



For Immediate Release

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**City Website Updated with New Materials Related to
Proposed Oil Production Project at Maintenance Yard**

Part of Ongoing Commitment to Provide Residents with Information

HERMOSA BEACH, CA – As part of the City of Hermosa Beach’s commitment to transparency and accountability, Mayor Jeff Duclos announced today that the city has updated its official website to include new documents related to an energy firm’s proposal for an oil production project at the city’s maintenance yard.

The public may view these new documents, along with existing documents relating to the oil lawsuit settlement that led to the proposed project, by visiting the Proposed Oil Production Project link on the city’s website. The documents also are available for viewing at City Hall.

“Beginning with the announcement of the oil lawsuit settlement, we have made clear our commitment to provide the public with as much timely information as is possible regarding the details of the settlement and the process that is being followed as we move forward,” said Mayor Duclos. “The addition of these new documents to a dedicated page on the city website is just one of the ways we will provide residents with the factual information they need to arrive at an informed decision on the proposed oil production project.”

The mayor also asked residents for their continued patience during this intervening period of time as the city awaits the filing of the application for the proposed oil production project. “As difficult as it may be, my hope is that folks will try to avoid making sweeping assumptions about a plan that no one has seen,” he added.

Among the new documents posted on the city website is one which describes the environmental review process the city will follow, including the multiple opportunities the public will have to learn more about the proposed oil production project and to comment on it.

The city will conduct an environmental review of the project under the California Environmental Quality Act (CEQA) once E&B Natural Resources Management Corp. (E&B) files its application and project description for its proposed project. E&B is preparing a description of its proposed project, which is expected to be filed in three to four months.

Also posted on the website is the reimbursement agreement between the city and E&B stating that E&B will be responsible for the cost of consultants and other expenses related to the city’s review of the proposed oil production project. Among the costs E&B will reimburse are the payments for two consultants the city recently hired.

The Professional Services Agreements with those consultants also are posted on the site. The agreements are with Ed Almanza & Associates, a Laguna Beach firm, to serve as the project manager

and oversee the city's review of the proposed project, and former City Manager Stephen R. Burrell to assist with processing the development application, including an application for a development agreement and other necessary entitlements.

"With a project of this magnitude, the city needed additional staffing with expertise in the environmental review process and knowledge of this project to supplement existing city staff. These consultants ensure we have the personnel we need to get this proposed project's review, and all the other work done, in a timely and thorough fashion," said Mayor Duclos. "The Council chose Mr. Almanza because of his expertise in environmental processes, and Mr. Burrell because of his 18 years with the city. Mr. Burrell brings a depth and breadth of experience as the former city manager. He also has an unmatched knowledge of the history of events leading up to and including the settlement agreement that led to the proposed oil production project."

In addition, the city posted a lease and conditional use permit originally issued to Macpherson Oil Co. As described below, as part of the legal settlement, Macpherson Oil Co. agreed to dismiss its lawsuit against the city and assign its lease and permits for an oil project at the city maintenance yard to E&B, subject to a voter-approved ballot measure.

The new documents are in addition to several existing documents, including a slideshow presentation addressing some of the most frequently asked questions, a chronology of the events that led up to the newly proposed project, a press release, fact sheet, a set of Frequently Asked Questions and a copy of the legal settlement.

E&B's oil production proposal stems from a recent settlement of a long-running lawsuit filed against the city by Macpherson Oil Co. A unanimous City Council reached the settlement in March and avoided the potential for a financially devastating verdict in the 14-year legal battle over the termination of the company's lease to drill for oil at the city's maintenance yard at 6th Street and Valley Drive.

The agreement ended Macpherson's lawsuit, which had sought \$750 million from the city for allegedly lost oil drilling profits, and limited the city's maximum exposure to a cap of \$17.5 million. Macpherson Oil Co. also agreed to assign its lease and permits for an oil project at the city maintenance yard to E&B, subject to approval by the voters of the E&B project. Under the agreement, the Council will submit to the voters E&B's oil production proposal after the environmental review process is completed and all CEQA requirements met. The ballot measure will include a development agreement and other necessary legislative actions which may be required, giving voters the decision of whether to modify the existing ban on oil drilling in the city and allow E&B's proposed oil production project at the city's maintenance yard to proceed.

To view the new materials on the website, please visit www.hermosabch.org and click on the Proposed Oil Production Project link. The city will continue to add new information about E&B's proposed project and the city's review of it as they become available.

About Hermosa Beach

Founded in 1907, Hermosa Beach is known as "The Best Little Beach City." Named "Southern California's Greenest City" for its work to protect the environment, it is a thriving community of some 20,000 residents located on the southern end of Santa Monica Bay in Los Angeles County, and its beaches have been ranked among the best in the world. To learn more, please visit www.hermosabch.org.

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