

Pamela Townsend

From: Ken Robertson
Sent: Tuesday, September 24, 2013 3:24 PM
To: Pamela Townsend; 'Edward Almanza (superpark@igc.org)'
Subject: FW: Scope of the Environmental Impact Report - Comments and Concerns

Ken Robertson

Director, Community Development Department
City of Hermosa Beach
(310) 318-0242

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SEP 24 2013
COMMUNITY DEV.

From: Jim Stevens [<mailto:jimstevenswriter@gmail.com>]
Sent: Tuesday, September 24, 2013 9:00 AM
To: Ken Robertson
Subject: Scope of the Environmental Impact Report - Comments and Concerns

I would like compliment you on your handling of the Scooping meeting last evening. Patience is a virtue and you have plenty of it.

One question I would like to add to the coming report:

A few years ago, the citizens of HB went to the polls to pass a resolution to stop all permanent structures being built on the beach and greenbelt. How would this law impact the proposed or actual building of a pipeling under or above the greenbelt?

And one question I would like answered now if possible:

Has the City of Redondo Beach ok'd the proposed oil pipeline to run beneath their streets and public properties?

Jim Stevens

501 4th St.
HB

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SEP 25 2013

Michael Collins, Psy.D.

Hermosa Beach

PSY20415

COMMUNITY DEV. DEPT.
California

(310) 989-4323

August 11, 13

Ken Robertson, Director
Community Development Department
1315 Valley Drive
Hermosa Beach, CA 90254
krobertson@hermosabch.org

RE: Comments on the Notice of Preparation and Scoping Document for the Draft Environmental Impact Report for the E&B Oil Development Project

Dear Mr. Robertson,

There is no doubt that the proposed project will increase the amount of traffic, air pollution, noise pollution and light pollution in, and around, the city of Hermosa Beach. In addition to writing to you about these concerns, I will also add a dimension that is not covered in the NOP for the EIR. This project has already begun to create a threat to the citizens of Hermosa Beach that, in the psychological community, is known as an Existential Threat. Living with an existential threat brings concerns worthy of addition to the scope of this EIR and will also exacerbate the symptoms and ailments caused by the various forms of stress and pollution that will be created by this project being packed into such a densely packed community.

Air Pollution has been linked to cancer, brain damage, depression, forgetfulness, and learning and memory problems. It is paramount for the health and wellbeing of this community that we address the increased probability of this threat. I'm not certain of the threshold of acceptance that your study will utilize, but in this community's opinion, increasing the likelihood that one citizen be asked to suffer the symptoms of depression, or that one child struggle in school as a result of learning problems exacerbated by this threat, is an unacceptable threshold. There is an abundance of studies that you can reference that will scientifically support these facts.

How will the increase in air pollution caused by this project increase the probability of cancer?

How will the increase in air pollution caused by this project increase the probability of brain damage?

How will the increase in air pollution caused by this project increase the probability of depression?

How will the increase in air pollution caused by this project increase the probability of increased forgetfulness?

How will the increase in air pollution caused by this project increase the probability of a child developing learning or memory problems?

How will the increase in air pollution caused by this project increase the probability of an increase to the suicide rate in the community?

Noise Pollution has been linked to impaired cognitive function, reading comprehension, long term memory problems, learning disabilities and problems with both attention and communication. Several studies point to an overall delay in cognitive development for children raised near noise pollution. The risk to our children's academic abilities is something that must be included in this study. An increase in noise pollution also creates higher levels of stress and anxiety. Stress and anxiety bring a host of physical and psychological struggles. Increases in weight, anger, violence, and substance abuse to ameliorate symptoms of anxiety are but a few. Then there is the obvious fact that the noise created by the project will absolutely affect people's ability to sleep. There are people in this community that sleep in the day and work through the night, and then there are the rest of us, that sleep at nighttime. When you measure the level of noise created by this project, will you use the real Hermosa Beach metric? Here in Hermosa Beach we live and sleep with our windows open. We spend time outdoors and in our community. Please utilize a metric that takes into account the way we truly live our lives. We do not hide behind blackout curtains and dual paned vinyl windows. We do not wrap our houses in blue soundproof blankets. We need you to use a metric that takes into account this obvious truth. Asking us to shutter ourselves in as a way to mitigate noise will only increase the likelihood of disturbed sleep, anxiety, depression and myriad other problems associated with noise pollution.

