

**Los Cerritos Wetlands Authority**

**Date:** August 17, 2022

**To:** Governing Board Members

**From:** Sally Gee, Project Analyst

**Through:** Mark Stanley, Executive Officer

**Subject:** Item 13: Consideration of a resolution approving mutual release of specific easements with Zenith Terminals

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**RECOMMENDATION:** That the Los Cerritos Wetlands Authority (LCWA) approve mutual release of specific easements with Zenith Terminals on the OTD Parcel and Zenith Parcel

**PROJECT DESCRIPTION:** On May 13, 2022, a representative of Zenith Energy West Coast Terminals, LLC (Zenith) contacted the LWCA to request consideration of mutual release of specific easements that affect the LCWA's OTD Parcel and adjoining Zenith Parcel (Exhibit A: Map). The easements are remnants from when the two properties were under Southern California Edison (SCE) ownership, titled Parcel 3 in documents, prior to transfer of the OTD Parcel to the LCWA. The specific reciprocal easements memorialized in various grant deeds and agreements, namely the 1997 Master Declaration, were transferred to the LCWA with additional easements from a transaction between Pacific Terminals and SCE to create the OTD parcel in 2007. These easements are detailed as follows:

1997 Master Declaration carried over from a large subdivision of land:

- Pedestrian and vehicle access over existing roads
- Use of existing sewer and storm drain facilities
- Use of existing surface drainage facilities

2007 Blanket Easements burdening the OTD Parcel:

- Vehicular and pedestrian access
- Water and wastewater systems
- Electric and telecommunication facilities
- Drainage
- Land support
- Fuel systems
- Parking
- Encroachments

Since LCWA's ownership of the OTD Parcel the 1997 Master Declaration easements have not been utilized because both the OTD Parcel and Zenith Parcel are separated by 10-15 foot earthen berms. There are existing roadways that surround the OTD Parcel, but the LCWA does not require those to access the property. The easements were mainly created by SCE to reserve rights for their benefit over three subdivision land sales. Regarding surface drainage, the LCWA has noticed some drainage off the Zenith Parcel from large rain events since it sits at a higher elevation than the OTD Parcel, but the issue is not of significant concern. According to Zenith's stormwater management plan, all water is design to drain north away from the OTD Parcel (Exhibit A: Map, red arrows). Similarly, since the Zenith Parcel and OTD Parcel are separated by a berm, surface

flows from the OTD Parcel to the Zenith Parcel does not occur in a significant amount. Furthermore, current OTD Parcel leases have been able to remedy the issue during those events.

Zenith has requested for the LCWA to release the easements under the 1997 Master Declaration on the Zenith Parcel. At the same time, Zenith will release the same easements under the 1997 Master Declaration over the OTD Parcel. In addition, Zenith will also release 2007 Blanket Easements detailed above that were created when Pacific Terminals transferred the OTD parcel to SCE, which was then assigned to the LCWA. Zenith does not currently utilize the 2007 Blanket Easements.

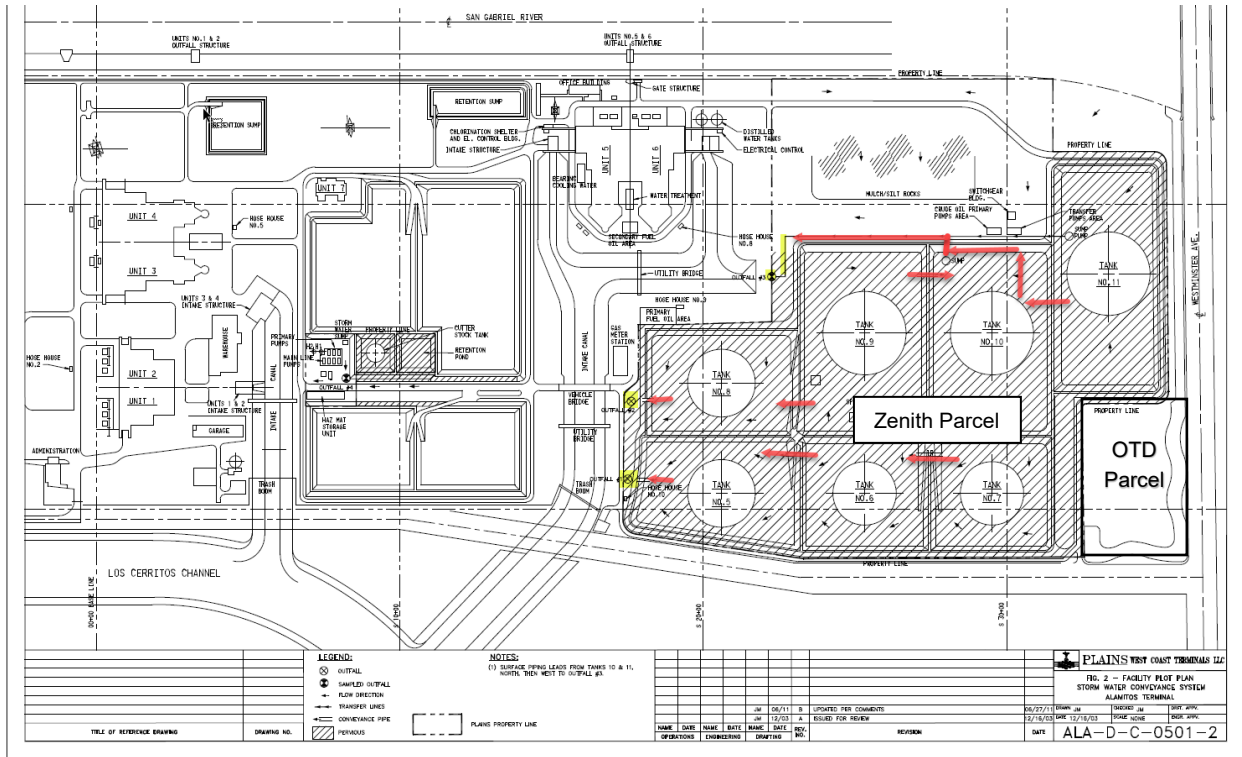
After several internal discussions, LCWA staff does not foresee use of the easements under the 1997 Master Declaration and recommend release of the easements. LCWA staff is also seeking approval from Los Cerritos Wetlands, LLC for this transaction since they have an option to acquire the OTD Parcel. At this time, the Los Cerritos Wetlands, LLC has not yet provided a response. Therefore, it is possible that they may object to mutual release of the easements.

