

MINUTE ITEM

This Calendar Item No. 29
was approved as Minute Item
No. 29 by the State Lands
Commission by a vote of 2
to 0 at its 9/27/78
meeting.

CALENDAR ITEM

29.

9/78
W 10339
Thompson

PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE
FOR SUBSIDENCE REMEDIAL MAINTENANCE WORK,
CITY OF LONG BEACH

SUBSIDENCE REMEDIAL PROJECT:

Maintenance, October 1, 1978 to June 30,
1979.

SUBSIDENCE ELEMENTS:

a. City's Presentation:

Maintenance work will be needed to repair
subsidence damage to facilities within
the Harbor District during the 1978-79
fiscal year.

b. Staff's Analysis:

Subsidence costs may be incurred for maintenance
work during the 1978-79 fiscal year, but
not necessarily to extent estimated by
the City.

COST OF PROJECT:

a. City's Estimate:

\$10,000 for work under General Subsidence
Maintenance and Repair. No estimate can
be made for Emergency Subsidence Remedial
Work because of the unpredictable nature
of this category.

b. Staff's Analysis:

Reasonable.

ENVIRONMENTAL CLEARANCE:

The City determined that work under these
categories is for emergency maintenance
repairs and therefore categorically exempt
under 14 Cal. Adm. Code. 15106.

FISCAL IMPACT: Cost will be borne 100% by the State.

STATUTORY AUTHORITY:

a. City Reference:

Chapter 138/64 1st E.S.

b. Staff Determination:

Chapter 138/64, 1st E.S., Section 1(e).

A 52, 57, 58

S 27, 31

CALENDAR ITEM NO. 29. (CONTD)

DISCUSSION: On May 5, 1978, the City of Long Beach requested Commission prior approval of \$110,000 for subsidence remedial maintenance under 4 work categories during the 1978-79 fiscal year. The staff proposed a change in scope of work to the city from previous years by limiting the prior approval to work performed in areas not yet raised and rehabilitated.

To allow time to resolve the issue, the Commission at its June 22, 1978 meeting granted prior approval of \$110,000 for remedial maintenance work in the 4 categories, for the first quarter of the 1978-79 fiscal year only.

As a result of subsequent discussions with the City, the scope of subsidence remedial maintenance work has been revised to 2 categories: (1) General Subsidence Maintenance and Repair which encompasses routine annual maintenance work done under 3 of the 4 previous categories (General Subsidence Maintenance, Repairs to Terminal Facilities and Repairs to Other Facilities); and (2) Emergency Subsidence Remedial Work which covers sudden and unexpected subsidence damage of such a critical nature that time does not permit prior approval consideration in the normal manner.

The definitions of the revised 2 categories and the procedures for their implementation are shown on attached Exhibit "B".

EXHIBIT: A. Cost Estimate.
B. Definitions and Procedures.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAN AN EIR HAS NOT BEEN PREPARED FOR THIS WORK AS SUCH REPORT IS NOT REQUIRED UNDER PROVISIONS OF 14 CAL. ADM. CODE 15106.

CALENDAR ITEM NO. 29. (CONTD)

2. APPROVE DEFINITIONS AND PROCEDURES OF IMPLEMENTATION FOR SUBSIDENCE MAINTENANCE WORK IN THE LONG BEACH HARBOR DISTRICT WHICH HAVE BEEN CATEGORIZED AS GENERAL SUBSIDENCE MAINTENANCE AND REPAIR AND EMERGENCY SUBSIDENCE REMEDIAL WORK, AS SHOWN IN EXHIBIT "B" ATTACHED AND, BY REFERENCE, MADE A PART HEREOF.

3. APPROVE COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH FOR THE ITEMS INDICATED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD OCTOBER 1, 1978 TO JUNE 30, 1979, FOR SUBSIDENCE MAINTENANCE WORK SUBJECT TO THE CONDITIONS THAT THE AMOUNT, IF ANY, UNDER EACH ITEM TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER CH. 138/64, 1ST E.S., SEC. 4(d) WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT AFTER THE WORK IS COMPLETED, THAT THE SCOPE OF THE WORK CONFORM IN ESSENTIAL DETAILS TO THE DEFINITIONS OF SUCH ITEMS AS DEFINED BY THE COMMISSION AND THAT NO SUBSIDENCE COSTS WILL BE REIMBURSED TO THE CITY UNTIL THE AMOUNT TO BE ALLOWED FOR SUCH WORK HAS BEEN DETERMINED BY THE COMMISSION.

IT IS FURTHER RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTION OF APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S APPROVAL.

EXHIBIT "A"

W 10339

COST ESTIMATE

LONG BEACH WORK ORDER 10339

LONG BEACH HARBOR DISTRICT

SUBSIDENCE MAINTENANCE, 1978-79 FISCAL YEAR

<u>ITEM</u>	<u>WORK PROPOSED</u>	<u>RECOMMENDED APPROVAL SUBSIDENCE REMEDIAL COSTS</u>
1.	GENERAL SUBSIDENCE MAINTENANCE AND REPAIRS to protect subsided Harbor District areas against damages from flooding, and other Harbor District facilities from damage resulting from sub- sidence.	\$10,000*
2.	EMERGENCY SUBSIDENCE REMEDIAL WORK to Harbor District facil- ities damaged by sudden and unforeseen effects of subsidence requiring protection of public property and public health and safety.	*

*Final approved subsidence costs to be
determined by the State Lands Commission.

DEFINITIONS AND PROCEDURES FOR GENERAL SUBSIDENCEMAINTENANCE AND REPAIR AND EMERGENCYSUBSIDENCE REMEDIAL WORK

1. Definitions: For the purpose of delineating the scope of the work which may be considered to be within the annual conditional prior approval of General Subsidence Maintenance and Repair and Emergency Subsidence Remedial Work, those terms are defined as follows:
 - (a) "General Subsidence Maintenance and Repair" consist of routine inspection, maintenance and repair of dikes, pumps, pump stations, pumping facilities and equipment designed to protect against flooding and the effects of water accumulation due to storm run-off or high tides caused by the effects of subsidence. This term also includes routine repair of damage to Harbor Department terminal facilities and other Harbor Department buildings and facilities caused by the effects of subsidence. "Terminal facilities" shall include wharves, transit sheds, railroad tracks, pavement, utilities, and any other facilities which serve a berth directly.
 - (b) "Emergency Subsidence Remedial Work" consists of repair of damage of a sudden or unexpected nature caused by the effects of subsidence occurring in situations which require immediate action to protect public property and the public health and safety.
2. Procedures for Reimbursement: An annual conditional prior approval of expenditures for work described in 1(a) and 1(b) above shall be subject to the following conditions and procedures:
 - (a) Expenditures made during a fiscal year for General Subsidence Maintenance and Repair shall be reimbursed to the city from oil revenue only after an annual engineering review, final audit and determination by the State Lands Commission of the amount, if any, of the expenditures which is to be allowed as subsidence costs deductible under Chapter 138, Statutes of 1964, First Extraordinary Session, Section 4(d). The expenditures shall not exceed the amount given prior approval by the State;

said amount may be increased during the year at the discretion of the State Lands Commission. The annual engineering review, final audit and determination by the State Lands Commission shall be completed within 7 months after the end of each fiscal year for all work completed within said fiscal year. However, the State's completion of the review, audit and determination within said time period shall be contingent upon the city's transmittal to the State, within 120 days of the close of the fiscal year, of a detailed summary of the expenditures and upon the city's complying in a timely manner thereafter with any request by the State for any available documents, maps or additional information pertaining to the expenditures.

- (b) Expenditures made for Emergency Subsidence Remedial Work shall be reimbursed to the city only upon an engineering review and final audit upon the completion of the work and a determination by the State Lands Commission of the amount, if any, of said expenditures which is to be allowed as subsidence costs deductible under Chapter 138, Statutes of 1964, First Extraordinary Session, Section 4(d). With respect to such work:
- (1) Within 3 working days after the discovery of the event requiring the performance of Emergency Subsidence Remedial Work, city shall notify the Executive Officer of the State Lands Commission in writing of its intent to expend monies and to charge said expense as a subsidence cost. Said notice shall contain a brief description of the emergency, the date of the event, and the general nature of the work being or proposed to be accomplished.
 - (2) Within 90 days after the completion of the work of repair or the date of final acceptance of the work by the city, whichever is later, city shall notify the Executive Officer in writing of its facts, findings and conclusions concerning causation of the damage and a detailed statement of costs incurred.
 - (3) Within 90 days after receipt of city's findings and cost data, State shall perform an engineering review and audit and notify city

in writing of the results of said review and audit. In the event the Executive Officer disagrees with any of the city's facts, findings and conclusions, he shall notify the city of such disagreement and shall state therein his reasons for same. The State's completion of said engineering review and audit within the 90 days stipulated herein shall be contingent upon the city's complying in a timely manner with the State's request for any available documents, maps or other information pertaining to the work.

- (4) Within 20 days after receipt by the city of the State's review and audit, the matter shall be placed on the agenda of the State Lands Commission meeting for closing action if the State expresses no disagreement to the city's findings and conclusions. If there is disagreement, the city shall within said 20 day period concur in the State's review and audit, or modify the city's findings and request the State's review of such modified findings or request that the matter be placed on the Commission's agenda for hearing.
- (c) The annual conditional prior approval of expenditures for Emergency Remedial Work shall not be subject to any dollar limitation but shall be understood to be for all subsidence costs for such work as determined allowable by the State Lands Commission under item 2(b) above.