
Issam Najm, President; Susan Gorman-Chang, Vice President; Gabriel Khanlian, Secretary;
Cheri Derohanian, Alex Kim, Cindy Lee, Becky Leveque, Mel Mitchell; Jennifer Milbauer; Eric Nam

General Board Meeting Minutes

Wednesday, July 13, 2016, at 6:00 p.m.

Porter Ranch Community School Multipurpose Room, 12450 Mason Ave., Porter Ranch

1. Welcome – Melvin Cañas, Neighborhood Empowerment Advocate, Field Division-Department of Neighborhood Empowerment (5 min)

Melvin Cañas called the meeting to order at 6:22 p.m.

a. Reminder to sign in and that it is completely optional and not required for attendance.

b. Recognition of outgoing Board

Mr. Cañas wished to thank the outgoing members for their service to the community and then presented them the present outgoing members with certificates. Mr. Cañas then presented the new board with certificates and asked that they come and sit with him at the table in front of the auditorium.

2. Swearing in of new PRNC Board Members – Kevin Taylor, Office of Los Angeles Mayor Eric Garcetti-West Valley Area Representative, Office of Public Engagement (5 min)

a. Roll Call

Board member Armando Nunez resigned earlier in the day. Board Members who were present introduced themselves: Issam Najm, Gabriel Khanlian, Eric Nam, Becky Leveque, Alex Kim, Cindy Lee, Cheri Derohanian, Mel Mitchell, Susan Gorman-Chang and Jennifer Milbauer. Board member Armando Nunez resigned earlier in the day from the PRNC Board.

The PRNC quorum is seven so the Board could take such votes (the minimum number of Board Members needed to be present to take binding votes on agenda items). Please see <http://prnc.org/documents/Bylaws.pdf>) All 10 of the 11 Board Seats were filled either by appointment or election. Also in attendance were approximately 50-60 stakeholders and guests.

Mr. Cañas also informed everyone that the PRNC elections were occurring later in the year due to the gas leak and that they were one of the last of the 96 neighborhood councils to be seated.

Mr. Cañas then gave those in attendance an overview of what neighborhood councils do and once again wanted to thank the outgoing members, Sean O'Rourke, Pat Pope, Sue Hammarlund,

David Balen, and Paula Cracium for the hard work and dedication to the community over the last several months.

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Mr. Cañas said that while there was currently one vacancy, that it could not be filled until the next meeting of the PRNC because it needed to be announced and published beforehand per the PRNC Bylaws. The earliest date the vacancy could be filled would be August 10, 2016 unless the PRNC met before then via a special meeting.

b. Neighborhood Council Board Member Oath

Kevin Taylor, Office of Los Angeles Mayor Eric Garcetti, West Valley Representative then proceeded to swear in the new PRNC Board with the Neighborhood Council Official Oath.

3. Selection of new Executive Board Members – Melvin Cañas, Neighborhood Empowerment Advocate, Field Division-Department of Neighborhood Empowerment (20 min)

a. Election of Board Officer as stipulated under the Bylaws, Article VI

b. Board designation of Bank Card Holder and Second Signatory

c. Board designation of NC Liaisons to City Departments

- i. Public Works**
- ii. Animal Services**
- iii. Transportation**
- iv. Planning**
- v. DWP**
- vi. Alliances**
- vii. City Budget Rep**
- viii. Department on Disability**
- ix. City Attorney's Office**

Mr. Cañas then informed the new PRNC board to open up the packets in front of them and review their Bylaws packet and refer to Article VI which gave an explanation of the Executive Board and what the duties and responsibilities were of each. For each board member who would be nominated, Mr. Cañas then asked that each of them make an opening statement with no personal attacks. Under the PRNC Bylaws the PRNC Board takes a simple majority vote. Abstentions do not count.

Mr. Cañas opened up nominations for PRNC President. Issam Najm self-nominated himself for President. Board member Eric Nam nominated Mel Mitchell for President which he accepted.

Mr. Najm noted that he appreciates the opportunity to serve on the Board and he thinks Porter Ranch needs to start listening to each other. Mr. Najm stated that he is not new to running a board as he has served as President of his own HOA for several years.

Mr. Mitchell noted that he is a founding member of the PRNC in 2003 and that he served as its President for several years. Mr. Mitchell stated that he has been a member of the PRNC Land Use Committee for

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Cheri Derohanian, Alex Kim, Cindy Lee, Becky Leveque, Mel Mitchell; Jennifer Milbauer; Eric Nam

the last 2 years and believes that he brings the experience and knowledge to oversee the PRNC Board. Mr. Mitchell noted that he supports the local schools, LAPD and LAFD.

Several board members as well as stakeholders expressed their support for each of their chosen candidate speaking highly of each and acknowledging their experience and knowledge that they each bring to the table.

The following board members voted as such:

Issam Najm – Kim, Lee, Khanlian, Najm, Milbauer, Gorman-Chang –	Total 6
Mel Mitchell – Leveque, Derohanian, Nam, Mitchell –	Total 4

Issam Najm is the newly elected PRNC President

Mr. Cañas opened up nominations for PRNC Vice-President. Board member Jennifer Milbauer nominated Susan Gorman-Chang for Vice President which she accepted. Board member Mel Mitchell nominated Becky Leveque for Vice President which she accepted.

Ms. Gorman-Chang stated that she has been a member of the community since 1991 and has leadership skills. Ms. Gorman-Chang stated that she is a volunteer for Save Porter Ranch and will advocate for Porter Ranch and she encourages stakeholder participation.

Ms. Leveque stated that she has lived in the community since 1971 and that she helped bring the Porter Ranch Community School to Porter Ranch, which, next to her family, she considers that to be one of her greatest achievements. She noted that she believes she is a hard worker and knows how to navigate her way through the City, which at times is difficult.

Several board members as well as stakeholders expressed their support for each of their chosen candidate speaking highly of each and acknowledging their experience and knowledge that they each bring to the table.

