



# CITY OF POMONA COUNCIL REPORT

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October 15, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

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

Subject: **Adopt a Resolution Amending the 2018-19 Capital Improvement Program (CIP) Budget by Appropriating \$669,821 of Refuse Fund Balance to City Lot Remediation Project No. 418-2590-XXXXX-71021; Approve an Amendment to the Agreement with EnSafe in the Amount of \$465,000 for the Continuation of the Onsite Soil Vapor Extraction Cleanup; and Approve an Amendment to the Voluntary Cleanup Agreement with the Department of Toxic Substances Control in the Total Amount of \$204,821**

## OVERVIEW

### **Recommendation** – That the City Council:

1. Adopt a resolution amending the 2018-19 CIP budget by appropriating \$669,821 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 \$465,000 for the continuation of the onsite soil vapor extraction cleanup and indoor air remediation;
3. Approve an amendment to the voluntary cleanup agreement with the Department of Toxic Substances Control (DTSC), in the total amount of \$204,821 for City Lot Remediation Project No. 418-2590-XXXXX-71021; and
4. Authorize the City Manager to execute any agreements necessary to complete the EnSafe and DTSC amendments, contingent upon City Attorney review.

**Fiscal Impact** — The fiscal impact to the City Lot Remediation CIP Budget is an appropriation of \$669,821. Funding for this budget amendment is available in the Refuse Fund balance and will be transferred to the City Lot Remediation Project No. 418-2590-XXXXX-71021.

As part of the recommendations, there are two agreement amendments which are required to continue with the project. The fiscal impact of the (DTSC) Voluntary Cleanup Agreement amendment is \$204,821 which will bring the agreement amount to a total of \$603,426. The fiscal impact of the EnSafe Agreement amendment is to increase the agreement amount to \$3,238,515. Funding for the two amendments is available in the refuse fund.

Staff anticipates additional funding will be required at a future date; however, due to the uncertainty of DTSC’s direction, staff is unable to provide the exact amount. 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 the State Environmental Protection Agency (EPA) and grant funding. Table 1 below summarizes the fiscal impact for the recommended actions:

**Table 1**

<b>Category</b>	<b>City Lot Remediation Project No. 418-2590-XXXXX-71021</b>
Initial Budget	\$3,670,262
Budget Amendment (Refuse Funds)	\$669,821
Revised Budget	\$4,340,083
Expenditures/Encumbrances (as of September 25, 2018)	(\$3,438,126)
DTSC agreement amendment #3	(\$204,821)
EnSafe agreement amendment #4	(\$465,000)
Construction mgmt, contingencies, and inspection costs	\$232,136

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

**Environmental Impact** – California Environmental Quality Act (CEQA) requirements are to be satisfied as part of the Removal Action Workplan (RAW) approval from the DTSC. Properties which are to enter a mitigation process were previously identified as part of the contract awarded to E2 ManageTech by City Council action on October 7, 2013.

**Previous Council Action** – On January 28, 2013, Council approved two agreements in the combined total amount of \$81,132 with DTSC for the oversight of voluntary site cleanup of City-owned properties located at 198 N. Hamilton Boulevard and 822 W. Commercial Street Project.

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 Project in the amount of \$1,073,850.

On October 19, 2015, Council approved an agreement amendment for site remediation oversight with the DTSC for voluntary site cleanup of the City-owned property located at 822 W. Commercial Street for the project in the amount of \$131,329.

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 RAW and for the pilot soil vapor extraction (SVE) associated with the City Lot Remediation project.

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 Project of the amount appropriated, \$1,000,000 was used for a second amendment to the agreement with E2 ManageTech by Council action. Contractually, the 2nd amendment to the E2 ManageTech 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.

On April 3, 2017, Council approved an agreement amendment for site remediation oversight with the DTSC in the amount of \$186,144.

