

Staff Report 83

PARTY:

California State Lands Commission, acting in its capacity as Land Bank Fund Trustee under the Kapiloff Land Bank Act.

PROPOSED ACTION:

Consider authorization to expend money from the Kapiloff Land Bank Fund for environmental studies, removal of coastal hazards, and removal and remediation of legacy oil and gas wells along the Santa Barbara and Ventura County coastlines.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6224.3, 6301, 6302.1, 6302.3, 8610, 8612.5, 8613, 8615, 8617, and 8625.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

The coastline along Santa Barbara and Ventura counties was once home to intensive offshore oil development, including hundreds of oil wells and related infrastructure. Most of these legacy oil and gas wells were abandoned in the early 1900s when oversight was nonexistent. Virtually no records exist regarding the drilling and abandonment of these wells. Removal, if any, varied from well to well and involved rudimentary procedures that fell well short of current health, safety, and environmental protection requirements. Today, the coastline area, especially at Summerland Beach in Santa Barbara County, retains the vestiges of that extensive offshore oil production, including leaking oil wells and remnant infrastructure like jagged and rusted pieces of pipelines and steel beams often exposed on the beach after winter storms. These leaking wells and coastal hazards can pose serious public health and safety risks to swimmers, surfers, anglers,

beachgoers, and other recreational users. They are also threats to the marine environment, including coastal wildlife and fish and their habitats.

The Commission administers a Coastal Hazards and Legacy Oil and Gas Well Removal and Remediation Program (Program). SB 44 (Jackson, stat. 2017, ch. 645) provides up to \$2 million per year in funding for the Program through the 2027~~8~~-28 fiscal year. The Legislature, when it passed SB 44, found that there is a critical need for funding to remove coastal hazards, to identify exact locations of legacy oil and gas wells that may be leaking, and to prioritize remediating wells with the highest risk. The funding also enables the Commission to survey and monitor offshore oil seeps in state waters, to contract for studies to determine oil seepage locations, rates, and environmental impacts, and pursue innovative solutions to address natural seeps. Since the 2018-19 fiscal year, the Commission has re-abandoned six legacy oil and gas wells in Santa Barbara County and removed countless coastal hazards with the SB 44 funding.

To make the most cost-effective use of the SB 44 funding, the Commission regularly plans and prioritizes its activities, meaning that funds are often earmarked for certain tasks. However, from time to time, there is a need to expend more funding in a given fiscal year beyond that provided under SB 44 to deal with unanticipated events. An example of this is when unexpected coastal hazards on a beach are exposed after a winter storm.

To address this possibility, staff have identified a subaccount in the Kapiloff Land Bank Fund with funds available as a contingency for unforeseen events. The Kapiloff Land Bank Act (Act), Public Resources Code sections 8600 et seq., was enacted in 1982 with the Commission designated as the Land Bank Fund Trustee (Trustee). Pursuant to Public Resources Code section 8612.5, the Trustee is authorized to manage and improve real property for purposes of providing open space, habitat for plants and animals, and public access. Public Resources Code section 8613 subdivision (b) states that moneys deposited in the fund "shall be available for expenditure by the trustee for management and improvement of real property held by the trustee to provide open space, habitat for plants and animals, and public access." Public Resources Code section 8625 subdivision (c) states that any party may deposit moneys into the fund for purposes of specified or unspecified projects to provide for access to or management and improvement of real property held by the Trustee to provide open space, habitat for plants and animals, and public access.

The subaccount referenced above is the Ticor Title/Las Tunas Groins subaccount with a balance of \$297,022. It was created as part of a settlement agreement to remove groins at Las Tunas Beach in Malibu, Los Angeles County. Groins are man-made structures – usually of rock, wood, metal, or concrete construction – that are placed on beaches and extend perpendicularly out into the ocean with the intent to slow or stop sediment transport downcoast and to build up beaches upcoast of the groin. Groins impede sediment transport and reduce beach width downcoast. Most groins in the southern California area were placed in the early years of the 20th century. As these groins age in the marine environment, they become exposed and degrade. The most worrisome of these are the groins constructed out of sheet metal because they deteriorate into dangerous jagged edges. The funds in the Las Tunas Groins subaccount were intended to remediate these groins, which were ultimately removed in 2004. Thus, the original intent of the subaccount has been satisfied and the remaining funds are considered surplus. It makes sense then to expend the remaining funds for a similar purpose in the same region, i.e., Southern California.

Removal of coastal hazards and the removal and remediation of legacy oil and gas wells are considered to be improvements of real property that enhance public access and recreational use while reducing impacts to public health and safety and the marine environment. Public access, recreation, and preservation of natural environments are all uses recognized as being consistent with the common law Public Trust Doctrine. Additionally, the proposed action will not substantially interfere with, and will actually improve and enhance, Public Trust uses and values at these locations, at this time, and for the foreseeable future. Therefore, staff believes the proposed action is in the best interests of the State.

CONCLUSION:

For the reasons stated above, staff believes the proposed action to expend the surplus money from the Ticor Title/Las Tunas Groins subaccount for environmental studies, removal of coastal hazards, and removal and remediation of legacy oil and gas wells along the Santa Barbara and Ventura County [coastlines](#) is in the State's best interests.

OTHER PERTINENT INFORMATION:

1. This action is consistent with the "Meeting Evolving Public Trust Needs" and Strategic Focus Area of the Commission's 2021–2025 Strategic Plan.

2. Pursuant to the California Environmental Quality Act (CEQA), staff prepared an MND identified as California State Lands Commission MND No. 717, State Clearinghouse No. 2002071146, and an MMP that were adopted by the Commission on October 1, 2002 ([Item 59, October 1, 2002](#)).

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the MND, California State Lands Commission MND No. 717, State Clearinghouse No. 2002071146, and an MMP were adopted by the Commission on October 1, 2002 ([Item 59, October 1, 2002](#)).

Find that the Commission reviewed and considered the information contained in the previously adopted MND; and that in the Commission's independent judgment, the scope of activities to be carried out under this authorization has been adequately analyzed; that none of the events specified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 have resulted in any new or substantially more severe significant impacts; and, therefore, no additional CEQA analysis is required.

SIGNIFICANT LANDS INVENTORY FINDING

This activity may involve lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq. At the time the Commission adopted the MND in 2002, staff concluded that such activity would not affect those significant lands and the Commission found the activity to be consistent with the use classifications pursuant to Public Resources Code section 6370 et seq.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed action will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at these locations, at this time, and for the foreseeable future; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

1. Find that the Commission is acting in its capacity as Land Bank Fund Trustee under the Kapiloff Land Bank Act, Public Resources Code section 8600 et seq.
2. Authorize expenditure of moneys from the Ticor Title/Las Tunas Groins subaccount in the Kapiloff Land Bank Fund, pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 et seq., for environmental studies, removal of coastal hazards, and removal and remediation of legacy oil and gas wells along the Santa Barbara and Ventura County coastlines.