

MINUTE ITEM

6/27/74
WEB

22. PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE FOR SUBSIDENCE REMEDIAL WORK, CITY OF LONG BEACH - W 10294.

After consideration of Calendar Item 21 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION APPROVES COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD FROM JULY 1, 1974, TO JUNE 30, 1975; SUBJECT TO THE CONDITIONS THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 4(d) OF CHAPTER 138/64, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED, SAID REVIEW AND AUDIT TO CONSIDER SUBSIDENCE COSTS DISBURSED FOR WORK DEFINED ON JOB RECORDS AS TO LOCATION AND SUBSIDENCE CHARACTER AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. FURTHER, THE COMMISSION AUTHORIZES THE EXECUTION OF APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment:

Calendar Item 21 (4 pages)

CALENDAR ITEM

21.

6/74
WEB
W 10294

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

SUBSIDENCE REMEDIAL PROJECT: SUBSIDENCE MAINTENANCE, 1974-1975 fiscal year.

SUBSIDENCE ELEMENTS:

- a. City's Presentation: The project consists of work required to remedy the damaging effects of subsidence in the Harbor District during the 1974-1975 fiscal year.
- b. Staff Analysis: Initial study concludes that some subsidence costs are included but not necessarily all those estimated by the City.

COST OF THE PROJECT:

- a. City's Estimate: \$25,000 for specified categories, plus \$45,000 for contingencies.
- b. Staff Analysis: Total amount for approval is recommended at \$70,000 in line with recent historical expenditures. This amount includes an allowance for contingencies. See discussion below.

STATUTORY AUTHORITY:

- a. City's Reference: Chapter 138/64, 1st E.S., Section 1(e).
- b. Staff Determination: Agreement.

DISCUSSION:

Details of the project are set forth in a letter dated April 11, 1974, from the City Attorney, requesting prior approval of the Commission.

The City has explained that the requested estimated amounts could be over-expended. These are deemed minimum amounts which, should occasion require, would be necessary to cover the work for which approval is intended.

CALENDAR ITEM NO. 21. (CONTD)

In order to provide a contingency against possible and unforeseen costs, an allowance of \$45,000 in a Contingency Fund for the 1974-1975 fiscal year is recommended, said allowance representing the difference between the total costs possibly to be expended by the City and the amounts based on recent historical expenditures which, herein, are also recommended for specific categories.

Use of the Contingency Fund is limited to the circumstances when there is not sufficient time available for necessary emergency augmentation of funds for any subsidence maintenance item prior to the time of expenditures for emergency subsidence remedial work or for protective work.

This Contingency Fund is intended to prevent financial liability of the City in the event the City is called upon to make expenditures for subsidence maintenance work in excess of funds already given prior approval by the State Lands Commission in the three specifically defined categories.

In the event that use of the Contingency Fund is required, the City will officially notify the Executive Officer or the Manager, Long Beach Operations, of the Division in advance of any expenditure, with an adequate detailed explanation concerning the nature of the work proposed. The final amount of subsidence costs to be allowed, if any, will be determined by the Commission subsequent to engineering review and audit upon completion of the work.

EXHIBIT: A. Cost Estimate.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD FROM JULY 1, 1974, TO JUNE 30, 1975; SUBJECT TO THE CONDITIONS THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 4(d) OF CHAPTER 138/64, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED, SAID REVIEW AND AUDIT TO CONSIDER SUBSIDENCE COSTS DISBURSED FOR WORK DEFINED ON JOB RECORDS AS TO LOCATION AND SUBSIDENCE CHARACTER AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. IT IS FURTHER RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTION OF APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment: Exhibit "A"

EXHIBIT "A"

W 10294

PROJECT AND ESTIMATE SUBMITTED BY THE CITY OF LONG BEACH
SUBSIDENCE MAINTENANCE, 1974-75 FISCAL YEAR

<u>ITEM</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED PROJECT EXPENDITURES JULY 1, 1974 TO JUNE 30, 1975</u>	<u>RECOMMENDED APPROVAL ESTIMATED SUBSIDENCE COSTS</u>
1	<u>GENERAL SUBSIDENCE MAINTENANCE</u> due to high tides, dike fills, sandbagging, water pumping, and utility costs. (2nd Phase)	\$ 5 000	\$ 5,000(100%)
2	<u>REPAIRS TO TERMINAL FACILITIES</u> damaged by subsidence (2nd Phase)	10,000	10,000(100%)
3	<u>REPAIRS TO OTHER FACILITIES</u> damaged by subsidence (2nd Phase)	10,000	10,000(100%)
4	<u>SUBSIDENCE MAINTENANCE CONTINGENCY</u>	45,000	45,000(100%)
	TOTALS:	<u>\$70,000</u>	<u>\$70,000(100%)</u>

- NOTE: 1. The term "1st Phase" covers costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" covers additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

EXHIBIT "A" (CONTD)

SUBSIDENCE MAINTENANCE

	<u>1972-73</u>		<u>1973-74</u>		<u>1974-75</u>		
	<u>S.L.C. Approval</u>	<u>Expenditures</u>	<u>S.L.C. Approval</u>	<u>Expenditures to 3-31-74</u>	<u>Annualized</u>	<u>Requested</u>	<u>Recommended for Approval</u>
General Subsidence Maintenance	\$ 5,000	\$4,584.85	\$ 5,000	\$107.96	\$143.95	\$ 5,000	\$ 5,000
Repairs to Terminal Facilities	\$10,000	\$ 1.00	\$10,000	\$ 0.00	\$ 0.00	\$10,000	\$10,000
Repairs to Other Facilities	\$10,000	\$2,825.73	\$10,000	\$159.04	\$212.05	\$10,000	\$10,000
Subsidence Maintenance Contingency	\$45,000	\$ 0.00	\$45,000	\$ 0.00	\$ 0.00*	\$45,000	\$45,000
TOTALS:	<u>\$70,000</u>	<u>\$7,411.58</u>	<u>\$70,000</u>	<u>\$266.00</u>	<u>\$354.67</u>	<u>\$70,000</u>	<u>\$70,000</u>

*Harbor Department letter dated March 7, 1974, advised that estimated \$12,000 for emergency electrical repairs will be applied against Contingency Fund approval. Charge not entered as of March 31, 1974.