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**Oversight Board
for the
Successor Agency**

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Staff Report

ITEM NO. 4

To: Oversight Board for the Successor Agency
From: Jeff Brittz, City Manager
Date: August 16, 2012
Subject: Resolution No. 2012-11 approving a \$74,587 Contract with Associated Soils Analysis, Inc. for Contamination Remediation on Redevelopment Agency Owned Property at 500 19 ½ Avenue covering Fiscal Year 2012-13

Discussion

The former Lemoore Redevelopment Agency (RDA) owns the property at 500 19 ½ Avenue, which was the site of the former Buy-N-Split Market and has been the subject of contamination since 1993 as shown in the attached letter dated November 23, 1993. The RDA purchased the property from Mr. Joe De La Cruz on January 16, 2009 with full knowledge of the contamination and Polanco Act protection.

Associated Soils Analysis, Inc. has been providing remediation services on the site since before the RDA acquired it. Annually, Associated Soils sends a contract to the City staff members who handle the project for the RDA. This item should be an enforceable obligation of the RDA. However, because the contracts have been coming to City staff with the City's name, instead of the RDA, the California Department of Finance (DOF) has denied this item from our prior ROPS.

This project is an approved Underground Storage Tank Cleanup Fund (Fund) project. Therefore, work that is performed is reimbursed by the State of California Water Resources Control Board (Water Board). Annually, the Water Board informs the RDA of the amount of funds available for reimbursement. For fiscal year 2012-13, a total of \$75,000 is available as shown in the attached spreadsheet titled Site Budgets for FY 2012/13, which accompanied the Water Board's letter dated May 31, 2012, also attached. Lemoore is listed on the spreadsheet as Claim No. 18805. I have included a copy of a prior reimbursement payment to show that the RDA was the receiving party.

On March 20, 2012, a letter was received from the Water Board (attached) informing the RDA that due to the dissolution of redevelopment, pursuant to AB X1 26, the Successor Agency is responsible to notify the Fund of the transfer of the former RDA's Fund claim. The requested change was submitted and on June 11, 2012, the City of Lemoore

received a letter from the Water Board indicating that the Fund accepted the City of Lemoore to act as the Successor. A Letter of Commitment for Reimbursement of Costs was also issued to the City on the same date identifying the City as the Successor. Both documents are attached for your review. The Commitment indicates a deductible of \$5,000 per occurrence. This deductible was paid several years ago.

Accordingly, Associated Soils has submitted its annual proposal for services in the name of the Lemoore Successor Agency to the Lemoore Redevelopment Agency for an amount of \$74,587 (attached). The Oversight Board is asked to approve the proposal and authorize the City Manager to execute said document so that the remediation can continue. As you know, all Oversight Board actions must be approved by resolution. This item is included in the January through June 2013 Recognized Obligation Payment Schedule (ROPS III), which is the next item on the Agenda for your approval.

Budget Impact

The Successor Agency will incur costs totaling \$74,587 for fiscal year 2012-13. However, the Fund should reimburse the entire amount.

Recommendation

That the Oversight Board adopt Resolution No. 2012-11 approving a Contract in the amount of \$74,587 between the Successor Agency and Associated Soils Analysis, Inc. to perform contamination remediation services at 500 19 ½ Avenue, which is owned by the former Lemoore Redevelopment Agency; and authorize the City Manager to execute said Contract.