On October 16, 2017, City Council approved a CIP Budget appropriation in the amount of \$689,000 from the Refuse Fund Balance to the Project of the amount appropriated, \$589,000 was used for a third amendment to the agreement with EnSafe by Council action. This 3rd amendment to the EnSafe contract was made to continue to decrease the soil vapor contaminant concentrations at the project site and comply with the DTSC approved RAW.

## **EXECUTIVE SUMMARY**

The requested action will provide \$669,821 from Refuse Fund reserves for additional funding to continue operation of the soil vapor extraction (SVE) unit used to remove volatile organic compounds (VOC) contamination at the City owned site 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 the DTSC related to groundwater, soil and air contamination impacts and provided funding for small ventilation systems at private properties. 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 (amendment 4) the contract with EnSafe, Inc., the firm that currently performs all professional services for this project under the oversight of the DTSC.

## **DISCUSSION**

The City entered into an agreement with the DTSC to oversee site cleanup activities located at 198 N. Hamilton Boulevard (Sewer Lot) and 822 W. Commercial Street (CalSol Lot) to complete the existing voluntary cleanup actions. This effort is necessary to meet the California Health and Safety Code requirements related to environmental site cleanup. The recommended agreement amendments will enable the City to complete the remediation process and finalize the cleanup to current DTSC standards. The recommended Council actions authorizes the City Manager to execute a required third agreement amendment with DTSC for the environmental contamination site cleanup in the amount of \$204,821 (Attachment 2); and, a fourth agreement amendment with EnSafe for professional environmental cleanup services in the amount of \$465,000.

The FY 2018-19 Capital Improvement Program (CIP) Budget currently includes the Project. The ultimate objective of this project is to complete the required cleanup for two City owned properties as outlined in the City’s Remedial Action Workplan (RAW) of the two properties, the Hamilton Boulevard, has been defined to require no additional treatment.

The Sewer Lot property, which is located across the street from the CalSol Lot, is part of the City Lot Remediation CIP Project No. 418-2590-XXXXX-71021. This site continues to require cleanup. Based on current field VOC soil and groundwater sampling evaluations, it is anticipated that soil/soil vapor will be 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. Through VOC sampling analysis the groundwater cleanup component of the project is affected by a regional contaminant issue within the Spadra groundwater basin. The chemical spill at the commercial street property is not the sole contributor for the VOC contamination within this groundwater basin. Due to the areas industrial, commercial and manufacturing history, there are multiple sources of contamination. This point of fact will be part of the groundwater RAW document that will be provided to DTSC.

In order to complete the cleanup for the CalSol site, staff recommends entering into the amended Voluntary Cleanup Agreements (VCAs) with the DTSC to oversee and complete the proposed environmental cleanup by the City. There is a need to appropriate additional funding in the amount of \$204,821 from Refuse Fund reserves for the FY 18-19 expenses as well as authorize an amendment with EnSafe to complete the work, as detailed in Attachment 3.

E2 ManageTech, Inc. now EnSafe was awarded the professional services contract on October 7, 2013, for the project. 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 \$3,238,515. With the previous amendments to the agreement, EnSafe has provided investigatory, coordination and design services to the City since 2013.

EnSafe has prepared FY 2018-19 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 FY 2018-19 costs along with a 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 \$465,000 from Refuse Fund reserves for the FY 2018-19 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 Hamilton Boulevard 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 is currently under review for full cleanup of the basin. Staff will continue to seek grant funding opportunities from the State of California Water Resources Control Board and the EPA.

The Commercial Street property is being cleaned of environmental contaminants as identified in the DTSC approved RAW from October 2016. The Water Resources Department is planning to complete the cleanup and finalize the Project by 2020. Upon completion of the Site Cleanup, the subject parcels will be removed from the State’s DTSC Site Cleanup list.

Attachment:   1. Resolution  
                  2. DTSC Third CalSol VCA Amendment  
                  3. FY 2018-19 EnSafe Budget

Prepared by: Nichole Horton, Senior Water Resources Engineer