

DATE: MAY 18, 2026

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT NO. 21-9815 WITH VOPAK TERMINAL LOS ANGELES, INC.

SUMMARY:

Staff requests approval of the Second Amendment to Reimbursement Agreement No. 21-9815 (Agreement) with Vopak Terminal Los Angeles, Inc. (Vopak) to reimburse the City of Los Angeles Harbor Department (Harbor Department) 100 percent of staff and consultant costs associated with the preparation of an environmental assessment for the improvements at Berth 191 and the operation of a Cement Processing Facility (Project). The environmental assessment of the Cement Processing Facility has been merged with the Environmental Impact Report (EIR) currently being prepared to assess the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) improvements at the Port of Los Angeles (Port) Berths 187-190. If approved, the proposed Second Amendment would extend the duration of the existing Agreement by an additional two years, from five years to seven years, with no other modifications proposed. Vopak will continue to be financially responsible for payment of costs associated with the preparation of the environmental assessment.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Second Amendment to the Vopak Terminal Los Angeles, Inc. Reimbursement Agreement No. 21-9815;
3. Direct the Board Secretary to transmit said Second Amendment to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5(a) of the Los Angeles Administrative Code;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Second Amendment for and on behalf of the Board; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Project Background/Context – MOTEMS, are building standards (California Building Code, *Chapter 31F - Marine Oil Terminals*) that apply to all marine oil terminals in California. MOTEMS establish minimum engineering, inspection, and maintenance criteria for marine oil terminals to protect public health, safety and the environment, and govern the upgrade and design of terminals to ensure better resistance to earthquakes and reduce the potential of oil spills.

Under MOTEMS, the California State Lands Commission requires that modifications be made to Vopak's terminal at Berths 187-190 to bring the wharf to MOTEMS compliance. To help facilitate this, the Harbor Department will prepare an environmental assessment that must be completed before the work at Berths 187-190 can begin.

On July 1, 2021, the Board approved the initial three year Agreement, which required Vopak to reimburse the Harbor Department for 100 percent of staff and consultant costs associated with the preparation of an environmental assessment to incorporate analysis of the Project into the EIR currently being prepared to assess the MOTEMS improvements at Berths 187-190. The First Amendment to the Agreement, approved by the Board of Harbor Commissioners on July 11, 2024, extended the expiration date for an additional two years. The Harbor Department's Environmental Management Division has consulting agreements in place for as-needed CEQA environmental services and selected Leidos, Inc. as the lead consultant to perform the work in connection with the preparation of the environmental assessment. A Notice of Preparation of a Draft EIR for public review and comment was released on July 7, 2022. The Draft EIR is currently being prepared.

The Agreement originally had a cost estimate of \$485,000. Since then, the cost estimate has been revised three times as follows: to \$650,000 in December 2023; to \$740,000 as stated within the First Amendment of the Agreement that was approved by the Board in June 2024; and to \$955,000 in May 2025 to incorporate more recent regulations and complete the environmental assessment. At this time the total estimated cost is still \$955,000. Per the established reimbursement agreement, Vopak will be financially responsible for all costs associated with preparation of the environmental assessment. The proposed Second Amendment (Transmittal 1) for a total of 7 years is required at this time in order to extend the Agreement for two year, from five years to seven years and align its term with the amended Project timeline.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to an Agreement with Vopak, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed Second Amendment will extend the reimbursement Agreement by two years, from five years to seven years, as proposed. Per the Agreement terms, Vopak is required to reimburse the Harbor Department for 100 percent of all staff and consultant costs related to the preparation of the environmental assessment for the Project.

To date, Vopak has reimbursed the Harbor Department, \$538,987.49, or 56.44 percent of the \$955,000 total estimated costs. Payments received from Vopak are recorded under Account 490035 (Other Operating Refunds and Reimbursements), Division 00000 (Harbor Global). It is anticipated that the balance of \$416,012.51 will be reimbursed in the remaining fiscal years. Vopak is responsible for any cost estimate increases that may occur during the evaluation of the Project.

Defense costs associated with the environmental review of the Project are not included in this estimate due to the uncertainty of estimating the existence or nature of potential litigation costs.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Second Amendment as to form and legality.

TRANSMITTAL:

1. Second Amendment to the Vopak Terminal Los Angeles, Inc. Reimbursement Agreement No. 21-9815

FIS Approval: JS
CA Approval: SO



LISA WUNDER
Director of Environmental Management

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

LW:NE:CS:mrx
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FILE: Y:\ADMIN\BOARD REPORTS\CEQA\VOPAK REIMBURSEMENT AGREEMENT\Second Amendment\Environmental_Vopak RA Amendment 2_Board Report - FINAL.docx
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