



DATE: SEPTEMBER 24, 2013

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 09-2774 WITH THE STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL FOR OVERSIGHT OF THE AVALON TRIANGLE PROPERTY

SUMMARY:

A critical component of the Wilmington Waterfront Development Project, the 2.9-acre Avalon Triangle property (Site) located at Avalon and Harry Bridges Boulevards in Wilmington, CA, is slated for redevelopment as a community park. Environmental investigations conducted in support of the park development revealed that the soil and groundwater were impacted by various contaminants. In September 2009, the City of Los Angeles Harbor Department (Harbor Department) entered into a Voluntary Cleanup Agreement (VCA) with the State of California, Department of Toxic Substances Control (DTSC) for oversight of the environmental remedial actions needed to obtain regulatory approval for use of the property as a public park. Under Agreement No. 09-2774 (Agreement), and in compliance with California state law, the Harbor Department is responsible for reimbursing DTSC for costs associated with their oversight activities. Continued oversight from DTSC is anticipated over the next five years to remediate the site and provide on-going monitoring through September 2018. Staff recommends approving the First Amendment to Agreement No. 09-2774 (Amendment) to increase the funding by \$130,309 for a total contract amount not-to-exceed \$317,309.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the First Amendment to Agreement No. 09-2774 with the State of California, Department of Toxic Substances Control to increase the Agreement by \$130,309, for a total contract amount not-to-exceed \$317,309;
2. Authorize the Executive Director and the Board Secretary to execute and attest to said Amendment for and on behalf of the Board; and
3. Adopt Resolution _____.

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DISCUSSION:

Background and Context - The Site (Transmittal 2) was occupied from 1928 to 2002 with various buildings and structures, including above-ground storage tanks and two oil wells. Environmental site investigations determined that past uses at the Site had resulted in the contamination of soil and underlying groundwater, as it contained hydrocarbons and volatile organic compounds (VOCs). Localized concentrations of heavy metals and pesticides were also found to be present in shallow soil.

Following the 2005 removal of buildings and above-ground structures, five underground storage tanks (USTs) were removed from the site, along with 26 tons of impacted soil. Agency oversight was transferred from the City of Los Angeles Fire Department to the DTSC in 2007. Since then, a total of 6,783 tons of contaminated soil and 110,000 gallons of contaminated groundwater have been removed and numerous reports and work plans have been prepared and submitted to DTSC. The Harbor Department continues to conduct quarterly groundwater monitoring and sampling at the Site, including pilot testing for an upcoming groundwater treatment plan. Other planned work includes removal of the remaining top two feet of contaminated soil and any underlying hot spots. Groundwater monitoring and assessment will continue for multiple years after that, as required by the DTSC (i.e., three years are anticipated), but will not interfere with on-going park development.

Costs - The Harbor Department has been actively working to remediate the Site since 2005, when approval was given to develop the Site as a community park. DTSC has provided oversight at the Site since May 17, 2007, to ensure that remedial activities are conducted in compliance with federal and state statutes and regulations. Since the 2004/2005 fiscal year, the Harbor Department has spent \$2,427,154 to remediate the Site and anticipates spending an additional \$4,105,945. In addition, the Harbor Department has reimbursed DTSC a total of \$253,234 for their oversight work since 2007, and DTSC staff anticipates another \$130,309 will cover DTSC oversight activities through 2018, when site monitoring activities may potentially be completed. Agreement No. 09-2774 is effective as of September 24, 2009, for a total contract amount of \$187,000. To date, \$185,279 has been spent under this Agreement. Through this Amendment (Transmittal 1) staff proposes extending the Agreement for five years through September 2018, and increasing the Agreement not-to-exceed amount to \$317,309.

Remediation and Monitoring Activities - The following work at the Avalon Triangle property will require DTSC oversight:

- Implement completion of Second Phase Removal Action (RA) for soil;
- Submit RA Completion Report and respond to DTSC comments;
- Submit Revised RA Completion Report to DTSC;
- Apply for soil certification (i.e., site closure for soil);

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- Submit Removal Action Workplan (RAW) for groundwater RAW;
- Respond to DTSC comments on groundwater RAW;
- Submit revised RAW for groundwater to DTSC;
- Provide Public Participation Activities support;
- Implement groundwater RAW including monitoring;
- Submit RA Completion Report for groundwater and respond to comments;
- Submit Revised RA Completion Report; and
- Perform any ongoing or follow-up monitoring/assessment, as required by DTSC.

The bulk of the remediation work is expected to be completed by June 30, 2015, however, follow-up groundwater monitoring/assessment will continue for approximately three years after that. The final duration of post-remediation monitoring will be determined by DTSC. Construction of the Avalon Triangle Park is currently planned to begin in July 2017. Post-remediation monitoring is not expected to interfere with park construction or operation.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an Amendment to an existing Agreement between the City of Los Angeles Harbor Department and DTSC. The existing Agreement is a Voluntary Cleanup Agreement (VCA) for the Avalon Triangle property. As the regulatory oversight agency, DTSC is the lead agency for all remedial activities at the Site. The soil removal activities were previously assessed under a Negative Declaration prepared by DTSC. DTSC's approval of the proposed Groundwater RAW will require a CEQA assessment that will be conducted by DTSC. As such, the Director of Environmental Management has determined that the proposed soil removal and groundwater treatment actions are exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) and 2(i) of the Los Angeles City CEQA guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Amendment will support four direct and two secondary jobs for the five-county region.

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FINANCIAL IMPACT:

The estimated reimbursable expenses to DTSC under this Amendment are \$130,309, bringing the total not-to-exceed authority to \$317,309. Approval of the Amendment is for reimbursement of DTSC's oversight responsibilities at the Site. It is anticipated that DTSC will be reimbursed as follows for the Amendment amount:

FY 13/14	\$ 50,000
FY 14/15	\$ 40,000
FY 15/16	\$ 10,000
FY 16/17	\$ 10,000
FY 17/18	\$ 10,000
FY 18/19	\$ 10,309
TOTAL	\$130,309

This Site is approved as a Governmental Accounting Standards Board Statement No. 49 project and is, therefore, not a part of the annual budget process. Funds for the total cost of DTSC's oversight services are available in Account No. 21995, Center 7000, Program 000, Job No. 637-00, Work Order 78032.

The proposed Board action only approves the First Amendment to Agreement No. 09-2774 with the DTSC. However, successful completion of this cleanup paves the way for the redevelopment of the subject property as a community park, a contemplated component of the Wilmington Waterfront Development Project. Project timing and cash flows associated with the community park and the Wilmington Waterfront Development Project will be brought before the Board in the future for approval under separate actions.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Amendment as to form and legality.

TRANSMITTALS:

1. First Amendment to Agreement No. 09-2774
2. Site location map



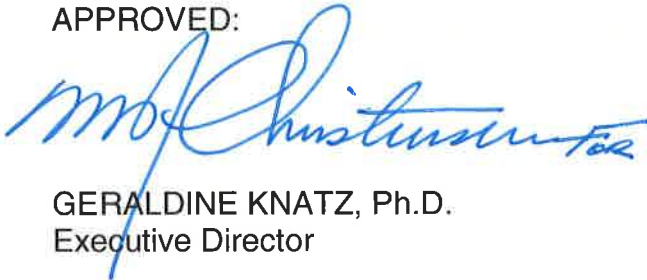
CHRISTOPHER CANNON
Director of Environmental Management

FIS Approval:  (initials)
CA Approval:  (initials)



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: HELOISE FROELICH
BOARD MEETING: 10/3/2013

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