

Robin Roberts

From: Jill Ingram
Sent: Monday, July 23, 2018 9:15 AM
Cc: Vikki Beatley; csteele@rwglaw.com; Robin Roberts
Subject: RE: Oil and Gas

BCC: CITY COUNCIL

In response to Mayor Varipapa's questions below, the \$13 million estimate represents the total potential revenue (one-time plus recurring) that's been identified so far by MPA's independent work. This preliminary estimate is a cumulative amount stemming from a handful of sources using MPA's large collection of documentation, modeling, and detailed analysis. Each individual revenue's statutory amount, type, timing (including statutory tax limitations), legal matters, and the applicable laws, rules, regulations, and ordinances underlie MPA's estimates. Once MPA completes its proposed work, estimates of one-time (delinquent / lump-sum) and recurring (annual & quarterly) revenues from each identified source can be confirmed and then owed revenues can be collected. In MPA's earlier work (2013/14), the City's oil producers (Hellman and DCOR) produced approximately 407,000 barrels of oil and approximately \$337,000 in barrel taxes in the City's fiscal year 2012. In that same period, the City's oil producer (Breitburn) produced approximately 23,000 barrels of oil. The City recovered approximately \$18,500 in delinquent barrel taxes for that year from Breitburn. Based on MPA's work, in 2014 the City recovered a combined \$216,862 in taxes & fees, plus Brietburn's ongoing quarterly tax and fee obligations.

As always, please call if you have any additional questions.

Jill R. Ingram, City Manager
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For Information about Seal Beach, please see our city website: <http://www.sealbeachca.gov>

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

From: Mike Varipapa
Sent: Tuesday, July 17, 2018 4:20 PM
To: Jill Ingram
Cc: Robin Roberts
Subject: Oil and Gas

Hi-

Can you please provide answers to the questions below prior to Monday's meeting (preferably by early afternoon)-

1- Of the \$13 million potential revenue recovery that Kirste has identified, how much is delinquent past-due taxes from the last three years?

2- How much annual cash flow does Kirste estimate from the potential sources of revenue he has identified? Lump sum total - no breakdown by producers.

3- MPA's summary of oil companies operating in the city and a summary of revenues that possibly could be recovered from various sources - what has been provided to date by MPA/Kirste?

Thanks in advance.

Mike