



Legislation Text

File #: 23-0238, **Version:** 1

Recommendation to approve and adopt the Long Beach Unit Annual Plan (July 1, 2023 to June 30, 2024) and Program Plan (July 1, 2023 to June 30, 2028). (Citywide)

In accordance with Chapter 138 of the Statutes of 1964, First Extraordinary Session, an Annual Plan and Program Plan (a five-year plan that is replaced every two years) of Development and Operations and Budget for the Long Beach Unit (LBU) must be adopted by the City of Long Beach (City) and approved by the State Lands Commission (SLC).

Chapter 941, California Legislature, 1991 Sessions, amended Chapter 138 and requires the City and the Field Contractor, California Resources Long Beach, Inc. (CRLBI), to prepare a one-year Annual Plan and Program Plan every two years, which includes an itemized budget of intended expenditures.

The Annual Plan and Program Plan provide for the further development of the LBU through the Agreement for Implementation of an Optimized Waterflood Program that was entered into in November 1991 as part of the above legislation. Preparation of the Plans is a joint effort by City staff of the City's Energy Resources Department (Unit Operator), CRLBI (Field Contractor), and THUMS Long Beach Company (Agent for Field Contractor). A copy of the Annual Plan and Program Plan is attached.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on February 27, 2023, and by Revenue Management Officer Geraldine Alejo on March 6, 2023.

Chapter 941, California Legislature, 1991 Sessions, also requires that the City submit formal copies of the Plans to the SLC for approval no later than March 23, 2023. To meet that requirement, City Council approval is requested on March 21, 2023.

There is no net fiscal impact associated with this recommendation. Expenditures related to the Plans are incurred in the Tidelands Oil Revenue Fund Group in the Energy Resources Department and are fully offset by net revenues from operations. Annual expense and revenue will be based on actual realized oil prices. If needed, the department will return to the City Council with a request to increase appropriation offset by revenue. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

ROBERT M. DOWELL
DIRECTOR OF ENERGY RESOURCES

APPROVED:

THOMAS B. MODICA
CITY MANAGER