

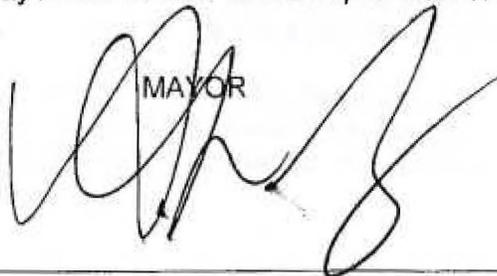
TRANSMITTAL

0150-10397-0000

TO Marcie L. Edwards, General Manager Department of Water and Power	DATE JUN 12 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Outside the City	

**SALE OF PUMICE LANDFILL PROPERTY AND ROAD EASEMENT
TO MONO COUNTY**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 11, 2015
To: The Mayor
From: Miguel A. Santana, City Administrative Officer *MS*
Reference: Communication from the Department of Water and Power dated April 8, 2015; referred by the Mayor for report on April 17, 2015
Subject: **SALE OF PUMICE VALLEY LANDFILL PROPERTY AND ROAD EASEMENT TO MONO COUNTY**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of the proposed Resolution authorizing an ordinance for the sale of 50 acres (Assessor's Parcel Number 021-130-39 and a portion of 021-130-40) of City of Los Angeles owned property, known as Pumice Valley Landfill, to Mono County. Additionally, the sale includes a road easement grant of 3.12 acres for legal access to the property.

A third party appraisal was performed by Norris Realty Advisors on April 15, 2014. The property was appraised at the fair market value of \$50,000 for the property and \$1,500 for the access road easement. DWP's costs associated with the sale of the property are estimated to be \$25,000, half of the total cost of obtaining the environmental assessment, survey, and appraisal report. The environmental assessment of the property was conducted by Kleinfelder, LLC, on November 7, 2013. No notable adverse environmental conditions were identified in the assessment. The assessment was used to establish the baseline condition of the property before the sale.

This landfill, located at 200 Dross Road, Lee Vining, California, in Mono County, is currently out of compliance with their Solid Waste Facility Permit (SWFP). The current operating permit was issued in 1978 for a Class II sanitary landfill. Mono County is operating the site as a transfer station and Class III landfill site, outside of the parameters of the 1978 permit. The landfill is being used as a site to dispose of construction materials, dirt and rock. Currently, the landfill site is used minimally to prevent mandatory closure. As the landowner, DWP must sign and accept liability for the SWFP issued by the State of California (Cal Recycle). DWP believes that in order to achieve compliance with the Permit the facility will need to be closed or expanded.

The California Solid Waste Superintendent's environmental disclosure for this property was provided to Mono County. The disclosure states that the property has no known illegal use of hazardous substances, no evidence of contamination and no uncorrected violations with the

exception of violations that can be resolved with the permit revision including the expansion of the landfill. DWP states that the operation of the landfill is not adversely impacting groundwater quality.

If the sale of the property proceeds, Mono County intends to expand the landfill's capacity, allowing it to bring the site into compliance as a Class III landfill and better meet the needs of the Mono County community. Mono County's intent to expand operating at the landfill causes liability concerns as the City could be held liable for issues associated with permitting expanded operations. DWP is agreeable to sell this property under the condition that Mono County fully indemnify the City for all liability associated with Mono County's use and operation of the landfill. Mono County has agreed to these terms. On January 6, 2015, Mono County Board of Supervisors approved the purchase by Mono County Resolution No. R15-01 and signed the Purchase Agreement.

The DWP considered four options for this landfill property:

- Continue to lease to Mono County without expanding the Solid Waste Facility Permit (SWFP): This would not expose the City to any additional liability beyond any that may already exist, and it does not resolve the compliance issues for the City or Mono County.
- Continue to lease to Mono County and expand the SWFP: This would increase the risk for the City by its participation in the expansion of the landfill site.
- Terminate the lease and require Mono County to close down the landfill: This option would lessen the choices to dispose of refuse and create negative social and economic impact to the local community.
- Sell the property to Mono County prior to the expansion of the landfill: Transfer the ownership of the property to Mono County and remove the City from continued operational involvement of the landfill. Mono County has agreed to indemnify the City for any environmental liability that arises from Mono County's continued use and operation of the landfill.

The attached Agreement of Purchase and Sale of Real Property, details the sale of the property including the indemnification, hold harmless and As-Is Articles to the Agreement. The DWP will retain the water, oil and mineral rights.

The property is located outside of the town of Lee Vining and is currently not connected to the town's water system. Lee Vining has never provided water service to the property and the landfill has operated without a water source for the past 40 years.

City Council approval is required pursuant to City Charter Sections 675(d) (2) regarding the sale of real estate interests. The City Attorney has reviewed and approved the proposed resolution as to form and legality.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Resolution authorizing an Ordinance for the sale of Pumice Valley Landfill and road easement for \$51,500, excluding all water and water, oil and mineral rights, to the County of Mono; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

There is no additional impact on the City or the General Fund. Approval of the proposed Resolution will result in net revenue to the Water Revenue Fund totaling \$26,500.

MAS:MCD:06150168

Attachments