



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 16, 2018**
FROM: PUBLIC UTILITIES DEPARTMENT **WARDS: ALL**
SUBJECT: THE GAGE CANAL COMPANY OVERVIEW

ISSUE:

Receive a presentation on the Gage Canal Company.

RECOMMENDATION:

That the City Council receive and file a presentation on the Gage Canal Company.

BOARD RECOMMENDATION:

On July 26, 2018, following discussion, the Agricultural Water Rates Task Force unanimously voted to receive and file the Gage Canal Company Overview

On August 27, 2018, following discussion, the Board of Public Utilities, with eight members present, unanimously voted to receive and file the presentation on the Gage Canal Company.

BACKGROUND:

The Gage Canal Company was established in 1890 as a private non-profit California corporation. The purpose of the company was to bring artesian and pumped well waters originating in the Bunker Hill basin area of San Bernardino into Riverside for the purposes of irrigation. The Company is governed by 11 board members and overseen by one general manager. The City used its power of eminent domain to announce a friendly condemnation of The Gage Canal Company in 1959. The purpose of this condemnation was to secure water rights for the beneficial public use of the residents of the City. The courts ruled in favor of the City on June 9, 1965, based on the most necessary public use of the water and water rights held by The Gage Canal Company. This presentation was originally created for, and provided to, the Agricultural Water Rates Task Force on July 26, 2018. The topic of The Gage Canal Company was part of the original Work Plan for the Agricultural Water Rates Task Force.

DISCUSSION:

Staff has developed an enhanced version of the Gage Canal Company Overview presentation that was provided to the Ag Task Force on July 26, 2018 and Board of Public Utilities on August

27, 2018. This presentation will provide an overview of The Gage Canal Company's history, timeline, structure, purpose, and impact on the City. It will also cover the 1965 Judgement In Eminent Domain and Final Order of Condemnation in favor of the City, the current canal condition, shares, and agreements. Staff utilized attachments 2 through 11, along with input from Gage Canal Company staff and the book *A Citrus Legacy* by Joan H. Hall (1992), to build an accurate timeline and representation of the information presented within the overview. Attachment 12 is a simplified diagram that illustrates how the Gage Canal system works with the RPU water system, Riverside Canal, and Gage Exchange. Attachment 13 is a diagram of the Gage Canal distribution system including the boundaries of the Gage Canal service area and Arlington Heights Greenbelt. The different colors of lines within this diagram indicate the purpose or status of a particular line.

FISCAL IMPACT:

There is no fiscal impact associated with this presentation.

Prepared by: Todd L. Jorgenson, Interim Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Acting Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Gage Canal Company By-Laws and Articles of Incorporation
2. Agreement for Operation of Gage Canal Facilities
3. Judgment In Eminent Domain and Final Order of Condemnation
4. Stipulation for Judgement In Eminent Domain and Final Order of Condemnation
5. Gage Water Exchange Agreement
6. Water Rule 16
7. Creason's 1975 Report
8. Historic American Engineering Record, National Park Service
9. Greenbelt Flowage Agreement
10. Letter to Gage Shareholders from Gage Legal Counsel
11. Diagram of How Gage System Works with RPU System
12. Gage Canal Distribution System with Gage service area and Greenbelt boundaries
13. Presentation