



# CITY OF POMONA COUNCIL REPORT

---

---

October 16, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Darron Poulsen, Water Resources Director; and  
Meg McWade, Public Works Director

Subject: **Adopt a Resolution Amending the 2017-18 Capital Improvement Program (CIP) Budget by Appropriating \$689,000 of Refuse Fund Balance to the “City Lot Remediation” Project No. 418-2590-XXXXX-71021; and Approve an Amendment to the Agreement with EnSafe in the Amount of \$589,000 for the Continuation of the Onsite Soil Vapor Extraction Cleanup**

## OVERVIEW

**Recommendation** – That the City Council:

1. Adopt a Resolution amending the 2017-18 CIP budget by appropriating \$689,000 of Refuse Fund Balance to the “City Lot Remediation” Project No. 418-2590-XXXXX-71021;
2. Approve an amendment to the agreement with EnSafe in the amount of \$589,000 for the continuation of the onsite Soil Vapor Extraction cleanup and indoor air remediation; and
3. Authorize the City Manager to execute any agreements necessary to complete the amendment, contingent upon City Attorney review.

**Fiscal Impact** – The fiscal impact of the contract amendment is \$589,000. Funding for the amendment will be made available from Refuse Fund Balance through the recommended funding appropriation. The appropriation will leave the project fully funded through this Fiscal Year. Staff anticipates additional funding will be required in the future but is unable to provide an amount at this time due to the uncertainty of Department of Toxic Substance Control’s (DTSC) direction. Funding for future years will be included in the annual CIP Budget requests submitted to Council for approval. Since ongoing appropriations from the Refuse Fund balance are not sustainable without a rate increase, Staff is also working to obtain additional funding from DTSC and the State Environmental Protection Agency (EPA). Table 1 on the following page summarizes the fiscal impact for the recommended actions:

**Table 1**

<b>Category</b>	<b>“City Lot Remediation” Project No. 418-2590-XXXXX- 71021</b>
Beginning Budget	\$2,981,262
Appropriation from Refuse Fund	\$689,000
Revised Budget	\$3,670, 262
Expenditures and encumbrances (as of October 3, 2017)	(\$2,849,188)
EnSafe agreement amendment #3	(\$589,000)
Balance remaining for management, internal administration costs, and other misc. cost	\$232,074

**Public Noticing Requirements** – There is no public noticing requirement for the proposed action.

**Environmental Impact** – Mitigation has been identified per the previous October 7, 2013 Council awarded project to E2 ManageTech. California Environmental Quality Act (CEQA) requirements shall be satisfied as part of the Removal Action Workplan (RAW) approval from the DTSC.

**Previous Related Action** – On October 7, 2013, City Council awarded a professional services contract to E2 ManageTech for the site cleanup of City owned properties located at 198 N. Hamilton Boulevard and 822 W. Commercial Street as part of the “City Lot Remediation,” Project No. 418-2590-XXXXX-71021 in the amount of \$1,073,850.

On February 22, 2016, City Council approved the first agreement amendment with E2 ManageTech in the amount of \$310,665 for the completion of the Removal Action Workplan (RAW) and for the pilot soil vapor extraction (SVE) associated with “City Lot Remediation” Project No. 418-2590-XXXXX-71021.

On July 11, 2016, City Council approved a CIP Budget appropriation in the amount of \$1,200,000 from the Refuse Fund Balance to the “City Lot Remediation” Project No. 418-2590-XXXXX-71021. Of the amount appropriated, \$1,000,000 was used for a second amendment to the agreement with E2 ManageTech by Council action. Contractually, the 2<sup>nd</sup> amendment to the E2 ManageTech contract was made for \$800,000 due to the projected amount to complete the construction of the permanent SVE unit and RAW execution at that time.

## **EXECUTIVE SUMMARY**

This action will provide \$689,000 from Refuse Fund reserves for additional funding to continue operation of the soil vapor extraction (SVE) unit which is used to remove the Volatile Organic Compounds (VOC) contamination at the City Lot located on 822 W. Commercial Street. This property was formerly known as the CalSol Lot. This funding will also be used to cover the increased costs mandated by California Department of Toxic Substance Control (DTSC) related to groundwater impacts, as well as, the additional City and legal staff efforts required as a result. Funding for future years will be presented to City Council for consideration in the annual CIP budget requests once funding has been identified. This Council action will also amend the contract with EnSafe, Inc. (EnSafe), which was previously known as E2 ManageTech, the firm that currently performs all professional services for this project under the oversight of the DTSC.

