



CITY OF LONG BEACH

R-42

DEPARTMENT OF PARKS, RECREATION & MARINE

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December 18, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve Memorandum of Understanding between the City of Long Beach, Parks, Recreation and Marine Department, and the City of Long Beach Harbor Department, with regard to placement of dredge material from the Los Angeles River Estuary and the Catalina Basin, into a slip at Pier G. (District 2)

DISCUSSION

City Council approval is being requested for the Parks, Recreation and Marine Department (Parks) to enter into a Memorandum of Understanding (MOU) (Attachment A) with the Harbor Department (Harbor) to place dredge sediments from the Los Angeles River Estuary (River) and the Catalina Basin (Basin), into a slip at Pier G. The Los Angeles River sends hundreds of thousands of cubic yards of sediment down river each year. Some settles in the soft bottom portion of the river south of Willow Street, while some of it continues in suspension out into San Pedro Bay. However, much of it settles in the estuary, the area generally known as Queensway Bay, where a man made access channel exists. This sediment fills in the channel utilized by recreational and commercial boat operations, including the Catalina Express transportation service to Catalina Island. Periodic dredging is thus necessary to keep the channel, and the docking basin for the Catalina Express, usable.

The maintenance of the River is the responsibility of the federal government, through the United States Army Corps of Engineers (ACE), and the maintenance of the Basin is the responsibility of the City of Long Beach. The City is also the local sponsor for the ACE dredging, which includes responsibility for locating a dredge spoil disposal site. Maintenance dredging of the Channel is necessary every three to five years, but has not been performed since 1999/2000. The Basin fills up more slowly, and was partially dredged in 2000.

The River shoaled during the heavy winter storms of January 2005, closing it to navigation for several months. It was reopened by temporary measures that allow only minimal operations. The Basin has also filled in to the point where it could inhibit Catalina Express in business expansion. A settlement agreement to lawsuits between the City and the Abbey Company (the master lessee for the Catalina Basin) that arose due to the 2005 shoaling was approved by City Council in November 2006. The Abbey Company has been cooperating with the City in the current project.

Both the Channel and the Basin contain some contaminated sediments. Although not highly contaminated beyond clean water standards, the level of contamination has limited where the dredge spoil can be placed. Placement of the material in a confined location, such as buried in the middle of a port landfill, is a preferred disposal option by the regulatory agencies involved. Without the Port landfill disposal, the contaminated material must either be treated to separate the contaminated and uncontaminated materials (still an experimental technology), or hauled inland to an appropriately classified landfill. Treatment and upland disposal can run four to ten times the cost of disposal in a Port landfill.

Historically, the biggest problem with utilizing Port landfill is the timing between the need for dredging and the construction period for the landfill. As the Ports must also dredge and dispose of contaminated material in their navigation channels, a second issue is the Ports' need to dispose of their material in their own fills. In this case, the timing and the quantities match the Port's availability so ACE and the City can dispose of the contaminated materials from the Channel and the Basin without delaying the Port of Long Beach's (POLB) Pier G fill, or compromising their disposal needs.

POLB and ACE already have their regulatory approvals for the dredging project. ACE is scheduled to begin January 2008, and POLB in May 2008. ACE has a federal appropriation of \$2.5 million for the project, funding that the City has pushed for since the last dredging in 1999/2000 as one of the top federal legislative priorities. The City has regulatory approvals for upland disposal, and needs to modify them for Pier G disposal by the beginning of the POLB construction.

The Board of Harbor Commissioners approved the MOU November 19, 2007. The MOU sets out the parameters for the City and ACE to be allowed to dispose of the River and Basin material in the Pier G fill. These are briefly:

- The City and ACE have all the necessary permits,
- The City and ACE must not delay the Pier G fill or interrupt the operation of the current slip tenant, and
- The City is responsible for any additional costs to the Port.

The condition that the City bear responsibility for any additional costs to the Port is significant because there exists the possibility that the ACE/City dredging

operation at Pier G could impact the ongoing operations of the Port's current tenant at Pier G and/or cause delay to the Port's future slip fill project at Pier G. Costs could range from a few thousand dollars for delaying the unloading of a ship, up to millions in the case of a major construction accident. Attached is a list of potential accidents and the mitigation methods in place to avoid those occurrences (Attachment B). Port fill projects have been completed utilizing these measures in the past without incident.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on December 10, 2007, and Budget Management Officer Victoria Bell on December 11, 2007.

TIMING CONSIDERATIONS

The use of Pier G as a disposal location for the River and Basin contaminated materials is extremely time sensitive due to the already fixed construction schedule for the Pier G fill of May 2008. To complete disposal in Pier G by April 30, 2008, ACE needs to be under construction by the end of December. Without the MOU in place, ACE cannot proceed.

