



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: JUNE 9, 2025**

**SUBJECT: AGREEMENT WITH ROBERT ALLEN SHEPHERD, 3625 PLACENTIA LANE, FOR HOLDING TANK COST REIMBURSEMENT FOR A TERM UNTIL SEWER SERVICES ARE MADE AVAILABLE.**

### **ISSUES:**

Consider recommending approval of an agreement with Robert Allen Shepherd, 3625 Placentia Lane, for holding tank cost reimbursement for a term until sewer services are made available.

### **RECOMMENDATIONS:**

That the Board of Public Utilities recommend that the City Council:

1. Approve an agreement with Robert Allen Shepherd, 3625 Placentia Lane, for holding tank cost reimbursement for a term until sewer services are made available; and
2. Authorize the City Manager, or designee, to execute the agreement, including making minor and non-substantive changes.

### **BACKGROUND:**

In 1999, RPU constructed the Russell C Well within a utility easement located at 3625 Placentia Lane; this was one of several wells that comprise the North Orange Well Field producing potable water from the Riverside North Basin. The Russell C Well was drilled and constructed to replace the existing Russell B Well, which was located on the same parcel.

At their December 7, 1999 meeting, City Council approved Zoning Case MP-003-989 for the proposed development at 3625 Placentia Lane subject to the conditions outlined by the Public Utilities Department that the sewage system shall consist of an onsite septic tank and holding tank which would contain all onsite sewage, with no waste discharged to the ground surface or percolated to the subsurface soil. The contents of the tank shall be pumped out and delivered to a municipal sewage treatment plant for treatment; and when a municipal sewer becomes available, the Owner of the property shall be required to pay all applicable fees and connect to the sewer. This condition was made to protect the water quality of the nearby Russell C Well along with other nearby shallow City drinking water wells and reduce the risk of contaminating the groundwater basin.

In addition, it appears that at this time, a letter agreement was entered into between the Public Utilities Director, Bill Carnahan, and the property owner of the 3625 Placentia Lane, Robert Allen

Shepherd, for reimbursement of his costs to pump out the holding tank. Under the terms of the agreement, in exchange for the property owner installing a holding tank in lieu of a leach field, the City would reimburse the costs to pump out the holding tank until a time at which City sewer service was made available within 200 feet of his property.

Around 2000, the Russell B Well was abandoned, and the Russell C Well continued to operate until 2009 when it was removed from service due to low production. In October 2015, the well was abandoned after it was determined that it was not able to be rehabilitated due to the severity of mineral encrustation within the well screen. Currently, there are no active potable wells at 3625 Placentia Lane parcel, however RPU owns several active wells in the vicinity (Garner B, C, and D Wells) that produce potable water. Under the conditions specified in the original letter agreement, the reimbursement for septic service would continue until that time at which City sewer service was provided within 200 feet of the property; currently sewer service has not yet been fully built out in this area.

In 2023, the on-going reimbursements were questioned by City Finance after which RPU consulted with the City Attorney's Office who researched the history of the letter agreement and found past internal correspondence which addressed this concern. In 1999, it was recommended that the letter agreement be converted into a formal agreement and taken for approval by Board and City Council, as it had the potential to exceed the contract authority of the City Manager. This, however, was never done, and reimbursement of these septic costs continued through the years. Reporting from the City's accounting system shows that from the period 9/7/2001 to 4/4/2025, a total of \$85,559.97 has been reimbursed to date.

## **DISCUSSION:**

Staff is seeking to formalize the agreement with Robert Allen Shepherd and obtain approval for the on-going reimbursement expenditures for septic pumping services. Although the wells on his property have been abandoned, under the terms of the original letter agreement reimbursement will continue until the site is connected to a sewer system, which has not yet occurred. RPU continues to operate nearby potable wells within the area, and the on-going use of a holding tank provides a level of source water protection. In addition to formalizing the agreement, modifications have been made to the terms of the agreement to bring it in alignment with City Ordinance 14.08.030 which outlines the requirements for connection to the public sewer system. As development within the Northside Neighborhood continues, it is anticipated that within the next 5 to 10 years, this activity will bring with it the necessary expansion of infrastructure needed to allow this site to be taken off a septic system and tied into the City's sewer service.

The amounts of reimbursement vary over the years based on the property owner's level of usage, averaging 1 to 2 holding tank drainings per month. The annual expenditure over the past 5 years (April 2020 – April 2025) averaged approximately \$7,100 per year. Assuming a rate of inflation of 2.5% and projecting this cost out over the next 10 years, a total cost of \$79,544 is estimated. Source water protection is low-tech and effective management and operational strategy to protect the quality of a groundwater basin and the City's potable water supplies from having to undergo additional treatment to remove contaminants or deactivate pathogens which have already been introduced into the groundwater.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority No. 4 Environmental Stewardship** and Goal No. 4.2 – Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable and affordable water to our community.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – This project shows RPU's proactive commitment to protecting public health, and maintaining its partnerships and agreements, thereby enhancing community trust.
2. **Equity** – RPU endeavors to provide a high-water quality in its distribution system, thereby providing an equitable benefit to all customers.
3. **Fiscal Responsibility** – The cost to protect RPU's potable water supplies is cheaper than having to treat contaminated water.
4. **Innovation** – Source water protection is a proactive approach to preventing pollution in drinking water supplies. These activities represent best management practices for utilities to prevent contamination of drinking water supplies before they occur.
5. **Sustainability & Resiliency** – This item will help ensure RPU can continue to protect the North Orange wellfield and provide safe and reliable water service to its customers.

### **FISCAL IMPACT:**

Total annual fiscal impact is estimated at approximately \$7,100, which will vary based on site use and inflation. Sufficient funds are available in the Public Utilities Water Productions & Operations Professional Services Account No. 6200000-421000. This expenditure will continue to be budgeted within this account on an on-going basis, until the termination of this agreement.

Prepared by:	Robin Glenney, Utilities Assistant General Manager/Water
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Rebecca Mckee-Reibold, Interim City Attorney

Attachments:

1. Agreement
2. Presentation