If approved, the action contemplated today would allow the Executive Officer, or designee, to negotiate and execute mutual release of the easements detailed in this staff report with Zenith, pending concurrence from Los Cerritos Wetlands, LLC.

**BACKGROUND:** The OTD Parcel was once part of a large subdivision of land owned by SCE. In the late 1990s, SCE subdivided the land into four parcels and created the 1997 Master Declaration to allow common use of facilities across all four parcels. In 1998 and again in 2001, SCE sold Parcels 1 and 2 respectively to AES Corporation. With each sale, SCE reserved additional rights through easements, which benefitted Parcel 3. In 2003, SCE sold Parcel 3 to Pacific Terminals, which at the time included both the current Zenith Property and LCWA OTD Parcel. In this sale, all assigned interests referenced in Exhibit A and easements from the 1997, 1998, and 2001 transactions were conveyed to Pacific Terminals. In 2007, Pacific Terminals conveyed what is now the LCWA OTD Parcel to SCE so that it could be dedicated for conservation purposes, including all previous easements. Under the 2007 transfer, Pacific Terminals reserved additional easements on the OTD Parcel to benefit the now Zenith Parcel. Zenith acquired Pacific Terminals in 2020 and thus all property interests have been assigned to Zenith.

Los Cerritos Wetlands, LLC and the LCWA executed an [option agreement](#) that provides for the exchange of real property. The agreement was signed on 9/2/16 to transfer the LCWA OTD Parcel APN 7237-019-809, approximately 5.11 acres for the Los Cerritos Wetlands, LLC. property described as APNs 7237-017-010; 7237-017-011; 7237-017-012; 7237-0217-013; 7237-017-014; 7237-017-019; 7237-017-805; 7237-017-806; 7237-017-807; 7237-017-808; 7237-017-809 approximately 154 acres.

**FISCAL:** There will be no fiscal impact from this action. Zenith will facilitate all document preparation and cover costs for mutual release of easements on the OTD Parcel and Zenith Parcel.



August 17, 2022 – Item 13

RESOLUTION 2022 - 10

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY  
APPROVING MUTUAL RELEASE OF  
SPECIFIC EASEMENTS WITH ZENITH TERMINALS

WHEREAS, the Los Cerritos Wetlands Authority (LCWA) 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 and 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, LCWA and Zenith Energy West Coast Terminals, LLC (Zenith) desire to mutually release specific remnant easements from previous land owners burdening both the LCWA OTD Parcel and Zenith Parcel; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); 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 requirement of the California Environmental Quality Act.
2. FINDS that this action is consistent with the purposes and objectives of the LCWA.
3. ADOPTS the staff report dated August 17, 2022.
4. APPROVES the Executive Officer, or designee, to negotiate and execute mutual release of specific easements with Zenith, pending concurrence from Los Cerritos Wetlands, LLC.

*~ End of Resolution ~*

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY  
On August 17, 2022.

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Joe Kalmick, Vice Chair

ATTEST:

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Elizabeth St. John  
Deputy Attorney General