How will the increase in noise pollution caused by this project increase the probability of impaired cognitive functioning in both children and adults?

How will the increase in noise pollution caused by this project increase the probability of reading comprehension problems for school-aged children?

How will the increase in noise pollution caused by this project increase the probability of long-term memory problems?

How will the increase in noise pollution caused by this project increase the probability of a child developing a learning disability?

How will the increase in noise pollution caused by this project increase the probability of a child developing attention problems?

How will the increase in noise pollution caused by this project increase the probability of a child developing communication problems?

How will the increase in noise pollution caused by this project increase the probability of citizens developing insomnia?

How will the increase in noise pollution caused by this project increase the probability of citizens developing depression related to lack of sleep?

How will the increase in noise pollution caused by this project increase the probability of citizens developing anxiety related to lack of sleep?

How will increase in noise pollution caused by this project increase the probability of an increase in domestic violence?

How will the increase in noise pollution caused by this project increase the probability of substance abuse directly caused by stress related to noise pollution, insomnia, depression or anxiety?

How will the increase in noise pollution caused by this project increase the probability of an increase to the suicide rate in this community?

Light Pollution has been shown to disrupt circadian rhythms, which will cause irregular sleep patterns and has been linked with a higher incidence of cancer. Fear of an increased likelihood of cancer is an obvious stressor and Existential Threat. There is an abundance of literature studying the relationship between disrupted sleep patterns and a higher incidence of stress, heart disease, cancer, depression, anxiety and poor school performance. The evidence is overwhelmingly in support of this cause and effect relationship. In addition to that, I am immediately worried that an increase of light around our community will interfere with our current sleep patterns. It would appear that there are thousands of residents that would be able to see an increase in light as a result of this project. If they can see it, this means that it is affecting them. This reality must be included as part of your metric. Will you enter several houses and study how the light of this project will enter our homes and neighborhoods?

How will the increase in light pollution caused by this project increase the probability of cancer within the community?

How will the increase in light pollution caused by this project increase the probability of disrupted circadian rhythms in sleeping citizens?

How will the increase in light pollution caused by this project increase the probability of stress in the community?

How will the increase in light pollution caused by this project increase the probability of heart disease as it relates to poor sleep?

How will the increase in light pollution caused by this project increase the probability of depression as it related to poor sleep?

How will the increase in light pollution caused by this project increase the probability of anxiety as it relates to poor sleep?

How will the increase in light pollution caused by this project increase the probability of poor school performance as it relates to disrupted sleep?

How will the increase in light pollution caused by this project increase the probability of an increase to the suicide rate in this community?

Existential Threats come in the obvious form of how a person deals with a threat upon their life. A person with a compromised immune system living by an oilfield would certainly have an increase in fear that their

body would not be able to deal with an increased amount of stress or pollution. Existential Threats are also threats to family, wellness, lifestyle and community. There is also the psychological threat that our entire community is being asked to bear as a result of living under the existential threat that was levied upon us as a result of this issue being placed back on the table. Every single community member is operating with an increased concern that the outcome of this project will effect the way that we currently live and exist. Your study is to include health and safety risks. In my business, I see people day in and day out who are seeking treatment to deal with anxiety, depression substance abuse, relationship issues, school struggles, insomnia and learning disabilities. All of these issues are listed as byproducts of living near increases in Air, Noise and Light Pollution. They are also the direct result of living with an existential threat.

How will the existential threat caused by this project increase the probability of anxiety within the community?

How will the existential threat caused by this project increase the probability of depression within the community?

