

MINUTE ITEM
This Calendar Item No. 24
was approved as Minute Item
No. 24 by the State Lands
Commission by a vote of 3
to 0 at its 10/7/88
meeting.

CALENDAR ITEM

A 57, 58

24

10/07/88

S 29

W 17094

Naughton

FIRST MODIFICATION OF THE 1988-89
PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET
LONG BEACH UNIT, WILMINGTON OIL FIELD
LOS ANGELES COUNTY

The City of Long Beach has submitted to the Commission the First Modification of the 1988-89 Plan of Development and Operations and Budget, Long Beach Unit. The First Modification would modify the Plan to provide funding for the Unit to settle with the Environmental Protection Agency (EPA) the Unit's share of the first phase of clean-up costs associated with the Operating Industries Inc. (OII) disposal site, which is situated in the City of Monterey Park, Los Angeles County.

The Long Beach Unit (Unit) has been identified by EPA as a Potentially Responsible Party (PRP) for the clean-up of the OII site. The Field Contractor for the Unit, THUMS Long Beach Company (THUMS) was designated to join the OII Steering Committee on behalf of the Unit. The Steering Committee is a large group of companies organized to negotiate with EPA regarding settlement of EPA demands for site clean-up.

The negotiations have resulted in a proposed settlement of the first clean-up phase. THUMS has been requested by EPA to execute a final Consent Decree for this clean-up on behalf of the Long Beach Unit. There will be at least two more phases of clean-up work at the OII site which are not covered by this proposed Consent Decree settlement. The Unit's cost for this first phase settlement is estimated to be \$285,000. EPA has set a deadline of October 14, 1988 for each company to decide whether to enter the Consent Decree.

(ADDED 10/05/88)

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The 1988-89 Plan and Budget provided a token amount of \$10,000 under the Waste Management budget item Account 52-988 for possible clean-up assessments. This budget modification would transfer \$275,000 from the Mining Rights Taxes budget item in the Taxes, Permits and Land Rental Program to the Waste Management budget item in the Management Program. No augmentation of funds to the existing Plan and Budget would be required. Funds would also be transferred to adjust Administrative Overhead for the Management Program.

Upon approval, the affected budget items would be:

<u>Budget Item</u>	<u>Current Budget</u>	<u>This Transfer</u>	<u>Adjusted Budget</u>
E.2.b.(5) Waste Management	\$ 168,000	\$ 275,000	\$ 443,000
(50-989) Administrative Overhead	708,000	11,000	719,000
F.1.b.(2) Mining Rights Taxes	10,200,000	(286,000)	9,914,000

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE FIRST MODIFICATION OF THE PLAN OF DEVELOPMENT AND OPERATIONS AND BUDGET, LONG BEACH UNIT, JULY 1, 1988 THROUGH JUNE 30, 1989.

(ADDED 10/05/88)

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