



MEMBERS OF THE BOARD  
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**BOARD OF SUPERVISORS  
COUNTY OF VENTURA**

GOVERNMENT CENTER, HALL OF ADMINISTRATION  
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

November 10, 2020

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT: Recommendation of Supervisors Bennett and Parks to Direct the Resource Management Agency to Return To the Board by June 2021 with Zoning Ordinance Amendments to Limit Discretionary Permits for Oil and Gas Operations to Fifteen Years, to Increase the Amount of the Compliance/Site Restoration Surety, and to Incorporate Measures to Assure the Timely Permanent Plugging and Restoration of Wells that Have Been Idle for Fifteen Years or More**

**RECOMMENDED ACTIONS:**

Direct the Resource Management Agency to return to the Board by June 2021 with Coastal and Non-Coastal Zoning Ordinance Amendments to:

- A) Limit discretionary permits for oil and gas operations to fifteen years in duration, except for reclamation activities;
- B) Increase the amount of the oil & gas permit compliance/site restoration surety;
- C) Incorporate measures to assure timely permanent plugging and restoration of wells that have been idle for fifteen years or more.

**DISCUSSION:**

On September 15<sup>th</sup>, our Board approved the General Plan Update (GPU) including a Climate Action Plan calling for reductions in greenhouse gas (GHG) emissions. Our Board also recently appointed a Climate Emergency Council to further GHG reduction beyond the measures specified in the GPU.

Recent extreme weather events and firestorms have increased the public's interest in addressing climate change locally. While in the press, a series of investigative articles in the Los Angeles Times identified idle or abandoned oil wells as a multi-billion-dollar problem in California and a source of GHG emissions. Locally, oil production facilities near Oxnard and at Rincon Island have been abandoned and will cost the State millions of dollars to remediate. Ventura County contains a very large number of aging and idle oil wells and infrastructure, some of which have resulted in leaks, and nearly all of which will eventually need to be removed, properly plugged/remediated, and sites restored as oil and gas production declines in the future. Neither State nor County government has a clear plan, timeline, and funding mechanism to adequately assure the reclamation of all oil sites and infrastructure.

Global, State, and national consumption of oil have all declined dramatically in 2020. The economic downturn and low oil prices will likely add to the number of idle wells in the future. On September 23<sup>rd</sup>, Governor Newsom issued an Executive Order banning the sales of internal combustion vehicles by year 2035. The County of Ventura, through the 2040 General Plan and other policies, plans, and actions is pursuing alternatives to petroleum-fueled vehicles and encouraging alternative transportation through transit and active transportation, and similar efforts are being carried out by other local and state governments.

Between declining oil consumption and adopted programs of GHG emissions reduction and alternative transportation, there is uncertainty as to the long-term need for expanded oil and gas production in Ventura County.

#### Fifteen-Year Discretionary Permit Limit

County government currently has no policy on the length of time for discretionary oil and gas permits. Projects that have come before our Board have ranged from twenty to thirty years as approved or recommended permit time periods. As we know, discretionary permits can be extended with a straight-forward permit process. However, the modification or revocation of discretionary permits is sufficiently problematic as to be nearly prohibitive.

With the uncertainty over the long-term need for expansion of oil and gas production, the prospect of substantial need for site remediation and reclamation without highly reliable assurance of timely success, and the relative ease of permit extension compared to permit modification, it is appropriate that our Board establish a policy of limiting new discretionary oil and gas facility/operations to a fifteen year time period, with the exception of permits for reclamation activities.

A shorter permit period enables the County to have greater control over the operation and disposition of facilities, greater ability to address any identified shortcomings or previously unknown or unconsidered issues, greater ability to apply new conditions as future conditions warrant, and greater ability to address the remediation of any portions of the permit site no longer in active use. In cases where an applicant is interested in a large-scale, long-term production proposal, the applicant could either phase the development and apply for discretionary permits as the project is built-out over time, or apply for permit extensions or expansions.

