

This Calendar Item No. 27  
was approved as Minute Item  
No. 27 by the State Lands  
Commission by a vote of 3  
to 0 at its 6-24-76  
meeting.

CALENDAR ITEM

27.

6/76  
W 10320  
WMT

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

SUBSIDENCE REMEDIAL PROJECT:  
Subsidence Maintenance, 1976-1977 Fiscal Year.

SUBSIDENCE ELEMENTS:

- A. City Presentation: The project consists of work required to remedy the damaging effects of subsidence in the harbor district during the 1976-1977 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 Estimate: \$75,000 for specified categories, plus \$45,000 for contingencies.
- B. Staff Analysis: Total amount for approval is recommended at \$85,000 in line with recent historical expenditures. This amount includes an allowance for contingencies. See discussion below.
- C. Fiscal Impact: 100% of cost borne by the State.

STATUTORY AUTHORITY:

- A. City's Reference: Chapter 138/1964, 1st E. S., Section 1 (c).
- B. Staff Determination: Agreement.

DISCUSSION:

Details of the project are set forth in a letter dated May 20, 1976 from the City Attorney, requesting prior approval of the Commission.

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

A 52, 57, 58

S 27, 31

CALENDAR ITEM NO. 27.(CONTD)

Commencing in 1972, a Contingency Fund was established each year to provide for possible and unforeseen costs. An allowance of \$45,000 in a Contingency Fund for the 1976-1977 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:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21085 AND 14 CAL. ADM. CODE 15100 ET SEQ. (CATEGORICAL EXEMPTIONS, INCLUDING EXISTING FACILITIES), AND PRC 21172 AND 14 CAL. ADM. CODE 15071 (EMERGENCY PROJECTS).
2. 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 PARI HIEREOF, FOR THE PERIOD FROM JULY 1, 1976 TO JUNE 30, 1977, SUBJECT TO THE CONDITIONS THAT THE AMOUNTS, DEDUCTIBLE UNDER SECTION 4(D) OF CHAPTER 138/1964, 1ST. E.S., WILL BE DETERMINED BY

CALENDAR ITEM NO. 27. (CONTD)

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 APPROVAL.

Attachment: Exhibit "A"

## EXHIBIT "A"

W 10320

LONG BEACH WORK ORDER NUMBER 10320  
 PROJECT AND ESTIMATE SUBMITTED BY THE CITY OF LONG BEACH  
 SUBSIDENCE MAINTENANCE, 1976-77 FISCAL YEAR

<u>ITEM</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED PROJECT EXPENDITURES JULY 1, 1976 TO JUNE 30, 1977</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)	\$10,000	\$10,000 (100%)
2	<u>REPAIRS TO TERMINAL FACILITIES</u> Damaged by subsidence (2nd Phase)	55,000	20,000 (100%)
3	<u>REPAIRS TO OTHER FACILITIES</u> Damage by subsidence (2nd Phase)	10,000	10,000 (100%)
4	<u>SUBSIDENCE MAINTENANCE CONTINGENCY</u>	<u>45,000</u>	<u>45,000 (100%)</u>
TOTALS:		\$120,000	\$85,000 (100%)

- NOTE: 1. The term "1st Phase" covers costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. ("1st Phase" costs are restricted to engineering design, field surveys for design purposes, preparation of preliminary and construction plans, special investigation as may be required for design purposes and preparation of specifications for construction.)
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>1974-75</u>		<u>1975-76</u>			<u>1976-77</u>	
	<u>S.I.C. Approval</u>	<u>Expenditures</u>	<u>S.L.C. Approval</u>	<u>Expenditures to 3/31/76</u>	<u>Annualized</u>	<u>Requested</u>	<u>Recommended for Approval</u>
General Subsidence Maintenance	\$ 5,000 5,000(4)	\$ 4,800.04	\$ 10,000	-0-	-0-	\$ 10,000	\$ 10,000
Repairs to Terminal Facilities	10,000 15,000(1) 10,000(2) 20,000(3)	48,658.85	55,000	3,934.20	5,245.60	55,000	20,000
Repairs to Other Facilities	10,000	10,274.93	10,000	368.55	491.40	10,000	10,000
Subsidence Maintenance Contingency	45,000 35,000(5)	35,549.29	45,000	-0-	-0-	45,000	45,000

<b>TOTALS</b>	<b>\$155,000</b>	<b>\$99,083.11</b>	<b>\$120,000</b>	<b>\$4,302.75</b>	<b>\$5,737.00</b>	<b>\$120,000</b>	<b>\$85,000</b>
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1. SLC meeting August 29, 1974 for additional \$15,000 for period 8/29/74 to 6/30/75.
2. SLC meeting January 30, 1975 for additional \$10,000 for period 1/30/75 to 6/30/75.
3. SLC meeting March 31, 1975 for additional \$20,000 for period 3/31/75 to 6/30/75.
4. SLC meeting March 31, 1975 for additional \$5,000 for period 3/31/75 to 6/30/75.
5. SLC meeting December 19, 1974 for additional \$35,000 for period 12/12/74 to 6/30/75.