



Meeting Date: 05/16/06

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Mark S. Norris Agenda Item No. I-6
 Reviewed By: City Manager [Signature] City Attorney Holmberg [Signature] Finance [Signature] Public Works Director Ortega [Signature]

DATE: May 2, 2006

TO: City Council

FROM: Mark Norris, Utility Services Manager/Assistant Public Works Director
Public Works Department

SUBJECT: Agreements for Removal and Disposal of Gypsum from the City's Wasco Farm

RECOMMENDATION

That City Council:

1. Ratify an Environmental Services and Waste Disposal Agreement (No. 3791-06-PW) between the City of Oxnard and Clean Harbor, Inc.
2. Approve and authorize the Mayor to execute an addendum to the Biosolids Disposal and Reuse Agreement (A-5227) with USA Transport, Inc. ("USA") for transportation of gypsum material from the City's Wasco farm to Clean Harbor Landfill.

DISCUSSION

On April 4, 2006, the Kern County Board of Supervisors ordered the City and USA to remove gypsum material stored on the City's Wasco farm. The City must remove all material stored on the farm, or if the State Department of Toxic Substances Control determines the material is not hazardous, all but 16,800 tons. City staff obtained quotations from the two closest landfills legally authorized to accept the material. In addition, staff obtained quotations from USA Transport and from other haulers for trucking and for trucking and disposal combined. The Clean Harbor Landfill located in Buttonwillow and USA offered the lowest price (\$23.75 per ton). In addition, there is a charge of \$57.75 per load for a visuline truck liner required by Clean Harbor. The City Manager has executed contracts for hauling and disposal. These contracts contain no set dollar amounts. Payment is to be made on a per ton basis. Estimates of the amount of material at the Wasco site are as high as 70,000 tons, but staff believes that the actual amount of material on the site is considerably less, based upon the methods used to estimate tonnage and the amount that has already been removed compared to the amount that remains. The cost of the project, however, will exceed \$250,000. Therefore, under the City's purchasing policy, these contracts require City Council approval.

Subject/ Agreements for Removal of Gypsum

May 9, 2006

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The City has, by letter, reserved all rights to pursue USA Transport for damages which the City is suffering as a result of USA Transport's storage of material on the Wasco site. USA Transport has represented to staff, and staff based upon its information concerning USA Transport, believes that USA Transport does not have the ability to finance the operations being undertaken. Staff will return to the City Council in closed session or open session to discuss rights and remedies against USA Transport, as well as BP Petroleum, the generator of the material.

FINANCIAL IMPACT

The financial impact of the actions is unknown at this time. The expense depends on the total tonnage of material removed. Staff estimates the hauling and disposal operations may result in expenses of approximately \$1,350,000. If the material is not removed, the City will be subject to fines and penalties of \$3,000 per day from April 4, 2006 to June 27, 2006 and thereafter in greater per diem amounts. Sufficient funds are available in the Biosolids Management Project (Project #01-6206), Account # 622-6726-822-8232 and 622-6726-822-8233 to pay the respective hauling and disposal costs.

Attachment #1 – Environmental Services and Waste Disposal Agreement
#2 – Addendum to Agreement with USA Transport for Biosolids Disposal and Reuse.

Note: The Environmental Services and Waste Disposal Agreement has been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 pm on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Friday.

AH/kh

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**MAY 2, 2006 ADDENDUM TO AGREEMENT FOR
BIOSOLIDS DISPOSAL AND REUSE**

EFFECTIVE November 15, 1995, the City of Oxnard ("City") and USA Transport, Incorporated. ("USA Transport") entered into an Agreement for Biosolids Disposal and Reuse ("Agreement"), pursuant to which USA Transport hauls City biosolids to a certain property located in Wasco, California.

On April 4, 2006, the Board of Supervisors of the County of Kern ordered both the City and USA Transport to remove up to approximately 70,000 tons of the gypsum-like material which USA Transport had obtained from British Petroleum, Incorporated ("BP") and stored at the Wasco Farm, for ultimate use as a reagent in processing biosolids.

USA Transport represents that it does not have the financial ability at this time to pay for removal and disposal of the material. USA Transport will transport the material at the rates set forth in attached Exhibit A. USA Transport represents that these rates are at or below the cost to USA Transport of transporting the material. USA Transport acknowledges that the City has reserved all rights which the City possesses under all of its agreements with USA Transport concerning the transportation and storage of material at the property.

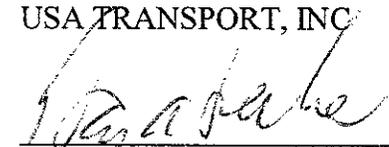
The City shall pay USA Transport to load and transport the material to Clean Harbor Landfill in Buttonwillow, California and unload the material, as set forth in the attached Exhibit A.

This addendum is subject to all provisions of the Agreement, including provisions concerning the obligation of USA Transport to provide insurance coverages as set forth in the Agreement. Nothing in this Addendum changes or alters in any way other provisions of the Agreement.

CITY OF OXNARD

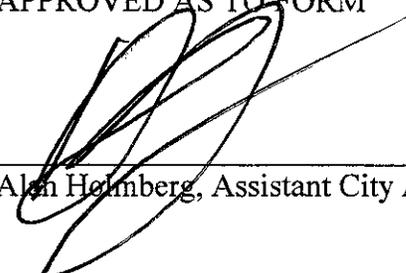
USA TRANSPORT, INC.

Dr. Thomas E. Holden, Mayor



Gary Leslie, President

APPROVED AS TO FORM



Alan Helmberg, Assistant City Attorney

EXHIBIT A
Transportation and Loading to Clean Harbor Environmental in
Buttonwillow, California

Mileage:

- A. 76 miles round trip
- B. Each truck will make 4 round trips per day

Landfill hours will allow 4 loads per truck on Saturdays if necessary

Costs:

- A. Price-- \$8.40/ton
- B. Visculine Liner-- \$57.75/load (required by Landfill and Hazmat)

Includes fuel surcharge; daily disposable safety gear required by Hazmat; 2 loaders and operators; 1 D-6 dozer and operator; 1 safety compliance manager; 2 onsite managers; 2 water trucks and operators

Payment Terms:

- A. Net 21 days