

MINUTE ITEM

This Calendar Item No. 71
was submitted for information
only, no action thereon
being necessary.

**INFORMATIONAL
CALENDAR ITEM
71**

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12/03/99

D. Brown

**STAFF REPORT IN Y2K PREPARATION AND READINESS
OF THE CALIFORNIA STATE LANDS COMMISSION**

PARTY:

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Staff of the California State Lands Commission has been engaged in Year 2000 (Y2K) preparation activities since January 1998. These activities have encompassed a comprehensive review of internal electronic information processing software and equipment, telecommunications equipment and providers, and equipment systems using embedded computer chips. The staff has prepared and submitted to the Department of Information Technology a Continuity Plan for Business, which will ensure that essential services of the Commission are functional and available for the discharge of its responsibilities regarding public safety and environmental protection during the rollover at midnight, January 1, 2000. Commission staff have also contacted lessees of state lands who might be at risk of impacting public safety or the environment in the event of Y2K failure to ensure that those risks have been minimized. Each of these topics is outlined below in greater detail.

Internal Systems Readiness: All computer, networking, operating systems and software have been certified and tested to the extent possible and have been found to be compliant. This effort included the replacement of an extensive number of systems and upgrade of the primary office suite used by staff to a compliant version. All networking systems have been tested with the manufacturer and the State Data Centers. Telecommunication systems have been verified with the manufacturers to be compliant and service providers have provided Y2K compliance certifications. All systems using embedded chips have been inventoried and those few that could not be verified as compliant have been replaced. The Department of Information Technology conducted an independent Detailed Departmental Assessment of the Commission and all computer, telecommunications and embedded chip systems. This assessment found

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the Commission systems to be Y2K compliant and that the Commission "has a strong, effective Year 2000 program and processes in place."

CONTINUITY PLAN FOR BUSINESS: As part of the Governors Executive Order D-03-99 and statewide efforts of the Department of Information Technology to ensure agency preparedness, a Continuity Plan for Business was required. This plan is to outline contingencies and effective preplanning for the Y2K rollover event. Agencies were directed to review all internal processes and determine those which, if they were interrupted or unavailable, could have a "mission critical" impact. A mission critical impact was defined as having potential to impact public health and safety, the environment, revenue or essential public services. The Executive Officer appointed staff from each program area of the Commission to conduct an assessment and work with program managers to mitigate areas where significant risks were present. Staff of the Commission have been diligently working with the U.S. Coast Guard, offshore oil operators and other state agencies to ensure that staff are properly deployed and critical points of communications are established. This plan is being continually revised as additional information is received. A copy of the current plan is attached as Exhibit A.

LESSEE OUTREACH: The Commission staff have met with all offshore oil producers and pipeline operators and have received or are in the process of receiving Y2K Compliance Certifications regarding their respective operations. The purpose of these meetings is to receive information from lessees regarding Y2K preparations and compliance and to exchange information regarding rollover staffing and points of communication. Staff are also working with the State Water Resources Control Board to ensure Y2K compliance of dischargers who have leases for outfalls with the Commission. Points of contact are being established to ensure any incidents are identified and reported promptly. Staff have been in a crucial support role regarding marine terminals in that the U.S. Coast Guard's Captains of the Port have assumed primary responsibility for preparedness. Staff are also participating, at their request, in the Governor's Office of Emergency Services Marine Transportation task force.

CONTINUING EFFORTS: Staff is continuing in open dialogue with other jurisdictions and lessees to review and re-evaluate the existing plans. A moratorium is in place regarding any internal systems changes within the Commission's information or telecommunications infrastructure. All current systems have been tested and certified. Efforts will continue through the rollover to ensure that the Commission continues to serve the public without interruption.

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STATUTORY AUTHORITY

The information provided is a Year 2000 Readiness Disclosure pursuant to the Year 2000 Information and Readiness Disclosure Act (P.L. 105-271).

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION FIND:

1. FIND THAT THESE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL CODE REGS. 15061 BECAUSE THESE ACTIVITIES ARE NOT PROJECTS AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND 14 CAL CODE REGS. 15378.
2. ACCEPT STAFF REPORT REGARDING YEAR 2000 (Y2K) PREPAREDNESS OF THE CALIFORNIA STATE LANDS COMMISSION.

California State Lands Commission
Year 2000 Rollover
Continuity Plan for Business

INTRODUCTION

The California State Lands Commission (CSLC) serves the people of California by providing stewardship of the lands, waterways, and resources entrusted to its care through economic development, protection, preservation, and restoration. The CSLC was created by the California Legislature in 1938 as an independent body, composed of three members - the Lieutenant Governor and State Controller, both statewide elected officials, and the Director of Finance, an appointee of the Governor. The CSLC was given the authority and responsibility to manage and protect the important natural and cultural resources on public lands within the state and the publics' rights to access such lands.