How will the existential threat caused by this project increase the probability of substance abuse and dependence within the community?

How will the existential threat caused by this project increase the probability of relationship issues within the community?

How will the existential threat caused by this project increase the probability of academic struggles within the children of this community?

How will the existential threat caused by this project increase the probability of insomnia within the community?

How will the existential threat caused by this project increase the probability of an increase in learning disabilities within the children of this community?

How will the existential threat caused by this project increase the probability of an increase to the suicide rate in this community?

Air, Noise and Light pollution will be a reality of this project. As you study these factors and then offer mitigation recommendations, will WE THE PEOPLE be asked to close our windows, move our beds, stay off of our patios and roof decks, raise the sound level of conversations with our friends, family and community or alter the route that our children walk to school. If the answer is yes, then the pressing reality is that this mitigation causes a threat to the way that We Exist. If the way that a community naturally exists is threatened, all of the above mentioned questions become scientifically backed realities that must be included in the EIR.

Sincerely,

Dr. Michael Collins
2401 Pacific Coast Highway
Hermosa Beach, California 90254

Pamela Townsend

From: Ken Robertson
Sent: Thursday, September 26, 2013 4:49 PM
To: Pamela Townsend; 'Edward Almanza (superpark@igc.org)'
Subject: FW: Hermosa Oil - Lower site 10' or so

Ken Robertson
Director, Community Development Department City of Hermosa Beach
(310) 318-0242

-----Original Message-----

From: Paul Efron [<mailto:efron@theriver.com>]
Sent: Thursday, September 26, 2013 12:11 PM
To: Ken Robertson
Subject: Hermosa Oil - Lower site 10' or so

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My suggestion if the oil project goes through, is to lower the floor elevation 10' or so. The site is on a slope. The floor level could be lowered to lessen the impact of the tall wall and tall drilling rig. Because the site is on a slope, this would still have the floor above the level of Cypress Ave at the bottom so the site could still vent properly and not build up any dangerous gasses.

Pamela Townsend

From: Ken Robertson
Sent: Thursday, September 26, 2013 4:49 PM
To: Pamela Townsend; 'Edward Almanza (superpark@igc.org)'
Subject: FW: Hermosa Oil - Set wall back to allow for parking.

More comments

Ken Robertson
Director, Community Development Department City of Hermosa Beach
(310) 318-0242

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SEP 26 2013

COMMUNITY DEV. DEPT.

-----Original Message-----

From: Paul Efron [<mailto:efron@theriver.com>]
Sent: Thursday, September 26, 2013 12:05 PM
To: Ken Robertson
Subject: Hermosa Oil - Set wall back to allow for parking.

My suggestion if the oil project goes through, is to set the exterior walls to the site back to allow for head-in parking. This could create roughly 25 spots on 6th street, 15 or so on Valley and 6 or so on Cypress. Parking in Hermosa is crucial !!!

Pamela Townsend

From: Ken Robertson
Sent: Wednesday, October 02, 2013 9:02 AM
To: 'Edward Almanza (superpark@igc.org)'
Cc: Pamela Townsend; Yu-Ying Ting
Subject: FW: Hermosa Oil - Take videos of similar wells and drilling.

EIR comment?

Ken Robertson
Director, Community Development Department City of Hermosa Beach
(310) 318-0242

RECEIVED
OCT 01 2013
COMMUNITY DEV. DEPT.

-----Original Message-----

From: Paul Efron [<mailto:efron@theriver.com>]
Sent: Friday, September 27, 2013 4:58 PM
To: Ken Robertson
Subject: Hermosa Oil - Take videos of similar wells and drilling.

I suggest that you take a short video of a similar oil well and drilling setup to what is being proposed in Hermosa. Post the video on YouTube and your website. This way we can all see and hear what it will be like. The commentator in the video could even comment on the smell.

This would be very helpful for the people to get a better understanding. Get me access to some active well sites and I'll do the video for you.

