

RESOLUTION NO. 75105

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CHEVRON U.S.A. INC. FOR COORDINATED CORRECTIVE ACTION AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT JET FUEL FACILITY COMMINGLED PLUME SITE AT A COST TO THE CITY NOT TO EXCEED \$1,800,000

WHEREAS, the existing Airport Jet Fuel Facility consists of the current, active Chevron U.S.A. Inc. ("Chevron") Terminal, and the closed City of San José ("City") Terminal located immediately adjacent; and

WHEREAS, in 1986, groundwater contamination was discovered at the facility and was determined to be the joint responsibility of Chevron and the City; and

WHEREAS, on March 29, 1990, the City entered into a cost sharing agreement ("Agreement") with Chevron for the implementation, operation, and maintenance of an interim remediation system for the commingled plume of groundwater contamination; and

WHEREAS, this Agreement expired on June 30, 1998; and

WHEREAS, subsequent to the expiration of the original Agreement between Chevron and the City, at its sole expense, Chevron has continued to conduct and provide quarterly groundwater monitoring reports to the regulators, and to make system modifications in accordance with regulator requirements; and

WHEREAS, an Airline Consortium is currently constructing a new Jet Fuel Farm in a new location, which will allow the existing facility to be permanently closed and for investigation and remediation activities to proceed; and

WHEREAS, the new Jet Fuel Farm is anticipated to be operational in March 2010; and

WHEREAS, the City has joint responsibility for the commingled plume related costs; and

WHEREAS, this new Agreement will provide for a 50%-50% cost sharing responsibility for future costs accrued until successful closure of the site with regulatory agencies, and will provide for the mechanism for the City to pay its 50% share of the past costs that Chevron solely accrued since the expiration of the original Agreement; and

WHEREAS, the City's share of the past costs does not exceed \$800,000, and future costs are not to exceed \$1,000,000, unless approved in writing by the City's Director of Aviation;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The City Manager is authorized to negotiate and execute an Agreement with Chevron U.S.A. Inc. for coordinated corrective actions at the existing Norman Y. Mineta San José International Airport Jet Fuel Facility commingled plume site at a cost to the City for past costs not to exceed \$800,000, and future costs not to exceed \$1,000,000; and

2. The Director of Aviation is authorized to approve additional expenditures for future costs in excess of \$1,000,000, subject to appropriation of funds by the City Council.

ADOPTED this 22nd day of September, 2009, by the following vote:

AYES: CHIRCO, CONSTANT, KALRA, LICCARDO, NGUYEN,
OLIVERIO, PYLE, REED.

NOES: NONE.

ABSENT: CAMPOS, CHU, HERRERA.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk