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Agenda Item 4A

**Recology Update on Automating Collection and Analysis of Annual
Route Assessment Data**

Verbal Presentation at the May 22nd, 2014 Board of Directors Meeting – No Report

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STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contract Manager
Date: May 22, 2014 Board of Director's Meeting
Subject: Update on Shoreway Remediation Project

Recommendation

This item is informational and no formal action is requested of the Board. As part of this discussion on this item, though, staff is seeking Board feedback on the potential for utilizing the unspent Settlement Funds of \$1.22 million on replacing the existing diesel fuel storage and distribution system.

Analysis

Case Closure:

The San Mateo County Health System (SMCHS) and the California Regional Water Quality Control Board (RWQCB) have reviewed and approved the SBWMA's "Closure Report" submitted on January 29, 2013 to close the Shoreway Environmental Center ("Shoreway") groundwater remediation project and have issued a **NOTICE OF CASE CLOSURE** on April 29, 2014 (see **Attachment A**). This case closure letter is the final step in the Shoreway remediation closure and "no further remediation action" is required at the Shoreway facility.

SBWMA staff, through its contractor Iris Environmental, completed the final step in the remediation project activity by removing the contamination monitoring wells and providing a report documenting the well destruction activities. The specific work that was completed under this last work plan includes:

- The destruction of the existing 13 groundwater monitoring wells.
- The destruction and removal of the 4 sub-slab soil gas probes located at the Recology administration building.
- Waste characterization and subsequent disposal of waste soils from drill cuttings, assuming non-hazardous characterization.
- Reporting of field activities and preparation of a final report for submission to SCMHS.

Throughout the remediation process, the SBWMA has retained the law firm of Barg Coffin, Lewis & Trapp, LLP for legal counsel on the remediation project. At the request of the SMCHS, the firm drafted a *Covenant to Restrict Use of Property* that was submitted to the County for consideration. However, instead of requiring the Deed Restriction, the SMCHS approved the Case Closure through the use of a permit system -- a less restrictive means of land use regulation. The permit system, which is to be administered by the San Carlos Planning Department, requires advanced notification and approval by San Carlos Planning Department and of SMCHS for any soil excavation near the areas of the remediation projects (the permit system essentially maintains the current site conditions so that the potential for exposures to contaminants is minimized). Specifically, the SBWMA is to submit a Soil Management Plan and a Health and Safety Plan to the SMCH for review and approval prior to any soil disturbance within the specific area of the old underground storage tanks at the transfer station building.

"Although these petroleum hydrocarbons do not appear to pose a risk to public health and the environment under existing land use conditions, changes in land use or removal of soil and groundwater from the affected area may create a risk. Therefore, any proposed change in land use or proposed soil or groundwater removal activity at or in close proximity to the subject site must be submitted to the GPP for our review under government code section 65850.2 so we can evaluate whether the residual contaminants will likely pose a risk to public health and the environment if the proposed activities are implemented."

Underground Storage Tank Removal Project:

It should be noted that the Shoreway facility still utilizes underground storage tanks (USTs) for the storage of diesel fuel for the on-site fueling of the collection and transfer fleet. The three-15,000 gallon tanks were installed in 1980 and are singled-walled with an automatic leak detection system. Because of the difficulty in monitoring and detecting leaks, California no longer allows USTs like the ones at Shoreway to be installed. While Shoreway USTs are tested quarterly and show no signs of leaking, they are a single-walled fiberglass construction and have no double-containment to prevent a leak from entering groundwater. Moreover, the tanks are especially vulnerable in the event of an earthquake. For these reasons, staff is recommending that these USTs be removed and replaced with an aboveground storage tank (AST) system that is in compliance with current code.

In March, Staff hired J.R. Miller Associates to prepare a preliminary design and engineer's estimate for a new fuel storage and distribution system. The estimated cost for the project is \$1.08 million and is attached (see **Attachment B**) to this staff report. This is an "all-inclusive" estimate that includes: design, permitting, construction management cost and a project contingency of 10%, for the following scope of work:

- Removing the existing three USTs.
- Installation of three new aboveground 10,000 gallon storage tanks
- Replacement of the existing fuel dispensing pumps.
- Replacement of the existing concrete fuel island.
- The addition of overhead canopy structures over the fuel systems as required by storm water pollution prevention regulations.

