

**Los Cerritos Wetlands Authority**

**Date:** February

**To:** Governing Board Members

**From:** Mark Stanley, Executive Officer

**Subject:** Item 11: Consideration of resolution to authorizing the Executive Officer to enter into a Memorandum of Agreement with Signal Hill Petroleum, Inc for specific use areas.

**RECOMMENDATION:** Los Cerritos Wetlands Authority authorizes the Executive Officer to execute a Memorandum of Agreement with Signal Hill Petroleum, Inc for specific use areas.

**BACKGROUND:** The LCWA approved Resolution 2016-18 at the November 3, 2016 Board Meeting to approve a Memorandum of Agreement (MOA) with Ascon RPs as represented by PNL to accept mitigation funds for the Southern Tarplant Mitigation Plan (STMP). Since then, Staff has coordinated with the State Coastal Conservancy (SCC), Signal Hill Petroleum (SIGNAL) and PNL to develop a concise and complete MOA. Staff has received approval from SCC to accept mitigation credits and a final authorized MOA has been approved; but, the MOA will require an additional approval for use of specific areas within the Signal Hill Petroleum.

The LCWA is required to coordinate with SIGNAL for their approval for use of specific areas since SIGNAL owns the mineral fee interest underlying the LCWA properties and is the beneficiary of surface use rights for oil and gas operations on the Los Cerritos Wetlands area per the Termination of Oil and Gas Lease and Grant of Easement dated June 30, 2006 (the "Easement Agreement"). Per the Easement Agreement, SIGNAL has certain easements that allow for SIGNAL's exclusive use of specific areas within the Los Cerritos Wetlands area ("Exclusive Use Easements"). Staff recommends authorizing a Memorandum of Agreement with SIGNAL to allow for specific uses to be modified within the Exclusive Use Easements and to allow for restoration to occur within SIGNAL's Exclusive Use Easements, please see Exhibit A.

The MOA would provide services from the Los Cerritos Wetlands Stewardship Program to fulfill Ascon's mitigation requirements for the Southern Tarplant Mitigation Plan. The proposed mitigation areas (Exhibit A) are identified as areas suitable for establishing southern tarplant given the habitat is currently mapped as Southern Coastal Salt Marsh, Ruderal Upland and Vegetation Free Zones. With these areas already supporting a viable southern tarplant plant community, the STMP would enhance these plant communities and further restore Los Cerritos Wetlands. In addition, the proposed mitigation areas are within the Zedler Marsh, an ideal location for growing southern tarplant due to its existing hydrology, seamless extension from the LCWA's ongoing restoration areas and existing populations of southern tarplant.

**FISCAL:** The MOA with SIGNAL is at no financial cost to the LCWA.

**LEGISLATIVE AUTHORITY AND LCWA ADOPTED POLICIES/AUTHORITIES:** Resolution 2016-10 and 2016-18 provided staff resources to begin negotiations with Ascon RPs and represented by PNL to develop a Memorandum of Agreement to accept mitigation funds for the Southern Tarplant Mitigation Plan.

**Exhibit A:**

**Memorandum Of Agreement**

This Memorandum of Understanding (“MOU”) is entered into by and between Signal Hill Petroleum, Inc. (“SIGNAL”), a California corporation company, and the Los Cerritos Wetlands Authority, a California joint powers authority (“LCWA”). SIGNAL and the LCWA are sometimes referred to individually as a “Party,” and collectively as the “Parties.”

**WHEREAS**, the LCWA is a joint exercise of powers authority established between the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, State Coastal Conservancy, City of Long Beach and City of Seal Beach, with the purpose of providing for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration, and improved water supply, water quality, groundwater recharge and water conservation; and

**WHEREAS**, SIGNAL owns the mineral fee interest underlying the Los Cerritos Wetlands area and is the beneficiary of surface use rights for oil and gas operations on the Los Cerritos Wetlands area per that certain Termination of Oil and Gas Lease and Grant of Easement dated June 30, 2006 (the “Easement Agreement”). Per the Easement Agreement, SIGNAL has certain easements that allow for SIGNAL’s exclusive use of specific areas within the Los Cerritos Wetlands area (“Exclusive Use Easements”); and

**WHEREAS**, LCWA desires to restore southern tarplant on certain areas within the Exclusive Use Easements; and

**WHEREAS**, per the Easement Agreement, SIGNAL shall have the sole and exclusive right to use any and all Exclusive Use Easements located within the Los Cerritos Wetlands area; and

