

TO: JAMES L. APP, CITY MANAGER

FROM: MEG WILLIAMSON, ACTING PUBLIC WORKS DIRECTOR

SUBJECT: RETENTION OF FSB ENERGY TO ASSIST IN MITIGATION OF THE SULFUR SPRING AT 1000 SPRING STREET

DATE: JUNE 15, 2004

Needs: For the City Council to consider funding consultant services associated with mitigation of the sulfur spring at 1000 Spring Street.

Facts:

1. On December 22, 2003, the City experienced a 6.5 earthquake that resulted in an active sulfur spring surfacing in the City Hall parking lot.
2. Contracts have been issued to Boyle Engineering to design repairs to the parking lot. Associated Pacific Contractors have been retained to install a casing system to capture the spring and deliver it to the City storm drain system. However, no one has been charged with the design and implementation of the casing system.
3. Whereas, none of the companies or individuals listed above have any background in geo-thermal wells, staff is requesting permission to negotiate a consultant services contract with FSB Energy of Paso Robles, a company with a back ground in geo-thermal wells, to assist in the design and installation of the well casing.
4. Staff is requesting that an hourly contract not to exceed \$10,000 be authorized to provide assistance in determining the design and perforation sizing of the well casing and to assist the City in supervising its installation.

Analysis and Conclusion:

Boyle Engineering's contract does not provide for design or supervision of the installation of the well casing determined necessary to trap the spring and deliver the water to the City storm drain. Boyle has notified the City that should we wish their company to provide design of the casing it would require an adjustment to the scope of work provided for in its present contract and extend the project another six (6) weeks to allow drilling of additional test holes to determine the perforation size for the proposed well casing. Staff does not agree with the need for additional drilling or testing.

In preliminary meetings with FSB Energy, staff has discussed the concept of expanding upon the design information available from the sulfur well installed at the Paso Robles Inn. Given that information, we propose installing a casing similar to that used at the Inn, with modifications specific to our needs.

FSB's estimated cost to assist the City in completing the design work and supervising the installation is approximately \$8,000.00. Staff has not secured a cost estimate from Boyle Engineering regarding amendment of their scope of work and additional testing. However, staff believes the retention of FSB and implementation of its plan will be more cost effective.

Reference: None.

Fiscal

Impact: An application for reimbursement by FEMA specific to the sulfur spring will be filed on or before July 9, 2004, pending entering into a contract with FSB Energy, completing the casing design, and completing an estimate of its cost.

Options: The following options are offered for consideration by City Council:

- a. Approve Resolution No. 04-xx authorizing the City Manager to enter into a contract with FSB Energy to provide assistance in mitigating the sulfur spring at 1000 Spring Street, for a not-to-exceed fee of \$10,000.
- b. Amend, modify, or reject the above option.

Attachment:

Draft Resolution authorizing the retention of FSB Energy

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING CONTRACT SERVICES ASSOCIATED WITH MITIGATION OF
THE SULFUR SPRING AT 1000 SPRING STREET

WHEREAS, the City Council of the City of El Paso de Robles has determined the need to mitigate the sulfur spring at 1000 Spring Street caused as a result of the San Simeon Earthquake, December 22, 2004; and

WHEREAS, the City lacks the necessary resources and relative expertise to accomplish this task; and

WHEREAS, FSB Energy has established itself as having the necessary resources and expertise to assist the City in mitigating the sulfur spring; and

WHEREAS, FEMA will ultimately assist the City in offsetting these costs.

THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles that the City Manager for the City of Paso Robles is hereby authorized to negotiate a contract not to exceed \$10,000 with FSB Energy for the purpose of assisting the City in mitigating the sulfur spring at 1000 Sprint Street.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15th day of June 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk