



AMENDMENT NO. 5 TO INTERIM AGREEMENT WITH LOCKHEED MARTIN FOR THE REMOVAL OF PERCHLORATE FROM 4 CITY WELLS

Riverside Public Utilities

Board of Public Utilities
April 27, 2020

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BACKGROUND

1998 Trichloroethylene (TCE) Agreement

1. November 10, 1998 - City Council approved Agreement for Remediation of TCE
2. May 15, 2007 - City Council approved Amendment No. 1 to the 1998 TCE Agreement
3. May 18, 2010 – City Council approved Amendment No. 2 to the 1998 TCE Agreement

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BACKGROUND

2002 Interim Perchlorate Agreement

1. October 22, 2002 - City Council approved an Interim Agreement for Removal of Perchlorate from Four Wells
2. December 9, 2003 - City Council approved Amendment No. 1
3. February 22, 2005 - City Council approved Amendment No. 2

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BACKGROUND

2002 Interim Perchlorate Agreement (Continued)

4. May 15, 2007 - City Council approved Amendment No. 3
5. May 18, 2010 - City Council approved Amendment No. 4

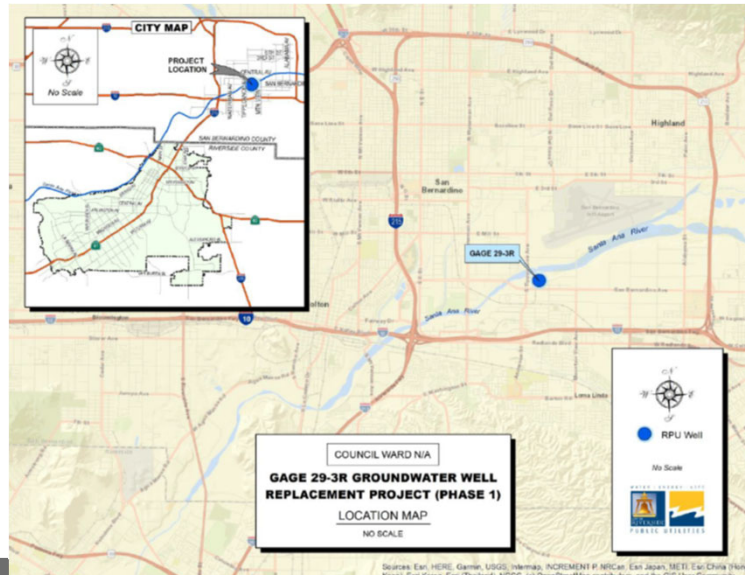
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WELL LOCATION



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DISCUSSION

The City and LMC are proposing:

1. To amend 2002 Interim Perchlorate Agreement to fund a replacement well for the Gage 29-3 well
Existing Gage 29-3 well is currently in treatment
2. That Gage 29-3R Well will be directed to the Tippecanoe Regional Treatment Facility
3. That existing Gage 29-3 well will be destroyed after completion of Gage Well 29-3R

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DISCUSSION

Terms of Agreement

LMC will be responsible for all increased and new City costs relating to the Perchlorate Treatment including:

- All labor costs incurred by the City related to the operations of the perchlorate treatment such as inspecting, operating, and maintaining the perchlorate treatment facilities.

DISCUSSION

Terms of Agreement (Continued)

LMC will not be required to reimburse the City for costs which are routinely incurred under the present operation of the City's water system in the absence of the water Perchlorate Treatment Systems.

DISCUSSION

Terms of Agreement (Continued)

1. LMC shall pay \$500,000 to the City within 30 days of DDW issuing approval to the City to for Gage 29-3R.
2. This amount is to reimburse the City for all increased and new City costs for Gage 29-3R that are related to the treatment of perchlorate.
3. In addition, LMC's reimbursement obligations include future funding for the actual cost of two (2) well rehabilitations of Gage 29-3R, when requested by the City.



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DISCUSSION

The City agrees to provide access and accommodate technical review and inspection by LMC including :

1. Review/comment on drilling and well construction technical specifications
2. Periodic field inspections
3. Review of geophysical logs



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DISCUSSION

4. Collaboration during zone test and final well design planning
5. Review of zone test analytical results
6. Review/comment on the final well completion report

DISCUSSION

7. The City will, if feasible, pump a minimum of 3,500 AFY from those aquifers that pertain to perchlorate treatment.
8. LMC shall be allowed to use Gage 29-3R as part of the Perchlorate Treatment System for a period of 25 years.

DISCUSSION

All other terms and conditions of the 2002 Interim Perchlorate Agreement and Amendment Nos. 1, 2, 3, and 4 not modified by this Amendment No. 5 shall remain in full force and effect

FISCAL IMPACT

There is no fiscal impact associated with this report. LMC will reimburse the City of Riverside \$500,000 for all costs associated with the implementation of the terms of the subject Agreement.

RECOMMENDATIONS

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

1. Approve Amendment No. 5 to the October 29, 2002, Interim Agreement with Lockheed Martin Corporation for the removal of perchlorate from water extracted from four (4) City of Riverside wells; and
2. Authorize the City Manager, or designee, to execute Amendment No. 5 with Lockheed Martin, including the ability to make non-substantial changes.