



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 11, 2022**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS: ALL**

SUBJECT: AGREEMENT WITH QR WATERMAN DC, LLC FOR A POTABLE WATER WELL PERMANENT EASEMENT; AND A TEMPORARY CONSTRUCTION EASEMENT FOR FUTURE CONSTRUCTION OF A NEW WELL ON THE PROPERTY LOCATED AT THE SOUTHWESTERLY CORNER OF WATERMAN AVENUE AND DUMAS STREET IN THE CITY OF SAN BERNARDINO – ASSESSOR'S PARCEL NUMBER 0141-431-22

ISSUE:

Approve the Agreement with QR Waterman DC, LLC for a potable water well permanent easement; and a temporary construction easement for future construction of a new well on the property located at the southwesterly corner of Waterman Avenue and Dumas Street in the City of San Bernardino – Assessor's Parcel Number 0141-431-22.

RECOMMENDATIONS:

That the City Council:

1. Approve the Agreement with QR Waterman DC, LLC for a potable water well and a temporary construction easement for future construction of a new property located at the southwesterly corner of Waterman Avenue and Dumas Street in the City of San Bernardino; and
2. Authorize the City Manager, or his designee, to execute the Agreement with QR Waterman DC, LLC, including making minor and non-substantive changes and signing all documents and instruments necessary to complete the transaction.

BOARD RECOMMENDATION:

On September 26, 2022, the Board of Public Utilities will hear this item to consider a recommendation to City Council on the Agreement with QR Waterman DC, LLC.

If the Board of Public Utilities recommends approval for City Council, City Council will consider the item at the October 11, 2022, Council meeting.

BACKGROUND:

On May 13, 1901, Elizabeth A. Paine granted an indenture to the Riverside Water Company for the purpose of extracting water from the property located at the southwesterly corner of Waterman Avenue and Dumas Street (Property) in the City of San Bernardino, identified as Assessor's Parcel Number 0141-431-22.

On May 22, 1901, the City of Riverside (City), as successor-in-interest to the Riverside Water Company, was granted exclusive and perpetual access to develop water extraction infrastructure, by means of artesian wells to extract and transport water off the Property.

On May 23, 1961, the indenture was amended with the recording of a Final Order of Condemnation, also known as the Paine Hot Well Agreement. The Paine Hot Well Agreement allows the City to extract water from up to six artesian wells on the Property.

DISCUSSION:

QR Waterman DC, LLC (QR) is the owner of the 25.25-acre Property known as the Waterman Industrial Center. QR is proposing a temporary construction easement and a permanent easement for ingress, egress, and construction activities associated with the future construction and maintenance of a potable water well and associated water facilities for the City of Riverside's Public Utilities Water Department (RPU).

RPU plans to use the permanent easement site for a future potable well that would replace one of RPU's nearby existing wells when it reaches the end of its useful life. The temporary construction easement will allow RPU the area required to perform the drilling of a new well. The permanent easement will be the area where the completed well and all required equipment and facilities will reside and will allow space for regular ongoing operation and maintenance.

RPU staff has reviewed the dimensions of the temporary construction easement and permanent easement areas and has confirmed both are of adequate size to complete drilling, equipping, operating, and maintaining of a future new well and associated water facilities. RPU staff also feels that quitclaiming the prior established rights in trade for the temporary construction easement and permanent easement is a fair and equitable transaction that will benefit RPU's water customers in the future.

The City must execute and notarize a quitclaim deed releasing and conveying to QR any water rights in the Property that were previously granted to the City by the Paine Hot Well Agreement. In addition, the City must also execute and notarize a counterpart easement for the future potable water well and associated water facilities to ensure RPU can construct a modern well in accordance with the most current standards and requirements, when necessary.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 4 – Environmental Stewardship**, specifically **Goal 4.2** – Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable, and affordable water to our community by constructing and maintaining a potable water well and water facilities.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. By maintaining available sites for existing and future potable water wells and water facilities, the City serves the public interest and benefits the City’s diverse populations which results in greater public good.
2. **Equity** – The City supports racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress with the installation of a potable water well and associated water facilities.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds and ensures responsible management of the City’s financial resources while providing quality public services to all. This easement will ensure that RPU has a future location for a replacement well, without the need to procure any new property.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs and prepares for the future through this collaborative partnership with QR to plan for the installation of a future potable water well and associated water facilities.
5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike. This easement contributes to the planning efforts that ensure that Riverside has enough future well sites to maintain a resilient local water supply.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director

Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Agreement of Regarding Potable Water Well
2. Presentation