

MINUTE ITEM

3/31/75
CVB

17. EIGHTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, WILMINGTON OIL FIELD, LOS ANGELES COUNTY.

During consideration of Calendar Item 15 attached, Mr. W. M. Thompson, Manager, Long Beach Operations, explained that the proposed budget augmentation of \$243,000 is for salaries and benefit increases for the Field Contractors' employees. Chairman Cory questioned Mr. N. Gregory Taylor, Deputy Attorney General, as to what discretion the Commission has in this matter. Mr. Taylor responded by saying that the discretion lies with the City as long as it does not abuse it. Mr. Thompson indicated that Article 15 of the Contractors' Agreement discusses this area at length. Mr. Taylor stated that the City has compared the salaries received by each of the various companies in the industry. Based upon that comparison, the City has made its determination.

Mr. William F. Northrop inserted that he had spoken with Mr. Mansell, City Manager, City of Long Beach, on this matter, and they have reviewed the Field Contractors' proposals.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVES THE EIGHTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.

Attachment:
Calendar Item 15 (2 pages)

CALENDAR ITEM

3/75
CVB

15.

EIGHTH MODIFICATION OF THE 1974-1975
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

The City of Long Beach, pursuant to the provisions of Section 5(g), Chapter 138, Statutes of 1964, 1st E.S., has requested approval of the Eighth Modification of the Plan of Development and Operations and Budget, Long Beach Unit (July 1, 1974, through June 30, 1975).

In December 1974, the City Manager of the City of Long Beach, pursuant to Article 15 of the Contractors' Agreement for the Long Beach Unit, approved increased salaries, wages, and benefits for employees of the Field Contractor. This Eighth Modification will augment the Budget by \$243,000 to provide funding for these increases. Of the total \$243,000 augmentation, \$208,000 will be used to cover increases for salaried employees and \$35,000 for rate increases for hourly employees and increased medical and hospital group insurance benefits for all the Field Contractor's employees.

After approval of this Eighth Modification, the affected Budget Items will be adjusted as follows:

BUDGET, PART III	<u>Current Budget</u>	<u>Eighth Modification</u>	<u>Adjusted Budget</u>
B. ESTIMATED EXPENDITURES FOR EXPENSE			
2. <u>OPERATING EXPENSE</u>			
c. <u>Other production Expense</u>			
(1) Production Operators	\$ 581,000	\$ 37,000	\$ 618,000
(2) Production Supervisor	668,000	25,000	693,000
(3) Production Engineers	210,000	6,000	216,000
(6) Prod. Support Services	430,000	4,000	434,000
(7) Test & Monitoring	303,000	2,000	305,000
(9) Field Expense	2,092,000	85,000	2,177,000
(17) Drilling & Workover Support Expense	1,150,000	14,000	1,164,000
3. <u>GENERAL ADMINISTRATIVE EXPENSE</u>			
a. <u>Management Expense</u>			
(1) Employees-Salaries & Burden	1,842,000	70,000	1,912,000
TOTAL 1974-1975 BUDGET	\$63,544,000	\$243,000	\$63,787,000

A. 52, 57, 58
S. 27, 31

CALENDAR ITEM NO. 15. (CONTD)

The Division has reviewed the proposed Budget augmentation for increased salaries, wages, and benefits for the Field Contractor's employees and found that the increases are in conformance with the authority of the City Manager of the City of Long Beach and the terms of the Contractors' Agreement for the Long Beach Unit.

IT IS RECOMMENDED THAT THE COMMISSION, PURSUANT TO SECTION 5(g), CHAPTER 138, STATUTES OF 1964, 1ST E.S., APPROVE THE EIGHTH MODIFICATION OF THE 1974-1975 PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1974, THROUGH JUNE 30, 1975.