The California State Lands Commission's policies for the management of the state's lands and natural resources are based on the highest standards of environmental protection, financial responsibility and the Public Trust Doctrine, which imposes a duty to preserve the public's lands for the use and enjoyment of future generations. The policies are designed to perform two functions: (1) generating revenue for the state, and (2) protecting, preserving and restoring the natural values of state lands. The resources managed by the CSLC are diverse and range from commercially valuable minerals such as oil, natural gas, hard rock minerals, sand, gravel, and geothermal steam to unique natural resources such as forests, grazing lands, wetlands, riparian vegetation, and fish and wildlife habitat. Additionally, enactment of the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act of 1990 expanded the CSLC's jurisdiction over marine oil facilities and led to the creation of the Marine Facilities Division.

The Continuity Plan for Business (CPB) has been developed to ensure that the CSLC will be able to continue its core business processes in the event of a system failure or other failure caused by the Year 2000 (Y2K) rollover.

METHODOLOGY

A staff work group representing each program area of the Commission was appointed by the Executive Officer to document and review core business processes and the dependencies of these processes on systems that have a risk of failure caused by a Y2K event. Each process was reviewed and dependencies noted. In those instances where the process was identified to be at risk, mitigation measures have been developed to ensure minimal disruption.

The model Continuity Planning for Business Workbook and Toolkit provided by the Department of Information Technology (DOIT) provided the basis of the evaluation and risk assessment. Each process was identified and activities mapped. For those processes that were determined to be mission critical, resources were evaluated and contingencies developed.

In regards to computer system failures, the CSLC believes that most CPB contingencies are already covered in the Operational Recovery Plan. Additional measures are possible and shall be undertaken since unlike other events, the Y2K is not a result of happenstance but an event that will occur at a precise time. These measures are discussed below.

FINDINGS

The initial analysis of processes revealed very few that were dependent on systems or were of time critical nature. Most of the processes of the CSLC deal with long term projects involving land ownership, leasing and land management issues. These processes are such that they would not be critically impacted by loss of systems for well in excess of 14 days. During this analysis there were two activities that were identified as having mission critical dependencies on systems. These involve the monitoring of oil transfers at marine terminals and oversight of oil and gas operations on oil platforms or facilities onshore immediately adjacent to the marine environment. In both of these instances, the telecommunication system was determined to be critical to the operations. A department critical function that did not meet the prescribed mission critical criteria, but is none-the-less essential, is the timely processing of applications for the use of State lands. These applications must be deemed either complete or requiring further information within 30 days of receipt. The ability to process and respond to such applications must be available.

Mission Critical Systems

Marine Terminal Oil Transfers

This activity is very dependent on telecommunications. Terminal operators are required to notify CSLC of ship arrivals and transfer schedules. This notice will usually occur via fax 4 to 24 hours in advance. Upon receipt of notice staff perform a file search regarding the vessel and facility where the transfer will occur. The prior performance of both the vessel and terminal are evaluated and, using a predetermined matrix, the transfer is scored. These scores are used to deploy staff from the office or re-deploy staff in the field depending on the relative risk of current activities. This evaluation process ensures that the highest risk transfer events are monitored. This deployment is cellular and landline telephone and pager dependent. In the event of a spill, staff would be re-deployed to that location to investigate the cause of the spill. This activity is also cellular and landline telephone and pager dependent.

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The availability of the transportation grid is also a major concern. There have been proposals to close key bridges in the San Francisco Bay area on New Year's Eve that could make travel to or between marine facilities very problematic. Vehicles must also be available, fueled and in working order.

Offshore Oil Production Facilities Monitoring

Commission staff are assigned to monitor operations on oil platforms and other marine oil production facilities to ensure safe, pollution-free operations. Notices of most events such as drilling are made well in advance. However, staff presence at such facilities may reveal hazardous conditions or may have to respond to potential spill events. Again, this activity is dependent on cellular and landline telephone and pager communications for staff deployment and reporting.

