MINUTE ITEM

This [illegible] 32
[illegible]
[illegible] 32 [illegible] Lands
Commission by a vote of 2
to 0 at its 8/29/85
meeting.

CALENDAR ITEM

A 57, 58

32

S 29

08/29/85
W 17084
Lammers

FIRST MODIFICATION OF THE 1985-86
PLAN OF DEVELOPMENT, OPERATIONS AND BUDGET,
LONG BEACH UNIT, WILMINGTON OIL FIELD,
LOS ANGELES COUNTY

The City of Long Beach has requested approval of the First Modification of the 1985-86 Plan of Development, Operations and Budget, Long Beach Unit. This modification would transfer funds between Budget Items in different Budget Programs. The total adjusted budget would remain unchanged at $251,278,000.

The First Modification would transfer $180,000 between programs from Budget Item A.1.b.(6) Waste Disposal Expense in the Drilling and Development Program to Budget Item B.2.b.(4) Production Operators in the Oil and Gas Production Program. Approval has also been requested to transfer a similar amount within the Oil and Gas Production Program from Budget Item B.1.b.(6) Waste Disposal to Budget Item B.2.b.(4). These funds represent the salary and burden of the Field Contractor's employees classified as Waste Handlers. The recent revision of the THUMS CO Account Manual provides that the Waste Handlers shall be charged to the Production Operators Budget Item B.2.b(4). The change was made to improve accountability by collecting similar charges for which the Production Superintendent is responsible into a single budget item. Unfortunately, in doing this the effectiveness of the recently established programmatic budget is lessened.

This modification also provides for the transfer of $512,000 from Budget Item B.5.b.(5) Leasehold Maintenance in the Oil and Gas Production Program to Budget Item E.1.b.(6) General Office Expense in the Management Program. THUMS is negotiating to lease space in a downtown Long Beach office building. Operating efficiency should improve with employees now that their location in the harbor is in a single facility. With the change the building and grounds maintenance now required for their main building will be included in the rental rate. The

cost of new, modern office space is expected to be essentially the same as the present facilities over a ten-year period.

Upon approval the affected budget items will be as follows:

Budget Item	Current Budget	This Transfer	Adjusted Budget
	(Thousands of Dollars)		
B.2.b.(4) Production Operators	$2,976	$180	$3,156
A.1.b.(6) Waste Disposal	2,247	(180)	2,067
E.1.b.(6) General Office Expense	451	512	963
B.5.b.(5) Leasehold Maintenance	4,669	(512)	4,157

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

   Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

2. APPROVE THE FIRST MODIFICATION OF THE 1985-86 PLAN OF DEVELOPMENT, OPERATIONS AND BUDGET, LONG BEACH UNIT.