It should be noted that staff views the installation of AST diesel tanks as an interim (five to seven year) step and that the current collection and transfer fleet will likely be converted to compressed natural gas (CNG) as early as 2021 or about six and a half years from now. The use of CNG is gaining popularity in the waste industry because CNG is cleaner burning and is currently a less costly fuel. Because an entirely new vehicle engine is required to run CNG fuel, the likely first opportunity for a full-fleet conversion would be in at the end of the Collection Franchise Agreements and Operations Agreement, both of which expire at midnight on 12/31/20. Staff will continue to research the use of CNG and will update the Board about opportunities for use of CNG fuel at the Shoreway Environmental Center as part of the Long Range Plan.

Background

Environmental work has been ongoing at the Shoreway Environmental Center since ground water contamination was discovered and a remediation case was opened by SMCHS in March of 1998. In March 2010, Republic Services (formerly Allied Waste) and the SBWMA entered into a Settlement and Release Agreement that; 1) designated responsibility for the remediation of contaminated soils at Shoreway to the SBWMA, 2) established a \$1.5 million "remediation fund" for the ongoing clean-up efforts at Shoreway.

As has been reported in detail in previous remediation update staff reports (see most recent update in November 2013 Board packet), the SBWMA Staff has been managing the clean-up work at the Shoreway Environmental Center. Iris Environmental has been the primary contractor carrying out the remediation work. The primary

contaminants of concern at the site are middle-to-heavy-end petroleum hydrocarbons, including diesel fuel and motor oil contaminants that have been found at the areas of the transfer station, the administration building, and the truck maintenance building. The contamination areas at the site have now been remediated to the satisfaction of the County and the State RWQCB.

Fiscal Impact

In March of 2010, the SBWMA received a lump sum payment of \$1,500,000 from Republic Services. This money was deposited into a SBWMA account dedicated to the ongoing clean-up efforts at Shoreway. The Shoreway Remediation fund has a current balance of \$1,240,751 and after payment of outstanding invoices the final balance estimate is \$1,220,000; staff only spent 19% of the Settlement Funds in completing this project

Staff is currently requesting Board direction as to how the surplus settlement funds are to be utilized. The current Board policy provides specific guidance on the use of such surplus cash with a goal of utilizing the monies for one-time expenditures, non-recurring costs, or funding an undesignated reserve account.

Attachments:

Attachment A – Case Closure Notification Letter

Attachment B – Engineers Estimate for UST Closure

Attachment A – Case Closure Notification Letter



SAN MATEO COUNTY
HEALTH SYSTEM

April 29, 2014

SMCo SITE # 770065

APN 046-081-760

Geotracker ID# T0608100987

Allied Waste Industries
c/o Mr. Evan Boyd
(via email eboyd@republicservices.com)
General Manager
225 Shoreway Road
San Carlos, California 94070

South Bayside Waste Management Authority
c/o Mr. Hilary Gans
via email hgans@rethinkwaste.org
610 Elm Street
San Carlos, California 94070

**SUBJECT: CASE CLOSURE, REMEDIAL ACTION OVERSIGHT, AT THE
FORMER BFI FACILITY LOCATED AT 225 SHOREWAY, SAN
CARLOS, CALIFORNIA**

Dear Mr. Boyd and Mr. Gans:

This letter confirms the completion of a site investigation and corrective action for the underground storage tank(s) formerly located at the above-described location. Thank you for your cooperation throughout this investigation. Your willingness and promptness in responding to our inquiries concerning the former underground storage tank(s) are greatly appreciated.

Based on information in the above-referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, this agency finds that the site investigation and corrective action carried out at your underground storage tank(s) site is in compliance with the requirements of subdivisions (a) and (b) of Section 25296.10 of the Health and Safety Code and with corrective action regulations adopted pursuant to Section 25299.3 of the Health and Safety Code and that no further action related to the petroleum release(s) at the site is required.

This notice is issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code.

Claims for reimbursement of corrective action costs submitted to the Underground Storage Tank Cleanup Fund more than 365 days after the date of this letter or issuance or activation of the Fund's Letter of Commitment, whichever occurs later, will not be reimbursed unless one of the following exceptions applies:

- Claims are submitted pursuant to Section 25299.57, subdivision (k) (reopened UST case); or
- Submission within the timeframe was beyond the claimant's reasonable control, ongoing work is required for closure that will result in the submission of claims beyond that time period, or that under the circumstances of the case, it would be unreasonable or inequitable to impose the 365-day time period.