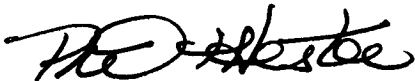
FISCAL IMPACT

Dredging of the Basin with the Pier G slip fill has not been bid, but based on the recently received ACE bids, sufficient funds have been reserved in the Tidelands Fund for this project.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PHIL T. HESTER
DIRECTOR OF PARKS, RECREATION AND MARINE

Catalina Basin & LARE Pier G MOU CCLtr 12/18/07.doc
PTH:DLE:sg

Attachments: MOU
Risks and Preventative Measures

APPROVED:


for PATRICK H. WEST
CITY MANAGER

Risks and Mitigation Measures during Los Angeles River Estuary and Catalina Express Basin Dredging

Navigation

1. Risk - Corps or City barge runs into tenant vessel or dock causing damage.

Prevention Measures:

- Bidding process requiring experienced and professional contractors.
- Equipment inspections and on-board contract compliance inspectors.
- Insurance of contractor to indemnify City and Port.

2. Risk - Corps or City barge delays or impedes tenant ship traffic.

Prevention Measures:

- Contract language that requires contractor to coordinate movements with Port Traffic manager.
- On-board radio communications contact during movements (Section 01 20 01, page 7 of Corps contract).
- Use of Port Pier G fill contractor for Catalina Basin dredging if possible.

3. Risk - Corps or City barge sinks in navigation channel.

Prevention Measures:

- Sufficient Bonding and Insurance in contractor's contract requirements to remove barge and mitigate environmental damage (Section 0800 of Corps contract).

4. Risk - Improper material placement causes navigation obstruction.

Prevention Measure:

- On board GPS system is required in contract and contractor must report coordinates before dumping.
- Final survey of work required before final payment. Insurance and performance bonds can be used to pay for correction if contractor is not responsive (Section 35 20 20 of Corps contract).

Dredge Material Placement

1. Risk - Improper dredge spoil placement causes fines from RWQCB or EPA.

Prevention Measures:

- Contractor is required to mitigate any misplaced material (Section 35 20 20 of Corps contract)
- See # 4 Navigation Risks.

2. Risk - Future need to dredge the material due to improper placement.

Preventive Measures:

- Contractor is required to mitigate any misplaced material (Section 35 20 20 of Corps contract).
- See # 4 Navigation Risks.

3. Risk - Future capping of material for any reason.

Preventive Measures:

- A cap is already designed into the disposal project because the Corps LARE fill would be uncapped for up to six months. This is a regulatory agencies requirement.
- Water quality monitoring during and after material placement is part of the regulatory permits.
- The City disposal will only occur during the construction of the Pier G fill. It is highly unlikely that the project will begin and then be stopped after the City disposal, but before capping with the landfill.

Delays

1. Risk - Postponement of ITS projects due to any of the above actions.

Preventive Measures:

- Contract requires contractor to complete project by date specified by Port for beginning of ITS Project. No work will be allowed after that date in the Pier G fill area, unless allowed upon approval of the Port.
- Avoidance of above delays.

2. Risk - Delays to bid causing higher prices.

Preventive Measures:

- See #1 Delays.
- Delaying bidding does not always result in higher prices. Varies with market.

3. Risk - Commercial business lost by ITS due to dredge related delays.

Preventive Measure:

- Avoidance of above delays.

1 MEMORANDUM OF UNDERSTANDING
2 BY AND BETWEEN
3 THE PARKS, RECREATION AND MARINE DEPARTMENT AND
4 THE HARBOR DEPARTMENT

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6 THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made by and
7 between the City of Long Beach Parks, Recreation and Marine Department (“Parks”) and
8 the City of Long Beach Harbor Department (“Harbor”) with regard to the placement of
9 dredge material from the Los Angeles River Estuary and the Catalina Basin into a slip at
10 Pier G.

11 1. This MOU is made with reference to the following facts and
12 objectives:

13 1.1 Parks desires to facilitate deepening by the United States
14 Army Corps of Engineers (“Corps”) of the navigational channel in the Los Angeles
15 River Estuary adjacent to and in the entrance to Catalina Basin (“LA River”).

16 1.2 Harbor has obtained permits from regulatory agencies to
17 construct a confined in-water slip fill at Pier G and anticipates using sediments
18 from various Harbor projects to be placed in this in-water slip fill.

19 1.3 Certain portions of the dredge material from the LA River are
20 contaminated. Placement of this material at an upland site would be more costly
21 than if the material is placed in a permitted in-water placement site.