**WHEREAS**, per the Easement Agreement, LCWA shall not construct or place any structures, plants, trees, or other landscaping, or estuarine system improvements on any portion of areas covered by the Joint Use Easements, Pipeline and Utility Easements or Right-of-Way Agreement, except as approved by SIGNAL and set forth on an improvement and restoration plan; and

**WHEREAS**, the LCWA has proposed implementation of a restoration project designed to mitigate for impacts to southern tarplant by a third party and has identified areas within SIGNAL’s Exclusive Use Easements for such restoration project (the “Project”); and

**WHEREAS**, LCWA shall acquire funding for restoration costs related to the Project, including an endowment for the long-term management and maintenance of the Project; and

**WHEREAS**, LCWA will maintain and manage the restoration in perpetuity and the MOA will remain in effect until SIGNAL and LCWA mutually agree to amend or terminate the MOA; and

**WHEREAS**, the LCWA will obtain all necessary regulatory permits and approvals for the Project.

**NOW, THEREFORE**, it is mutually agreed by and between the undersigned Parties as follows:

**1.0 PROJECT AREA**

The Project area encompasses approximately 0.5 acres of SIGNAL’s Exclusive Use Easement (the “Project Area”) as depicted on Attachment “A.”

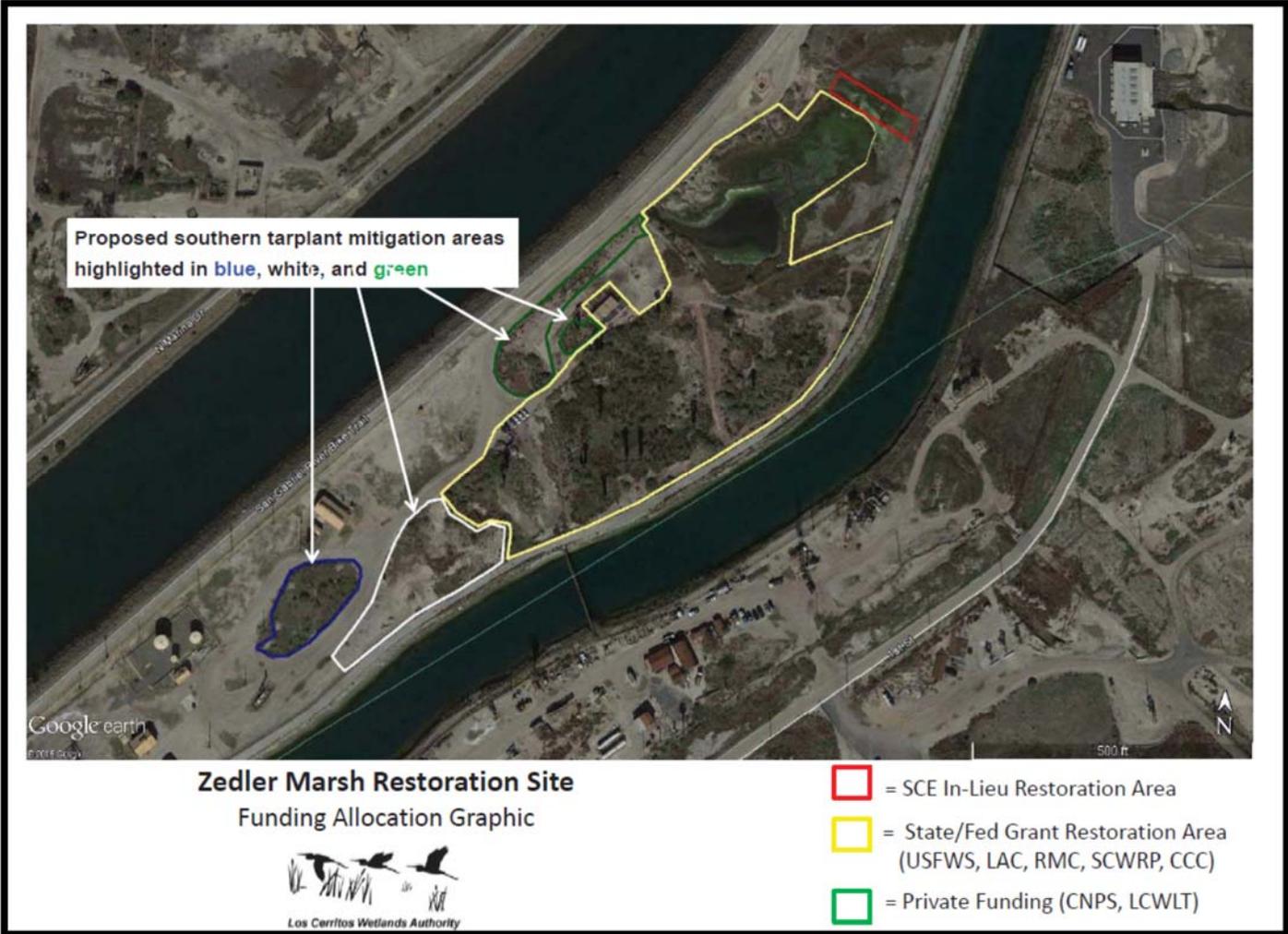
**2.0 PROJECT IMPLEMENTATION**

Within 45 days of the date on which this MOU is signed, the LCWA shall submit a workplan which will include a task list, timeline and budget for review and approval by SIGNAL.

LCWA will be responsible for obtaining all necessary permits, including a coastal development permit (if required) and shall carry out and complete the Project.

Before work is initiated on the project, representatives for the LCWA and SIGNAL will delineate the Project boundaries so that the Project does not impede any current or future operations or facilities. The LCWA will install a permanent 2-foot tall fence to delineate the Project Area. All plants growing in the Project Area (inside the fence) will be protected. Any plants growing outside of the Project Area will be removed as part of SIGNAL’s ongoing vegetation management program. The LCWA will maintain all areas so that they are free of non-native weeds and do not pose a fire hazard to SIGNAL’s operations.

