



# City of Carson Report to Mayor and City Council

October 20, 2009  
Unfinished Business

**SUBJECT: UPDATE ON THE ENVIRONMENTAL INVESTIGATION OF THE CAROUSEL TRACT (FORMER KAST PROPERTY SITE)**

Submitted by Jerome G. Groomes  
City Manager

Approved by Jerome G. Groomes  
City Manager

## **I. SUMMARY**

This report is an update on the environmental investigation of the Carsousel Tract (former Kast Property site). It also recommends that the city explore opportunities to assist the Los Angeles Regional Water Quality Control Board (Water Board) in providing for enhanced community outreach by contracting with a private consulting firm with expertise as a facilitator.

## **II. RECOMMENDATION**

CONSIDER and PROVIDE direction.

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

The Water Board is the lead agency overseeing Shell Oil Company (Shell) in the environmental investigation of the Carsousel Tract. The Water Board has initiated the environmental investigation as a result of potentially significant and harmful contamination in the soils and groundwater underlying the Carsousel Tract.

On October 6, 2009, the City Council adopted Resolution No. 09-112 urging resolution of the contamination issues in the Carousel Tract (Exhibit No. 1). All City Councilmembers have closely monitored the progress of the environmental investigation and have participated in community meetings and discussions with individual residents. The City Council recognizes that the city does not have local regulatory authority and pledges to assist the Water Board and other supporting state and county agencies in a thorough and rapid environmental investigation.

On October 7, 2009, the Water Board conducted a community meeting. Approximately 300 people were in attendance. The meeting focused on the role of the Water Board, involvement from supporting agencies, site history, environmental history, current results of environmental investigation and next steps. The Water Board provided a Fact Sheet containing detailed information (Exhibit No. 3). The Water Board discussed the initial results of testing in the Carousel Tract. The samples were collected and analyzed for methane, benzene

and other petroleum-related chemicals pursuant to the work plan approved by the Water Board in December, 2008. Elevated levels of benzene and methane were found in the soil and soil vapor throughout the Carousel Tract. As a result, the Water Board recently approved a work plan entitled *A Work Plan for Phase II Site Characterization* requiring additional soil and soil vapor sampling in and near homes to determine potential health threats. The Water Board is also requiring Shell to conduct indoor air investigation due to elevated levels of benzene found in the soil vapor being sampled at several residential properties. The Water Board is communicating directly with the homeowners to ensure they understand the test results and are aware of any further investigation that may be recommended for their homes.

Shell has obtained access agreements from more than 150 homeowners to allow for the testing called for in the Phase II site characterization. Unfortunately, there has been confusion and concern related to the testing procedures causing some homeowners to either delay, deny or ignore requests to approve an access agreement or complete the necessary testing. In addition, the law firm of Girardi and Keese and its engineering consultant, Intergrated Resource Management LLC have actively encouraged homeowners to enter into an agreement and power of attorney with their firm to investigate and possibly prosecute causes of action or claims for damages in connection with personal injuries, property damages, and/or other damages sustained from exposure to contaminants in or near the Carousel Tract. At the October 7 community meeting, representatives of Girardi and Keese suggested that homeowners not approve the access agreements. This action suggests that homeowners not heed the Water Boards recommendation to prioritize completion of the access agreements so that all or a majority of homes can be investigated.

In response to recent questions raised by the community, the Water Board has advised that the Los Angeles Unified School District has conducted preliminary investigation of the Wilmington Middle School and found no evidence of elevated methane or petroleum related chemicals within the buildings. In a letter dated October 13, 2009, the Water Board instructed Shell to conduct an additional assessment of the school to determine if any measures are needed to protect public health and the environment (Exhibit No. 4). The Los Angeles County Assessor also has provided information to homeowners regarding the procedure for requesting a reassessment due to a decline in value. Representatives present at the community meeting of October 7, 2009 advised that no determination could be made regarding the contamination issues associated with the Carousel Tract but that an application could be submitted for future consideration.

The October 7 community meeting was complicated by the discussion of highly technical data, varying opinions from stakeholder groups and concern about the transparency of the process. In discussions with the Water Board over the past several months and after the last community meeting, there was interest in

providing for an outside consultant to aid in community outreach, to facilitate community meetings and to provide a level of comfort to residents in their understanding of the contamination issues. Unfortunately, the Water Board has determined that current constraints within their organization do not allow them to contract with an outside consultant. City staff has initiated preliminary discussions with the Water Board that would allow the city to be a conduit to allow for the retention of such services. The consultant would provide an opportunity for the homeowners and other interested parties to obtain information and clarification related to the environmental investigation and test results. The Water Board is interested in immediately exploring the potential of city involvement. Staff recommends that the City Council consider entering into an appropriate agreement with the Water Board and Shell to allow for the city to administer a contract for facilitation services. Shell would be responsible for paying for all costs associated with the consultant contract.

The Water Board is anticipating community meetings to be conducted every one-two months. Staff believes that an appropriate consultant could be retained quickly to implement a multi-leveled, well documented involvement process aimed at increasing public confidence in the decision making. The next community meeting is anticipated to occur in mid-November or early December 2009. If City Council authorizes a collaborative approach with the Water Board, every attempt will be made to return to the Council in November with the appropriate documents and consultant selection.

The Water Board continues to provide briefings to other elected officials, including but not limited to, the Mayor and City Council, County Supervisor Ridley-Thomas, Assemblymember Furatani, Congresswoman Richardson and Senator Oropeza. There is shared concern and recognition that the efforts of the Water Board should be supported. To that end, the Water Board will be seeking advice regarding how residents can be encouraged to engage in the process and allow for prompt testing of their properties.

On October 14, 2009, Giradi and Keese filed a lawsuit in Long Beach Superior Court alleging that residents have been harmed as a result of elevated levels of benzene in the Carousel Tract. The lawsuit names Shell Oil Company as well as Castle and Cooke, a real estate firm that bought out the developer of the Carousel Tract, Barclay Hollander Curci.

As requested by City Council, future agenda items will be generated on a frequent basis to provide additional information regarding the environmental assessment process and preliminary results from testings.

V. FISCAL IMPACT

Potential staff costs due to the administration of contracts with outside consulting firms.

**VI. EXHIBITS**

1. Resolution No. 09-112. (pg. 5-6)
2. Disposition of City Council meeting dated October 6, 2009. (pg. 7-8)
3. Los Angeles Regional Water Quality Board Fact Sheet dated October 2009 (pgs. 9-11)
4. Los Angeles Regional Water Quality Board letter to Shell Oil Products US dated October 13, 2009 (pgs. 12-17 )

Prepared by: Sheri Repp Loadsman, Planning Officer

sf:Rev061902

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_

\_\_\_\_\_