#### Increasing the Amount of the Oil & Gas Permit Compliance-Site Restoration Surety

The Non-Coastal Zoning Ordinance, in the Oil Development Standards section, provides for a performance/penal surety for oil and gas operations as follows:

“...a bond or other security in the penal amount of not less than \$10,000.00 for each well that is drilled or to be drilled. Any operator may, in lieu of filing such a security for each well drilled, redrilled, produced or maintained, file a security in the penal amount of not less than \$10,000.00 to cover all operations conducted in the County of Ventura,...”

This section appears to not have been amended to increase the surety amount since adoption of the section in the 1980's. Clearly, the \$10,000 figure is no longer an adequate amount to address non-compliance or site restoration, and should be appropriately increased to cover both instances of permit or ordinance non-compliance, and site restoration upon termination of the operation(s) or permit.

#### Measures to Address Plugging and Restoration of Long-Idle Wells

On May 3, 2016 our Board voted to support State action to require the permanent plugging and remediation of oil and gas wells that have been idle for an extended period. Planning staff had advised that a fifteen-year period encompassed multiple oil price cycles, and wells that remained idle longer were unlikely to be operated in the future and should be permanently and properly plugged and site restored.

Uncapped idle and abandoned wells, left unattended, can leak oil contaminants into aquifers, waterways, contaminate soil and pollute the air, posing public health and safety concerns to our communities in the forms of spills, emissions, or explosions.

Such wells can also cause safety issues as attractive nuisances when they are not secured. Leaking GHG also undermine statewide GHG reduction efforts. It is appropriate that our Board establish a policy requiring applicants seeking new or

renewed permits for oil wells to submit a viable mitigation plan for addressing their existing uncapped long-idle or abandoned wells in Ventura County.

Well remediation is an important part of a just transition to a clean, renewable energy economy. We must protect taxpayers by requiring operators to meet their legal obligation to properly remediate their long-idle wells before the risk of financial insolvency is too great. The toxic burden from carelessly abandoned oil and gas wells by financially insolvent or negligent operators should not become a burden to taxpayers. An applicant's viable mitigation plans for capping their long-idle wells in Ventura County should be part of the consideration for determining an applicant's new or extended discretionary permits.

This information will inform decisionmakers of the performance of applicants to meet environmental safeguards and can be used to condition new permits to ensure compliance. The submitted mitigation plans must be viable and include but not be limited to an inventory of such wells in Ventura County that are owned by the applicant and their affiliates, cost estimates for the remediation, and a schedule for their proper plugging and restoration, recognizing that oversight of the actual well work falls under State authority.

Adoption of the recommended actions will further the implementation of the GPU and Climate Action Plan and County and State GHG reduction goals, and enhance protection of communities, resources, and the environment.

Cordially,



Steve Bennett  
Supervisor, First District



Linda Parks  
Supervisor, Second District

November 10, 2020

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT: Public Hearing to Consider Adoption of County-Initiated Amendments to Article 7, Section 8107-5 of the Ventura County Non-Coastal Zoning Ordinance and Article 5, Section 8175-5.7 of the Ventura County Coastal Zoning Ordinance to Modify Permitting Requirements for Certain New Oil and Gas Exploration and Production Operations and to Address the Applicability of the County's Oil Development Regulations; Find Project Exempt from California Environmental Quality Act (PL20-0052); Adoption of Resolution Establishing One Regular Full-Time Position Allocation in the Resource Management Agency, Planning Division; Authorization for Auditor-Controller to Process Necessary Budgetary Transactions to Fund New Full-Time Position; All Supervisorial Districts. (Recommended Action No. 9 Requires 4/5ths Vote)**

**I. RECOMMENDED ACTIONS**

1. **CERTIFY** that your Board has reviewed and considered this Board letter, the staff report for the July 30, 2020 Planning Commission hearing (hereinafter, Planning Commission staff report) regarding the project and all exhibits thereto (Exhibits 1 through 28), and has considered all comments received during the public hearing process;
2. **FIND** on the basis of the entire record including the Planning Commission staff report (Exhibit 1) that the adoption of the proposed ordinance amending the Ventura County Non-Coastal Zoning Ordinance (Exhibit 32) is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15308 as actions by a regulatory agency to assure the maintenance and protection of the environment because the project would implement a regulatory process involving procedures for protection of the environment; **FIND** that no substantial evidence exists precluding the use of this categorical exemption based on the presence of unusual circumstances or any other exception set forth in CEQA Guidelines section 15300.2; **FIND** that adoption of the



