

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



186

FROM: Parks Department

SUBMITTAL DATE:
11/10/04

SUBJECT: FIFTH AMENDMENT TO LEASE BETWEEN THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND COUNTY OF RIVERSIDE FOR RECREATIONAL DEVELOPMENT OF LAKE SKINNER – Dist. III

RECOMMENDED MOTION: That the Board:

1. Approve the attached Fifth Amendment to Lease between the Metropolitan Water District of Southern California and the County of Riverside for Recreational Development of Lake Skinner and authorize the Parks Director to execute and administer same in accordance with its terms and conditions;
2. Authorize the Chairman to execute four (4) copies of the Fifth Amendment;
3. Direct the Clerk of the Board to return the three (3) copies of the Fifth Amendment to the Parks Department for further processing; and
4. Authorize the Parks Director to take all actions necessary to administer the amended Lease Agreement.

Departmental Concurrence

BACKGROUND: The Parks Department and the Metropolitan Water District entered into a Lease Agreement for Recreation Development of Lake Skinner on January 2, 1973. This Agreement was subsequently amended four times (July 2, 1974; July 17, 1975; February 4, 1986; and February 11, 2003). *(continued on page 2)*

454-5th Amendment to Lease between MWD @SKN

Paul Frandsen

Paul Frandsen, Parks Director

Attachments: Fifth Amendment to Lease between MWD & County of Riverside for Recreational Development at Lake Skinner (3)

FINANCIAL DATA n/a	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE** FORM APPROVED
COUNTY COUNSEL

County Executive Office Signature *A. Duggan* NOV 16 2004
BY *Jordan V. Ubo*

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: **ATTACHMENTS FILED WITH THE CLERK OF THE BOARD** | **District:** III | **Agenda Number:**

3.12

SUBJECT: FIFTH AMENDMENT TO LEASE BETWEEN THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND COUNTY OF RIVERSIDE FOR RECREATIONAL DEVELOPMENT OF LAKE SKINNER

The proposed Fifth Amendment extends the Lease for twenty five years from the effective date of this Amendment, and as outlined on the attached Amendment, modifies the terms and conditions in Sections 8, 9, 10, 17, 19, and 22 of the Lease Agreement.

The Fifth Amendment includes the following significant changes to the existing Lake Skinner lease:

1. The lease term has been extended to twenty five (25) years, with the option for the County to terminate any time by giving one year's written notice prior to effective date of such termination;
2. Metropolitan shall have the right at the end of each successive fifth anniversary of this lease to terminate the lease with written notice to Riverside County that the Lease Agreement shall terminate from said date of written notice;
3. In the event Metropolitan terminates the Lease Agreement, any outstanding monies due to Riverside County shall be paid within 90 days of the effective date of termination of this lease;
4. Metropolitan shall reimburse to Riverside County the unamortized value of any capital improvements made by Riverside County during the Lease term (amortized over the useful life of such improvements). The unamortized value shall be determined by Metropolitan in accordance with generally accepted accounting principles.
5. The County will receive a credit for water consumed at the Lake Skinner Recreation area for a ten-year period commencing on January 2, 2005 and terminating on January 1, 2015, and Metropolitan shall credit the Eastern Municipal Water District up to \$100,000 for water used by the County at Lake Skinner Recreation Area;
6. Cost incurred relating to County sanctioned/sponsored activities such as the Temecula Balloon and Wine Festival at Lake Skinner causing additional expenses shall be borne by the County;
7. County shall have the right to establish and/or increase existing use rates with prior written notice to Metropolitan;
8. County shall establish a major repair, replacement, and improvement account as outlined in the County Operations Performance Report of August 2004;
9. County shall have the right to expand, via one or more concession agreements, the dry storage facilities at Lake Skinner and charge prevailing commercial rates;
10. County will furnish annual financial statements to Metropolitan for all aspects of the operation of the recreational facilities and maintain supporting documentation for five years from the date of the required report;
11. County agrees to make the necessary capital improvements and investments to restore, repair, and modernize the recreational facilities;
12. County is responsible for securing all necessary environmental and permit clearances as applicable for approved improvements;
13. County shall furnish Metropolitan with evidence of insurance;
14. Metropolitan reserves the right to entitle and develop in a manner compatible with the County's existing recreation facilities, operations, and activities, all or part of the areas of the demised property covered by this Lease that are not utilized for recreational or support of recreational activities by the County pursuant to the lease.

The attached Fifth Amendment has been approved by the Metropolitan Water District and approved by our County Counsel as to form.