

TOWN COUNCIL STAFF REPORT

Title: Approve the resolution finding emergency circumstances justify the award of an emergency contract for installation of an above-ground waste oil tank at 299 Commerce Drive.

Meeting Date: July 16, 2025

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RECOMMENDATION:

Approve the Resolution finding that emergency circumstances justify awarding a contract for installation of an above-ground waste oil tank and decommissioning of the existing, noncompliant underground waste oil tank.

BACKGROUND:

At the Town Yard, located at 299 Commerce Drive, the Town operates an underground waste oil storage tank. This tank is currently out of compliance with numerous sections of the California State Health and Safety Code. Staff were notified about these violations by the Mono County Office of Environmental Health on December 9th, 2024, which listed a total of 6 class 2 violations associated with this tank. These violations are related to failure to maintain secondary containment and failure to maintain adequate testing equipment. The current underground waste oil tank is over 20 years old and was installed in a disadvantageous location, on the north side of the Town Yard, that results in significant ice buildup over the tank access and inhibits proper testing.

Since being notified of the violations the Town has been in discussions with Mono County Office of Environmental Health and contractors to determine the best solution to remedy the violations and maintain the high level of service at the mechanic yard. It was determined that it would be most appropriate to install an indoor, above-ground waste oil storage tank and decommission the existing underground tank. As part of this capital improvement, the Contractor would also install pump stations between mechanic bays to streamline disposal of waste oils, as well as other appurtenant improvements to the pump systems in the secondary containment room.

ANALYSIS:

The ability of the Town to award a contract for this work through the normal bidding process will result in significant delays to the necessary installation and could result in upgraded violations, additional citations, and imposition of fines for the non-compliant systems. The public interest and safety demand the immediate expenditure of public money to safeguard the health and property of the Town of Mammoth Lakes. The attached resolution makes the necessary findings for Town staff to proceed with the award of an

emergency contract to install an aboveground waste oil tank and decommission the existing underground waste oil storage tank and bring the Town into compliance with state and county regulations and safety codes.

After this work is completed additional testing and analysis will be required to confirm that no oil has leaked from the old tanks. The results of this testing will be used by the State and Mono County to prescribe the next steps. Staff anticipate that there will be additional costs to decommissioning the existing tanks. However, there will not be an estimated cost to complete any remediation until this analysis is complete

FINANCIAL CONSIDERATIONS:

Staff are proposing the use of DIF general facilities funds to complete this capital improvement. The current fund balance exceeds \$500k. The total project cost is estimated to be \$194,645.03. Staff will budget an additional 10% for contingency.

LEGAL CONSIDERATIONS:

California's development impact fee statute titled the Mitigation Fee Act does not limit the types of capital improvements for which impact fees may be charged. It defines public facilities broadly to include public improvements, public services and community amenities. The use of these fees is limited to capital improvements. Government Code prohibits the use of these fees for maintenance and operating costs.

The Council may take recommended action under Public Contract Code sections 20168 and 22050. The relevant sections to the Code are noted here:

20168 In case of an emergency, the legislative body may pass a resolution by four-fifths vote of its members declaring that the public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. Upon adoption of the resolution, it may expend any sum required in the emergency without complying with this chapter. If notice for bids to let contracts will not be given, the legislative body shall comply with Chapter 2.5 (commencing with Section 22050).

22050 (a) (1) In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

(2) Before a governing body takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(b) (1) The governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other

nonelected agency officer, the authority to order any action pursuant to paragraph (1) of subdivision (a).

(2) If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the governing body, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(c) (1) If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action.

(2) If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision.

(3) When the governing body reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.