Susan Gorman-Chang – Kim, Khanlian, Najm, Milbauer, Gorman-Chang –	Total 5
Becky Leveque – Leveque, Derohanian, Lee, Nam Mitchell –	Total 5

This matter was further discussed and voted on a second time with the end result being a tie and each board member voting the same way both times. It was agreed upon that this matter would be tabled until the next PRNC Board Meeting.

Mr. Cañas opened up nominations for Treasurer I. Several nominations were made and all board members declined. Further discussion ended in this matter being tabled until the next PRNC Board Meeting.

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Cheri Derohanian, Alex Kim, Cindy Lee, Becky Leveque, Mel Mitchell; Jennifer Milbauer; Eric Nam

Mr. Cañas opened up nominations for Treasurer II. Several nominations were made and all board members declined. Further discussion ended in this matter being tabled until the next PRNC Board Meeting.

Mr. Cañas opened up nominations for Secretary. Board member Alex Kim nominated Gabriel Khanlian which he accepted. Board member Eric Nam nominated Cheri Derohanian which she accepted.

Mr. Khanlian stated that he has lived in the community for 15 years and believes that Porter Ranch has many issues that need to be resolved. Mr. Khanlian noted that he would like to be a voice for the community.

Ms. Derohanian noted that has been involved with the PRNC for the last five years. However, she has only been a board member for the last 1 ½ years. Ms. Derohanian stated that she is active in the community and prior to being appointed to the PRNC board she helped Mr. Nam navigate through the PRNC emails. Ms. Derohanian stated that she knows many of the City’s officials.

Several board members as well as stakeholders expressed their support for each of their chosen candidate speaking highly of each and acknowledging their experience and knowledge that they each bring to the table.

Gabriel Khanlian – Kim, Lee, Khanlian, Najm, Milbauer, Gorman-Chang –	Total 6
Cheri Derohanian – Leveque, Derohanian, Nam, Mitchell –	Total 4

Gabriel Khanlian is the newly elected PRNC Secretary

- 4. Governmental Reports and Updates (15 min)**
 - a. LA City Council District Representative**
 - b. LAPD Senior Leads**
 - c. Other Government Departments/Agencies**
 - d. Community Organizations**

Grace Lee from Assembly Member Scott Wilk’s office stated that there were approximately 218 homeowner’s who were affected by the new gas leak and there was no system in place to notify them. Ms. Lee said there was a Public Hearing Related to So. Cal Gas Aliso Canyon on Saturday, July 9, 2016 from 9:00 a.m. – 1:00 p.m. at California State University Northridge, 18111 Nordhoff Street Northridge, CA 91330-8448.

Dusty Russell, representative from Senator Fran Pavely’s office stated that for the 6th year in a row the budget passed and is balanced. An additional \$2 billion dollars was added to the rainy day fund.

Mr. Russell wanted to thank everyone for getting SB380 passed. There are currently 67 wells that are out of operation and only 12 wells so far that have passed all of the required testing. Mr. Russell stated that SB887 has gotten through committee and it is now making its way to the appropriations committee.

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Please see the attached notes from Mr. Russell for more updates.

Mr. Ron Rubine, District Director for Council District 12 wanted to congratulate the new PRNC Board. The Council District 12 office and the PRNC Board have a long working history together and Mr. Rubine hopes that relationship continues. Mr. Rubine also invited newly elected PRNC Board President to a round table discussion with Councilman Englander on August 18th and would provide Mr. Najm the information.

Mr. Kevin Taylor, field representative from Mayor Eric Garcetti's office said that he currently attends 17 different neighborhood council meetings, along with 7-8 chamber meetings. Mr. Taylor tries to attend as many as he can and if you need him to attend a specific meeting to please reach out to him via email at kevin.taylor@lacity.org

Nicole Vartanian from Congressman Steve Knight's office said that Congressman Knight is conducting the 2nd annual small business expo in Santa Clarita. Nicole also wished to inform everyone that Dante Acosta would be taking a leave of absence.

5. General Public Comments (10 min) - Comments from the public on non-agenda items within the Board's jurisdiction (Up to two minutes per speaker)

Judy Daniel wanted to inform all those in attendance that the Valley Alliance of Neighborhood Councils (VANC) would be meeting on Thursday, July 14 at Sherman Oaks Hospital. Ms. Daniel stated that while VANC was primarily for neighborhood council members, that the public was also welcome to attend.

Mr. Glenn Bailey stated that he is 1 of 3 budget advocates for Region 2 and that on July 30th there would be a Budget Day to be held at City Hall. Mr. Bailey stated that each neighborhood council should have at least 2 budget advocate representatives so that each neighborhood council can be represented. Mr. Bailey also spoke about the upcoming Congress of Neighborhood Councils which would be held on Saturday, September 24th from 8:00 a.m. – 4:00 p.m. Mr. Bailey encouraged all board members to attend, especially the newly elected members. There will be over 40 workshops covering a variety of subjects.

Helen Sim Ritenour stated that for the last several months, she and her family have been living in a hotel due to the gas leak. She stated that she chose Porter Ranch because she felt it was a great community but as of late it had not been very inviting.

Matt Pakucko, from Save Porter Ranch said that he is overwhelmed with the new board and looks forward to working with them instead of against them.

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6. Motion –Eric Nam: Motion to approve June minutes (5 min). Cheri Derohanian seconded the motion.

This item was tabled in order to give the new board time to review the minutes as well as the stakeholders. Meeting minutes should be posted prior to the meeting and made available to the public.

8. Motion – Gabriel Khanlian: Motion to approve continuing the current website/online support services with Moore Business Results for 3 months under the same terms, per existing Citywide contract terms. (5 min). Becky Leveque seconded the motion

MOTION PASSED by a roll call vote of ten of the ten eligible voters present with eight in favor (“Yes” or “Aye”) (Najm, Khanlian, Nam, Leveque, Lee, Derohanian, Mitchell, Gorman-Chang and Milbauer) One Abstention (Kim). One ineligible (Lee). Board President/Presiding Officer can choose whether or not to vote; if he/she does not, a vote can still be unanimous.] It was agreed upon as an itemized invoice of services, not a fixed fee of \$750/month.

7. Motion - Gabriel Khanlian: Motion to approve ordering business cards for the new board members. Cost is approximately \$22/box of 200 cards from the City Print Shop (5 min)

This item was tabled.

9. Presentation: Neighborhood Council Board Orientation (60 min) - Facilitated by Melvin Cañas, Neighborhood Empowerment Advocate, Field Division-Department of Neighborhood Empowerment

This item was tabled.

10. Board Member Comments and Upcoming meetings (10 min)

This item was tabled.

11. Motion to adjourn – Without objection, Mr. Najm adjourned the meeting at 9:00 p.m.

Office of State Senator Fran Pavley
Legislative Update – Porter Ranch Neighborhood Council
July 13, 2016

I. Legislative Calendar

- June 3rd – was the last day for Senate and Assembly to pass bills from their house of origin
- *Bills continue to work their way through committees in their opposite houses*
- August 31st – last day for each house to pass bills.
- September 30 – last day for Governor to sign or veto bills (except bills in extraordinary sessions or urgency bills)

II. Legislation – Porter Ranch Focus

- **SB 380 (Pavley): Moratorium on Natural Gas Injections [Status: Signed into Law]**
 - i. Requires all remaining 114 natural gas wells at the Aliso Canyon facility to undergo comprehensive individual inspection with oversight by the Division of Oil, Gas and Geothermal Resources, before the facility can resume injections into the storage reservoir.
 - ii. DOGGR’s well inspection status updates (updated bi-weekly):
<http://www.conservation.ca.gov/dog/AlisoCanyon/Pages/Well-Detail.aspx>
 - iii. **SB 380 Full text and analyses:**
<http://lis.calegis.net/LISWeb/faces/bills/billdetail.xhtml>
- **SB 886 (Pavley): Electricity Energy Storage Systems [Status: Assembly Appropriations]**
 - i. Requires the California Public Utilities Commission (CPUC) to determine appropriate energy storage targets for all investor-owned utilities and energy service providers to be achieved by 2030 (over fossil-fuel-based generation). It also requires utilities to propose new incentive programs to encourage customers to install energy storage systems.
 - ii. Supports movement away from dependence on facilities like Aliso Canyon
 - iii. Helps the state meet its Renewable (energy) Portfolio Standards (and commitment under the Clean Power Plan)
 - iv. **SB 886 Full text and analyses:**
<http://lis.calegis.net/LISWeb/faces/bills/billdetail.xhtml>
 - v. **Factsheet attached**
- **SB 887 (Pavley): Stronger statewide standards for natural gas storage [Status: Assembly Appropriations]**
 - i. Would establish a series of new standards for natural gas storage.

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- ii. All wells in state must comply with new standards by January 1, 2018, except wells meeting specific “low-risk” criteria. Low-risk wells must still comply with specific regulations by January 1, 2019.
 - iii. **SB 887 Full text and analyses:**
<http://lis.calegis.net/LISWeb/faces/bills/billdetail.xhtml>
 - iv. **Factsheet attached**

- **SB 888 (Allen; Co-authors Pavley & Wilk): Gas corporations: emergency management: leak mitigation [Status: Assembly Appropriations]**
 - i. Designates the Governor’s Office of Emergency Services as the single point of accountability and responsibility in state government for disasters such as happened at Aliso Canyon to avoid fragmented response.
 - ii. Financial penalties against SoCal Gas to be deposited into the “Gas Storage Facility Mitigation Account”. Funds to be spent solely on direct emissions reductions equal to emissions released from the blowout. Spending to be consistent with ARB’s Aliso Canyon Climate Impacts Mitigation Program, including priority for projects in the communities harmed by the Aliso Canyon leak.
 - iii. **SB 888 Full text and analyses:**
http://lis.calegis.net/LISWeb/faces/bills/bill_search_results.xhtml
 - iv. **Factsheet attached**

- **SB 1441 (Leno; Co-author Pavley): Methane Emissions [Status: Assembly Appropriations]**
 - i. This bill would, in establishing rates for gas corporations, prohibit the commission from allowing gas corporations to seek or receive recovery from ratepayers for the value of natural gas lost to the atmosphere during the extraction, production, storage, processing, transportation, and delivery of the natural gas, as specified.
 - ii. **SB 1441 Full text and analyses:**
http://lis.calegis.net/LISWeb/faces/bills/bill_search_results.xhtml

- **AB 1903 (Wilk; Co-author Pavley): Aliso Canyon Health Study [Status: Senate Appropriations]**
 - i. Would require the Public Utilities Commission to authorize a study by the Office of Environmental Health Hazard Assessment of the long-term health impacts of the significant natural gas leak.
 - ii. **SB 1903 Full Text and analyses:**
<http://lis.calegis.net/LISWeb/faces/bills/billhistory.xhtml>

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III. Other Important State Actions

- **Division of Oil, Gas and Geothermal Resources has issued their new discussion draft regulations for natural gas storage in California for public comment until August 11, 2016.** This draft proceeds the formal rulemaking process which will also have a public comment period. Once adopted, the regulations will replace the current emergency regulations called for by the Governor. Passage of SB 887 is still important because it puts into law a series of requirements DOGGR must use as a baseline as they develop their final updated regulations.
 - i. **DOGGR to host a workshop focusing on the new regulations** on Thursday, August 11 at the Hilton Woodland Hills, 6360 Canoga Ave., Woodland Hills.

- **Governor Brown Announces changes to Public Utilities Commission (June 27, 2016)**
 - i. To bolster governance, accountability, transparency and oversight.
 1. Increases public access to meetings.
 2. Creates new safety/oversight positions
 3. Strengthens ex parte communications rules
 - ii. **Press Release in full:** <https://www.gov.ca.gov/news.php?id=19461>

IV. Regional Actions

- **Los Angeles Regional Water Quality Control Board – Aliso Canyon Surface Water Sampling Issue:** LARWQCB will require SoCal Gas to prepare a workplan to sample surface water within the 3-mile radius around the Aliso Canyon facility.
 - i. **See attachment for details.**

SB 886: GRID RELIABILITY AND INDEPENDENCE ACT

AUTHOR: SENATOR FRAN PAVLEY

JUNE 22, 2016

BACKGROUND

California's grid is undergoing a historic shift. Thanks to the pioneering work of the legislature, the executive agencies – the CPUC, CARB, CEC, and the CAISO, in particular – businesses, and civil society, we are on track to shift from a dirty, fossil-fuels based infrastructure, to a clean energy power system that holds the promise of creating new jobs, stronger economies, and cleaner environments for all Californians.