From: Barbara Guild [mailto:barbg1@me.com]
Sent: Saturday, September 28, 2013 2:13 PM
To: Lael
Cc: Ken Robertson
Subject: Re: Additional Comments to EIR Study

Very well said, Lael.
Barb

Sent from Barb's iPhone

On Sep 27, 2013, at 1:57 PM, Lael <lael.stabler@verizon.net> wrote:

Mr. Robertson,

I just reviewed the additional comments to the EIR study which were posted by the City after September 12, 2013. Specifically, I am concerned about several aspects of the Daily Traffic Volume Counts provided in the Technical Memorandum submitted by Arch Beach Consulting on or about August 6, 2013. First, although the cover page reflects a date of August 6, 2013, all subsequent pages are dated August 6, 2010 which causes me to question whether the data was actually collected on the dates specified therein or was derived from a prior traffic data survey. Second, the Memorandum states that daily traffic counts were taken between July 9, 2013 and July 11, 2013 (Tuesday through Thursday) "which corresponds to the peak period of beach- and tourist-related traffic in the City...." Having lived in Hermosa Beach my entire life (over 50 years), it's been my experience that beach- and tourist-related traffic is significantly greater on Fridays (and, of course, the week-ends). A relevant traffic study needs to take into account **all** "peak" days during which oil project vehicles will be accessing the project. Third, both this and the Traffic Impact Analysis dated November 12, 2012 were conducted in the month of August when many people are on vacation and the schools are not in session. A relevant study necessarily includes an analysis of traffic during the "peak" times residents are commuting to and from work and children are driven, or are walking, to and from schools (Hermosa View, Hermosa Valley and Mira Costa). Again, anyone who lives in our community is aware of the congestion on morning and afternoon weekdays at the Pier Avenue and Valley Drive/Ardmore Avenue, Gould Avenue and Valley Drive/Ardmore Avenue, and Pacific Coast Highway and 21st Street intersections.

Neither of the analyses collected data which corresponds to the actual daily flow of traffic in our community on peak summer days and off-season (i.e., September – June) months. Accordingly, they do not provide an accurate assessment of existing baseline traffic conditions for purposes of determining how our streets and roadways will be impacted by increased oil project vehicle usage. Moreover, I would expect any traffic study to specifically include an impact assessment of heavy truck (4+ axle) (and/or towed/trailer equipment, machinery and drilling apparatus) usage of the designated oil project traffic routes.

Thank you for taking these factors into consideration.

Lael Stabler
66 – 18th Street
Hermosa Beach
310 379-3300
Lael.stabler@verizon.net

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OCT 02 2013

COMMUNITY DEV. DEPT.

From: Lael [<mailto:lael.stabler@verizon.net>]
Sent: Friday, September 27, 2013 4:58 PM
To: Ken Robertson
Subject: Re: Additional Comments to EIR Study

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OCT 02 2013
COMMUNITY DEV. DEPT.

Mr. Robertson,

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Thank you for taking these factors into consideration.

Lael Stabler
66 – 18th Street
Hermosa Beach
310 379-3300
Lael.stabler@verizon.net

RECEIVED
OCT 10 2013

Public comment on the future oil drilling COMMUNITY DEV. DEPT.
Environmental Impact Report by Robert G. Rasmussen.

1. Air Quality

There will be a degree of natural oil and gas leakage from an oil field without drilling, and at the present time the air quality with drilling will be no more than present oil field natural leakage as long as the equipment is maintained properly to prevent leaks at the pumps. In Hermosa there is generally an offshore wind blowing inland that will cover up any leakage smell so it is not noticed at the present time.

2. Geological Hazards & Resources

Oil and gas field leakage if not drilled and pumped out is a hazard in residential areas especially if there is an earthquake or other ground disturbance.

3. Fire Protection & Resources

4. Public Services & Utilities

Oil drilling will bring good paying jobs to Hermosa and money which is sorely needed. Hermosa has been raising fees in recent years to get more money (business license and parking). Hermosa has been asking for a \$1000.00 donation per child for children going to the public schools from the parents of such children. What happened to free public schools? This drilling will bring money to public schools and the mineral rights owners.