proposed ordinance amending the Ventura County Coastal Zoning Ordinance (Exhibit 33) is statutorily exempt pursuant to Public Resources Code section 21080.9 as an amendment to the County's Local Coastal Program; and **FIND**, to the extent commenters have raised issues about the application of new 2040 General Plan policies to new oil and gas wells, that those impacts factually are the same as the impacts evaluated in the certified environmental impact report (EIR) for the 2040 General Plan, that there is no new or substantially more severe impact requiring a further EIR under CEQA Guidelines section 15162, and that it is appropriate to rely on that certified EIR for the extension of those policies to new oil and gas wells, and reliance on that EIR is an independent basis under CEQA for the adoption of the proposed zoning ordinance amendments.

3. **FIND** on the basis of the entire record and as set forth in the Planning Commission staff report (Exhibit 1) and Ventura County General Plan consistency analysis (Exhibit 36) that the proposed ordinance amending the Ventura County Non-Coastal Zoning Ordinance (Exhibit 32) is consistent with the goals, policies and programs of the Ventura County General Plan and good planning practices and is in the interest of public health, safety and general welfare;
4. **FIND** on the basis of the entire record and as set forth in the Planning Commission staff report (Exhibit 1) that the proposed ordinance amending the Ventura County Coastal Zoning Ordinance (Exhibit 33) is consistent with the goals, policies and programs of the Ventura County General Plan, the Ventura County Coastal Area Plan, the Coastal Act (Exhibit 8) and good planning practices, and is in the interest of public health, safety and general welfare;
5. **ADOPT** the proposed ordinance amending Ventura County Non-Coastal Zoning Ordinance Section 8107-5 (Exhibit 32);
6. **ADOPT** the proposed ordinance amending Ventura County Coastal Zoning Ordinance Section 8175.5.7 (Exhibit 33), subject to California Coastal Commission certification, and **ADOPT** a resolution (Exhibit 37) directing submittal of the ordinance to the California Coastal Commission for certification of this proposed amendment to the Ventura County Local Coastal Program;
7. **SPECIFY** the Clerk of the Board of Supervisors at 800 S. Victoria Avenue, Ventura, CA 93009 as the custodian and location of the documents and materials that constitute the record of proceedings upon which the foregoing actions and decisions are based;
8. **ADOPT** a resolution establishing one regular full-time position allocation in the Resource Management Agency Planning Division, Budget Unit 2911, effective November 29, 2020 (Exhibit 38) as follows:

Class Code	Classification Title	FTE	Range	Annual Salary	Unit
00805	Planner III	1	\$33.718389 - \$47.382096	\$70,134.25 - \$98,554.76	2911

9. **AUTHORIZE** the Auditor-Controller to process the necessary accounting transactions to Budget Unit 2911 to adjust appropriations and revenue as follows for FY 2020-21 (**requires 4/5ths vote**): RMA Planning Division Permitting (Unit 2911)

INCREASE 2900-2911      Salaries and Benefits      \$85,000

INCREASE 2900-2911      Charges for Services      \$85,000

## II. **FISCAL IMPACTS/MANDATES**

Mandated: No  
Source of Funding: Fees  
Funding Match Required: None  
Impact on Other Departments: None

Summary of Revenue and Costs	FY 2020-21	FY 2021-22
Revenues:	\$ 82,500	\$ 125,000
Costs:		
Direct	\$ 82,500	\$ 125,000
Indirect – Department	\$ -	\$ -
Indirect Costs	\$ -	\$ -
	<u>\$ 82,500</u>	<u>\$ 125,000</u>
Net Costs	\$ -	\$ -
Recovered Indirect Costs	\$ -	\$ -

<b>Current FY 2020-21 Budget Projection for RMA Planning - Division 2910, Unit 2911</b>				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/Deficit
Appropriations	\$ 6,755,420	\$ 6,755,420	\$ 6,755,420	\$ -
Revenue	\$ 4,385,935	\$ 4,385,935	\$ 4,385,935	\$ -
Net Cost	\$ 2,369,485	\$ 2,369,485	\$ 2,369,485	\$ -

The recommended legislative actions, including related post-adoption actions, can be completed with existing Planning Division staff and within the existing Planning Division budget allocation.

