

**KERN COUNTY  
OIL AND GAS PERMITTING PROGRAM  
ANNUAL PROGRESS REPORT  
(December 1, 2016 to November 30, 2017)**



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Natural Resources Department  
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December 2017

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## **1.0 Introduction**

On November 9, 2015, the Kern County Board of Supervisors approved revisions to the Kern County Zoning Ordinance – 2015 (C), focused on Oil and Gas Local Permitting and certified an Environmental Impact Report (SCH #2013081079). Staff was directed to provide an annual update to the Board regarding the process.

### **1.1 Reporting Period**

This report marks the second full year of Oil and Gas processing under the revisions to the Zoning Ordinance. The reporting Period began on December 1, 2016, the first day after last year's annual report, and goes through November 30, 2017.

### **1.2 Topics to be Discussed**

Staff has proposed the following topics to be discussed in this and each subsequent Report to your Board:

#### Accounting of Annual Permits

- Oil and Gas Conformity Review
- Minor Activity Review

#### Accounting of Annual CEQA Mitigation Fees Collected

- Roads Mitigation
- Fire equipment Mitigation
- Rural Crimes Task Force Mitigation
- Biological Habitat Replacement Mitigation
- Air Quality Emission Reduction Agreement Mitigation
- Agricultural Land Replacement Mitigation
- Paleontological Mitigation
- Notice of Exemption Clerk Posting Fee

#### County Produced Permit Assistance

- Accela Automation
- Oil and Gas Handbook
- Small Producers Handbook

#### Continued Coordination

- Online Permitting System
- Other County Departmental Reporting
- Emission Reduction Agreement Reporting
- Re-use of Produced Water

## 2.0 Accounting

### 2.1 Annual Permits

During the reporting period, the Planning and Natural Resources Department received and processed the following number of permits:

| Permit Type                   | Applied |      | Issued |      | Closed |      |
|-------------------------------|---------|------|--------|------|--------|------|
|                               | 2016    | 2017 | 2016   | 2017 | 2016   | 2017 |
| Oil and Gas Conformity Review | 1202    | 1943 | 1122   | 1891 | 125    | 252  |
| Minor Reworks *               | N/A     | 424  | N/A    | 399  | N/A    | 4    |
| Minor Activity Review         | 77      | 118  | 72     | 105  | 20     | 38   |

\* Permitting initiated in May 2017

In the second year of the program, County Staff has successfully reviewed 100% of applications within the mandated 7-business day and 3-business day review time frames. With an average 7-business day review being completed within 5-business days.

### 2.2 Annual CEQA Mitigation Fees Collected

During the reporting period, the Planning and Natural Resources Department collected the following CEQA mitigation fees:

| Mitigation Measure | FEE CODE                                             | AMOUNT         |                 |
|--------------------|------------------------------------------------------|----------------|-----------------|
|                    |                                                      | 2016           | 2017            |
| 4.16-1             | POG050 - Roadway Maintenance/Improvements            | \$388,700.00   | \$1,444,500.00  |
| 4.14-1             | POG051 - Firefighting Equipment                      | \$162,450.00   | \$380,700.00    |
| 4.5-3              | POG052 - Paleontological Resource                    | \$10,300.00    | \$37,950.00     |
| 4.14-2             | POG053 - Rural Crimes Unit                           | \$432,225.00   | \$1,065,050.00  |
| 4.2-1              | POG054 - Mitigation of Agricultural Land Replacement | \$30,996.00    | \$20,817.00     |
| 4.3-8              | POG055 - Air Quality Impacts                         | \$3,329,332.87 | \$14,443,711.93 |
| 4.3-8              | POG057 - SJVAPCD Fee                                 | \$138,722.20   | \$584,744.32    |
| 4.4-16             | POG056 - Biological Resources Mitigation             | \$60,502.50    | \$349,985.29    |

## 3.0 County Produced Permit Assistance

### 3.1 Accela Automation

Beginning shortly after the project was approved by your Board, Staff began working to create a new automated permitting process. This process entailed the development of computer aided permitting software, designed to assist in meeting the review periods set out by the adoption of the revisions to the Zoning Ordinance. Accela Automation, the program currently used by the County for processing of grading and building permits by the Public Works Department was selected as the most compatible. Staff

worked to design a module capable of handling oil and gas permits. The program was successfully launched at the start of the permitting process and has allowed Staff to input each oil and gas review permit into a database. Benefits of this program include: consistent processing times, accurate fee and mitigation estimates, and has allowed for reporting of permitting types for production of annual reports.

