

**CALENDAR ITEM
C57**

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06/01/09

W 10443

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**CONSIDER PRIOR APPROVAL OF
SUBSIDENCE COSTS FOR VERTICAL MEASUREMENTS
AND STUDIES, 2009-2010 FISCAL YEAR,
CITY OF LONG BEACH,
LOS ANGELES COUNTY**

APPLICANT:

City of Long Beach
Long Beach Gas and Oil Department
Attn.: Mr. Christopher J. Garner, Director
211 E. Ocean Blvd., Suite 500
Long Beach, CA 90802

BACKGROUND:

The City of Long Beach (City) conducts ground elevation measurement surveys and studies twice each year throughout the Harbor District and in other areas of the City for the purpose of monitoring changes that may be attributable to subsidence. The legislation that authorized the creation of the Long Beach Unit recognized the potential, but manageable, risk of subsidence from the future drilling operations. As a result, the legislation allows the City to deduct certain costs related to monitoring subsidence from the amounts due the State. The deductible Subsidence costs are those costs expended by the City with the prior approval of the State Lands Commission to protect against the effects of subsidence. The definitions and procedures for the work were established by the Commission in 1979 and can be found at Minute Item 27 of the June 27, 1979 meeting.

The project consists of vertical measurements and studies in the City of Long Beach between July 1, 2009 and June 30, 2010. The City estimates the cost of

the work to be:

Semi-annual GPS Elevation Survey	\$147,500
Three Month GPS Check Survey	\$ 20,000
GPS and Real Time Network	\$220,000
Studies, Evaluations, and Reports	<u>\$264,234</u>
	\$651,734

Last year's cost was \$657,920. Historically, the primary method for monitoring vertical subsidence in Long Beach has been spirit leveling. The semi-annual surveys are now being conducted utilizing state of the art Global Position Satellite (GPS) technology. Field data collection time has been reduced, and the 800 spirit leveled benchmarks have been reduced to approximately 200 GPS benchmarks. Costs for vertical measurements for fiscal year **2009-2010** include survey acquisition, professional processing, reporting, and benchmark maintenance. The estimated vertical survey costs have decreased from \$161,500 in the **2008-2009** budget to \$147,500 in the **2009-2010** budget due to anticipated lower direct operational and maintenance costs associated with Long Beach Gas & Oil (LBGO) operations.

The three-month abbreviated GPS check surveys encompass expenditures for elevation surveys over limited areas of the oil field. These surveys are needed to support interpretations of the semi-annual surveys.

The estimated cost for GPS and Real Time Network (RTN) includes station service/maintenance of the 13 permanent GPS base stations that monitor elevations on a continuous basis and support the semi-annual and quarterly surveys. Costs have increased from fiscal year 2008-2009 budget due to a planned "end-of-serviceable-life" RTN upgrade to more technologically advanced elevation data processing software. The estimated costs for studies and evaluations have decreased due to LBGO direct operational and maintenance costs that no longer require a GPS survey contractor.

FISCAL IMPACT:

Subsidence costs for vertical measurements and studies conducted in Long Beach are deducted from the Long Beach tidelands oil revenues, with the prior approval of the California State Lands Commission in accordance with Chapter 138, Statutes of 1964, First Extraordinary Session, Section 1(e).

STATUTORY AND OTHER REFERENCES:

- A. The proposed expenditures are authorized by Chapter 138, Statutes of 1964, First Extraordinary Session, and Section 1(e) subject to prior approval by the California State Lands Commission.

OTHER PERTINENT INFORMATION:

- 1. The City of Long Beach has determined that the project is exempt from the requirements of the CEQA as a categorically exempt project under Class 6, Information Collection; Title 14, California Code of Regulations, section 15306.
- 2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff recommends that the Commission concur with the City's determination.

EXHIBITS:

- A. Location Map
- B. Cost Estimate

PERMIT STREAMLINING ACT DEADLINE:

N/A (not a "development project" subject to the Act).

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CONCUR WITH THE CITY OF LONG BEACH'S DETERMINATION THAT THE PROPOSED ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA AS A CATEGORICALLY EXEMPT PROJECT, CLASS 6, INFORMATION COLLECTION; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15306.

AUTHORIZATION:

APPROVE SUBSIDENCE COSTS, AS DEFINED IN CHAPTER 138, STATUTES OF 1964, FIRST EXTRAORDINARY SESSION, SECTION 1(e) AND AS SHOWN ON EXHIBIT B, ATTACHED HERETO, BY THIS REFERENCE MADE A PART HEREOF, PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, FOR SUBSIDENCE VERTICAL MEASUREMENTS AND STUDIES TO BE CONDUCTED IN THE LONG BEACH HARBOR DISTRICT BETWEEN JULY 1, 2009 AND JUNE 30, 2010, SUBJECT TO THE CONDITION THAT THE WORK CONFORMS IN ESSENTIAL DETAILS TO THE DEFINITIONS AND PROCEDURES

FOR SUCH WORK ESTABLISHED BY THE COMMISSION ON JUNE 27,
1979, MINUTE ITEM 27.

