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CITY COUNCIL
INFORMATIONAL MEMO

FROM : Ricky J. Mach, Water Plant Superintendent
Jade Dundas, Utilities Director
Curt Miller, Airport/Transit/Fleet Director

Approved For Transmission To Council:

DATE : January 13, 2011

RE : Airport Remediation

The purpose of this memo is to update Council on the status of the Airport Remediation efforts and the direction staff will be asking Council to assist us in pursuing. As council is aware, this item was one of our top issues to present during last year's Washington Steak Dinner trip. It is still an active issue, which staff and our lobbyist feel worth discussions in Washington this year. The memo will explain where we are and where we need to be.

Since 1987, staff has been working with the Iowa Department of Natural Resources (IDNR) to address the leaking underground storage tanks on Airport property. To date, approximately 110 tanks have been removed or upgraded on Airport property. In addition to City activity, the Corp of Engineers (CORP) and the Iowa Air Guard have separately been addressing the former Department of Defense site.

The City and the Iowa Department of Natural Resources have worked with the Iowa Underground Financial Responsibility Program (Fund) to fund the clean up to date. The Corp of Engineers has assisted the City with tank removals at buildings 941 and 611/612. City records indicate that there is no issue at site 928; however it has never been closed out. Therefore IDNR is asking for a report on this site as well. These are the last sites that are in need of remediation. Over the years, staff and the DNR have attempted to persuade the Corp that these final three sites are the joint responsibility of the Corp and the City. Staff has exhausted all legislative and legal avenues to address the Corp's participation in the cleanup efforts.

In February of 2009, the Iowa Department of Natural Resources sent the City a certified letter informing us that as the property owners we have the responsibility to clean up the Airport property. They gave us a timeline for completion of a free product assessment report, which we have completed and filed with the state. Sioux City did receive approval of that report and has solicited proposals from firms experienced in groundwater remediation and has awarded a contract, thru the Airport Board, to GeoTek Engineering and Testing Services.

To date GeoTek has been doing passive remediation of sites 611/612, 941 as well as sampling site 928. It appears as though this site will be eligible for a letter of "No Further Action" once the sampling for a one year period is reached. That period ends in June of this year. It has been the intent of GeoTek to do the passive remediation of 611/612 and 941 for the duration of their contract and to do a pilot test of aggressive remediation at both sites. To date, they have been unable to complete that pilot test due to the high groundwater table. With high Missouri River

levels, the groundwater table rises and pushes the free product (floating fuel) into the soils thus blocking the capture zone created by the sampling and monitoring wells.

Sioux City has recently been asked by IDNR, working on behalf of EPA to test for the presence of Ethylene Diabromide. The Environmental Protection Agency has gotten involved in this site based on our lobbying efforts last year. EPA has completed a records review at IDNR offices in Des Moines and have been in communication with both city staff and IDNR representatives. Staff will be coordinating this sampling request either with Geotek, if they are comfortable with this testing or with PEMCo, who has done the sampling for the city over the past 20 years. GeoTek indicates it is still their intent to try the pilot testing as the ground water table goes down with river level reductions.

Staff has managed to secure approximately $140,000 of insurance money to remediate these final three sites from the state underground storage tank program. Staff is investigating the site 928 to see its past history and to apply, if eligible, for Innocent Land Owner funding for that location.

This project is funded in the current Capital Improvement Program under CIP 749-086 "Underground Storage Tank Soil Remediation" with funding coming from Airport G.O. bonds at this time. The Finance Department is investigating other funding options and will inform Council the outcome of those investigations as the project moves forward. Staff is still in communication with the Environmental Protection Agency (EPA), the Corp, and our legislators to pursue additional funding and/or participation.

It will be staff intent to continue our lobbying efforts, switching the focus to request our representatives to encourage the continued efforts of EPA and to have EPA and our representatives continue to encourage the Corp of Engineers to participate in the cleanup costs. One of the outcomes of our lobbying trip in April is the involvement of the Iowa Air Guard. They have been in phone conferences with staff and Paula Steiner. They have found historical maps showing military activities which they believe indicate the responsibility of the Corp and are motivated to assist Sioux City in this activity.

SIOUX GATEWAY REMEDIATION

ISSUE:
Sioux City and the State of Iowa Department of Natural Resources have been addressing the groundwater contamination of the Sioux Gateway Airport properties since 1989. The Airport is a former Department of Defense military airfield. While the U.S. Army Corp of Engineers (Corp) and the City have divided a majority of the sites, there are still three sites that need to have remediation activities undertaken. An opportunity to work with the Iowa Air National Guard in the redevelopment of one of the sites has been delayed by lack of funding to address the remediation efforts. In February of 2009 the Iowa Department of Natural Resources sent a letter requiring the City, as the land owner, to begin remediation efforts. Sioux City has retained a consultant and begun those efforts. Once the one year study of the sites is complete, Sioux City believes there will only be two sites that will need remediation efforts.