This summer, after the historic natural gas storage facility disaster in Aliso Canyon, we learned that the state still has a long way to go toward building this clean energy future.

THE PROBLEM

Throughout California, we rely on fossil fuel storage facilities to deliver critical energy resources to homes, businesses, and power plants. The rupture in one of the wells at Aliso Canyon has resulted in, so far, the emission of more than 100,000 metric tons of methane into our atmosphere, the displacement of thousands of families from their homes, and the terrifying proposition that the Aliso Canyon facility is not unique in its decrepit state of disrepair. Across Los Angeles and the state there are another twelve natural gas storage facilities; two of those twelve, PG&E's McDonald Island facility in San Joaquin County, and Wild Goose Storage's facility in Butte County, are comparable in size to Aliso Canyon.

Meanwhile, our current clean energy policies – including the regulations promulgated under AB32 and SB350, which require the state to build increasing capacity for renewable energy – coupled with a 19th Century-style grid planning process, ironically have encouraged the state to build even more natural gas infrastructure as we build up our supply of solar and wind. Because as we increase our intermittent resources, we create the need for more predictably dispatched sources, like natural gas, to smooth the grid's load curve. It should be no surprise that the California Energy Commission and the Public Utilities Commission continue to review and approve more gas-fired power plant permits.

THE SOLUTION

SB 886 addresses this problem by encouraging the state to procure energy resources from clean energy storage systems before considering more fossil fuels. It requires load-serving entities to include storage in their Integrated Resource Planning, asks the PUC to create a new rate that would encourage consumers in homes and businesses to install their own grid-benefitting storage resources, and it asks the PUC, and public utility governing boards, if appropriate, to set a new target for utilities to meet an energy storage systems goal by 2030.

SUPPORT

- California Energy Storage Alliance (CESA)
- Solar Energy Industries Association (SEIA)

SUPPORT CONT'D

- SolarCity
- ElectrIQ Power
- California Public Utilities Commission,
Office of Ratepayer Advocate
- LG Chem
- NGK Insulators, Ltd.
- Marin Clean Energy
- Qnovo
- Consumer Attorneys of California

FACT SHEET: SB 887

AUTHOR: SENATOR FRAN PAVLEY

**CO-AUTHORS: PRESIDENT PRO TEMPORE SENATOR KEVIN DE LEÓN, SENATOR BEN ALLEN
ASSEMBLY MEMBER SCOTT WILK**

NATURAL GAS STORAGE WELLS – REGULATORY REFORM

June 27, 2016

THE PROBLEM

On October 23, 2015, an ongoing disaster started with local public health and significant community impacts. That day, a significant leak was discovered from a natural gas storage well in Southern California Gas Company's (SoCal Gas') Aliso Canyon storage facility. During the course of the leak, finally officially capped on February 18, 2016, estimates indicate almost 100,000 metric tons of the potent greenhouse gas methane were released to the atmosphere. This is estimated to be about 20% of the entire state's methane emissions over the same time period.

Nearby residents who reported the leak to the local air quality regulator were told by SoCal Gas for several days that "routine maintenance" was responsible. It was only after several days that the serious nature of the leak was revealed to the public. Initial communication and efforts by the operator to serve the community were woefully inadequate.

The leak has caused major and unprecedented upheaval in the surrounding Porter Ranch and other nearby communities. While the leak has stopped, many of the over 8,000 households that relocated during the leak (at SoCal Gas' expense) are still not safely home. Within the last two weeks, the Los Angeles County Department of Public Health ordered that SoCal Gas clean the homes of those who request it due to the discovery of heavy metals in the dust in peoples' homes. Cleaning was suspended when SoCal Gas' contractors were cleaning to the County's standards. Health complaints by many continue.

Numerous reports have raised concerns about the age, operation, maintenance practices and safety of the Aliso Canyon and other gas storage facilities state-wide. The Division of Oil, Gas and Geothermal Resources (DOGGR) is the state's oil and gas well regulator. There are about 115 natural gas storage wells at Aliso Canyon and another approximately 300 gas storage wells at other locations statewide. Over half of these wells appear to be over 40 years old. While some older wells may be in very good

working order, others may not be. DOGGR's requirements for different natural gas storage wells vary considerably across the state.

The leak has highlighted the need, long acknowledged by DOGGR, to update its regulations. After the leak became an international news story, DOGGR issued emergency regulations for natural gas storage wells in February. The emergency regulations are a step in the right direction, but DOGGR retains considerable flexibility at its discretion.

THE SOLUTION

The safety of the communities surrounding natural gas storage wells must be assured and changes made to ensure a disaster on the scale of Aliso Canyon never happens again. This bill, SB 887, is part of the Senate's comprehensive legislative response.

SB 887 provides a comprehensive framework for the reform of DOGGR's oversight of natural gas storage wells. In particular SB 887 will:

- Set **new minimum standards for natural gas storage wells including for inspections using "best available technology."**
- **Institute a new proactive approach to maintaining well integrity** instead of reacting only after integrity is lost and a leak has occurred. After a well's baseline is established, the follow-on testing schedule will be determined based upon risk.
- Require automatic downhole shutoff systems (i.e. **subsurface safety valves**), continuous monitoring of ambient natural gas concentrations, and limiting production and injection to well tubing only, among others.
- Direct the Office of Environmental Health Hazard Assessment to perform a **public health risk assessment that will determine what science-based setback distances** should be for gas storage wells from different locations such as homes and schools.