## **DISCUSSION**

The City of Pomona (City) owns 198 N. Hamilton Boulevard (APN 8348 -013 -903) and 822 W. Commercial Street (APN 8348-0119-00). Resolution No. 2003-33 shows that the City purchased the property at 198 N. Hamilton Street from the Redevelopment Agency of Pomona on February 10, 2003. Resolution No. 2011-37 shows that the City obtained the property at 822 W. Commercial Street as a result of a legal settlement on April 4, 2011 and the City received \$1,400,000, in settlement funds, which is the primary funding source to clean up this property. Both of these properties were previously owned by private industrial/commercial entities. The previous owners stored heating fuel and diesel fuel onsite within underground storage tanks (UST) and above ground storage tanks. Some of this fuel leaked on both sites and as a result left deposits of contaminants in the soil. The City has agreed to cleanup both sites to DTSC standards.

The FY 2017-18 Capital Improvement Program (CIP) Budget currently includes “City Lot Remediation” Project No. 418-71021. The ultimate objective of this project is to complete the required DTSC cleanup for two City owned properties as outlined in the City’s Remedial Action Workplan (RAW). One of the properties is located at 198 N. Hamilton Boulevard, and is known as the Sewer Lot. The other property is located at 822 W. Commercial Street, and is known as the CalSol Lot. The Sewer Lot has been analyzed, and DTSC requires no further action for this site. Only regular soil, soil vapor and groundwater sampling will occur for this site in order to monitor the success of the offsite SVE system. This City owned Sewer Lot site will be used as a parking lot.

The CalSol Lot continues to be the location that requires cleanup. Based on current field evaluations and VOC material required to be removed, it is anticipated that soil and soil vapor will be cleaned up, per the levels identified in the RAW, by 2020. As part of the DTSC approved RAW, the SVE system is the major method of cleanup of the soil. This would include soil cleanup on the CalSol site and offsite soil cleanup effects in the neighborhood.

Approve an Amendment to the Agreement with EnSafe for “City Lot Remediation” Project  
No. 418-2590-XXXXX-71021  
October 16, 2017  
Page 4 of 4

E2 ManageTech, Inc. (now EnSafe) was awarded the professional services contract on October 7, 2013 for “City Lot Remediation” Project No. 418-2590-XXXXX-71021. On February 3, 2017 EnSafe acquired E2 ManageTech, Inc. and all of its divisions including their projects. EnSafe is executing all of the cleanup actions identified in the RAW. EnSafe has a total agreement amounting to \$2,184,515. With both of the previous amendments to the agreement, EnSafe has provided investigatory, coordination and design services to the City for the “City Lot Remediation” project since 2013.

EnSafe has prepared FY 2017-18 Operation and Maintenance (O&M) budgetary costs for the SVE system based on the performance of the existing system. These costs include operation of the SVE system and associated carbon usage for the soil vapor treatment, as required by the Air Quality Management District (AQMD) Permit. The operation of the unit is conducted in such a way as to maximize the amount of the VOC removal with the goal of reducing the length of time for the remediation. The FY 2017-18 costs along with list of items necessary to move the project forward to DTSC closure are included within Attachment 2. There is a need to appropriate additional funding in the amount of \$689,000 from Refuse Fund reserves for the FY 17-18 expenses as well as authorize an amendment with EnSafe to complete the work.

As noted earlier, costs associated with the cleanup of groundwater within the localized area will require additional funding during FY 2018-19 with the source of such funding currently under review. The CalSol site is located within the Spadra groundwater basin boundary. Historically, the Spadra basin is impacted by VOCs and nitrates from various sources. A collaborative regional cleanup approach should be considered for full cleanup of the basin. As such, Water Resources Department staff has submitted an application for groundwater cleanup grant funding but has not received an award. Staff will continue to seek grant funding opportunities from the State of California Water Resources Control Board and DTSC.

Attachment:       1. Resolution  
                      2. FY 2017-18 EnSafe Budget

Prepared by: Nichole Horton, Senior Water Resources Engineer