The LCWA will communicate all upcoming Project related activities with SIGNAL on a quarterly basis. SIGNAL will communicate to the LCWA the timeline for any operations that may pose a safety hazards to LCWA representative who are implementing the Project.



**3.0 MISCELLANEOUS PROVISIONS**

**3.1 Good Faith**

The Parties agree in good faith to work to fulfill the objectives of this MOU.

**3.2 Designated Contact Persons**

Sean McDaniel  
Signal Hill Petroleum  
2633 Cherry Ave.  
Signal Hill, Ca 90755  
562-595-6440

Mark Stanley  
Los Cerritos Wetlands Authority  
100 N. Old San Gabriel Canyon Road  
Azusa, CA 91702  
(626) 815-1019

IN WITNESS WHEREOF, the Parties through the signatures below of their authorized representatives agree to this Memorandum of Understanding.

Los Cerritos Wetlands Authority

By: \_\_\_\_\_

Dated: \_\_\_\_\_

SIGNAL HILL PETROLEUM, INC.

By: \_\_\_\_\_

Dated: \_\_\_\_\_

February 3, 2017 – Item 11

RESOLUTION 2017-03

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY  
AUTHORIZES THE EXECUTIVE OFFICER TO EXECUTE A  
MEMORANDUM OF AGREEMENT WITH SIGNAL HILL PETROLEUM,  
INC FOR SPECIFIC USE AREAS

WHEREAS, the Los Cerritos Wetlands Authority has been established between the Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Seal Beach and the City of Long Beach to facilitate the acquisition, protection, conservation, restoration, maintenance and operation an environmental enhancement of the Los Cerritos Wetlands; and

WHEREAS, the LCWA has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects within the Los Cerritos Wetlands; and

WHEREAS, this action will authorize the Executive Officer to execute a Memorandum of Agreement with Signal Hill Petroleum; and

WHEREAS, the proposed action is exempt from the provisions of the California Environmental Quality Act; NOW

*Therefore be it resolved that* the LCWA hereby:

1. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
2. FINDS that this action is consistent with the purposes and objectives of the LCWA.
3. Authorizes the Executive Officer to execute a Memorandum of Agreement with Signal Hill Petroleum.
4. Appoints the Executive Officer to execute the Memorandum of Agreement.
5. ADOPTS the staff report dated February 3, 2017.

*~ End of Resolution ~*

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY ON  
February 3, 2017.

\_\_\_\_\_  
Sam Schuchat, Chair

ATTEST:

\_\_\_\_\_  
David Edsall  
Deputy Attorney General