- Provide for an **independent panel of experts** to develop “**best practices**” for **natural gas storage wells**, and require that DOGGR update well regulations to reflect the results.
- Require **improved planning, documentation, disclosure and reporting** to ensure that the public finds out rapidly about serious leaks, necessary well maintenance is completed and appropriate materials are available onsite to respond to leaking wells.
- Require the **Air Resources Board with local air districts** and others to **develop comprehensive and continuous ambient natural gas monitoring guidelines**, including optical gas imaging, for natural gas storage facilities and wells.
- Require **preparations for drilling a relief well start within 24 hours** of a significant leak.
- Require well operators to develop and maintain a **comprehensive gas storage well training and mentoring program** for site personnel.
- Provide a private right of action to the **public to force DOGGR to implement its regulations**.
- **Increase penalties** for wasting gas to \$10,000 - \$25,000 per violation per day.

CalPIRG
 Center on Race, Poverty & the Environment
 Clean Power Campaign
 Clean Water Action
 Consumer Attorneys of California
 Environment California
 Environmental Defense Fund
 Environmental Working Group
 Los Angeles City Council (via resolution (14 – 0, 4/19/16))
 Los Angeles County
 Los Angeles County Democratic Party
 Los Angeles Unified School District
 Natural Resources Defense Council
 Porter Ranch Neighborhood Council
 Scott Schmerelson, LAUSD Board Member, District 3
 Sierra Club California
 Santa Susana Mountain Parks Association
 South Coast Air Quality Management District
 Utility Workers Union of America
 Voices for Progress

SB 887 builds upon DOGGR’s orders to SoCal Gas, its recent new emergency regulations, and the principles underlying its recently-announced gas storage well rule-making. The new emergency regulations were the first substantive change to DOGGR’s gas storage well regulations since the late 1970s. SB 887 also builds upon the Governor’s January 6, 2016 State of Emergency Declaration, the American Petroleum Institute’s Recommended Practice #1171 regarding the functional integrity of natural gas storage facilities in some reservoirs, the South Coast Air Quality Management District’s Order of Abatement and the actions of other regulators. SB 887 supports the use of a risk-based approach to help determine its proactive evaluation requirement. Some regulatory flexibility is maintained that acknowledges that wells in different locations with different operating requirements pose different risks to the public. SB 887, however, by changing the law and establishing new minimum standards and provisions, goes farther than these orders and regulations do, and serves to prevent future backsliding.

STATUS

SB 887 received bipartisan support in the Senate (Floor vote 30 – 9)

SUPPORT

American Lung Association in California
 Asian Pacific Environmental Network
 California Coastal Protection Network

SB 888 – Emergency Planning and Mitigation Fact Sheet

SENATOR BEN ALLEN

SUMMARY

The unprecedented natural gas leak at South California Gas Company's Aliso Canyon storage field has resulted in massive community and environmental impacts. It has also shed light on the lack of a meaningful State response plan to such disasters. SB 888 seeks to address this by requiring a framework for emergency preparedness and by ensuring the fines and penalties assessed are used to mitigate the mounting environmental impacts.

BACKGROUND

Starting on October 23, 2015, one of the 115 wells at SoCal Gas Company's extensive Aliso Canyon storage facility began leaking, sending methane into the atmosphere above the Los Angeles Basin. Pound per pound, methane -- a short-lived climate pollutant - - causes about 84 times more global warming over the span of two decades than carbon dioxide. Reducing methane pollution has become a priority in California and was recognized at the Paris Climate talks as key to successfully keeping the global temperature rise below 2°C and improving air quality.

The leak at Aliso Canyon took nearly four months to plug. In that time, the well spewed more than 100,000 metric tons of methane, which accounts for more greenhouse gases than any other facility in California. The leak was the worst in United States history, and at its height, more than doubled the methane emissions of the entire Los Angeles Basin and surpassed what is released by all industrial activity in the state. It is imperative that the Gas Company fully mitigate the methane emissions from this disaster to ensure we stay on track to meet our climate goals.

While the State's response to the leak was swift, at least seven different agencies have been involved with no statutory single point of responsibility and accountability to oversee efforts and remediation

actions. Unlike oil spill response, which is dictated by a robust framework to streamline agency coordination and collaboration, California lacks a plan to quickly and efficiently address a massive natural gas leak.

In fact, while the Division of Oil, Gas and Geothermal Resources (DOGGR) was notified of the leak right away, the Air Resources Board said it wasn't notified of the leak until Nov. 5th. State officials might have more quickly understood the severity of the leak if emissions had been measured earlier. Further, a Unified Command structure, similar to what is put in place following significant oil spill, was not established until January.

Given the extensive infrastructure of underground natural gas storage facilities throughout California, and having seen the potential for significant health and environmental problems that can result from a leak, California should have a framework in place to respond quickly and efficiently.

SOLUTION

SB 888 is part of a comprehensive package of legislation introduced in the Senate to address this disaster. Specifically, the bill designates the Office of Emergency Services as the single point of accountability and responsibility in state government for disasters like Aliso Canyon.

The bill also calls for the Gas Company to establish a fund to pay for the complete mitigation of the GHG impacts through direct measures to reduce emissions. Two other bills have been introduced as part of the package, including SB 380 (Pavley), which calls for a moratorium on injecting natural gas in the Aliso Canyon facility until the wells are tested and deemed safe, and SB 887 (Pavley), which provides a comprehensive framework to reform state oversight of all natural gas storage facilities.