SUPPORT REQUESTED:
The City is seeking assistance with our efforts to negotiate in good faith with the U.S. Army Corp of Engineers and to channel appropriate Department of Defense funds to the Omaha Office of the Corp and the City for the purpose of addressing this remediation effort or to seek funding thru the Environmental Protection Agency (EPA) for the purpose of cleaning up the Airport contamination. The cost off this cleanup is estimated at $2,000,000.

BACKGROUND:
Revitalization of the Sioux Gateway Airport property has been in progress for many years. The 185th Iowa Air National Guard lease hold adjoins this site. The 185th Iowa Air National Guard has expressed concerns about contamination from this site migrating to Air National Guard property. Contamination of this site could impact any future plans the 185th Iowa Air National Guard may have for expanding their operations. It is important to note, however, that the 185th has no current plans to expand on this site at this time. They have already cleaned up all of the contaminated sites on their property. According to the Environmental Management Office at the Iowa Air National Guard, there are indications that the migration has already started. This cleanup effort would halt any future environmental concerns at both the Airport and Air National Guard.

Groundwater contamination issues, which tie back to the former usage of the Airport by the Department of Defense, present serious concerns to all entities on the Airport grounds. In the past the Corp of Engineers, State of Iowa and the City jointly funded tank removal and soil/groundwater investigations. With the results of those investigations and the estimated cleanup costs approaching $2 million dollars, there is an apparent unwillingness by the Corp of Engineers to negotiate in good faith with the State of Iowa and Sioux City with regard to the remediation of underground petroleum products at the site adjacent to the Air National Guard. There is a lack of funding available to the local Corp of Engineers office and the City of Sioux City to commit to this remediation effort. While a meeting was coordinated by Sioux City's Congressional representative between the Department of Defense and Sioux City officials during the 2010 Chamber visit to Washington, the Corp of Engineers continues to assert that Sioux City has not proven that they have any responsibility. Sioux City and the Iowa Air National Guard contend that the Corp of Engineers has not demonstrated that they are not responsible. In addition to those positions, the Iowa Air National Guard has done a record search and found information

that further supports Sioux City's position that the Corp of Engineers has responsibility for remediation efforts.

The Sioux Gateway Airport was established as a military airbase from 1940-1947. This airbase utilized above ground and underground fueling systems as well as an aqua-hydrant refueling system. The airbase was used on and off by the Department of Defense until 1970. At the time of initial evaluation of the airport property, approximately 110 petroleum storage facilities were identified. All but three of these sites have been cleaned up. The three remaining sites were investigated through a joint effort on behalf of the Corp of Engineers and Sioux City to determine the extent of the contamination. Once those investigations were completed, discussions between the Corp of Engineers and the City of Sioux City with regard to remediation hit an impasse. This impasse involves a lack of willingness to accept responsibility for the underground petroleum product that still exists and a lack of funding on the part of the Corp of Engineers. The City of Sioux City has invested time and money establishing the age dating of the petroleum products. This investigation clearly shows that the petroleum products existing at one of the sites is a Department of Defense product and at the other site there is a commingling of commercial and military petroleum products.

Sioux City identified the need to grow its water system in 1990. Design of a new well field and water treatment facility on and near the airport property is well underway, with construction scheduled for completion by January of 2012. The proximity of this groundwater contamination threatens the City's ability to grow. Sioux City does not have a funding source to address these clean up efforts, especially for those portions that both the Department of Natural Resources and the City of Sioux City believe are the responsibility of the Department of Defense.

Support for this cleanup effort will allow the Sioux Gateway Airport and the Iowa Air National Guard to move forward with the revitalization of airport property. These efforts will improve overall airport security, allow expansion opportunities for the Iowa Air National Guard, and improve the environmental condition at the airport by removing the free product floating on the water table. These activities will allow Sioux City to grow its water system and have an abundant source of clean potable water to serve our citizens for generations to come.

Thru the efforts of our Iowa Congressional Delegation the Environmental Protection Agency (EPA) has begun an investigation of the history and usage of the airport property. They have requested Sioux City do additional water quality testing, which the City has completed. Sioux City is appreciative of Environmental Protection Agency's involvement and encourage funding be directed thru their agency to assist with the cleanup efforts if the impasse between the Corp of Engineers and the City of Sioux City continues.

AUTHOR:
Ricky Mach, Water Plant Superintendent, rmach@sioux-city.org 712-224-5010