

## Minutes

Los Cerritos Wetlands Authority (LCWA)  
Wednesday May 31, 2023

Held at the following location:

340 Nieto Ave  
Long Beach, CA 90814  
Conference Room

### AGENDA

1. **Call to Order**

Vice Chair Kalmick called the meeting to order at approximately 12:33pm.

2. **Flag Salute**

3. **Roll Call**

**Board Members Present**

Vice Chair Kalmick  
Ms. Kristina Duggan  
Ms. Megan Cooper (For Amy Hutzel)  
Mr. Roberto Uranga

**Staff Present**

Mark Stanley, Executive Officer  
Elizabeth St. John, Deputy Attorney General  
Aimee Nguyen, Office Technician

4. **Election of Chair**

**Board Member Uranga motioned to approve Board Member Duggan as Chair. Board Member Cooper seconded.**

**Board Member Uranga moved to close nominations.**

5. **Election of Vice Chair**

**Chair Duggan motioned to approve Board Member Kalmick as Vice Chair. Board Member Cooper seconded.**

**Board Member Uranga moved to close nominations.**

## **6. Public Comment**

John McKeown, CEO at Synergy Oil & Gas, LLC, noted the last item Synergy had go through the Department of General Services took six months. McKeown stated hundreds of millions of dollars of funds were allocated to various projects under ESG, but item 9 is the last project to not have accepted the funds. McKeown asked if there is any way to speed up the appraisal process.

## **7. Chair's Report**

There was no Chair's Report.

## **8. Approval of the Minutes, November 30, 2022**

No minutes were available.

## **Regular Calendar**

### **9. Consideration of a resolution authorizing the Executive Officer to negotiate and execute a contract for independent appraisal technical assistance to facilitate completion of an appraisal for the Option Agreement with Los Cerritos Wetlands, LLC**

Mark Stanley stated that to fulfill conditions in the Option Agreement for the Land Swap Project, the Parties, LCWA and the Los Cerritos Wetlands, LLC, negotiated and agreed on a methodology and scope of work for the appraisals of the LCWA OTD Parcel and Synergy Oil Field (subject properties) in 2020. Extenuating circumstances prevented the timely completion of the appraisals, however, and in the interim, changes in the environment, including zoning changes for the subject properties, have created potential ambiguities in the interpretation of the negotiated and agreed upon scope of work which the parties seek to amicably resolve. In recognition of these changes, the parties mutually agreed to pause the completion of the appraisals until questions regarding the interpretation of the scope of work and methodologies could be resolved. However, despite best efforts, as of the date of this report, the parties have not been able to amicably resolve these issues on their own, in large part because neither the LCWA nor Los Cerritos Wetlands, LLC have appraisers on staff to provide technical guidance about appropriate appraisal standards, guidelines, and interpretation. This resolution will allow the parties to engage a separate third-party appraiser to provide the technical guidance, or appraisal consultant services, needed to resolve any potential ambiguity and facilitate the completion of the appraisals called for by Section 3.b of the Option Agreement. The parties have agreed that it would benefit the transaction to retain the technical services of a California Licensed appraiser with experience in complex transactions involving wetlands/open space valuation to determine the appropriate appraisal standards for this complex project. The work product created would be a clear statement of the methodology to be applied in the context of this transaction that would then be provided to a separate appraiser to perform the appraisal(s) moving forward. Engaging an independent third-party appraiser to provide such technical assistance will allow the parties to freely engage with the appraisal consultant and avoid risking potential ethical issues that may arise from having substantial direct substantive communications with the appraiser performing the appraisal(s)

Stanley stated that on September 2, 2016, Los Cerritos Wetlands, LLC and the LCWA executed an Option Agreement that provides for the exchange of real property. The Agreement allowed

the Optionee to exercise the Option for transfer of the LCWA OTD Parcel, approximately 5.11 acres, for the Los Cerritos Wetlands, LLC property, approximately 154 acres, for wetlands habitat restoration, public access improvements, and the phase out of oil operations.

