



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JUNE 29, 2022**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF  
INDUSTRIAL TEMPORARY ENTRY AND USE PERMIT NO. 1863 WITH  
KINDER MORGAN TANK STORAGE TERMINALS LLC**

**SUMMARY:**

Staff requests approval of the proposed Industrial Temporary Entry and Use Permit No. 1863 (TEUP 1863) with Kinder Morgan Tank Storage Terminals LLC (Kinder Morgan) for 16 groundwater monitoring wells and 8 injection wells located at or near Berth 120. The wells were installed on or about November 2015, as required by the litigation settlement agreement in City of Los Angeles v. Kinder Morgan Liquids Terminals LLC et al. and the First Amendment to Permit No. 708 between the City of Los Angeles Harbor Department (Harbor Department) and Kinder Morgan. The First Amendment provided terms for return of the remediated property to the Harbor Department and stated the tenant would be provided access to monitoring wells on the vacated landed parcel with no rental charge. However, no separate entitlement was issued for the monitoring wells after the remediated land was returned to the Harbor Department.

The proposed TEUP 1863 will entitle Kinder Morgan to install, operate, and maintain 16 groundwater monitoring wells and 8 injection wells at the site. No annual compensation will be imposed on TEUP 1863 consistent with the First Amendment to Permit No. 708.

**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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) and Class 3(4) of the Los Angeles City CEQA Guidelines;
2. Approve Temporary Entry and Use Permit No. 1863 with Kinder Morgan Tank Storage Terminals LLC;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Temporary Entry and Use Permit No. 1863; and
4. Adopt Resolution No. \_\_\_\_\_.

SUBJECT: TEMPORARY ENTRY & USE PERMIT NO. 1863

**DISCUSSION:**

Background – The Harbor Department granted Permit No. 708 to GATX Tank Storage Terminals Corporation (GATX) for the operation of a marine oil terminal at Berths 118-119 and various subsurface pipelines throughout Harbor Department property (Transmittal 1). On September 16, 1997, the Los Angeles Regional Water Quality Control Board (Water Board) issued Cleanup and Abatement Order No. 97-119 requiring, among other things, that GATX cleanup and abate the on-site and off-site soil and groundwater contamination originating from the terminal at Berths 118-119. Kinder Morgan acquired GATX in 2000.

The proposed TEUP 1863 authorizes Kinder Morgan to install, operate, and maintain 16 groundwater monitoring wells and 8 injection wells to meet the Water Board's Cleanup and Abatement Order, in consideration of a litigation settlement in City of Los Angeles v. Kinder Morgan Liquids Terminals LLC et al., Los Angeles County Superior Court case number NC041463, and the First Amendment to Permit No. 708. No annual compensation will be imposed on the monitoring well areas covered by TEUP 1863 consistent with the First Amendment, which provided the Harbor Department with a date-specific vacation of the property following remediation by the tenant and installation and ongoing monitoring of residual product-capture wells.

Under the proposed TEUP (Transmittal 2), Kinder Morgan and/or its contractor will conduct the following activities:

- Weekly shoreline inspections;
- Quarterly groundwater monitoring and sampling;
- Quarterly boom maintenance (adjustment/replacement/cleaning) from the waterside of the riprap by boat;
- As needed borings and well installation, repairs, replacements, survey, and abandonment;
- Biweekly gauging and product recovery from wells with the product, as needed;
- Future injection of substrates in the injection wells, if warranted; and
- Other required remedial activities approved by Environmental Management Division, as needed.

The wells at Berth 118-120 are shown in the attached Transmittal 3. The site plan shows remediated areas in gray (figure 2) and sampling schedule (figure 3).

A TEUP is the appropriate real estate entitlement for this use, as it provides the Harbor Department the greatest flexibility and control over the use of the property by limiting the rights conveyed to Kinder Morgan.

SUBJECT: TEMPORARY ENTRY & USE PERMIT NO. 1863

Summary of the TEUP 1863 terms:

<u>Provisions</u>	<u>Description</u>
Real Estate Entitlement	Temporary Entry and Use Permit
Permitted Use	The non-exclusive right to install and maintain 16 groundwater monitoring wells and 8 injection wells for water quality testing and monitoring.
Term & Termination	Month-to-Month until the termination of the Water Board Order.
Premises	Each well will occupy four square feet (2'x2') area. During the installation, inspection, maintenance, or repairs each area could expand up to 400 sf to accommodate vehicles and equipment.
Compensation	None – Pursuant to the First Amendment, Permit No. 708, Section 3(c) Post-Surrender Ground Water Treatment & Monitoring. Tenant shall be granted access to the Premises after any and all Surrender Dates free of rent or any other charges for the purpose of monitoring or treating ground water as required by the Water Board.
Security Deposit	None
Adjustments	None
Maintenance and Restoration	Kinder Morgan, at its sole cost, will keep and maintain the permit areas and facilities and restore the premises.
Insurance	All standard insurance requirements apply.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of proposed TEUP 1863 with Kinder Morgan for entitlement to install, operate, and maintain wells at the site, which is an activity involving the issuance of any permit to use an existing facility involving negligible expansion of use, the installation of new equipment involving negligible or no expansion of use if required for environmental control. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(14) and Class 3(4) of the Los Angeles City CEQA Guidelines.

DATE: JUNE 29, 2022

PAGE 4 OF 4

SUBJECT: TEMPORARY ENTRY & USE PERMIT NO. 1863

**FINANCIAL IMPACT:**

Approval of proposed TEUP 1863 would enable Kinder Morgan to install and maintain 16 groundwater monitoring wells and 8 injection wells for water quality testing and monitoring. The Harbor Department will not receive any annual compensation consistent with the First Amendment to the Permit No. 708.

**CITY ATTORNEY:**

Proposed Temporary Entry and Use Permit No. 1863 has been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Site Map
2. Temporary Entry and Use Permit No. 1863
3. Site Map of Wells

FIS Approval: MB  
CA Approval: SO

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*Michael DiBernardo*  
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APPROVED:

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