### **3.2 Oil and Gas Handbook**

In January 2016, Staff released the Oil and Gas Handbook. This handbook was designed as an introduction to oil and gas permitting. The handbook can be utilized by oil and gas companies or by citizens in Kern County to help with understanding the rules and regulations of the local permitting process. A copy of the handbook can be found on the Kern County Website, located: [http://www.co.kern.ca.us/planning/pdfs/oil\\_gas/kern\\_oil\\_gas\\_permitting\\_handbook.pdf](http://www.co.kern.ca.us/planning/pdfs/oil_gas/kern_oil_gas_permitting_handbook.pdf)

### **3.3 Small Producers Handbook and Permitting Software**

County Staff released a Small Producers Handbook in November of 2016. This handbook differs from the Oil and Gas handbook, in that it provides a step-by-step tutorial for any company to begin the permitting process. Along with the handbook, Staff worked with a private consultant to create an online permitting tool. This wizard driven program can be used by any company wishing to create a detailed site plan and checklist for mitigation monitoring and reporting. The program, along with the handbook, allows companies to walk through each of the requirements of the Zoning Ordinance and produce a package that can be submitted to County Staff for review.

## **4.0 Continued Coordination**

### **4.1 Online Permit Submission**

In January of 2017 Staff completed development of a tool to allow for the online submission of oil and gas permits through the Accela Automation program, known as Citizen Access. Applicants now are able to submit an application package, including site plans, mitigation compliance, and fees completely from their office. They also have the ability to check the status of their permit and print the necessary permit documents, once a permit has been issued. This process has dramatically increased the efficiency of the permitting process and saved applicants time and money. Another feature of Citizen Access is the ability for any member of the public to view past and current permits online.

### **4.2 Other County Departmental Reporting**

Two mitigation measures approved with the revisions to the Ordinance require other County Departments to file annual reports with your Board. These Mitigation Measures are MM 4.14-2 (Rural Crimes) and MM 4.16-1 (Roads). The Sheriff's Department provided the Board of Supervisors during budget hearings in July and August the staffing levels for the Rural Crimes Unit and is utilizing these funds to keep the unit operational. The Roads Commissioner has determined that the amount of the funding should increase through the first quarter next year before expenditures begin. Projects eligible for the funding were identified in the Final EIR and Public Works is beginning an evaluation of priorities.

### **4.3 Emission Reduction Agreement Reporting**

On August 18<sup>th</sup>, 2016, the San Joaquin Air Pollution Control (APCD) Board approved the final Emission Reduction Agreement (ERA) between the APCD and the County for mitigation of air impacts as outlined

in the Final EIR. County Staff continues to work with the APCD on the coordinated review of projects to facilitate their consideration and the subsequent transfer of funds upon approval.

#### **4.4 Re-use of Produced Water**

Mitigation Measure 4.17-2 states the following:

Applicant shall increase the re-use of produced water, and reduce its use of municipal and industrial-quality ground or surface water use to the extent feasible. By the end of 2016, the Applicants shall work with the County to review water use data submitted to Division of Oil Gas and Geothermal Resources under Senate Bill 1281 and identify the five biggest oil industry users of municipal and industrial water by volume. The five biggest oil industry users of municipal and industrial water shall work together to develop and implement a plan identifying new measures to reduce municipal and industrial water use by 2020. The plan shall address the following activities, as appropriate: steam generation; drilling and completions (including hydraulic fracturing); dust control; compaction activities related to construction; and landscaping. Through the KernFLOWS initiative or other efforts (e.g., Groundwater Sustainability Agency), the five biggest oil industry users of municipal-and-industrial water shall also work with local agricultural producers and water districts to identify new opportunities to increase the use of produced water for agricultural irrigation and other activities, as appropriate. Any produced water treated and used for agricultural irrigation or other activities shall be tested and monitored to assure compliance with applicable standards for such agricultural irrigation or other uses.

Industry representatives have submitted a memorandum identifying the five biggest industry users of municipal and industrial water by volume. These companies are: Chevron, Freeport-McMoRan Oil & Gas, Aera Energy, LINN Energy, and California Resources Corporation. The estimated amount of combined M&I water injected was 8,000 acre-feet/year. The industry has committed to working together to identify new measures to reduce M&I water by 2020. Staff will continue to update the report as necessary.