22 1.4 Parks has requested and Harbor has agreed to allow Corps to
23 place certain quantities of contaminated dredge material from the LA River subject
24 to the terms of this MOU into a slip at Pier G and Corps Document IFB No.
25 W912 PL-07-B-0009.

26 1.5 In a Preferential Assignment Agreement dated June 22, 2006
27 (HD-7048) (“PAA”), Harbor preferentially assigned wharves and contiguous upland
28 areas on Pier G to International Transportation Service, Inc. (“ITS”) as well as the

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1 water areas contiguous to the wharves as may be required for the berthing of
2 vessels, which water areas include this slip at Pier G in which Parks and Corps will
3 be placing contaminated dredge material. In addition, Harbor and ITS agreed in
4 this PAA to proceed with a slip fill of at least the northern half of this slip at Pier G.

5 1.6 ITS recently requested that Harbor fill only the northerly
6 portion of the slip at Pier G while ITS continues to maintain commercial operations
7 at the southerly portion of the slip at Pier G.

8 2. Commencing on November 1, 2007 and ending on April 30, 2008,
9 Harbor agrees to allow Corps to place up to the lesser of (a) 91,600 cubic yards of
10 contaminated dredge material from LA River and uncontaminated cover material
11 (collectively "Dredge Material") or (b) that amount of Dredge Material which is in
12 compliance with Corps Document 3.3.2.f. of Section 35 2020 of IFB No.
13 W912 PL-07-B-0009 in the northerly portion of the Pier G slip prior to the Harbor
14 Department beginning construction of the water slip fill at Pier G. The northerly portion of
15 the Pier G slip is shown in Exhibit "A" attached hereto and incorporated herein by this
16 reference, which exhibit depicts the horizontal and vertical limits of the placement area.

17 3. Parks agrees for the benefit of Harbor that Corps shall comply with
18 all laws and obtain all permits regarding the placement of the Dredge Material. Parks
19 agrees for the benefit of Harbor that Corps shall place the Dredge Material as not to
20 impact, delay, or hinder the ongoing operations of ITS. Parks agrees to be responsible
21 for all costs and/or losses incurred by Harbor to ITS as a result of any activity related to
22 the placement of the Dredge Material. Further, if the Harbor's construction of the slip fill
23 project at Pier G, currently scheduled to commence in June of 2008, is delayed for any
24 reason, Parks shall be responsible for all costs and/or losses incurred by the Harbor
25 Department relating to or arising out of the placement of the Dredge Material in this slip at
26 Pier G. Parks acknowledges that the placement of the Dredge Material in this slip at Pier
27 G is in an unconfined slip unless and until the Harbor constructs a confined in-water slip
28 fill.

1 4. Parks agrees to pay all costs and/or losses incurred by Harbor in
2 connection with surveys, inspections and reviews related to or arising out of the Dredge
3 Material.

4 5. Costs and/or losses incurred by Harbor include, without limitation,
5 out-of-pocket expenses, in-house staff costs, reduced rent, and/or reimbursements.

6 6. To avoid potential delay costs, Harbor will not delay construction of
7 the Pier G slip fill project once started.

8 7. Harbor will track costs and/or losses incurred by Harbor and will
9 invoice Parks on a quarterly basis for such costs and/or losses.

10 8. Any notification to be given hereunder by Parks to the Harbor shall
11 be given to the Executive Director of Harbor. Any notification to be given hereunder by
12 Harbor to Parks shall be given to the Director of Parks, or if such position does not exist,
13 the position that assumed the duties of the Director of Parks.

14 9. This MOU shall not be amended except in an amendment prepared

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Long Beach, CA 90802-4664

1 by the City Attorney and executed by Harbor and Parks. Any notification from one party
2 to the other shall be in writing.

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CITY OF LONG BEACH, a municipal
corporation

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_____, 2007

By:

Pat West
City Manager

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PARKS, RECREATION AND MARINE
DEPARTMENT

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_____, 2007

By:

Director of Parks, Recreation & Marine
Department

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"PARKS"

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The foregoing document is hereby approved as to form.

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ROBERT E. SHANNON, City Attorney

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_____, 2007

By:

Gary J. Anderson, Deputy

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CITY OF LONG BEACH, a municipal
corporation, acting by and through its
Board of Harbor Commissioners

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_____, 2007

By:

Richard D. Steinke
Executive Director
Long Beach Harbor Department

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"HARBOR"

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The foregoing document is hereby approved as to form.

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ROBERT E. SHANNON, City Attorney

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_____, 2007

By:

Charles M. Gale, Deputy

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