The Planning Division's oil and gas program currently includes one staff planner processing applications for both discretionary and ministerial permits in addition to performing condition compliance review and administrative program tasks, with oversight from a planning manager who also manages other staff planners processing other commercial/industrial permits. Staff anticipates that the proposed zoning ordinance amendments' requirement for certain new proposed oil and gas development to be authorized by discretionary approval, in lieu of the current ministerial approval that would otherwise apply to the proposed development, would require one new staff planner at this time, and the opportunity to monitor future workload and staffing needs for the oil and gas program.

If the proposed zoning ordinance amendments are approved by your Board, staff is recommending approval of one new full-time position allocation to process the additional discretionary workload anticipated to result from the amendments (Exhibit 38). The annual cost of additional one full time equivalent Planner III would be \$125,000 for mid-range salary and benefits, and the cost for the position in FY 2020-21 is \$82,500. There is no net County cost for this position as the time would be billed out to discretionary permit applicants. CEO-HR has reviewed the proposed addition to the FTE classification and approved the recommendation of the Planner III classification.

### **III. EXECUTIVE SUMMARY**

The proposed zoning ordinance amendments would establish a single, consistent permitting process for all new oil and gas development proposals, regardless of the age of the original underlying permit, and consistent application of current oil and gas development and operational standards, and would ensure some level of environmental review of the new development being proposed. This Board letter (1) describes your Board's 2019 direction for staff to prepare and process this legislative matter; (2) describes the proposed zoning ordinance amendments; (3) describes the Planning Commission's July 30, 2020 hearing and recommendations regarding this legislative matter; (4) addresses environmental review and CEQA compliance; and (5) provides a summary of staff consultation with, and required certification by, the California Coastal Commission regarding the proposed amendment to the Coastal Zoning Ordinance.

### **IV. BACKGROUND/DISCUSSION**

This legislative matter arises from item 46 of your Board's April 9, 2019 regular public meeting addressing your Board's concern regarding the potential contamination of local groundwater caused by oil and gas exploration and production operations. This concern was based on the preliminary findings from a United States Geologic Survey (USGS) study of groundwater quality in potable groundwater aquifers underlying the Oxnard Plain in an area where the process of cyclic steam injection has been utilized to extract heavy oil from shallow reserves known as the Vaca tar sands.



On February 25, 2019, the USGS<sup>1</sup> reported it had found indications that petroleum-related gases are migrating into the Fox Canyon aquifer system in the vicinity of existing oil wells utilizing cyclic steam injection. Your Board deemed this concern to be urgent, particularly in light of an application then under review by the Planning Division for Peak Operator LLC (Peak) to develop a new 65-well oil production facility that would utilize cyclic steam injection in the same area.

At the conclusion of the April 9, 2019 item, your Board directed staff to prepare an interim urgency ordinance pursuant to Government Code section 65858 temporarily prohibiting the drilling of new oil wells, and the re-drilling of existing wells, that would utilize steam injection in the vicinity of potable groundwater aquifers while the County studied potential regulatory changes to address the concern. On April 23, June 4, and November 5, 2019, your Board approved and then extended the proposed interim urgency ordinance prohibiting County approval of new oil wells, and the re-drilling of existing wells, that would utilize steam injection on a portion of the Oxnard Plain overlying the Fox Canyon aquifer that is the subject of the USGS study. This interim urgency ordinance will remain in effect until December 7, 2020 unless terminated sooner by your Board.

The April 9, 2019 item also addressed your Board's related concern regarding uncertainty over the extent of the County's discretionary permitting authority over, and environmental review regarding, development of new oil and gas production facilities under "antiquated" permits such as those cited in Peak's application for its proposed 65-well oil production project. The Board letter for the April 9, 2019 item explained how Peak's proposal highlighted the need to study the County's regulation and permitting of new oil and gas development under these older permits.