If Hermosa has to pay damages for breach of contract, damages paid will have a disasterous effect on the city budget.

Hermosa has Measure B on the November 5, 2013, election ballot, to reduce the Bar and Restaurant hours to close at 12:00 midnight which will have a large negative impact on City revenue and the oil is a replacement source of income from Measure B.

There is a group of people in Hermosa who are oblivious to the financial facts of life who are pushing Hermosa down the financial drain so there will be no services.

5. Cultural Resources

Hermosa made an agreement with McPherson Oil in about 1982-1983 and received money for such agreement (approximately 1/4 million), to allow oil drilling on City property at (6th & Cypress-Valley). Hermosa later refused to allow this agreement to be carried out and then tried to walk out on such agreement, not a very good example for life. In subsequent litigation through the California Supreme Court, Hermosa has found out such oil drilling must be allowed or damages for breach of contract must be paid, an expectable result for breach of contract. Where was the opposition to this oil drilling when the money was taken. At about this time, Hermosa was asking for donations for Valley Park on KRLA radio (1982 & 1983). Hermosa was not in good financial condition then, thus it accepted money, and the City is not much better off now. Hermosa just needs money and if this oil is not drilled the City will have to pay substantial money damages.

It is Hermosa's obligation and duty to make known before the next vote by residents, that the City received money and then

renege on the agreement. This is a negative reflection on Hermosa's credibility, credit rating, and trust worthiness, and effects its ability to operate, and Hermosa should pay damages. The agreement was entered into by a former City Council.

Hermosa has spent enough public money on this issue of oil.

6. Public Safety/Hazards

Natural oil & gas leakage is a public hazard if not drilled and pumped out in a residential area. Who will pay for any oil and gas cleanup if this leakage happens rather than gradually pump out the low viscosity hydrocarbons. Remember the tar on the beach in the 1960's that is now gone, was it actually proven where that came from. The City of Hawthorne (about 7 miles away from Hermosa) recently had a methane gas explosion (month of September 2013) caused by naturally leaking methane gas. On September 30, 2013, there was a reported oil smell on television, the reported smell was by residents in a south central Los Angeles neighborhood (about 10 miles from Hermosa).

7. Traffic & Circulation

There will be increased traffic only for the drilling period, when there is activity related to drilling. Oil & gas will be pumped out in buried pipelines and will have very little effect on the neighborhood. Is the drilling period traffic any greater than the present City yard traffic? There may be no increase in traffic at this location.

8. Visual Resources

Once drilling is completed, an oil well is no higher than the present structures on the City property (6th & Cypress-Valley). At the present time, there are buried oil lines along Herondo (190th St.) (Exxon) and a few feet west of Hermosa Ave (Chevron). These present oil lines do not affect any view, and are not seen or known by the general public, as the oil lines for this project will also be underground and will not affect any view.

9. Energy & Mineral Resources

Oil is needed by society and has a great economic benefit, to lower costs of gasoline and other hydrocarbon chemicals. There are many ideas as a substitute for energy from hydrocarbons (oil-coal-natural gas) but not one of these ideas (solar-wind-nuclear and others) is able/allowed to give a substantial production of energy in California's needs.

10. Biological Resources

11. Noise & Vibration

The noise and vibration is only during drilling, and since wells are thousands of feet in the ground, there is very little noise from a depth of a thousand feet or below.

12. Water Quality & Hydrology

Water, without oil drilling and pumping has a potential for accumulating natural oil leakage into the water, whether in the

ocean or on land.. There is probably more leakage of oil from motor vehicles on the streets than any other source, see the writing on street drains all over that say "I drain to ocean"

13. Recreational Resources

This project will not interfere with the use of the right-of-way as a park and jogging path since the oil pipe lines will be buried and out of sight. The City yard where the wells are is not generally used by the public and at the present time it interally does look like a construction site.

