

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 5/14/2013	(3) CONTACT/PHONE John McKenzie, Senior Planner/805-781-5452		
(4) SUBJECT Submittal of a contract (Clerk's File) with Marine Research Specialists, Inc. in an amount not to exceed \$476,569, to prepare an Environmental Impact Report for the PXP (Phase V) Oil Field Expansion Conditional Use Permit. District 3				
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors approve, and that the Chairman sign, the contract (Clerk's File) with Marine Research Specialists, Inc.				
(6) FUNDING SOURCE(S) Applicant Funded	(7) CURRENT YEAR FINANCIAL IMPACT \$476,569.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes	
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)				
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A				
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001252			(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____		
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown				
(18) SUPERVISOR DISTRICT(S) District 3 -				

County of San Luis Obispo



TO: Board of Supervisors

FROM: John McKenzie, Senior Planner, Planning and Building

VIA: Ellen Carroll, Environmental Coordinator

DATE: 5/14/2013

SUBJECT: Submittal of a contract (Clerk's File) with Marine Research Specialists, Inc. in an amount not to exceed \$476,569, to prepare an Environmental Impact Report for the PXP (Phase V) Oil Field Expansion Conditional Use Permit. District 3

RECOMMENDATION

It is recommended that the Board of Supervisors approve, and that the Chairman sign, the contract (Clerk's File) with Marine Research Specialists, Inc.

DISCUSSION

The applicant (Plains Exploration and Production LLC) is requesting a Conditional Use Permit (DRC2012-00035) to allow for the expansion (Phase V) of an existing oil field that will include the following elements: addition of 11 new well pads and modification of 38 existing pads to provide for up to 350 new oil wells; installation of additional production and steam lines to the new wells; expansion of existing electrical power system; replacement of existing pipe bridge and installation of new pipe bridge over Pismo Creek; and replacement of existing office trailers with larger office facilities. This expansion is expected to increase daily oil production from the currently approved 5,000 barrels to 9,000 barrels. No hydraulic fracturing is proposed.

The project is within the Agriculture and Rural Lands land use categories, and is located: on both sides of Price Canyon Road, extending approximately 3/4 mile to the north and 1/4 mile to the south of Ormonde Road., northeast of Pismo Beach, in the San Luis Bay (inland) planning area.

The Environmental Impact Report (EIR) scope of work focuses on the following areas: Aesthetics, Agricultural Resources, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards/ Hazardous Materials, Noise, Population/ Housing, Public Services/ Utilities, Transportation/ Circulation, Wastewater, Water, and Land Use and other sections as required by CEQA.

A Request for Proposal was distributed. Marine Research Specialists (MRS) was chosen because of their understanding of the project, expertise and experience in preparing oil development EIRs. All procedures followed are consistent with the County's contracting procedures.

OTHER AGENCY INVOLVEMENT/IMPACT

Other agencies and County departments involved in this project include: CalFire/County Fire Department, Air Pollution Control District, County Environmental Health Division, County Public Works Department, Ag Commissioner's Office, Regional Water Quality Control Board, CA Department of Fish and Wildlife, Caltrans, CA Department of Oil, Gas and Geothermal Resources, U.S. Corps of Engineers, County Counsel, City of Pismo Beach. County Counsel has reviewed and signed contract as to form and effect.

FINANCIAL CONSIDERATIONS

The applicant will fund the preparation of the EIR. The cost of this document is estimated to not exceed \$353,934 for the proposed scope of work. The contract also includes optional tasks (peer review follow-up work, as needed) totaling \$23,959, meetings/hearings/findings totaling \$45,586 and a contingency of \$53,090. The overall total for the EIR and optional tasks is \$476,569. Staff costs will be recovered through the EIR administrative processing fee.

RESULTS

The EIR will provide information regarding the environmental effects of the project, mitigation to lessen those effects and an analysis of project alternatives. This is consistent with the countywide goals of providing a well-governed and livable community.

ATTACHMENTS

Attachment A - Vicinity Map

Attachment B - Contract to prepare an Environmental Impact Report for the PXP (Phase V) Oil Field Expansion Conditional Use Permit - DRC2012-00035 (Clerk's File statement)