SB 888 – Emergency Planning and Mitigation Fact Sheet SENATOR BEN ALLEN

SUPPORT

California Public Interest Research Group
Clean Water Action
Consumer Attorneys of California
Environment California
Environmental Working Group
National Parks Conservation Association
LAUSD Board Member District 3, Scott M.
Schmerelson
National Parks Conservation Association
Sierra Club California
South Coast Air Quality Management District
Union of Concerned Scientists

CONTACT

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EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Los Angeles Regional Water Quality Control Board

July 5, 2016

Mr. Bret Lane, Chief Operating Officer
Southern California Gas Company
555 West Fifth Street, GT21C3
Los Angeles, California 90013-1011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7015 0640 0006 6057 6658

REVIEW AND DENIAL OF ALTERNATATIVE SAMPLING PROPOSOL FOR WORKPLAN ADDENDUM PURSUANT TO CALIFORNIA WATER CODE SECTION 13267 ORDER SOUTHERN CALIFORNIA GAS COMPANY, STANDARD SESNON 25 (API NO. 03700776), LOS ANGELES COUNTY, CALIFORNIA

Dear Mr. Lane:

On May 19, 2016, the California Regional Water Quality Control Board, Los Angeles (Regional Board) directed Southern California Gas Company (SoCalGas) to submit a workplan addendum (Workplan Addendum) under California Water Code (CWC) Section 13267 Order for the site (Order Addendum). In response, the Regional Board received the following documents on June 16, 2016:

- "Revised Surface Water Sampling Work Plan" (Revised Workplan), dated June 2016, prepared by Geosyntec Consultants Inc. (Geosyntec) and;
- "Re: Investigative Order No. R4-2016-0035 Regarding Southern California Gas Company – Standard Sesnon 25 Lease in Los Angeles County" (Alternative Proposal), dated June 16, 2016, prepared by Mr. Albert Garcia on behalf of SoCalGas.

BACKGROUND

On March 12, 2016, the Regional Board was aware that SoCalGas conducted cleanup activities at community parks in the community of Porter Ranch¹. The parks that were cleaned are located within a three-mile radius of the Standard Sesnon 25 Well (SS-25 Well). The cleanup was initiated by a complaint made from a resident and consisted of sampling "brown residue" suspected of originating from the uncontrolled release from the SS-25 Well. The Regional Board is concerned that those residues which were identified may also be present in water bodies and creeks within the three-mile radius of the SS-25 Well.

In response to the brown residues found at public facilities and homes in the community of Porter Ranch, the Order Addendum required SoCalGas to sample water bodies within a three-

¹ McNary, S. "Gas Company Says Parks Near Porter Ranch are now Clean". *Southern California Public Radio*. 12 March 2016. <http://www.scpr.org/news/2016/03/12/58487/gas-company-says-parks-near-porter-ranch-are-now-cl/>. Accessed 29 April 2016.

mile radius of the SS-25 as originally required in the Order dated February 19, 2016. The three-mile sampling radius coincided with the sampling frame used in the Community Assessment for Public Health Emergency Response (CASPER) survey conducted by the Los Angeles County Department of Public Health (LACDPH). The sampling frame used in the CASPER survey was obtained from a census block three-mile radius south of the SS-25. The area three miles south of the SS-25 Well was selected by LACDPH due to its high frequency of reported complaints.

However, the Regional Board required the three-mile sampling radius requirement for surface water bodies at a date that preceded the CASPER study, and with the separate intent to determine if the surface waters near the SS-25 were impacted or will potentially be impacted by the events of the gas leak. Water Code section 13267 allows for investigation of discharges that could affect water quality. The CASPER study did not test for the same constituents requested in the Regional Board's 13267 Order, nor is the testing required for air sampling identical to that for water quality sampling. Water Code section 13267 allows appropriately-scoped investigation into *potential*² (as opposed to actual) water quality impacts from *suspected* (as opposed to admitted)³ discharges. SoCalGas objects to the scope of the Order in this instance, although no testing to date has conclusively determined that water quality impacts (as distinguished from a standard of human health impacts measured by other related state or local agencies) have not occurred as a result of the Aliso Canyon gas leak. However, the CASPER analysis did reveal that certain metal contaminants consistent with those in well drilling fluid likely originated from the Aliso Canyon Natural Gas Storage Facility.⁴

Given the existing data, the need for the requested information and the benefits to be obtained from the reports, the Regional Board continues to assert that the current Order is appropriately tailored so as to be protective of water quality while not being overly broad or burdensome. The Regional Board deems it necessary to sample in the three-mile radius of the SS-25 Well because: sampling for water bodies was not part of the scope of the indoor air testing and the new findings are necessary in order to assess the current state of the water bodies; it is possible that brown residues and dust found locally near Porter Ranch fingerprints them back to the Aliso Canyon Natural Gas Storage Facility, and short-term health effects may pose a risk to human health and the environment, including waters of the State.

On April 11, 2016, Regional Board staff received the workplan entitled "Surface Water Sampling Work Plan" (Workplan) dated April 2016, prepared by Geosyntec on behalf of SoCalGas. To determine if any surface water bodies within a three-mile radius were impacted by the activities associated to the (SS-25 Well), the Workplan proposes a "phased investigative approach." The phased investigative approach identified two potential sampling points within the facility administrative boundary instead of the three-mile radius required in the Order dated February 19, 2016. It also suggests that additional sampling to outside of the administrative boundary is contingent upon the results of the first round of sampling. Regional Board staff determined that

² Section 13267 provides, in pertinent part: "...that *could* affect the quality of waters within its region..."(emphasis added).

³ Section 13267 provides, in pertinent part: "the regional board may require that any person who has discharged, discharges, or *is suspected of having discharged or discharging*, or who proposes to discharge waste within its region..." (emphasis added).

⁴ "Summary Report Time Critical Residential Indoor Environmental Sampling Aliso Canyon Natural Gas Incident". Leighton Consulting Inc, prepared for County of Los Angeles Department of Public Health Environmental Health. Project No. 603287.048. May 13, 2016.

implementing the phased investigative approach would not be appropriate for the site because of the following reasons:

- Concurrent investigation by other agencies suggests that the contamination already extended to outside of the facility administrative boundary. The CASPER study determined that human health and homes may be impacted in a three-mile radius of the SS-25 Well. The Workplan should focus on delineating the areal extent of contamination by judiciously collecting samples along the furthest suspected contamination site and should not be withheld within the facility administrative boundary.
- With respect to timing, the phased investigative approach would delay the sampling. The natural gas plume and associated workover fluid discharges may have deposited brown residue onto the dry surfaces of tributaries and other surface water bodies of the State. During a storm event, the suspected contaminants would be washed away from the deposition and migrate into larger water bodies. The proposed sampling plan fails to detect the full extent of the contaminants to water bodies within the vicinity of the Well because it does not take into account the wet and dry seasons.

