



AGENDA STAFF REPORT

DATE: June 10, 2013

TO: Honorable Mayor and City Council

THRU: Jill R. Ingram, City Manager

FROM: Sean P. Crumby P.E., Director of Public Works

SUBJECT: **UNDERGROUND STORAGE TANK MONITORING AND
REMEDATION PROJECT UPDATE**

SUMMARY OF REQUEST:

It is requested that the City Council adopt Resolution No. 6380:

1. Approving a Budget Modification 13-12-01 increasing the budget by \$14,000 for the Underground Storage Tank Remediation Project No. BG1203; and
2. Authorizing payment of work produced in prior FY11/12 within this amendment for this project.

BACKGROUND AND ANALYSIS:

As recently as 1997, the City had two 5,000 gallon underground storage tanks containing both diesel and unleaded gasoline. Those tanks were located within the parking lot west of the Police Station. At that time, federal and state governments mandated that all underground storage tanks be upgraded, replaced or removed and the site closed. The City had retained Kleinfelder to provide reconstruction efforts of the deteriorating storage tanks. However, in 1998 it was determined that it was more feasible and cost effective for the City to remove the two tanks and contract out for fuel service.

Orange County Health Care Agency (OCHCA) required extensive site remediation prior to granting closure of the site after the City had the storage tanks removed. Kleinfelder provided the City extensive remediation in an effort to close this site. In the past decade, Kleinfelder, Stantec and the most recent company, Frey Environmental have provided the City with continued remediation efforts as well as County required monitoring and reporting.

The City has brought the results of the quarterly monitoring to OCHCA on an annual basis in hopes of allowing closure of the project. Two years ago, when Frey Environmental was retained, OCHCA stated that they would not allow

closure of the site any time soon and the City would need to continue monitoring efforts.

The City of Seal Beach had been reimbursed by the State of California for all costs related to the cleanup (1998 to 2005). That cleanup ended in 2005, and the project transitioned to monitoring as the City attempted to get closure. Recently, the City attempted and was successful in gaining reimbursement from the State for all of the costs since 2005 for monitoring the project. Frey Environmental began the documentation for getting Seal Beach reimbursed for all monitoring and reporting dating back to 2005. Frey's first request from the State was approved in early 2012. Since that request, the State began a program to close out lower risk sites across California in an attempt to get sites closed out while also reducing the pull from fringe locations on the State's fund budget.

Frey Environmental began working closely with the OCHCA along with the State's Health Care Agency (HCA) providing close out reports and numerous test results. These costs are all fully reimbursable from the State.

Frey Environmental typically invoices the City after certain work projects are completed. They do not submit monthly invoices or progress payment invoices. Unfortunately, this led to Frey submitting invoices for fiscal year 2012/2013 that covered work performed during FY2011/2012. In addition, their current yearly budget is for \$10,000 which had been acceptable to perform OCHCA's required monitoring and reporting. However, with the added workload to produce reimbursement paperwork and project closeout paperwork to the HCA and to OCHCA, Frey will eclipse their allotted yearly budget by approximately \$14,000.

The State will reimburse the City 100% for these costs; however, they require proof of payment with the reimbursement packages in order to reimburse the City. To date, Frey Environmental has helped recover almost \$180,000 in past City expenses dating back to 2005.

It is anticipated that an additional \$14,000 will cover all costs for the current fiscal year 2012/2013 and the City will budget appropriately in the upcoming fiscal years to account for the additional reimbursement request and project close-out work required by the state and the county.

ENVIRONMENTAL IMPACT:

There is no Environmental Impact related to this item.

LEGAL ANALYSIS:

The City Attorney has review and approved as to form.

FINANCIAL IMPACT:

This project is budgeted in the approved FY 2012/13 Budget for \$10,000. An anticipated breakdown of funding is as follows:

Description	Amount
Budget	\$ 10,000.00
Invoices (10/12/11 – 11/27/12)	\$ 15,812.63
Invoices (12/1/12 – 5/31/13)	\$ 6,783.75
Probable Invoices (6/1/13 – 6/30/13)	\$ 1,000.00
Budget Deficiency	\$ -13,601.38

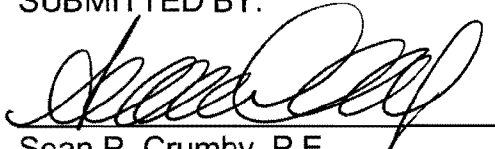
The total cost for the project is approximately \$24,000. The allocated funds are not sufficient to complete the project, generating a shortfall of approximately \$14,000. All funds expensed on this project are 100% reimbursable.

RECOMMENDATION:

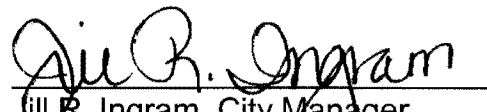
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SUBMITTED BY:


Sean P. Crumby, P.E.
Director of Public Works

NOTED AND APPROVED:


Jill R. Ingram, City Manager

Prepared by: David Spitz, Associate Engineer

RESOLUTION NUMBER 6380

**A RESOLUTION OF THE SEAL BEACH CITY COUNCIL
INCREASING THE ALLOCATION OF FUNDS FOR THE
UNDERGROUND STORAGE TANK MONITORING AND
REMEDATION PROJECT NO. BG1203**

THE SEAL BEACH CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. The City Council hereby approves Budget Modification No. 13-12-01 allocating additional General Funds in the amount of \$14,000 to Underground Storage Tank Monitoring and Remediation Project and authorizes the City Manager to make payments on behalf of the City for work performed.

PASSED, APPROVED and ADOPTED by the Seal Beach City Council at a regular meeting held on the 10th day of June, 2013 by the following vote:

AYES: Council Members _____

NOES: Council Members _____

ABSENT: Council Members _____

ABSTAIN: Council Members _____

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS
CITY OF SEAL BEACH }

I, Linda Devine, City Clerk of the City of Seal Beach, do hereby certify that the foregoing resolution is the original copy of Resolution Number 6380 on file in the office of the City Clerk, passed, approved, and adopted by the City Council at a regular meeting held on the 10th day of June, 2013.

City Clerk