

MINUTE ITEM

This Calendar Item No. 22
was approved as Minute Item
22 by the State Lands
Commission by a vote of 5
0 at its 4-28-76 CALENDAR ITEM
meeting. 22

4/76
WMT

AGREEMENT BETWEEN CLEAN COASTAL WATERS AND PACIFIC TOWBOAT AND SALVAGE COMPANY

The City of Long Beach has requested State Lands Commission approval to execute an agreement between Clean Coastal Waters (hereinafter called CCW), and the Pacific Towboat and Salvage Company (hereinafter called Pactow). This agreement provides for the rental and operation of equipment by Pactow for use in the containment and cleanup of oil spills, and establishes the rights, liabilities and responsibilities of each member of CCW. Two existing agreements will be terminated when the required approvals are obtained for this new agreement.

Clean Coastal Waters (CCW) is the successor to the Petroleum Industry Coastal Emergency Cooperative (PICE Co-op) which was formed to provide mutual assistance and cooperation between petroleum producers and handlers in the control of oil spill emergencies, from Point Dume to the mouth of the Santa Ana River. The Commission, at its September 1971 meeting, approved City of Long Beach participation in the Petroleum Industry Coastal Emergency Cooperative.

This proposed agreement, for a 5-year period, retroactive to March 1, 1975, sets forth the terms under which Pactow will provide a new MARCO Class II Skimmer and an existing accompanying tank barge, and will deploy this equipment along with the CCW owned boom in the event of an oil spill. The equipment will normally be kept at Pier D in Long Beach Harbor and shall service the coastal waters of California, including inlets and harbors, between Point Dume and the mouth of the Santa Ana River.

For the use of the barge, CCW will pay Pactow approximately \$26,000 per year. The precise annual amount will vary in proportion to federal wholesale commodity price indices for all commodities. For use of the skimmer, CCW will pay Pactow a total of \$739,000 in 5 specified annual payments. All costs for materials used, consumed or damaged beyond use through no fault of Pactow in each containment or cleanup operation, shall be paid by the CCW party requesting the cleanup.

The barge and skimmer costs are passed on to the participating members of CCW according to their participating interests. The participating interest of CCW chargeable to the City of Long Beach for 1975 was 13.9%, based on 1974 petroleum volumes produced by or allocated to Long Beach tidelands oil operations. Expenses incurred as the result of a particular spill are borne by the spiller. The agreement provides that, in the event the equipment is used by a non-member, the charge to such non-member will be credited appropriately to CCW.

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S 27, 31

CALENDAR ITEM NO. 22 (CONTD)

At its meeting of March 23, 1976, the Long Beach City Council authorized the City Manager of the City of Long Beach to execute the subject agreement on behalf of the City and its Unit Operations, following approval of the agreement by the State Lands Commission.

The Office of the Attorney General has reviewed the subject agreement and concluded that it may be approved by the Commission.

The Division has reviewed the agreement and found that its implementation will benefit environmental control and pollution prevention in coastal areas, and that the agreement is in the public interest.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE AGREEMENT BETWEEN CLEAN COASTAL WATERS AND PACIFIC TOWBOAT AND SALVAGE COMPANY FOR RENTAL AND OPERATION OF EQUIPMENT TO BE USED IN CONTAINMENT AND CLEANUP OF OIL SPILLS OCCURRING IN THE VICINITY OF THE COASTAL WATERS OF CALIFORNIA IS IN THE PUBLIC INTEREST.
2. APPROVE THE EXECUTION OF THE SUBJECT AGREEMENT BY THE CITY OF LONG BEACH, PURSUANT TO APPLICABLE LAW.