UPDATE ON THE LOS CERRITOS WETLANDS OIL CONSOLIDATION AND RESTORATION PROJECT

January 22nd 2018

Presentation Overview

Los Cerritos Wetlands Authority

Organizational Structure

Mission/Acquisition History

Restoration Planning

Proposed Project

Land Exchange

Oil Consolidation

Entitlement Process

Mitigation Bank

Banking Process

Restoration Plan

LCWA's Involvement

Los Cerritos Wetlands Authority (LCWA)

In February 2006, a joint powers agreement was adopted among the:

Rivers & Mountains Conservancy, State Coastal Conservancy, & Cities of Long Beach & Seal Beach

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San Gabriel & Lower Los Angeles RIVERS AND MOUNTAINS CONSERVANCY

Coastal Conservancy

CITY OF SEAL BEACH CALIFORNIA

CITY OF LONG BEACH INCORPORATED 1897

Mission: to provide 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

LCWA Acquisition History

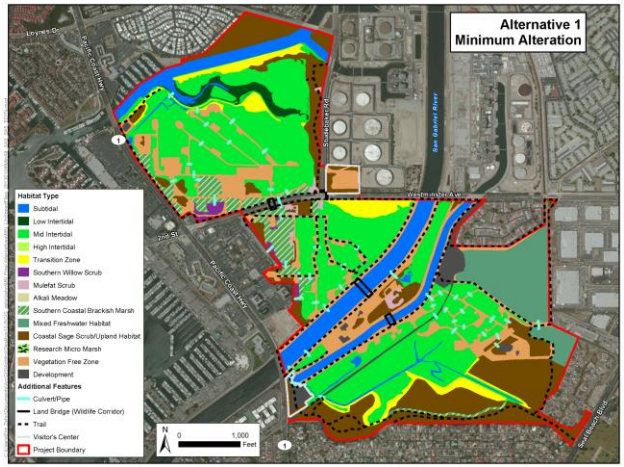
- June 1, 2006 - 66 acres (Bryant) transferred from Trust Public Lands in partnership with Signal Hill Petroleum
- February 2, 2007 – 5.1 acres transferred through 'offer to dedicate' from SoCal Edison via Coastal Conservancy
- December 28, 2010 – 100 acres of deed restricted wetlands purchased for $5.1 million from Hellman Properties, LLC
- August 14, 2012 – 5 acres through 10-year lease with State Lands Commission
- **<u>August 4, 2016</u> – Signed option agreement w/ Los Cerritos Wetlands, LLC for land exchange to acquire 154-acre Synergy Site**

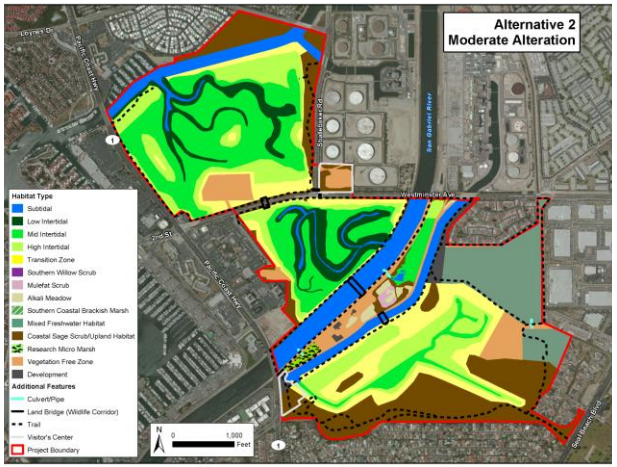
Land Ownership History

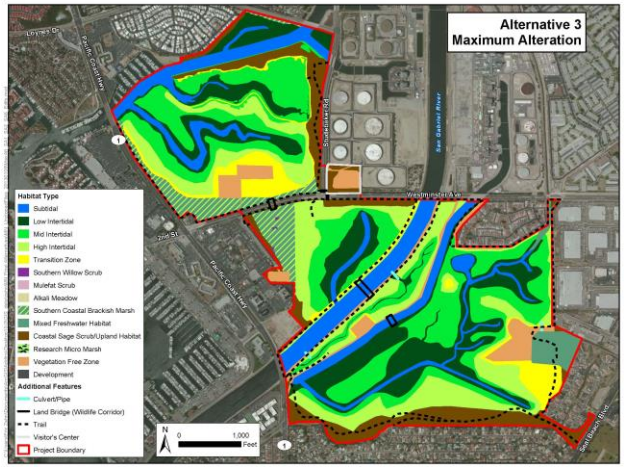
Original Conservation Area Map Circa 2006