Department Critical Systems

Enterprise Network

The Commission's wide area network was classed as a Department Critical System in that it provides e-mail, internet/intranet, file and print services to all agency users. Everyday work processes have become dependent on the services to the extent that disruption for an extended period of time could cause increased workload and costs though none of the processes impacted meet the test of being classed "Mission Critical". The most critical process dependent on these resources is application processing. The Permit Streamlining Act requires that an agency receiving an application must respond to the applicant on whether the application is complete and provides all necessary information for processing within 30 days of receipt. If the agency fails to do so, the application is deemed "complete" by virtue of the inaction of the responsible agency. This can limit subsequent efforts by staff to obtain additional information on the project and pressure by interest groups which criticize the failure of the agency to exercise its due diligence in regards to the application and its responsibilities to protect public interests.

IMPACT MITIGATION

The Detailed Departmental Assessment (DDA) classed the telecommunication systems as Mission Critical. As the above activities indicate, environmental protection and public health and safety are primary objectives. Loss of pager, fax, landline and cellular communication would severely impede the CSLC in carrying out mission critical functions.

Marine Terminal Oil Transfers

A dialogue with the U.S. Coast Guard Captains of the Port in San Francisco Bay and Ports of LA/Long Beach has been ongoing. The following steps will be taken to ensure deployment of staff to monitor all oil transfers during the rollover:

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- The CSLC and the Coast Guard have interviewed all operators. Some will voluntarily not be conducting any transfers during the critical Y2K period.
- A CSLC Marine Terminal Inspector or U.S. Coast Guard staff will be at all tanker ships moored and in any phase of transfer. This pre-staging will allow staff presence at all potential points of risk and reduce dependence on the transportation grid and vehicular travel.
- The Coast Guard will require a safety check of all systems prior to the first transfer at a facility after rollover. Certain processes such as lightering will not be permitted during Y2K critical time periods. Other restrictions may be implemented as the Coast Guard sees fit. The CSLC will assist in enforcement of these restrictions.
- It is possible that the Coast Guard may require all vessels to cease transfer for a window period around the rollover to ensure all systems at transfer facilities remain on-line and functional.
- Vessel movement restrictions, particularly in SF Bay, will be implemented by the Coast Guard which will substantially reduce the number of new transfer events beginning during a substantial window around Y2K roll-over.
- All telephones, pagers, faxes and other communications equipment has been certified as compliant by manufacturers as noted in the DDA.
- All switches and systems at telecommunications companies used by the CSLC have been certified as Y2K compliant.
- A back-up radio system for the SF Bay (Hercules) office to maintain contact with Coast Guard has been purchased and tested. This is critical at that location because of the distances involved to and between terminals.
- Multiple pager and cellular vendors are being used to reduce impact of failure of any one vendor.
- All vehicles will be fueled on December 31.

Offshore Oil Production Facilities Monitoring

All measures regarding to telecommunications and vehicles have been implemented for the offshore oil platform monitoring process as well. Additionally, CSLC has procured marine-band radios for contact with oil operators. The operators are using marine band as a primary backup to cellular/landline telephone. Events such as drilling or pressure testing will not be scheduled during rollover or for a period thereafter until all systems have been verified to be operational. There currently exist on-call assignments and notification processes for oil spill events. Staffing will be available from 11pm to 3 am at the Huntington Beach, Santa Barbara and Long Beach MRM offices. Additionally, staff will adhere to the existing on-call schedules. These will continue to operate through the rollover.

Department Critical Systems

The DDA revealed that Y2K compliance was nearly complete for department critical systems (full compliance has since reached) and that the agency practices a clean

management involving any additions or changes to the systems. This will continue through the rollover. Staff will be scheduled to report to work New Year's Day at all four CSLC office sites to verify all systems are operational. Should any failures be noted, the procedures specified in the current Operational Recovery Plan for systems failures will be implemented.

Should events of the Y2K rollover on January 3 and after result in reduced staffing due to transportation or other failures and disruptions, the CSLC will refer to its Job Action Contingency Plan. This plan prioritizes processes that must continue in the event of reduced staffing caused by a job action by represented employees. Y2K could cause similar impacts. This has been distributed to all managers and supervisors and will provide a basis for staffing priorities should circumstances warrant.

All lease or permit applications received by the agency subject to the 30-day permit processing requirements will be logged and processed. Priority will be given those received prior to December 15, 1999 to ensure they are processed and responded to prior to December 31. Applications received after December 15 will not require action until January 14. This should provide adequate time for processing. A stock of preprinted forms will be available to reduce any impact of a system failure.

CONTINUING EFFORTS

This plan is a work in progress and could see significant modification as the rollover event nears. There are continuing workgroups involving CSLC staff regarding marine transportation issues. Additionally, the USCG is continuing to update and modify its approach to the issue. They are vital CSLC partners in the Marine Terminal Monitoring process. This will be an opportunity for staff and industry to discuss overall preparedness and to ensure all contingencies are anticipated.

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