In accordance with Section 13267 (b) of CWC, Regional Board staff presented evidence to warrant extending the sampling location to outside of the administrative boundary. In contrast, the Workplan failed to incorporate assessments by other agencies to propose a comprehensive sampling workplan. Furthermore, it did not provide any reasoning or evidence to contest a three-mile radius investigation.

On May 20, 2016, one day after the Order Addendum was sent, the Los Angeles Superior Court directed SoCalGas to pay for professional and comprehensive cleaning in the homes of residents as designed by LACDPH. The ruling appears to conclude that the contamination and damages inside the homes of Porter Ranch are correlated to the natural gas leak caused by the SS-25 Well.

On June 10, 2016, in a meeting between Regional Board staff and SoCalGas representatives, SoCalGas proposed to limit the scope of the Workplan Addendum by reducing the sampling area from a three-mile radius around the SS-25 Well to a three-mile southern half-radius. The technical merits to limit the scope of the Workplan Addendum were discussed in detail during the meeting, and the Regional Board staff requested SoCalGas to prepare a written proposal supporting its position and requested limitations. This was allowed with the understanding that SoCalGas is still obligated to submit the Workplan Addendum by the June 16, 2016 due date, pending an extension approval.

On June 21, 2016, the Regional Board issued an approval to extend the June 16, 2016 due date of the Workplan Addendum to July 18, 2016 with the condition that the scope of the Workplan Addendum is to remain consistent with the Order Addendum, subject to change upon review and approval of the Alternative Proposal by the Regional Board.

SUMMARY OF ALTERNATIVE PROPOSAL

SoCalGas proposes to reduce the scope of the Workplan Addendum from identifying and collecting surface water samples from the full three-mile radius surrounding the SS-25 Well to a three-mile southern half-radius. Although other proposals were discussed in the meeting, such

as to exclude mercury from the sampling requirement, reducing field measurement parameters, and extending the surface water technical report due date, only the request to modify the three-miles sampling radius was presented in the Alternative Proposal. The justification to limit the sample locations are based on the rationales presented below:

Prevailing Wind Direction:

In order to demonstrate that the prevailing wind direction flowed from the north of the SS-25 Well during the period of the leak, Geosyntec constructed two wind rose diagrams designated as "PT PFW" and "MA5 SP11", from the data sets recorded by two meteorological monitoring stations located approximately 0.60 mile northeast and 1.57 miles southeast from the SS-25, respectively. The wind rose diagram for PT PFW indicated that wind directions were approximately flowing: from North-Northeast 17.5% of the time, from North 24% of the time, from North-Northwest 17% of the time, from Northwest-North 7.5% of the time, and from South-Southeast 7% of the time. Cumulative totals of the wind direction flowing toward the northerly direction were estimated to be 17.5% of the time. The wind rose diagram for MA5 SP11 indicated that wind directions were approximately flowing: from North-Northwest 22% of the time, North 24% of the time, Northwest-North 7% of the time and North-Northeast 7.5% of the time. Cumulative totals of the wind direction flowing toward the northerly direction were estimated to be 16% of the time. Wind directions flowing toward the north generally indicated lower magnitude than the winds flowing toward the south. The numerical data subsets used to construct the wind rose diagrams were not provided.

Furthermore, according to SoCalGas, there is the ridgeline that generally follows the northern administrative boundary, located approximately 2,000 feet north and lies 400 feet above the SS-25 Well that behaves as a barrier to the natural gas plume. SoCalGas asserts that the upgradient topographical barrier should contain the methane plume in the event that the wind direction was to be blowing toward the northern direction.

Biological Surveys:

In accordance with California Department of Fish and Wildlife, SoCalGas conducted twice-weekly biological surveys from January 25, 2016 to February 26, 2016 to monitor wildlife creatures in their habitat and document any signs of stress, uncharacteristic behavior, or mortality possibly associated to the gas leak. The biological surveys were conducted as 15-minutes observation at six stationary sites, within approximately one-half mile from the SS-25, designated as "SS-2 North", "SS-1", "P-19", "SS-10", "SS-5", and "P-27 South". In total, SoCalGas submitted four biological surveys, consisting of over 855 cumulative minutes and observed numerous wildlife activities. There were no notes regarding oily residues in any of the reports.

CASPER Survey:

To demonstrate that that the prevailing wind conditions were blowing toward the southern direction from the SS-25 Well, SoCalGas cited that the CASPER study assessed that the frequency of reported symptoms appears to have a correlation with the location of the residences closest to and immediately downwind of the SS-25 Well.

Spot Monitoring Surveys:

From December 2015 to February 11, 2016, SoCalGas performed daily spot monitoring surveys at six designated locations throughout the southern perimeter of the Aliso Canyon administrative boundary. The survey entailed daily evaluation of accumulated residue ("spots") on stationary monitoring stations. According to the spot monitoring survey, 42% of the total spots recorded were observed at the monitoring locations closest to the SS-25 Well.

Agency Effort on Scope of the Spill Impact During the Incident:

SoCalGas stated that various local agencies such as South Coast Air Quality Management District (AQMD), Los Angeles Fire Department and LACDPH assessed the area north of the SS-25 Well to be upwind. The Standard Sesnon 1 Well, which is approximately 1,000 feet north of the SS-25 Well, was selected to obtain background soil samples. Furthermore, the Sesnon Tanks, which lies approximately 1,900 feet north of the SS-25 Well, was selected to collect background air samples.

