the situation; and the need to reduce consumption.

MOVED BY COUNCIL MEMBER SAHLI-WELLS, SECONDED BY COUNCIL MEMBER SMALL AND UNANIMOUSLY CARRIED, THAT THE CITY COUNCIL: (1) DIRECT STAFF TO STUDY OTHER FACTORS RELATING TO AMORTIZATION AND TO DEVELOP AND RETURN TO CITY COUNCIL WITH A FRAMEWORK THAT: (A) RESOLVES THE INCOMPATIBILITY OF NONCONFORMING OIL-RELATED USES, SUCH AS THROUGH AN AMORTIZATION PROGRAM; AND (B) IDENTIFIES AN APPROPRIATE PERIOD TO PHASE OUT OIL AND GAS ACTIVITY; (2) AUTHORIZE THE OIL DRILLING SUBCOMMITTEE TO WORK DIRECTLY WITH CITY STAFF TO DEVELOP DETAILS FOR AN AMORTIZATION PROGRAM FOR FUTURE CONSIDERATION BY THE CITY COUNCIL; AND (3) DIRECT STAFF AND THE OIL DRILLING SUBCOMMITTEE TO STUDY AND CONSIDER ADDITIONAL FACTORS WHEN DRAFTING AN AMORTIZATION PROGRAM, INCLUDING, JUST TRANSITION OF WORKERS, ADEQUATE BONDING, ADEQUATE PLUG AND ABANDONMENT PROCEDURES, COMPLETE REMEDIATION, THOUGHTFUL IMPLEMENTATION PLAN AND SCHEDULE, OUTREACH TO CLEAN-ENERGY PARTNERS, COST SHARING OPPORTUNITIES, AND ENGAGEMENT OF STAKEHOLDERS.

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Public Comment - Items Not on the Agenda

Mayor Eriksson invited public comment.

Jeremy Green, City Clerk, indicated that no public comment had been submitted.

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Items from Council Members

August 13, 2020

Council Member Sahli-Wells announced a special City Council meeting on August 17, 2020 to finalize rent control and tenant protections.

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Council Member Requests to Agendize Future Items

None.

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Adjournment

There being no further business, at 9:25 p.m., the City Council adjourned to a special meeting to be held on August 17, 2020 at 7:00 p.m.

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Jeremy Green
CITY CLERK of Culver City, California
Culver City, California

GÖRAN ERIKSSON
MAYOR of Culver City, California

Date: _____