At the conclusion of the April 9, 2019 item, your Board directed County staff to "study potential amendments to the County's zoning ordinances to require discretionary approval of new development under antiquated oil and gas permits." In response to this direction, County Counsel, in consultation with the Planning Division, provided your Board with a written report that was the subject of item 35 of your Board's September 10, 2019 regular public meeting. The report states, among other things, that the County has a strong legal argument it can require discretionary approval and environmental review of proposed new oil and gas production facilities on land covered by antiquated permits, and that the County can, in general, apply its oil development standards to all existing oil and gas production facilities.

A potential draft amendment to the Ventura County Non-Coastal Zoning Ordinance that would accomplish these objectives was attached to the September 10, 2019 staff report. At the conclusion of the September 10, 2019 item, your Board directed "the Planning Division to prepare draft amendments to the County's zoning ordinances that are consistent with the potential draft amendment attached to the County Counsel report to be processed through the standard land use public hearing process."

The Planning Commission staff report (Exhibit 1), at Section B, describes the history of permitting oil and gas facilities, including a comparison of antiquated permits to modern-

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<sup>1</sup> According to USGS communication, a third-party review of the February 25, 2019 study is underway and anticipated in 2021.

era permits, explains the distinction between ministerial and discretionary permit decisions, and describes the challenges associated with the Planning Division's processing of applications for new oil and gas development proposed on land covered by antiquated permits.

### Zoning Ordinance Amendments

The proposed zoning ordinance amendments would establish a single, consistent permitting process for all new oil and gas development proposals, regardless of the age of the original underlying permit, consistent application of current oil and gas development and operational standards, and would ensure some level of environmental review of the new development being proposed.

First, the zoning ordinance amendments would amend Ventura County Non-Coastal Zoning Ordinance (NCZO) section 8107-5.2, and Coastal Zoning Ordinance (CZO) section 8175-5.7.2, to require the issuance of a new discretionary conditional use permit (CUP), or approval of a discretionary permit adjustment or modification, to authorize all new oil and gas development, including that proposed under antiquated permits, unless the proposed development is already specifically described as being authorized under an existing CUP. New development triggering the need for discretionary approval would include, but not be limited to, the installation of new wells, tanks and other oil field facilities, and the re-drilling or deepening of existing wells. The proposed zoning ordinance amendments are shown in Exhibits 32 (NCZO, § 8107-5) and 33 (CZO, § 8175-5.7), and are provided in legislative format in Exhibits 34 (NCZO, § 8107-5) and 35 (CZO, § 8175-5.7). Because these approvals would require a discretionary permit the projects would be subject to environmental review under CEQA.

Second, the zoning ordinance amendments would amend NCZO section 8107-5.2, and CZO section 8175-5.7.2, to state that the County's current oil development design guidelines and operational standards uniformly apply to all oil and gas exploration and production operations to the extent: (i) such guidelines and standards would impose more stringent requirements than those set forth in existing permit conditions, laws, or regulations applicable to the operation; and (ii) application of such guidelines and standards would not impair any vested right of an operator under California law.

Third, the zoning ordinance amendments would amend NCZO section 8107-5.4, and CZO section 8175-5.7.5, to limit the level of new development that could be authorized under a single zoning clearance in order to make these existing provisions consistent with the zoning ordinances' general rule regarding the 180-day timeframe within which improvements that are the subject of a zoning clearance must be developed. Other non-substantive revisions have been made to the zoning ordinances' oil and gas regulations to clarify existing provisions and to use consistent terms for the same provisions and section headings that are included in both the NCZO and CZO.

These changes are discussed in greater detail in the Planning Commission staff report (Exhibit 1), in Section C.

## **V. PLANNING COMMISSION HEARING**

On July 30, 2020, the Planning Commission considered the proposed zoning ordinance amendments at a public hearing. Thirteen public speakers commented, and thirteen emails were read, during the hearing. In addition, staff received 59 unique comment letters and three form letters (submitted by 188, 243, and 20 individuals for a total of 451 form letter commenters) regarding the proposed zoning ordinance amendments which are attached to the Planning Commission staff report as Exhibits 9 through 27.