Environmental Health

2000 Alameda de las Pulgas, Suite 100, San Mateo, CA 94403

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Health System Chief • Jean S. Fraser

Board of Supervisors • Dave Pine • Carole Groom • Don Horsley • Warren Slocum • Adrienne Tissier

Attachment B – Engineers Estimate for UST Closure

SOUTH BAY WASTE MANAGEMENT AUTHORITY						
MRF CANOPY EXTENSION						
Engineers Estimation of Probable Cost of Construction (Minus 1 Recology Tank)						
1-May-14						
MASTER PLAN IMPROVEMENTS						
BUILDING/ SITE AREA		DESCRIPTION OF WORK	QUANTITY	SF / LF	UNIT COST	EXTENDED VALUE
DEMOLITION						
	Concrete slab	Remove existing Concrete Slab	4,000	SF	\$5.00	\$20,000
		Remove existing Curb	90	SF	\$12.00	\$1,080
		Clean and Remove existing UST	3	EA	\$10,000.00	\$30,000
		Remove Dispensing System	2	LS	\$10,000.00	\$20,000
		Demo and prep site for remote canopy	1	LS	\$8,000.00	\$8,000
		Demo existing fuel line from existing UST to existing remote dispenser	1	LS	\$4,000.00	\$4,000
						\$0
						\$0
						\$0
TOTAL DEMOLITION						\$83,080
ARCHITECTURAL AND STRUCTURAL						
	Canopy	Fuel Island Canopy Structure (Primary)	3,360	SF	\$29.00	\$97,440
		Fuel Island Canopy Structure (Remote)	1,200	SF	\$29.00	\$34,800
		Add clean fill where old tanks were	1	LS	\$10,000.00	\$10,000
		Parapet (Metal Fascia)	400	LF	\$60.00	\$24,000
		Concrete Footings	2	EA	\$2,000.00	\$4,000
		Painting	1	EA	\$6,000.00	\$6,000
		Bollards	55	EA	\$750.00	\$41,250
		Relocate Storm Drain at Remote Canopy	1	EA	\$5,000.00	\$5,000
					\$0.00	\$0
TOTAL ARCHITECTURAL AND STRUCTURAL						\$222,490
FUEL ISLAND ELECTRICAL AND TELECOMMUNICATION SYSTEM						
	Electrical	Electrical and Communication System	1	EA	\$120,000.00	\$120,000
					\$0.00	\$0
					\$0.00	\$0
					\$0.00	\$0
					\$0.00	\$0
					\$0.00	\$0
					\$0.00	\$0
TOTAL FUEL ISLAND ELECTRICAL AND TELECOMMUNICATION SYSTEMS						\$120,000
FUEL ISLAND - MECHANICAL SYSTEMS						
	Controls and Dispensers	10,000 Gallon Fuel Tanks (Double Containment)	2	EA	\$33,000.00	\$66,000
		Pump & Controls	2	EA	\$11,250.00	\$22,500
		Double Dispensers	4	EA	\$7,500.00	\$30,000
		Hoses and Nozzles	4	EA	\$4,500.00	\$18,000
		Fuel Force System	2	EA	\$11,000.00	\$22,000
		Start up and Final Connections	2	EA	\$3,000.00	\$6,000
		Miscellaneous Accessories	2	EA	\$25,000.00	\$50,000
					\$0.00	\$0
TOTAL FUEL ISLAND MECHANICAL SYSTEMS						\$214,500
SUBTOTAL PROBABLE COST OF CONSTRUCTION						\$640,070
	General Conditions				8%	\$51,206
	Design and Engineering Fees				8%	\$51,206
	Permits & Agency Review Fees				20%	\$128,014
	General Contractors Overhead and Fees				10%	\$64,007
	Bonds and Insurance				2%	\$9,601
	Contingency				10%	\$64,007
TOTAL ESTIMATED PROBABLE COST OF CONSTRUCTION						\$1,008,110
Assumptions:						
	Existing remote dispenser at curve drive will remain					
	Existing remote dispenser will receive a new 1,200 sf canopy					