

Agenda Report

December 20, 2004

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 January 16, 2005 and an additional forty-five day extension, 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, PWP and 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, the cost of 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 Superfund cleanup process, PWP and Caltech agreed to extend the term of the contract five additional terms for a total of eleven years. The current term of Contract Number 14,061 expired on September 30, 2004.

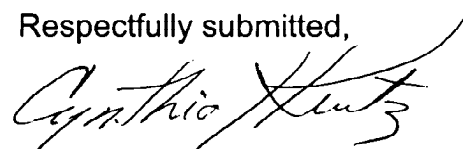
In 1997, the Monk Hill Wells were also contaminated with perchlorate. Only one well was shut off. In January 2002, the Action Level was revised, requiring the remaining Monk Hill Wells and the VOC treatment plant to be shut off. To date, the wells and the treatment plant remain off. Although the treatment plant is not currently in operation, the City is still under contract to pay Calgon Carbon Corporation for the monthly lease of the plant.

On September 20, 2004, the City Council authorized the City Manager to amend the term of Contract Number 14,061 for a ninety-day extension 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 December 10, 2004, the ninety-day extension will expire. Negotiations are close to concluding; however, additional time is needed. Staff recommends that the contract be extended through January 15, 2004, and that authorization for an additional forty-five day extension be granted so that, if necessary, an additional contract extension may be executed. 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.

Respectfully submitted,



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