Themes from public comment, both in opposition and support of the zoning ordinance amendments, included the following:

- Concern about the zoning ordinance amendments' economic impact to the oil and gas industry with its higher-wage jobs and impacts to the larger county economy, particularly in light of the pandemic's negative impact on the entire economy;
- Questions regarding status of the USGS study;
- Concern that the zoning ordinance amendments would take private property rights and lead to litigation against the County;
- Concern that property owners would lose oil and gas royalties based on claim that existing operators would be required to shut down;
- Location of many oil and gas facilities in sensitive areas where environmental review and protections are needed;
- Value of the zoning ordinance amendment to require discretionary review, including the requirement for environmental review and a public hearing; and
- Need to address climate change impacts.

Naval Base Ventura County (NBVC) also provided comment (Exhibit 27) on the zoning ordinance amendments seeking development regulations limiting structures, aboveground utility/ communication lines, and associated lighting and glare from structures and activities to be located outside of certain base operational zones. These comments are beyond the scope of the Board's 2019 direction to staff regarding the proposed zoning ordinance amendments. However, as noted below, the adoption of the 2040 General Plan does contain policy direction for coordination with the NBVC on permit applications. Additionally, the Land Use Element includes Policy LU-21.2, which requires that the County utilize the Joint Land Use Study (JLUS) and NBVC Air Installations Compatible Use Zones (AICUZ) studies to guide land use and resource management decisions and plan updates.

The Planning Commission voted 4-1 (Commissioner McPhail dissenting) to approve staff's recommended actions and to take staff's recommended actions regarding the Coastal Commission staff suggestions on the CZO. A resolution stating the Planning Commission's recommendation to your Board is attached as Exhibit 29.

### **2040 General Plan Consistency Analysis**

The 2040 General Plan took effect on October 15, 2020 following the Planning Commission hearing. The Planning Commission staff report contained an analysis of the proposed zoning ordinance amendments' consistency with both the then-operative General Plan and the draft 2040 General Plan. In addition, staff has prepared a more detailed analysis of the proposed zoning ordinance amendments' consistency with the

2040 General Plan, including the vision statement, guiding principles and policies, for your Board's review in Exhibit 36.

The proposed zoning ordinance amendments are consistent with, and would help to implement, the General Plan's vision statement, guiding principles and numerous policies because the proposed discretionary permit review and approval process for new oil and gas development would help ensure that the County's natural resources are protected by operational development standards consistently applied to all oil and gas facilities; that potential hazards and environmental impacts are identified and mitigated during environmental review in accordance with numerous General Plan policies intended to safeguard the environment and public health; and that permitted operators and their associated employment base could continue to extract important mineral resources using appropriate environmental stewardship and regulatory oversight that advances the economic vitality of the County. The 2040 General Plan policies that the zoning ordinance amendments would help to implement are set forth in Exhibit 36.

The 2040 General Plan's Economic Vitality Element contains policies addressing a broad range of economic issues including business development, infrastructure and resource needs, housing supply and job growth. Some key policies are for the County to:

- Prioritize investment in infrastructure, services, safety net programs and other assets that are critical to future economic vitality, including public safety, healthcare, library services, water supply and quality, transportation, energy, and environmental resources (Policy EV-1.2);
- Focus on retention of existing businesses (Policy EV-3.1);
- Work proactively to retain and facilitate the expansion of firms in key industries (Policy EV-3.3);
- Encourage the development and expansion of businesses that advance social equity, environmental quality, and economic sustainability, as well as capitalize on key industry strengths (EV-4.3); and
- Collaborate with the Workforce Development Board to assess employment changes expected over the next 20 years and evaluate opportunities for job training and education to meet new economic opportunities, particularly in green energy and in designated disadvantaged communities within the county (Policy EV-6.7).

Of these policies, the zoning ordinance amendments are most consistent with Policies EV-1.2 and EV-4.3 addressing the protection of environmental resources and expansion of businesses that incorporate sustainable environmental operations. However, the proposed zoning amendments could slow and/or reduce the potential expansion of new local oil and gas development, which in turn could have a negative economic impact on this economic sector and its employment base, due to the increased permitting costs and uncertainty that would be associated with the proposed discretionary permitting and environmental review process that would be required for certain new oil and gas development. In addition, the new 2040 General Plan Policies COS 7.2 (increasing minimum well setback distances from sensitive uses), 7.7 (requiring oil and produced water to be transported offsite by pipeline) and 7.8 (prohibiting flaring of produced gas) reduce

the locations where, and types of, new oil production facilities that can be discretionarily permitted by the County. The proposed zoning amendments would make these new policies applicable to a broader range of proposed oil and gas development based on the new discretionary approval requirement for projects which, under the status quo, only requires a ministerial approval. The potential economic impacts associated with the proposed zoning amendments are not known given the numerous variables associated with the oil and gas industry's potential future development plans and are driven in large part by global oil prices. Nevertheless, based on these potentially negative economic ramifications, the proposed zoning ordinance amendments could be considered inconsistent with Policies EV-3.1 and 3.3.