14. Land Use & Policy

If land with crude oil is built on, there is public risk of oil leakage without drilling and pumping. It is the public policy of Hermosa to allow building/remodeling on property even though the presence of crude oil in the ground may turn in the future, into a public hazard, on such property. The presence of oil in Hermosa has been widely known since 1982-1983, when the McPherson oil drilling contract was signed with Hermosa. Any person buying property since 1982-1983 took that property with at least constructive notice of this drilling right, and should not be heard to complain now.

There are at the present time, several oil wells on the City property which were pumping oil in the past, and that was City policy to allow this pumping.

I have observed many of these "Stop Oil" banners on quite new townhouses/conduminiums, these properties were purchased with knowledge of oil and as such, they should not be heard to

complain now. The argument that drilling will lower property values is not true, Hermosa real estate prices are now higher than they were before the real estate crash in about 2008.

15. Cumulative Effects

This project will bring high paying jobs to Hermosa, which do not exist now, money to the schools and mineral right holders. The project will last for 35 years or more with a substantial economic benefit to the City rather than the City paying out damages, money which Hermosa does not have to pay out and the school district especially needs the money. Money to pay damages needs to be borrowed and which the taxpayers will have to repay through increased taxes.

But what is the real issue here, mineral rights and who will get oil money. This opposition to oil is based on jealousy of present property owners who do not have economic rights in the oil. The City no doubt will be the major recipient of oil money.

If anybody has any issues of opposition to oil in Hermosa, look at the Bakken Oil Fields and see what they have done for North Dakota financially, that can also be the same financial benefit for Hermosa, which the City does need.

Thank You,



Robert G. Rasmussen
4001 Inglewood Ave., #101-324
Redondo Beach, Ca.
90278

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OCT 21 2013

COMMUNITY DEV. DEPT.

Cost/Benefit Report Scoping September 23, 2013

To: Ken Robertson, City of Hermosa Beach
From: Stacey Armato, Stop Hermosa Beach Oil

- 1 Cost on the city for spills, explosions, leaks: project for small to catastrophic.
(Note: two biggest revenue sources for the city are transient occupancy tax, and property tax)

Consideration should be given to the following:

- a. Decreased tourism: effect on hotels, restaurants, retail and subsequent effect on city revenue
- b. Effect on property values
- c. Effect on city services
- d. Cost of emergency services
- e. City liability when E&B exceeds insurance limits
- f. City liability when E&B goes bankrupt
- g. County, state and federal fines

- 2 Cost of negative press on city tourism and property values with each mistake or accident E&B makes.
- 3 Oil reservoir calculation

Consideration should be given to the following:

- a. risk of migration
- b. lease restriction of 21 wells into the Bay
- c. all values should be estimated assuming they will not be fracking or using high pressure steam injection- which will severely limit their oil recovery.

- 4 Property value decline

Consideration should be given to the following:

- a. To accurately estimate this, we must compare Hermosa to other affluent, dense, beach communities with high property values.
- b. Under the agreement, they can drill 360 degrees under the entire city and into the ocean- what is the cost of this on property values?
- c. Costs of the city to defend all lawsuits brought by property owners for decline in value of property.
- d. What is the current effect of the looming election on property values- specifically south of Pier Ave.?

- 5 Cost to hand over the city yard for 35 years

Consideration should be given to the following:

- a. Cost of cleaning up the site in 35 years if the oil company does not clean up.
- b. Value of property after 35 years of existing as an oil drilling site.

- 6 Opportunity/benefits lost by drilling at the city yard
Look at the proposal from 2010 from the Green Task Force for alternative ideas for the city yard

- 7 Cost to relocate the city yard
Consider subsequent property value decline at the new location.

- 8 Increased cost to city to oversee oil and drilling operations.
Look to other cities with similar sized projects to determine if HB needs its own oil and gas division.

- 9 Increased cost to city to increase fire and police, and upgrade equipment to handle a oil and gas spill, leak or explosion.

