

M E M O R A N D U M

DATE: January 3, 2003
TO: Council Members
FROM: Gary Mumford
RE: **Proposed Amendment #5 to Interlocal Agreement among Salt Lake City, Salt Lake County, BP Products North America Inc. (formerly Amoco Oil Company) and Chevron U.S.A. Inc. to increase the scope of services of an environmental study relating to the Sewage Canal/Northwest Oil Drain**

Salt Lake City owns a canal located between the sewer treatment plant and the Great Salt Lake which is referred to as the Sewage Canal or Northwest Oil Drain. It is currently used for stormwater discharge and to convey treated effluent from the wastewater treatment facility to the Great Salt Lake. In the past, Chevron and BP Product or their predecessors may have discharged or released petroleum by-projects or wastes into the canal.

Because of Salt Lake County's flood control responsibilities, the County poisoned weeds in the canal and dredged sediment. The County is no longer able to dredge sediment or remove weeds due to environmental issues.

On January 2, 2001, the Council approved an interlocal agreement with Salt Lake County, Amoco Oil Company and Chevron U.S.A., Inc to hire an environmental consultant, Stantec Consulting, to study the Sewage Canal/Northwest Oil Drain. The purpose of the study is to determine options for mitigating possible contaminated sediment within the canal. The Council approved amendments to that agreement in July 2001, November 2001, January 2002, and September 2002 to provide funding for expanding the scope of the study to perform additional analysis and engineering services.

The Department of Public Utilities is requesting a fifth amendment to expand the scope to include two additional tasks:

- Consultant is to prepare a final draft report for Segments 4 and 5 and discuss the draft report with the regulatory stakeholders and address comments prior to publication of the final draft report.
- Consultant is to develop and document a statement of work that will become part of EPA's "administrative order on consent." The consultant will also prepare a preliminary request for proposals for a contractor to conduct the statement of work.

The proposed amendment to the interlocal agreement involves additional funding of \$20,000 for the study with each entity's share being \$5,000. The City's \$5,000 share is available within the budget for the Department of Public Utilities. This amendment will increase the total amount of the study to \$391,300.

cc: Rocky Fluhart, David Nimkin, LeRoy Hooton, Jeff Niermeyer, DJ Baxter