In summary, by applying a discretionary permit approval and environmental review process to certain new oil and gas development proposals that at present require a ministerial permit and no environmental review, the zoning ordinance amendments would slow and/or reduce the potential expansion of certain new local oil and gas development which in turn could negatively impact this economic sector and its employment base. Nevertheless, the proposed zoning ordinance amendments are consistent with the General Plan. They would provide for the consistent application of numerous important General Plan policies and County oil and gas regulations, and for consistent environmental review and public participation, regarding new oil and gas development.

## **VI. ENVIRONMENTAL REVIEW**

Planning Division staff has determined, and recommends that your Board find, that the adoption of the proposed NCZO amendment is exempt from CEQA pursuant to CEQA Guidelines section 15308 as an action taken by a regulatory agency, as authorized by state or local ordinance, "to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment." Staff has determined that no unusual circumstances or other exceptions set forth in CEQA Guidelines section 15300.2 preclude use of this categorical exemption. Section D – CEQA Compliance of the Planning Commission staff report (Exhibit 1) contains the discussion and rationale supporting this determination.

The proposed CZO amendment constitutes an amendment to the County's Local Coastal Program (LCP). Section 21080.9 of the Public Resources Code (which is part of CEQA) exempts local governments from preparing an environmental impact report or other CEQA document in connection with an amendment to an LCP. Instead, certification of an LCP amendment by the California Coastal Commission (Coastal Commission) is required and is subject to Coastal Commission review for compliance with the California Coastal Act of 1972. The Coastal Commission's regulatory program for the preparation, approval and certification of LCPs has been certified by the Natural Resources Agency under Public Resources Code section 21080.5 as the functional equivalent of CEQA review.

## **VII. CALIFORNIA COASTAL COMMISSION CONSULTATION**

In submitting a proposed LCP amendment to the Coastal Commission for review and certification, cities and counties are required, pursuant to California Code of Regulations, title 14, section 13552, to include an analysis of the amendment's consistency with the jurisdiction's LCP and the Coastal Act. To this end, the Planning Division has prepared a consistency analysis of the proposed CZO/LCP amendment, which is included in Exhibit 1, Planning Commission staff report, see PC-Exhibit 8). Staff would file the required consistency analysis, along with the Board's resolution (Exhibit 37) to transmit and file the LCP amendment application. The Coastal Commission would be anticipated to certify or certify with modifications the proposed CZO amendment sometime in 2021.

During the public notice period prior to the Planning Commission hearing, Coastal Commission staff contacted Planning Division staff providing five suggested revisions to the proposed CZO amendment which were reviewed by staff and discussed during the Planning Commission hearing. Two suggested revisions to the proposed CZO amendment clarified, but did not substantively change, Section 8175-5.7.4 and Section 8175-5.7.5.b. The Planning Commission recommended that your Board approve these revisions.

However, three other suggested revisions required further consideration which Planning Division staff conducted, including a second discussion with Coastal Commission staff in September 2020. These proposed changes related to "maintenance and repair" activities of existing oil and gas facilities and changing the terminology of Oil Development "Guidelines" section heading to "Measures." Planning Division staff explained that these suggested revisions are substantive and could create inconsistent application of allowances for maintenance and repair which are exempt from permit requirements. Further, Planning Division staff explained that maintaining the term "guidelines" is appropriate as certain provisions in this section use the term "should" versus "shall," thereby providing guidance and flexibility to staff and decision-makers during permit review and action, as opposed to stating mandating regulations which the term "measures" could imply. While none of these suggested revisions were incorporated into the CZO amendment that staff recommends be approved by your Board, Coastal Commission staff and Planning Division staff had a productive dialogue.