- 10 Cost on the city for road damage for excessive truck mileage during 5 year construction period.

- 11 Cost of displacing 15 parking spots.

12 Property insurance

Consideration should be given to the following:

- a. Increased cost of insurance for homes near drill site, and possibly the whole city.
- b. Who pays if homes are deemed uninsurable?

13 Tourism impacts- even without a spill leak or explosion

Consideration should be given to the following:

- a. Effect on hotels, retail and restaurants.
- b. Costs of the city to defend all lawsuits brought by business owners suffering decline in business.
- c. Costs of decreased tax revenue from Transient Occupancy Tax.
- d. Attention should be paid to special events that come to town and how those would be affected with truck traffic, drill rigs, air pollution, etc.

14 Cost of E&B expanding the drill site to adjacent areas- i.e. green belt, south park, and other adjacent public properties.

15 Tidelands royalty

Consideration should be given to the following:

- a. Fully examine the settlement and lease agreement.
- b. How many years do we really have left on the lease?
- c. General fund only ends up with 3 2/3%
- d. Macpherson ends up with 3 1/3%
- e. Tidelands trust ends up with 11 2/3%

16 Estimation of all costs to be paid before royalties are paid to the city:

Consideration should be given to the following:

- | | |
|------------------------------------|--|
| a. \$30M to buy the mineral rights | l. delay costs |
| b. EIR and other studies costs | m. promotional costs |
| c. advertising and marketing costs | n. office rental costs |
| d. clean up cost of city yard | o. security costs |
| e. all personnel costs | p. water costs |
| f. trucking costs | q. penalty costs |
| g. well construction costs | r. benefits- cars, housing, gas allowances |
| h. well maintenance costs | s. training costs |
| i. pipeline costs | t. wastewater disposal cost |
| j. insurance costs | u. other waste disposal cost |
| k. any other construction costs | v. \$3.5M that must be paid back to E&B even if they drill for oil |

17

The oil company states that nearly 40% of the oil will be recovered in the first 5 years. 80% will be recovered in the first 10 years. The minimum royalty restriction in the lease says the city will be paid a minimum royalty 4 years after the first well is drilled. Even at that point there is only a nominal yearly royalty payment. So that would mean that the city would completely miss much of peak oil production and royalty payments. Furthermore, what happens if it takes 10 years for the oil company to be reimbursed all its upfront expenses? Will Hermosa be left being paid a nominal minimum royalty throughout the duration of the 35 year contract?

18 Audit costs by the city on the oil company oil production and revenues.

19 Cost of losing future and current sustainability grants.

20 Costs of loss of opportunity to attract green jobs and development and branding our city as carbon neutral.

21 Cost of declined school enrollment

22 Benefit of being a town that doesn't drill for oil.

Consideration should be given to the following:

- a. benefits of NO risk of air pollution from drilling and trucking
- b. benefits of NO oil spill leaks or explosions
- c. benefits of NO pipeline bursts
- d. benefits of NOT being the first town to expose the Santa Monica Bay to oil drilling in over 50 years- risking its pristine state

23 Cost of 11,000+ metric tons (or more) of carbon emissions yearly

24 Cost of groundwater contamination- possibly throughout the entire city.

25 Costs of defending the city in lawsuits brought by neighboring communities.

26 Compare Hermosa Beach to LIKE communities:

Small, dense, touristy, clean beach towns with high property values and great schools that are financially solvent, with no debt and \$80 M in assets.

27 For homeowners that own mineral rights:

Because of deep directional drilling, ownership rights extended only so many feet, and the fact that the majority of oil expected to be retrieved from the tidelands, what is the likelihood these homeowners would receive any royalty?

28 Creative ways to pay for the \$17.5M fully acknowledging the city has over \$6M earmarked only to pay this settlement

29 Cost of air pollution and monetary value on short and long term health effects and mortality

30 Impartial analysis expected:

There will be people in the city or city council that have an expectation of what they want to hear, we want to be sure Kosmont is doing this for the people, not to impress city council.