

Agenda Report

December 19, 2005

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND THE TERM OF CONTRACT NUMBER 14,061 WITH CALIFORNIA INSTITUTE OF TECHNOLOGY FOR THE TREATMENT OF CONTAMINATED GROUNDWATER IN THE ARROYO SECO

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to amend the term of Contract Number 14,061 to expire on December 31, 2005, and to extend the contract an additional forty-five days, if necessary.

BACKGROUND

The City has four water wells (Monk Hill Wells) near the Jet Propulsion Laboratory (JPL). The water from the Monk Hill Wells is contaminated with several Volatile Organic Compounds (VOCs) at concentrations exceeding the maximum permissible levels under California state drinking water regulations.

On February 1, 1990 Pasadena Water and Power (PWP) and California Institute of Technology (Caltech) entered into Contract Number 14,061, whereby it was agreed that Caltech would investigate the contamination problem and pay for the construction, operation, and maintenance of a VOC treatment facility to restore pumping operations in the Monk Hill Basin.

On February 28, 1990 PWP contracted with Calgon Carbon Corporation for the construction, leasing, and maintenance of a treatment facility to remove VOCs, which is paid for by Caltech under Contract Number 14,061.

In 1993 PWP and Caltech reevaluated the extent of the contamination in the Arroyo Seco. Because Caltech became involved in the JPL environmental cleanup process, PWP and Caltech agreed to extend the term of the contract five more times for a total of 11 years. The term of Contract Number 14,061 expired on September 30, 2004.

In 1997 the Monk Hill Wells were found also to be contaminated with perchlorate. One well was shut off. On January 2002 the Action Level was revised, requiring the remaining Monk Hill Wells and the VOC treatment plant to be shut off. To date, the wells and the treatment

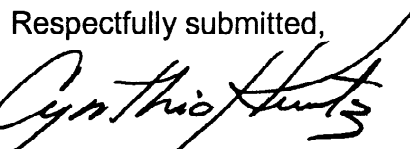
plant remain off. Although the treatment plant is not currently in operation, the City is still under contract to pay Calgon Carbon Corporation for the monthly lease of the plant.


Since September 20, 2004, staff had requested from City Council multiple extensions to the term of Contract Number 14,061 that would allow the City, NASA and Caltech to continue the negotiations for a comprehensive agreement, which would include perchlorate treatment, and continue to provide the City reimbursements from Caltech for the VOC lease with Calgon Carbon. On November 15, 2005, the remaining extension expired.

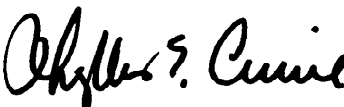
On December 5, 2005, staff presented an agenda report to City Council to authorize the City Manager to enter into a settlement agreement with Caltech contingent upon the City's resolution of its outstanding claim under the Federal Tort Claims Act. The City, NASA, and Caltech have reached an agreement regarding the claim and appropriate language is being added to the settlement agreement. Staff recommends the Contract be extended through December 31, 2005, and that the City Manager be authorized to extend it an additional forty-five days, if necessary. These extensions will also allow the City to continue receiving reimbursements from Caltech for the existing VOC lease agreement.

FISCAL IMPACT

There will be no fiscal impact since there is minimal staff time involved for the additional time of extension. Extending the contract would result in the City being reimbursed for expenses related to the VOC lease agreement.

Respectfully submitted,

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