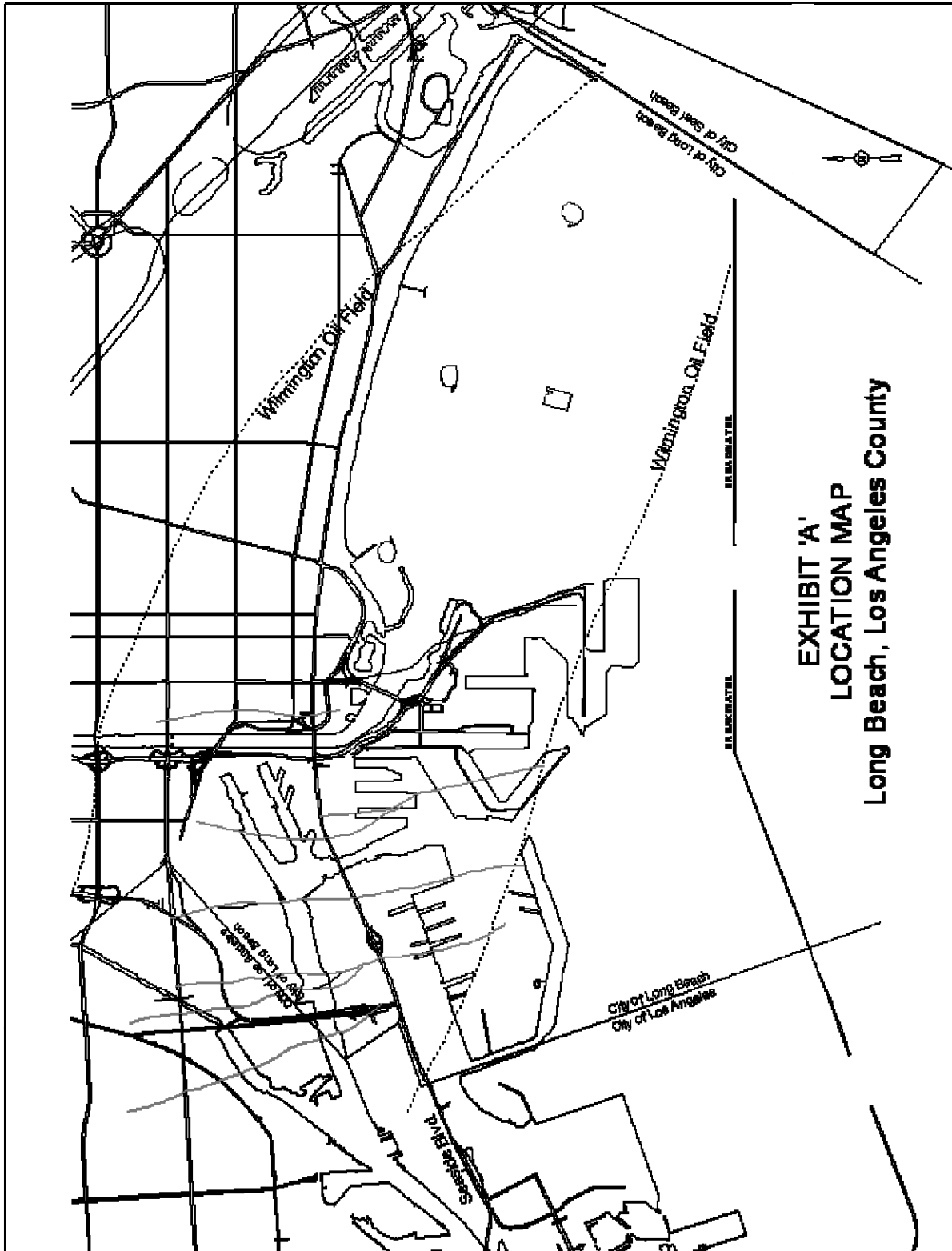


EXHIBIT 'A'
LOCATION MAP
Long Beach, Los Angeles County

EXHIBIT B

COST ESTIMATE
LONG BEACH WORK ORDER NO. W 10443
Estimates Submitted by City of Long Beach for
Subsidence Vertical Surveys
2009-2010 Fiscal Year

ITEM	PROPOSED WORK	RECOMMENDED APPROVAL
1.	Semi-annual GPS Elevation Survey	\$147,500
2.	Three Month GPS Check Survey	\$ 20,000
3.	GPS and Real Time Network	\$220,000
4.	Studies, Evaluations, and Reports	<u>\$264,234</u>
	Total	\$651,734