



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

875



FROM: Regional Park & Open-Space District

SUBMITTAL DATE:
May 23, 2013

SUBJECT: First Amendment to the Interagency Agreement between Riverside County Regional Park and Open-Space District, Rancho California Water District and Eastern Municipal Water District – District 3/3

RECOMMENDED MOTION: That the Board of Directors:

1. Approves the attached Interagency Agreement between Riverside County Regional Park and Open-Space District, Rancho California Water District, and Eastern Municipal Water District;
2. Authorizes the Chairman of the Board of Directors to execute four (4) copies of the Interagency Agreement; and
3. Directs the Clerk of the Board to return all four (4) copies of the Interagency Agreement to Riverside County Regional Park and Open-Space District for further execution and transmittal.

BACKGROUND: On April 21, 1981 an Interagency Agreement was made by Riverside County Regional Park and Open-Space District (District); Rancho California Water District (Rancho) and Eastern Municipal Water District (Eastern) for the delivery of potable water to Lake Skinner Recreation Area.

(continued on page 2)

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE: 6/5/13
Departmental Concurrence

Scott Bangle, General Manager

2013-030D EC

FINANCIAL DATA N/A	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:
	Annual Net County Cost:	\$ 0	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

BY: Alex Gann
Alex Gann

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept's Recomm.:
Per Exec. Ofc.:

2013 JUN 11 10 51 22
RECEIVED REGIONAL PARK & OPEN SPACE DISTRICT

Prev. Agn. Ref.:

District: 3/3

Agenda Number:

13-2

D

SUBJECT: First Amendment to the Interagency Agreement between Riverside County Regional Park and Open-Space District, Rancho California Water District and Eastern Municipal Water District – District 3/3

BACKGROUND:

The initial term of said Interagency Agreement has expired and all Parties desire to make current, modify, and extend the terms and conditions of such Interagency Agreement by an additional period of time as specified on Amendment No. 1 to the Interagency Agreement.

During the course of the amendment, the District will be leading efforts to develop a long term strategy that will provide a reliable and consistent water delivery system to Lake Skinner Recreation Area. This effort will include discussions of alternative delivery methods and review of non-potable resources for landscape use. While the District has made great strides in reducing potable consumption through advanced central irrigation controllers, elimination of 1-acre pool, installation of native plant material and installation of waterless urinals, resulting in approximately one million gallon a year reduction, additional enhancements are desired.

The District requests that your honorable Board approves this amendment to set forth the terms and conditions in order for Rancho to continue to convey water and provide service on behalf of Eastern for Lake Skinner Recreation Area.

County Counsel has reviewed and approved the Agreement as to legal form.

AMENDMENT NO. 1
to
INTERAGENCY AGREEMENT

This Amendment No. 1 ("Amendment") to the Interagency Agreement dated April 21, 1981 by and between the **RIVERSIDE COUNTY REGIONAL PARK and OPEN-SPACE DISTRICT** ("County"); **RANCHO CALIFORNIA WATER DISTRICT** ("Rancho") and **EASTERN MUNICIPAL WATER DISTRICT** ("Eastern") (County, Rancho, and Eastern being hereinafter sometimes collectively referred to as the "Parties") is made and entered into this _____ day of _____, 2013.

RECITALS

WHEREAS, on April 21, 1981 the Parties entered into an Interagency Agreement pursuant to which water supply for Lake Skinner Recreation Area would be directly provided to the County by Rancho and Eastern would supply operational service through County financed, owned and constructed water systems, which systems were constructed pursuant to provisions of an Agreement and Supplemental Agreement dated May 13, 1975, and January 27, 1976, respectively, by and between County and Eastern ("Eastern Agreements"); and

WHEREAS, the Eastern Agreements have subsequently expired and are no longer applicable. and Eastern no longer operates, maintains, or provides water service through County financed, owned and constructed water systems; and

WHEREAS, on January 2, 2003 the Parties, and the Metropolitan Water District of Southern California ("Metropolitan") entered into a Memorandum of Understanding defining responsibilities for effectuating the transfer of a water use credit from Metropolitan to County, which said Memorandum is incorporated herein, by reference, and remains in full force and effect; and

WHEREAS, the initial term of said Interagency Agreement has expired and Eastern does not currently have the transmission facilities to provide County water service to Lake Skinner Recreation Area; and

WHEREAS, the Parties have, in good faith, continued to honor the terms of the Interagency Agreement as if it had been extended from its expiration in 2006, until the present day; and

WHEREAS, the Parties desire to make current, modify, and extend the terms and conditions of such Interagency Agreement by an additional period of time as specified, herein; and

WHEREAS, the purpose of this Amendment is to set forth the terms and conditions whereby Rancho will continue to convey water and provide service on behalf of Eastern for Lake Skinner Recreation Area.