Conservation Area Map Circa 2016

Conceptual Restoration Plan







- **Approved by the LCWA board on August 12, 2015**
- **4-year long consensus driven planning process**
- **6 public workshops and 8 Technical Advisory Committee meetings**
- **3 Restoration Alternatives conceptualized for the entire complex**
- **Provided framework for wetlands restoration in LCW**

PROPOSED PROJECT

1. Land Exchange **2.** Oil Consolidation

3. Entitlement Process **4.** Mitigation Bank

Land Exchange

- **LCWA** – Owns LCWA site
- **Synergy Oil and Gas** – Operates oil production on Synergy site
- **Los Cerritos Wetlands, LLC** – Subsidiary to Synergy that holds title to Synergy Site

Property Comparisons

Owner: LCWA
Zoning: Industrial
Current Use: Leased for Storage
Habitat Value: Low
Est. Cost to Restore: $3.5 million*
Appraised Value: $3.1 million (2010)*^
Endowment: None
Structures: None

Owner: Los Cerritos Wetlands, LLC
Zoning: Residential/Wetlands (uncertified)
Current Use: Oil Production
Habitat Value: High
Est Cost to Restore: $7 million
Appraised Value: $12 million (2015)^
Endowment: Required
Structures: Historic Bixby Ranch House

*Estimates from 2010 OTD Parcel Feasibility Study; ^**Updated appraisals are required**

Benefits of Land Exchange

LCWA

- Acquire 154 acres of Los Cerritos Wetlands
- Inherit fully-funded 77.3 acre mitigation bank property
- Endowment for long-term management of bank property
- Acquire building for office and visitor center
- Acquire Steam Shovel Slough
- Expand stewardship program opportunities and increase public access

