

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

836



FROM: Regional Park and Open-Space District

SUBMITTAL DATE:
January 13, 2015

SUBJECT: Amended and Restated Interagency Agreement between Riverside County Regional Park and Open-Space District, Rancho California Water District and Eastern Municipal Water District; 15-year term, District 3

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Amended and Restated Interagency Agreement ("Agreement") between Riverside County Regional Park and Open-Space District, Rancho California Water District and Eastern Municipal Water District and authorize the Chairman of the Board of Directors to execute four(4) copies of the Agreement on behalf of the Park District; and
2. Direct the Clerk of the Board to return four (4) copies of the Interagency Agreement to Riverside County Regional Park and Open-Space District for further execution and transmittal.

BACKGROUND:

Summary

On April 21, 1981 an Interagency Agreement was made by the County of Riverside on behalf of its Parks Department (County); 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)

Scott Bangle
General Manager

2015-021D SB

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS:

Budget Adjustment: No

For Fiscal Year:

C.E.O. RECOMMENDATION:

APPROVE

BY: Alex Gann
Alex Gann

County Executive Office Signature

MINUTES OF THE BOARD OF DIRECTORS

FORM APPROVED COUNTY COUNSEL 1/14/15
BY: GREGORY P. PRIAMOS DATE
Departmental Conference

- Positions Added
- Change Order
- A-30
- 4/5 Vote

SUBMITTAL TO THE BOARD OF DIRECTORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Amended and Restated Interagency Agreement between Riverside County Regional Park and Open-Space District, Rancho California Water District and Eastern Municipal Water District; 15-year term, District 3

DATE: January 13, 2015

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

On July 8, 2013, the District, Rancho and Eastern entered into an agreement to amend the 1981 Interagency Agreement, (referenced as Amendment No. 1, M.O. 13-2; June 18, 2013), for purposes of updating the terms and conditions therein, and for purposes of extending the term of the agreement through January 1, 2015.

All Parties desire to extend the terms and conditions of such Interagency Agreement through January 1, 2030, and the District requests that your honorable Board approves this Amended and Restated Interagency Agreement whereby Rancho will continue to convey water and provide services on behalf of Eastern for the Lake Skinner Recreation Area.

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

Impact on Citizens and Businesses

This agreement provides for a reliable potable water source at Lake Skinner Recreation Area, through County owned and constructed water systems. The Citizens and Business community can have confidence that the District is entering agreements that are reasonable, transparent and sustainable.

ATTACHMENTS:

Amended and Restated Interagency Agreement
Exhibit A

AMENDED and RESTATED
INTERAGENCY AGREEMENT

This Amended and Restated Interagency Agreement to the original Interagency Agreement dated April 21, 1981 by and between the **RIVERSIDE COUNTY REGIONAL PARK and OPEN-SPACE DISTRICT** ("Parks"); **RANCHO CALIFORNIA WATER DISTRICT** ("Rancho") and **EASTERN MUNICIPAL WATER DISTRICT** ("Eastern") (Parks, Rancho, and Eastern being hereinafter sometimes collectively referred to as the "Parties") is made and entered into this _____ day of _____, _____.

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, on July 8, 2013, the Parties first amended the aforementioned 1981 Interagency Agreement (Amendment No. 1) for purposes of updating the terms and conditions therein, and for purposes of extending the term of the subject Interagency Agreement through January 1, 2015; and

WHEREAS, as provided in this Amended and Restated Interagency Agreement ("Agreement"), the Parties now desire to extend the terms and conditions of the 1981 Interagency Agreement through January 1, 2030; and

WHEREAS, the purpose of this Agreement is to set forth the terms and conditions whereby Rancho will continue to convey water and provide service on behalf of Eastern for the Lake Skinner Recreation Area through January 1, 2030.

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 2 of Amendment No. 1 to the Subject 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 County Park.

Any expansion of the above-stated capacity shall require written amendment of the Interagency Agreement.

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 efficiency practices in the operation and maintenance of its landscape and domestic water uses on site.

3. Section 3 of Amendment No. 1 to the Subject 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" (shown 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 the Metropolitan Water District of Southern California ("Metropolitan").

Eastern shall adjust Rancho's Tier I water purchases for water delivered to Lake Skinner Recreation Area by the amount of domestic-type water delivered; 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. Monthly meter service charge and 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 \$432.11 / month service charge and \$0.20370 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 \$73.36 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 \$425 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.

4. Section 4 of Amendment No. 1 to the Subject Interagency Agreement is hereby deleted in its entirety and replaced as follows:

The term of this Interagency Agreement shall terminate on January 1, 2030, 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 previously amended, and as amended herein, all other terms and conditions of the April 21, 1981 Interagency Agreement shall remain unchanged and continue in full force and effect.

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

IN WITNESS WHEREOF, the parties have caused this Agreement 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: Synthia M. Gunzel 1-13-15
SYNTHIA M. GUNZEL DATE

EXHIBIT A

Calculation of Capital Lease Rate per Acre/Foot

		<u>Rancho Division</u>
Net Utility Plant Assets (Excluding Source of Supply)		301,074,946
Return on Investment Rate	x	<u>5%</u>
Return on Investment	=	15,053,747
Budgeted Acre Feet	/	<u>35,414</u>
Capital Facility Lease Rate per A/F	=	425
Rate per HCF	/ 435.6	<u>\$ 0.9758</u>