



CITY OF

NEWPORT BEACH

City Council Staff Report

June 10, 2025
Agenda Item No. 11

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Amendment to Services Agreement with American International
Environmental, Inc. for the Newport Terrace Landfill Gas Control
System

ABSTRACT:

The Utilities Department oversees the operation, maintenance and monitoring of a landfill gas control system at the closed Newport Terrace Landfill, a former City of Newport Beach landfill located on 19th Street. American International Environmental, Inc. (AIE), a City contractor, provides regular maintenance services. The existing agreement expires in July, and staff recommends City Council approval of a one-year agreement extension.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amendment No. Two to the Professional Services Agreement with American International Environmental, Inc. for Newport Terrace Landfill Gas Control System Operations and Maintenance Services, which extends the contract for one additional year to June 30, 2026, and increases the contract amount by \$75,000, and authorize the Mayor and City Clerk to execute the Agreement.

DISCUSSION:

The Newport Terrace residential community is located at the northeasterly corner of 19th Street and Balboa Boulevard, along the City's westerly boundary with Costa Mesa. The property was acquired by the City and used as a solid waste disposal site (landfill) in the 1950s and early 1960s. It was sold to a private company in the early 1970s and developed with residential condominium units on both sides of the former landfill. A gas collection system was installed as part of the residential project's construction, and Newport Condominium Association (NCA) was initially responsible for the system's operation and maintenance.

By October 2004, that responsibility evolved into litigation between the NCA and the City, which culminated in a Settlement and License Agreement in November 2006. The agreement established that the City would be responsible for: 1) the design and construction of an upgraded system, and 2) the ongoing operation and maintenance (O&M) of the system after construction was completed. The agreement also provided that the construction and O&M costs would be shared equally between the City and the NCA.

Construction began in September 2007 and was completed in May 2008, with formal acceptance by the City Council on May 27, 2008. Under the terms of the Settlement and License Agreement, the NCA is obligated to reimburse the City for 50% of the actual costs incurred. Reimbursement for ongoing costs occurs on a monthly basis.

Since the Settlement Agreement, the City has utilized contract services to provide routine monthly operation, maintenance, monitoring services and laboratory analysis services. AIE also provides routine maintenance repairs to the landfill gas control complex system.

The Utilities Department originally entered into an agreement with AIE in July 2021 following a competitive selection process. AIE and its principal have provided technical assistance and inspections for the Newport Terrace closed landfill gas control system for many years, including under a previous contractor. The Utilities Department is pleased with AIE's satisfactory performance over the course of the first four years of the agreement. Staff recommends City Council approval to extend the agreement through June 30, 2026, and to increase the agreement's compensation limit by \$75,000.

FISCAL IMPACT:

The proposed new fiscal year 2025-26 budget includes sufficient funding for this amendment to the agreement. The contract services are expensed to the Environmental Liability Fund across two accounts: Contract Services account 16003-811008 and Equipment Maintenance and Repair account 16003-851010. Revenues or reimbursements for one-half of the costs incurred paid by NCA to the City are posted to the Environmental Liability Fund revenue account 16001-511090.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Amendment No. Two to the Professional Services Agreement with American International Environmental, Inc.