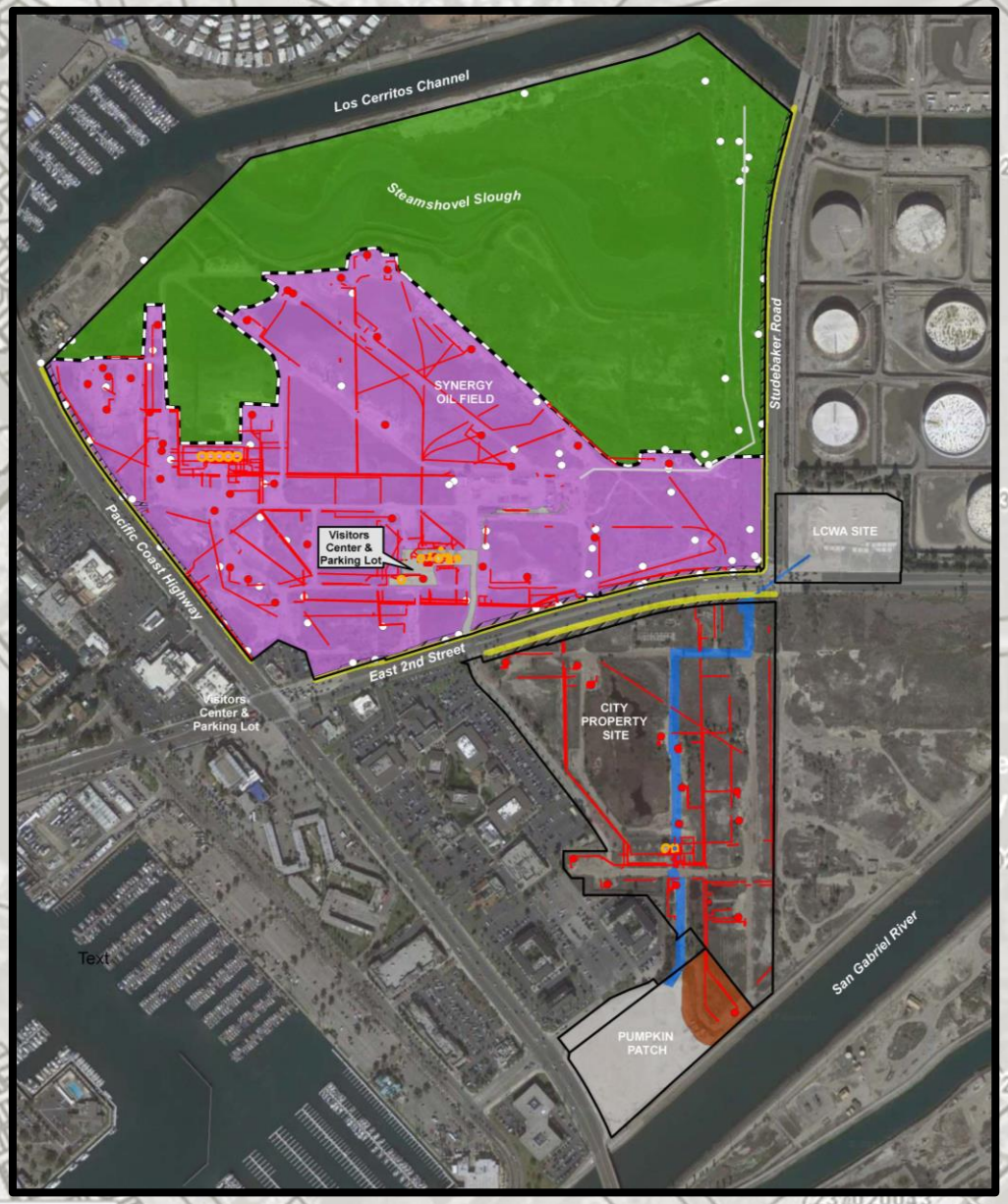
Los Cerritos Wetlands, LLC /Synergy

- Move operations out of wetlands
- Streamline operations from 105 acres to 9 acres
- Modernized oil production technologies
- New office building
- Receive credits from mitigation bank

Land Exchange Timeline

- <u>Upon completion of Entitlements</u>: 77.3-acre mitigation bank area transferred to LCWA
- <u>1-2 years after completion of entitlements</u>: Lower 72 acres to be transferred upon removal of obsolete pipelines and tank farms, any necessary remediation, and revegetation
- <u>2 years after completion of entitlements</u>: Renovated visitor center, 4-acre parking facility, and trail to be transferred upon completion of new Synergy office facility located at Pumpkin Patch property

Oil Consolidation



- Remove 16 miles (95%) of pipeline
- Remove 3 tank farms
- Remove all electrical lines
- Abandon 53 oil wells
  - Occurs after new production sites are operating
  - 50% of wells abandoned after 20 years
  - 100% of wells abandoned after 40 years
  - Abandon any well producing less than 1 barrel/day for 18 months

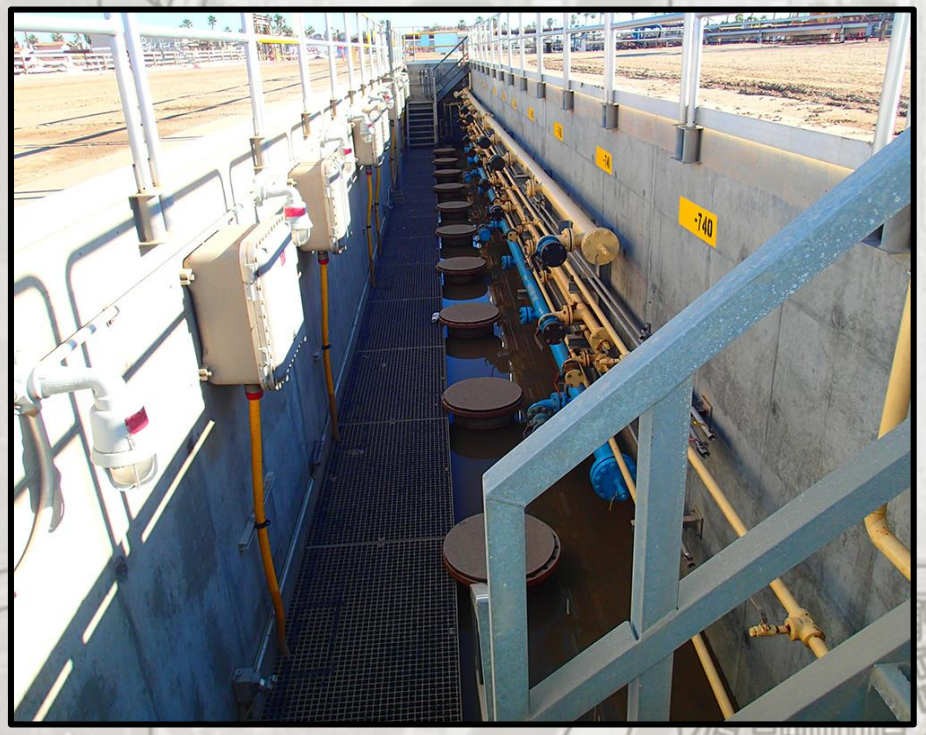
Aging Infrastructure

Electrical Fire Hazards

Old Technology

- Inefficient
- Old and unsafe
- Sprawling visual blight
- Limited containment measures

New Technology



- Efficient
- New and safer design
- Consolidated below ground
- Containment measures

LCWA Site Proposed Development

- Drill up to 70 new wells (production, water injection and water source wells), to be contained within 3 well cellars below grade.
- Clean Cogeneration of Power with 4 Natural Gas Turbines and Solar
- 2 tanks: 28,000 barrel oil and 5,000 barrel H20 Injection
- Associated pipeline system including connection to pumpkin patch and offsite oil and gas shipping pipelines

