

ROBERT SHEPHERD REIMBURSEMENT AGREEMENT

Riverside Public Utilities

Board of Public Utilities

January 12, 2026

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BACKGROUND

1. Discussed at June 9, 2025 Board of Public Utilities meeting; Board request for additional information and continuation.
2. North Orange Well Field – series of 8 wells that produce water from the Riverside Basin.
3. From 1931 through 1999, RPU had three potable wells constructed on it (Russell A, B and C Wells).
4. At the time that Russell C Well was under construction, the surrounding parcel was proposed for development.
5. Zoning Case MP-003-989 was approved by City Council on December 7, 1999.



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BACKGROUND CONT.

3. Internal correspondence from RPU to City Council expressed concern over the proposed construction of a sewage leach field and requested changes to the conditions of approval by Council:
 - a. Installation of an onsite septic holding tank in lieu of a leach field, which would need to be pumped out and delivered to a municipal sewage treatment plant.
 - b. Required the owner to connect to municipal sewer when it becomes available.
 - c. Changes reflecting these concerns be made to the project's CEQA/Initial Study document.



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BACKGROUND CONT.

4. Letter agreement dated December 21, 1999, between RPU Director and Robert Allen Shepherd documented a verbal agreement between both parties for reimbursement of holding tank costs.
 - a. Installation of an onsite septic holding tank in lieu of a leach field.
 - b. City agrees to reimburse the cost of emptying tank and waste disposal until site was connected to a sewer system.
 - c. Owner agrees to connect to sewer facilities and pay appropriate fees per City rules when sewer is within 200 feet.
 - d. These obligations will be transferred to the new owners of 3625 Placentia Lane.



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BACKGROUND CONT.

4. Total of \$88,777.47 has been reimbursed to date (9/7/2001 to 11/24/2025).
5. Reimbursement has exceeded department head approval limits; seeking RPU Boards recommendation for City Council approval to ratify the understanding between parties in a formalized agreement.
6. Presented to Board on June 9, 2025, and was continued pending additional information requested by Board.



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DISCUSSION

1. Source water assessment completed by RPU in 2002 and presented to Board and Council for approval in March and May 2002, respectively.
 - a. Confirmed that septic systems pose a high risk of contamination to City's drinking water wells.
 - b. Recommended immediate action to prevent future construction of septic systems in the area.
 - c. Recommended RPU jointly funding a future sewer installation project with Public Works to serve new developments in the vicinity of Placentia Lane at an estimated cost of \$1.3M.



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DISCUSSION (CONT.)

2. The recently constructed Riverside Logistics Center development is connected to the public sewer system within Center St.
3. Limited GIS data from the City's Public Works department and Riverside County identifying existing septic systems; data is no longer updated by Public Works and pre-2000 data on septic systems has not been digitized by Riverside County.
4. Sewer connections are required to be made to the sewer main fronting their respective parcels.
5. Cost for extending nearest sewer main (at Center St. and Orange St.) to proximity of 3625 Placentia Ln. ~1,540 LF at \$1.2M.

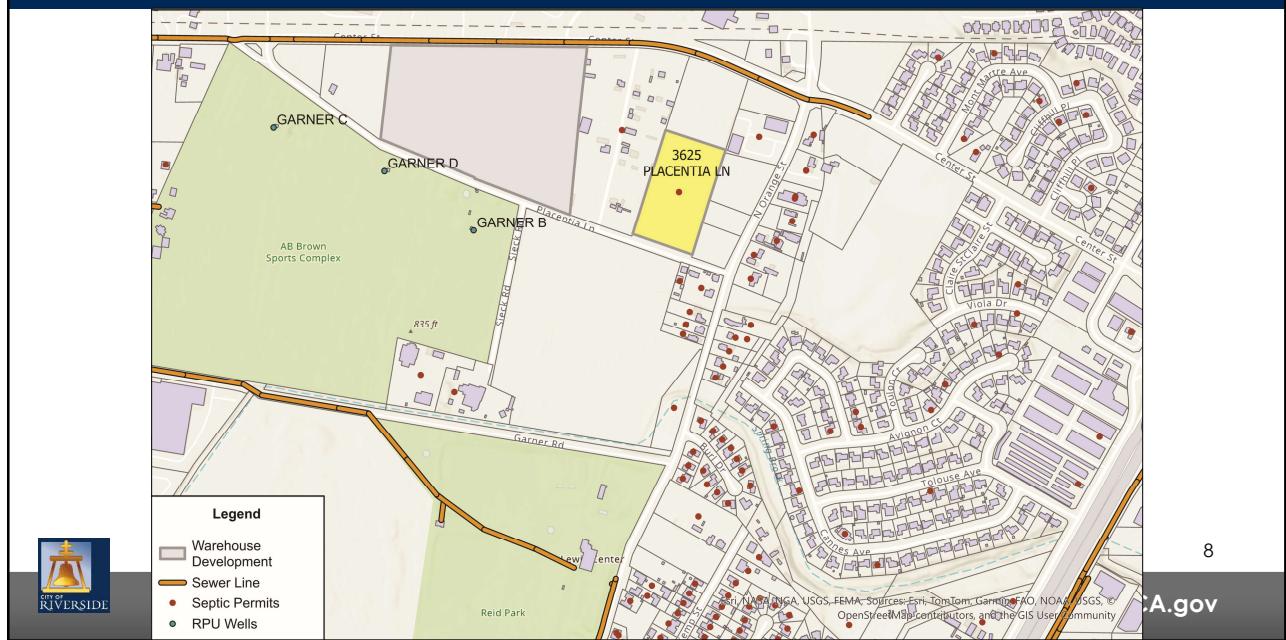


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SITE MAP



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DISCUSSION CONT.

6. Potential development in the Northside Neighborhood will help to facilitate expansion of sewer infrastructure that would allow site to be removed from septic service.
7. Riverside Municipal Code Section 14.08.030 requires the site to connect to public sewer once existing septic system fails, or if the site were to obtain a building permit for future development since the potential risk to drinking water wells remains.
8. Reimbursement agreement provides a level of source water protection of the Riverside North Groundwater Basin and RPU's North Orange Well Field.



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RECOMMENDATIONS

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

1. Approve an agreement with Robert Allen Shepherd, 3625 Placentia Lane, which formalizes the terms of a 1999 letter agreement for holding tank cost reimbursement for an estimated annual cost of \$7,000 in addition to \$88,777.47 that has been reimbursed to date for septic tank cost reimbursement until the time that the site can be connected to the public sewer system; and
2. Authorize the City Manager, or designee, to execute the agreement, including making minor and non-substantive changes.



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