



Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: JUNE 6, 2018**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE REVOCABLE PERMIT NO. 17-18 WITH CRIMSON PIPELINE L.P., A CALIFORNIA LIMITED PARTNERSHIP**

**SUMMARY:**

Staff requests approval of Revocable Permit No. 17-18 with Crimson Pipeline L.P., a California Limited Partnership (Crimson). The premises consist of 58,723 square feet of land bounded by Grant Street, Leeds Avenue and Southerland Avenue in Wilmington.

Crimson is responsible for performing site investigation, characterization, remediation, monitoring, testing, containment, filing of reporting obligations and other activities related to the Youngstown Lateral oil spill. The premises will be used for equipment storage and other uses related to the maintenance and operation of an oil spill containment system, including the storage of baker tanks, vacuum trucks, an equipment truck, light tower, generators, air compressors, portable toilets, wash stands, and an office trailer. Per the terms of the Settlement Agreement, there is to be no compensation charged for storage of the remediation related equipment since, by storing the equipment on site, Crimson will be readily available to maintain the containment system in full compliance which is in the Harbor Department's best interest.

Crimson is responsible for all costs associated with the operations and maintenance of the site. The permit is fully revocable upon 30 days' written notice.

**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) of the Los Angeles City CEQA Guidelines;
2. Find that it is in the best interest of the Harbor Department and the people of the City of Los Angeles and the State of California to have this function on the premises at no charge to the Tenant;
3. Approve Revocable Permit No 17-18 with Crimson Pipeline L.P., a California limited partnership;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 17-18; and

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5. Adopt Resolution No. \_\_\_\_\_

**DISCUSSION:**

Background – The Youngstown Lateral spill occurred in late 2010. Investigators identified a hydrocarbon that determined it was consistent with product shipped through the “Youngstown Lateral” crude oil pipeline located along the Alameda Corridor right-of-way between Leeds Avenue and Alameda Street in Wilmington. It was subsequently determined that Crimson is responsible for the oil spill.

Under Settlement Agreement No. 15-3342, Crimson implemented a plan to operate and maintain a collection, separation and disposal system at the area adjacent to Leeds Avenue and Opp Street. The system installed intercepts water containing oil from the Youngstown Lateral spill flowing from the drains along the railroad tracks.

Pursuant to the Settlement Agreement, Crimson is responsible for performing all site investigation, remediation monitoring, testing, and containment and for fulfilling of all reporting obligations and any other activities that may be required by any governmental or regulatory agencies related to the Youngstown Lateral spill. In order to perform the required tasks, Crimson needs to have equipment and supplies available near the containment system. If stored off site it could result in serious delays during a rain event. In order for Crimson to sufficiently perform its obligations, it is necessary for Crimson to store the equipment on the premises within close proximity of the containment system.

Crimson was previously issued Temporary Entry and Use Permit (TEUP) No. 1234-A. The TEUP has expired and cannot be renewed since TEUPs are longer issued for laydown areas. As a result, a Revocable Permit (Transmittal 1) is required. Furthermore, Crimson must continue to maintain the containment system as long as required by the pertinent governmental and regulatory agencies. Therefore, containment and cleanup is an ongoing process and there is no set date of completion at this time.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a proposed Revocable Permit with Crimson to maintain and operate an oil spill containment system (Transmittal 2), which is an activity involving the issuance of a permit to use an existing facility involving negligible or no expansion of use. 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) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

There is no revenue generated from this action. In order for Crimson to continue to perform its obligations under Settlement Agreement No. 15-3342, the Harbor Department has provided the premises to allow for prompt access to the containment system in order to be in full compliance.

DATE: JUNE 6, 2018

PAGE 3 OF 3

SUBJECT: REVOCABLE PERMIT NO. 17-18 WITH CRIMSON PIPELINE L.P.



**CITY ATTORNEY:**

Revocable Permit No. 17-18 has been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Revocable Permit 17-18
2. Site Map

  
JACK C. HEDGE  
Director of Cargo & Industrial Real Estate

FIS Approval:   
CA Approval:   
  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

  
EUGENE D. SEROKA  
Executive Director

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