There will be no fiscal impact to the LCWA. The Option Agreement states that the Optionee will bear the cost of appraisal services for this project. Staff and legal services to negotiate the contract are provided through a consideration from the Optionee in the amount of \$300,000 in connection with the original Option Agreement.

Chair Duggan asked if the Board Packet has a copy of the Option Agreement. Stanley stated it does not, but it is a public document available on the LCWA website: [intoloscerritoswetlands.org](http://intoloscerritoswetlands.org)

Board Member Uranga asked if Synergy would be helping in the appraisal process or if the recommendation is for a third party. Stanley clarified the item is seeking a third party to review the instructions that will be given to the appraisal application. Stanley noted McKeown's public comment was regarding the secondary review of the appraisal which would need additional discussions. Board Member Cooper asked if the item is seeking a review. Stanley confirmed it is. Stanley noted a set of instructions would be given to the appraisers. Once the firm conducts the appraisal, there will need to be a secondary review to confirm the appraisal was done correctly.

**Board Member Cooper motioned to approve. Board Member Uranga seconded. Ayes: 4. Naves: 0. Abstentions: 0.**

**10. Consideration of a resolution approving a contract budget increase to Moffatt & Nichol for the Southern Los Cerritos Wetlands Restoration Project to complete permit applications.**

Mark Stanley stated the LCWA is currently in pursuit of permits for the Southern Los Cerritos Wetlands Restoration Project (Project) and has submitted initial applications to the U.S. Army Corp of Engineers (USACE), California Department of Fish and Wildlife (CDFW), and the California Coastal Commission (CCC). The LCWA has received an incomplete permit application letter from the CCC requesting additional information for the application package. It is expected that similar letters will be sent by the USACE and CDFW to satisfy each agency's regulatory process. The LCWA plans to submit an application to the Regional Water Quality Control Board in the upcoming months, which may also require supplemental materials. Therefore, a budget increase for the contract with Moffatt & Nichol (M&N) is desired to assist the LCWA with coordinating and responding to agency comments about the Project to secure permits. Under contract number LCWA 20503, M&N is scoped to submit complete permit applications. Initially, responses to agencies' comments were to be completed by LCWA staff, but the extensive comments received by the CCC require assistance from M&N to obtain a complete application package. These additional services would be necessary for all permit applications and leading up to any public permit hearings. Approval of this resolution would allow the Executive Officer or designee to increase the contract with M&N (LCWA 20503) by \$55,000 for a total contract amount not to exceed \$865,000. A breakdown of the fee increase by task is presented below and further detailed in Exhibit A of the Board Packet.

This action would approve Amendment 3 to this contract, increasing the contract amount by \$55,000 for a new contract amount not to exceed \$865,000.

Chair Duggan asked where funding would come from. Stanley stated funding would come from each of the partners.

**Chair Duggan motioned to approve. Board Member Cooper seconded. Ayes: 4. Nays: 0. Abstentions: 0.**

- 11. Closed Session: Pursuant to Government Code section 54956.8, LCWA may hold a closed session to consider the Draft Appraisal Report and the Draft Land Transfer Agreement, and related items, between Los Cerritos Wetlands Authority and Los Cerritos Wetlands, LLC for the APN 7237-019-809; 7237-017-010 thru 014; 018; 019; LCWA Negotiators: Mark Stanley and Property Owner Negotiator: John McKeown. Under Consideration: Price and Terms.**

Elizabeth St. John stated Pursuant to Government Code section 54956.8, LCWA may hold a closed session. St. John noted this was an informational item only.

**12. Oral Communications**

- a. Statements, responses, questions or directions to staff pursuant to Section 54954.2(a) of the Government Code.**
- b. Future agenda items.**

Mark Stanley noted there may be a Special Board Meeting in June or July 2023.

**13. Adjournment upon completion of business.**

Vice Chair Kalmick adjourned the meeting at approximately 1:40pm.