Entitlement Process

- Long Beach City Council approved the EIR, LCP Amendment, and Oil Drilling Permits on January 16, 2018
- Coastal Commission will hear the project in Spring 2018 to approve a Coastal Development Permit and the Local Coastal Plan Amendment

Mitigation Bank

Upper LCW Bank Process

- Acreage: 77.30 acres on northern portion of Synergy oil field
- IRT = Interagency Review Team = USACE, USFWS, CDFW, EPA, NOAA, CCC

1. The Draft Prospectus was released to public in February
2. Synergy will traverse BEI approval process with IRT
3. Once BEI is approved and all permits acquired, Synergy will implement Restoration Plan
4. LCWA will own the property as early as the adoption of the EIR
5. Synergy will fund and manage restoration and 5-year Interim Management Plan
6. Upon achievement of all performance standards and dispersal of all credits, Bank Manger duties will be transferred to LCWA
7. LCWA will manage and maintain Bank Property in perpetuity in accordance with the Long-term Management Plan
8. LCWA will be provided an Endowment approved by IRT

Legend

- Synergy Oil Field Boundary
- Sheetpile Wall
- Trail
- Tidal Marsh Re-establishment
- Transitional Wetland Re-establishment
- Transitional 2 Re-establishment
- Tidal Marsh Rehabilitation
- Upland Buffer Establishment
- Steamshovel Slough Enhancement
- Transitional 2 Enhancement
- Upland Buffer Enhancement

N

0 275 550 1,100
Feet

PROPOSED HABITAT RESTORATION PLAN FOR MITIGATION BANK

GLENN LUKOS ASSOCIATES

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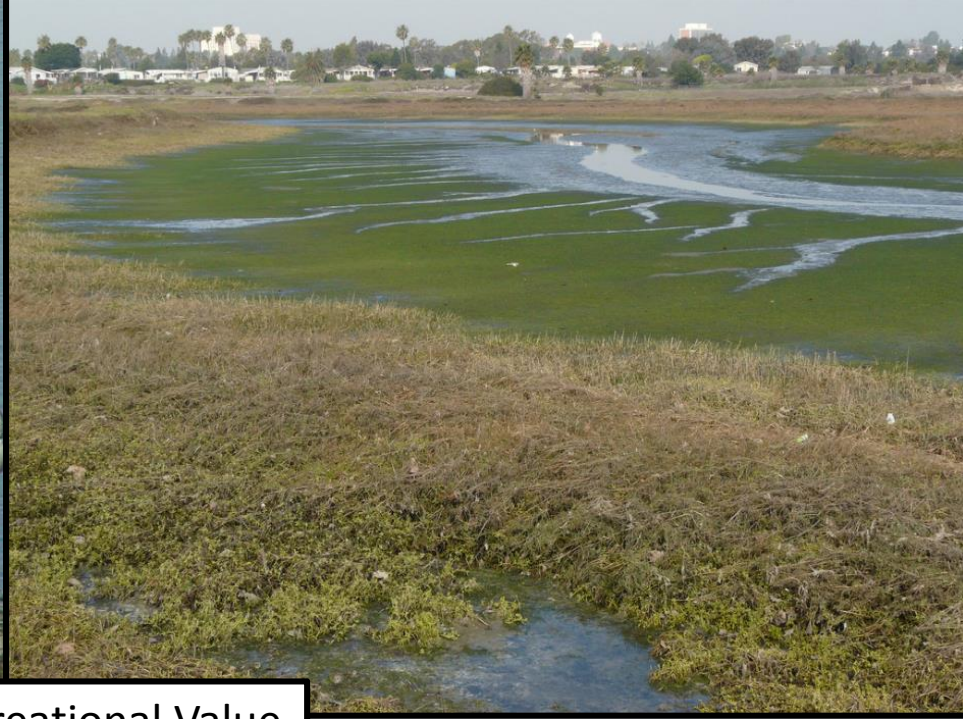
Los Cerritos Channel
Steamshovel Slough
Secondary Berm Removal (Segment-1)
Berm Removal: Western Segment (Segment-2)
Berm Removal: Central Segment (Segment-3)
Berm Removal: Eastern Segments (Segment-4 & Segment-5)
Pt1
Pt2
Pt3
Pt4
Pt5
Road Removal
Westerly Tidal Channel Complex
Easterly Tidal Channel Complex
Studebaker Road
East 2nd Street
Legend
Hydraulic Modeling Points
Berm/Road Removal
Overlook Terrace Fill
Seawall Berm
Sheetpile Wall
Tidal Channel Grading
Trail
Transitional Wetland Grading
Project Boundary



Habitat & Recreational Value

Questions?

Websites:

www.intoloscerritoswetlands.org

www.loscerritoswetlandsrestorationplan.com