



# Agenda Report

**MEETING DATE:** Tuesday, February 13, 2024

**TO:** City Council

**FROM:** PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG  
WASTEWATER DIVISION MANAGER SMITH

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** SECOND CONTRACT AMENDMENT WITH DANIEL B.  
STEPHENS & ASSOCIATES, INC., FOR A NOT TO EXCEED  
AMOUNT OF \$1,687,162.76

---

## **RECOMMENDED ACTION:**

Adopt a resolution approving a Second Amendment to the contract with Daniel B. Stephens & Associates, Inc., (1) amending the compensation to increase the contract amount by \$1,061,308 for a revised total amount not to exceed \$1,687,162.76, for the implementation of the corrective action plan for site locations in the vicinity of 1350 Freedom Boulevard; (2) extending the contract term to December 31, 2025; (3) authorizing the City Manager to execute the Second Amendment; and (4) authorizing budget appropriation of \$1,061,308 from the Wastewater Enterprise Fund to project account: 710-530-7361-11046.

## **BACKGROUND:**

Don Heim & Sons Dry Cleaners operated at 1350 Freedom Boulevard since the 1970s and used a chemical known as PCE in its dry-cleaning operations until its closure. Investigations initiated in 2006 indicated that PCE released at the dry-cleaning facility had impacted the subsurface and migrated to other areas adjacent to the site. It was reported that PCE concentrations in groundwater were high enough to indicate the presence of dense non-aqueous phase liquid (DNAPL) in samples collected along the sanitary sewer in the vicinity of the dry-cleaning building.

Samples collected in 2008 indicated the presence of PCE in soils beneath and near the dry-cleaning facility and adjacent to the down gradient sanitary sewer, leading to the installation of groundwater monitoring wells in 2008 and 2009. Soil sampling, passive soil vapor sampling, active soil vapor sampling, and vapor well installation were completed in 2013. In 2015, Weber, Hayes & Associates, prepared a Health Risk Assessment (HRA) designed for use by the Central Coast Regional Water Quality Control Board (CCRWQCB) as a basis for making risk management decisions to address any potential risk to human health. Chemicals of Potential Concern (COPCs) were identified based on

the results of crawlspace and ambient outdoor air sampling, sub-slab soil gas sampling, soil gas sampling and soil sampling. One of the primary site related COPCs included PCE. Allegedly, a conduit for migration of the PCE released by the dry-cleaning operations had been a sewer lateral at the dry-cleaning facility, which connects to a sewer line extending from the lateral.

Disputes arose between the dry cleaner's owner and the City as to the specific cause of the PCE leachate with the former alleging that the City's sanitary sewer collection system's impaired condition had allowed for the dry cleaner's discharge to infiltrate into the soil and groundwater. From 2012 through 2015 numerous studies were undertaken in efforts to determine cause and liability, and in May of 2015, the CCRWQCB requested that both parties<sup>1</sup> in the case submit an assessment plan, a remedial action plan (RAP), and a monitoring and reporting program (MRP) plan to address discharges of waste in the Freedom Boulevard corridor.

A settlement agreement was reached by both parties in September of 2015 whereby both parties committed to certain remedial actions. Subsequently, a period of biotreatment feasibility studies, active and passive soil-vapor sampling, groundwater sampling, and monitoring ensued as directed by the CCRWQCB. One of the conditions of the agreement included the preparation and submittal of a Corrective Action Plan (CAP) and indoor air sampling work plan.

## **DISCUSSION:**

On March 30, 2020, staff issued a Request for Qualifications (RFQ) submittals and received responses from thirteen firms.

Staff reviewed the Statement of Qualifications (SOQ) for consistency with the Scope of Work; thoroughness of the proposal and project management approach; firms' staffing qualifications; and experience managing similar projects. After this assessment staff chose DBS&A which impressed staff by the breadth of scope of their SOQ and the preliminary effort undertaken to assess project design with the CCRWQCB.

On September 8, 2020, the Watsonville City Council adopted Resolution No. 165-20 (CM) awarding a contract to Daniel B. Stephens & Associates (DBS&A) for work associated with soil contamination sampling, monitoring, and mitigation from a former dry-cleaning business in the vicinity of 1350 Freedom Boulevard. DBS&A developed the required corrective action plan (CAP) outlining soil cleanup activities around the former dry-cleaning site. The CCRWQCB accepted the CAP on July 5, 2022. On December 13, 2022, the City Council adopted Resolution No. 248-22 (CM), approving the first amendment to the contract beginning implementation of the CAP. Additional work must be performed for the ongoing cleanup activities, requiring a second contract amendment to cover the added costs.

---

<sup>1</sup> The primary parties were Maxine Heim, represented by WEST Environmental Services & Technology (WEST), and the City of Watsonville, represented by Weber, Hayes & Associates (WHA).

The duration and cost of the implementation activities requires a contract amendment to add funds to the contract and extend the contract's term.

**STRATEGIC PLAN:**

This project supports Strategic Plan Priority:

2 – Infrastructure & Environment

**FINANCIAL IMPACT:**

Staff is requesting a budget appropriation of \$1,061,308 from the Wastewater Enterprise Fund to project account: 710-530-7361-11046. CIP number 11046 was specifically established for remediation efforts relating to this matter.

**ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time. The City is obligated to adhere to the terms of the 2015 settlement agreement. The required documents developed by DBS&A, and any remediation actions taken subsequently for environmental mitigation, are not discretionary nor is deferral of this matter an option.

**ATTACHMENTS AND/OR REFERENCES (If any):**

1. Task Order #5
2. Task Order #6