## **VIII. PUBLIC NOTICE**

The Planning Division provided public notice of this hearing by publishing a notice, along with a summary of the proposed zoning ordinance amendments, in the Ventura County Star on October 31, 2020, and in the Ojai Valley News and Mountain Enterprise on October 30, 2020. Staff also mailed notice of this public hearing to all oil and gas operators of record in the unincorporated area. Planning Division staff also e-mailed notice to all interested parties who requested to be notified of public hearings regarding this item, and provided at least six-week notification of the proposed Local Coastal Program amendment to the CZO by publishing in the Ventura County Star, posting on the Planning Division website and sending notification to the Coastal Commission, Ventura County's

coastal cities (Oxnard, Port Hueneme and Ventura), Naval Base Ventura County and Ventura County's neighboring coastal counties (Los Angeles and Santa Barbara).

This letter was reviewed by the County Executive Office, the Auditor-Controller's Office, and the County Counsel's Office. If you have any questions regarding this item, please contact me at (805) 654-2481 or via email at [dave.ward@ventura.org](mailto:dave.ward@ventura.org). You may also contact Mindy Fogg Commercial Industrial Manager, at (805) 654-5192 or by email at [mindy.fogg@ventura.org](mailto:mindy.fogg@ventura.org).



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**Dave Ward, AICP, Planning Director**

Ventura County Planning Division

**EXHIBITS**

- Exhibit 1** July 30, 2020 Planning Commission Staff Report
- Exhibit 2** Maps of Project Areas - Applicable Non-Coastal and Coastal Use Zones
- Exhibit 3** Ordinance Amending NCZO Section 8107-5
- Exhibit 4** Amendments to NCZO Section 8107-5 in Legislative Format
- Exhibit 5** Ordinance Amending CZO Section 8175-5.7
- Exhibit 6** Amendments to CZO Section 8175\_5.7 in Legislative Format
- Exhibit 7** Representative Antiquated Permit
- Exhibit 8** Coastal Act Consistency Analysis
- Exhibit 9** Public Comments Industry 1\_07-27-20
- Exhibit 10** Public Comments\_POCE\_Batch 1
- Exhibit 11** Public Comments\_POCE\_Batch 2
- Exhibit 12** Public Comments Industry 2 7-27-20 Afternoon
- Exhibit 13** Public Comments\_POCE\_Batch 3
- Exhibit 14** Public Comments\_POCE\_Batch 4
- Exhibit 15** Public Comments Industry 3 7-28-2020
- Exhibit 16** Public Comments Industry 4\_7-29-2020
- Exhibit 17** Public Comments POCE Batch 5
- Exhibit 18** Public Comments Individuals 1
- Exhibit 19** Public Comments NGOs and Businesses
- Exhibit 20** Public Comments POCE Batch 6
- Exhibit 21** Public Comments Springboard letters

<b>Exhibit 22</b>	Public Comments Reynolds and CFROG
<b>Exhibit 23</b>	Public Comments Industry 5
<b>Exhibit 24</b>	Public Comments Individuals 2
<b>Exhibit 25</b>	Public Comments CRC, AERA and ABA
<b>Exhibit 26</b>	Emails read during Public Comment
<b>Exhibit 27</b>	Naval Base Ventura County Letter & Email Comment
<b>Exhibit 28</b>	Staff PowerPoint
<b>Exhibit 29</b>	Planning Commission Resolution Recommending Ordinance Amendments
<b>Exhibit 30</b>	Public Comments since Planning Commission – Part 1
<b>Exhibit 31</b>	Public Comments since Planning Commission – Part 2
<b>Exhibit 32</b>	Final NCZO Ordinance Amendment
<b>Exhibit 33</b>	Final CZO Ordinance Amendment
<b>Exhibit 34</b>	Legislative Format for Final NCZO Ordinance Amendment
<b>Exhibit 35</b>	Legislative Format for Final CZO Ordinance Amendment
<b>Exhibit 36</b>	2040 General Plan Goal and Policies Consistency Analysis
<b>Exhibit 37</b>	Board Resolution for LCP Amendment
<b>Exhibit 38</b>	Board Resolution for Planner Position