REGIONAL BOARD EVALUATION

Regional Board staff has evaluated the rationale presented in the Alternative Proposal and other sources of information relating to the gas leak incident. The Regional Board disapproves the Alternative Proposal on the following technical basis:

1. On December 9, 2015, the Federal Aviation Administration (FAA) placed a Temporary Flight Restriction (TFR) up to 2,000 feet in altitude and with a half-mile radius above the vicinity of the SS-25 Well. The TFR was put in place as a precaution to prevent the methane plume from igniting from a flyby plane's engine. The TFR was also posted on SoCalGas' Aliso Canyon Updates website and reads "*The FAA issued a temporary localized no-fly zone near the leaking well. What this means is (sic) planes and helicopters can fly over the well as long as they are at least 2000 feet above the well. This is done to prevent any safety issues at the well site, and in the air*". Based on the TFR and through SoCalGas' own acknowledgement, Regional Board staff believes that the plume may extend upwards to 2,000 feet in elevation and that a 400 feet upgradient barrier from the ridgeline, as asserted by SoCalGas, would be ineffective from preventing the methane plume from migrating to the northern direction.
2. The wind rose diagrams are not conclusive and do not rule out the possibility that winds toward the north may have occurred during the leak. In fact, PT PFW and MA5 SP11 both appear to indicate that some wind was flowing toward the north on certain occasions. A peer-reviewed scientific study⁶ reported trace enhancements of benzene, toluene, ethylbenzene, and xylenes (BTEX) compounds were detected at ratios of 0.001% relative to the estimated 97,100 metric tonnes of methane for the leak. Furthermore, a benzene-to-methane enhancement ratio of $(5.2 \pm 0.1) \times 10^{-6}$ taken from whole-air sampling (WAS) canisters indicate that as much as 0.50492 tonnes of benzene was released into the atmosphere during the duration of the leak. Based on a conservative seven percent wind flow presented in the wind rose diagram for PT PFW and the assumption of uniform, steady state flow behavior throughout the duration of

⁶ S. Conley, G. Franco, I. Faloona, et. al. "Methane emissions from the 2015 Aliso Canyon blowout in Los Angeles, CA" *Science*. (25 Feb 2016)

leak, would estimate, at a minimum, 6.8×10^{-2} metric tonnes of BTEX compounds possibly flowed in the north direction. Despite a presumption of a prevailing wind direction in the southerly direction, all directions must be considered in order to comprehensively assess the impact into waters of the State.

3. The meteorological stations, "Porter Twin Tanks" and "MA5A" are not "officially" recognized stations by the National Climatic Data Center (NCDC). Documentation pertaining to the calibration frequency conducted on the gauge; instrument/gauge type; height of meteorological station to be able to capture higher altitude winds; and positioning of the gauge to ensure there are no obstructions to accurately record local wind patterns are relevant information. In addition, it is unclear how many data points were used to construct the wind rose diagrams and the frequency they are recorded. Furthermore, there are no records or documentation that were presented to the Regional Board to demonstrate that quality control was performed on the data used to construct the wind rose diagrams.
4. The spot monitoring survey is not able to accurately depict whether brown residue may have accumulated on any equipment or surfaces north of the SS-25. As presented in Figure 3 and identified in the legend, spot monitoring locations AA-01 through AA-06 all lie to the south of the SS-25 Well. The rationale for the spot monitoring survey was used to convey that 42% of the spots recorded were the ones nearest to the SS-25, but it fails to compare that number to a location that represents north of the SS-25.
5. The Biological Survey did not confirm or refute any possibility of contamination to waters of the State nor did it cover the vast remaining area from half-mile to three miles radius north of the SS-25 Well. Regional Board staff disagrees with the notion that six dispersed wildlife monitoring stations within a half-mile radius of the SS-25 Well should be used to conclusively dismiss the possibility that a massive and estimated to be 97,000 metric tons mobile plume can migrate toward the north.
6. Soil samples collected from the Standard Sesnon 1 and Standard Sesnon 2 Wells generally reported lower levels of constituents in comparison to the samples obtained from Wells Standard Sesnon 3 through 6. Regional Board staff considers the findings that areas closest to and south of the SS-25 Well may be more impacted than the northern area, but does not assume that the contaminant concentration diminish linearly outward or that contamination is restricted to a half mile radius of the SS-25 Well.

The Regional Board has determined that the rationale to reduce the scope of work presented in the Alternative Proposal is not adequate and denies the request to modify the scope of the Workplan Addendum. Therefore, under the authority of CWC Section 13267, SoCalGas shall submit a surface water sampling work plan that encompass a full three-mile radius surrounding the SS-25 Well as described in the 13267 Order dated February 19, 2016 and reaffirmed in the Order Addendum dated May 19, 2016. The due date for the Workplan Addendum has been extended to **July 18, 2016**.

The above requirement for submittal of a work plan addendum constitutes an amendment to the requirements of the California Water Code section 13267 Order originally dated February 19, 2016. All other aspects of the Order originally dated February 19, 2016, and the amendments thereto, remain in full force and effect. The required work plan addendum is necessary for the Regional Board to determine if surface water bodies were impacted or will potentially be impacted from activities associated with the Standard Sesnon 25. Therefore, the burden,

Mr. Bret Lane
Southern California Gas Company

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July 5, 2016

including costs, of the report bears a reasonable relationship to the need for the report and benefits to be obtained. Pursuant to section 13268 of the California Water Code, failure to submit the required work plan addendum by the specified due date may result in civil liability administratively imposed by the Regional Board in an amount up to one thousand dollars (\$1,000) for each day the work plan addendum is not received.

Should you have any questions regarding this matter, please contact Mr. Adam Taing at (213) 576-6752 or via email at adam.taing@waterboards.ca.gov.

Sincerely,


Samuel Unger, P.E.
Executive Officer

Mr. Jonathan Bishop, State Water Resources Control Board
Mr. John Borkovich, State Water Resources Control Board
Ms. Julie Macedo, State Water Resources Control Board, Office of Enforcement
Mr. Kenneth Harris, California Department of Conservation, DOGGR Headquarters
Mr. John Geroch, California Department of Conservation, DOGGR Headquarters
Mr. Daniel Dudak, California Department of Conservation, DOGGR Southern District
Mr. David Ortiz, California Department of Conservation, DOGGR Coastal District
Ms. Pat Abel, California Department of Conservation, DOGGR Coastal District
Mr. Rick R. Rothman, Morgan, Lewis & Bockius, LLP
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Ms. Karen Kwan, Southern California Gas Company
Mr. Jason Ian Hector, resident of Porter Ranch