NOW THEREFORE, in consideration of the mutual premises and covenants contained herein, the Interagency Agreement is hereby amended as follows:

AMENDMENT

1. Incorporation of Recitals:

The Recitals set forth above are incorporated into and are a part of this Amendment.

2. Section 1 of the Interagency Agreement is hereby deleted in its entirety and replaced as follows:

Throughout the term of this Interagency Agreement Rancho agrees to lease capacity to County in the amount of 360 gallons-per-minute (gpm) (to meet the water supply requirements of the above-mentioned Lake Skinner Recreation Area) in that portion of its water supply system utilized to service Lake Skinner Recreation Area. Any expansion of the above-stated capacity shall require written amendment of the Interagency Agreement.

Such capacity provided by Rancho shall be subject to the conditions of Rancho's Water Shortage Contingency Plan. Additionally, Rancho offers no guarantee of service, flow, or pressure in meeting County's water supply requirements at said location. The County shall strive to comply with best management practices in the operation and maintenance of its landscape and domestic water uses on site.

3. Section 3 of the Interagency Agreement is hereby deleted in its entirety and replaced as follows:

County agrees to pay Rancho, on a monthly basis, responsive to appropriate billing from Rancho, for all water delivered through the service connection located at the "Point of Delivery" (as depicted on Exhibit B to the 1981 Agreement) at a rate which constitutes the summation of the following elements of cost:

- A. The wholesale water rate charged Rancho by Eastern, less any credits received by Rancho from Eastern (pursuant to the Parties January 2, 2003 Memorandum of Understanding with Metropolitan) for domestic-type water delivered to Rancho through Eastern's EM-13 and EM-20 service connections with Metropolitan.

Eastern shall adjust Rancho's Tier I water purchases for water delivered to Lake Skinner Recreation Area by the amount of such credits; and

- B. Rancho's, then current, monthly meter service charge and cost of energy associated with pumping water which was delivered to Rancho through Eastern's service connections to Rancho's 1790' pressure zone. Energy costs shall be in accordance with Rancho's, then current, "Guide to Rates and Charges", which guide is incorporated, herein, by reference, and are currently established at \$.20370 per one-hundred cubic feet (hcf) of water delivered; and
- C. Rancho's, then current, per acre-foot charge associated with the operation, maintenance, and repair of water systems; which charge is currently established at \$24.52 per acre-foot of water delivered; and

- D. Rancho's, then current, capital recovery cost component calculated per Exhibit A to this Amendment; which is currently established at \$355 per acre-foot of water delivered.
- E. In addition to the above, County shall pay Rancho any and all fees, penalties or increases in rates or charges imposed by Metropolitan, Eastern or the State of California relating to the water delivered by Rancho to the County pursuant to the Interagency Agreement and this Amendment.

Interagency

- 4. Section 4 of the Interagency Agreement is hereby deleted in its entirety and replaced as follows:

The term of this Interagency Agreement shall terminate on January 1, 2015, which term may be extended upon such terms and conditions as are acceptable to the Parties at the time of such extension.

- 5. Future Amendments. The Interagency Agreement as amended hereby may be further amended by mutual consent of the Parties. Such amendments may be executed by the authorized signatories of each of the Parties, as set forth below, or their respective successors, without further approval of the Parties.

Except as amended herein, all other terms and conditions of the April 21, 1981 Interagency Agreement shall remain unchanged and in full force and effect.

This Amendment may be executed in counterpart but shall be without force or effect unless and until all parties hereto have executed this Amendment, or a counterpart.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be executed as of the date first above written.

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul D. Jones II, P.E., General Manager

Dated: _____

**RIVERSIDE COUNTY REGIONAL
PARK AND OPEN-SPACE
DISTRICT**

By: _____
Chairman, Board of Directors

Dated: _____

RANCHO CALIFORNIA WATER DISTRICT

By: _____
Matthew G. Stone, General Manager

Dated: _____

FORM APPROVED COUNTY COUNSEL

BY: Neal R. Kipnis 6/5/13
NEAL R. KIPNIS DATE

EXHIBIT A

[Attached behind this cover page.]

Exhibit A

Calculation of Capital Lease Rate per Acre/Foot

		<u>Rancho Division</u>
Net Utility Plant Assets (Excluding Source of Supply)		268,549,272
Return on Investment Rate	x	<u>5%</u>
Return on Investment	=	13,427,464
Budgeted Acre Feet	/	<u>37,819</u>
Capital Facility Lease Rate per A/F	=	355
Rate per HCF	/ 435.6	\$ <u>0.8151</u>

Note: The amounts in the above calculation will be adjusted each year to reflect the actual Net Utility Plant Assets per the Audited RCWD Financial Report and the budgeted acre feet of Sales per the adopted RCWD Budget