

**MEMORANDUM OF UNDERSTANDING FOR INTERIM RETAIL WATER SERVICE
BETWEEN CITY OF RIVERSIDE AND CITY OF COLTON**

THIS MEMORANDUM OF UNDERSTANDING FOR INTERIM RETAIL WATER SERVICE ("MOU") is made and entered into this _____ day of _____, 2018 ("Effective Date"), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("Riverside"), and City of Colton, a municipal corporation ("Colton"), each individually a "Party" and collectively referred to herein as "Parties".

RECITALS

A. Riverside, through its Public Utilities Department, provides retail water service within its city limits, except for the Orangecrest and Mission Grove neighborhoods south of Canyon Crest Drive.

B. Colton, through its Public Utilities Department, provides retail water service within its city limits.

C. The Parties have identified a certain area of Colton, generally known as 1901 Center Street, San Bernardino County Assessor's Parcel Numbers 0277-022-67 and 68, which will be consolidated into one parcel comprised of approximately 13.2 acres, to which Colton is temporarily unable to provide retail water service (the "Temporary Service Area"). That Temporary Service Area is further depicted and described in the map and legal descriptions attached hereto as Exhibit A and incorporated herein by reference.

D. The Parties agree that Riverside is temporarily better situated to provide retail water services to properties ("Parcels") located within the Temporary Service Area, upon written request by Colton and in accord with the terms and conditions set forth in this MOU.

E. Colton agrees to allow Riverside to provide retail water services to the Parcels within the Temporary Service Area, upon written request by Colton and in accord with the terms and conditions set forth in this MOU.

F. Riverside's water service to Temporary Service Area is not subject to Riverside and Colton obtaining approval of the Local Agency Formation Commission pursuant to California Government Code Section 56133; and

G. The Temporary Service Area will remain outside of Riverside's corporate boundaries.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. TERM. The term of this MOU shall become effective on the date first written above and shall terminate upon mutual consent by the Parties hereto (the "Termination Date"). This MOU shall also terminate upon written notification by either Party. Such notification shall be provided to the non-terminating Party a minimum of 60 days prior to the date that temporary water service will terminate within the Temporary Service Area. Notwithstanding the foregoing, this MOU will not terminate prior to a 20-year term or upon Colton's installation of water service for the specified Parcels, whichever occurs first. Upon written request by Colton, temporary water service from Riverside Public Utilities can be extended to these Parcels annually thereafter at the sole discretion of Riverside Public Utilities. Colton will work diligently to provide permanent retail water service to the specified Parcels from the Colton water system and install all facilities and equipment necessary to provide such retail water service to the Parcels. In the event the MOU terminates prior to permanent retail water services, Colton agrees to provide the required fire flow and domestic retail water services to the Parcels.

2. PROVISION OF RETAIL WATER SERVICE. As of the Effective Date, and upon written request from Colton, Riverside will provide retail water service to the specified Parcels located within the Temporary Service Area. Riverside shall provide such retail water service in accord with Section 3, below, until Colton is capable of providing retail water service to that specified Parcels from the Colton water system. Colton shall give Riverside 90-days' notice of its intent to provide such retail water service to the specified Parcels. Riverside shall be responsible for abandoning any facilities installed to serve the specified Parcels and Colton shall be responsible for installing facilities to provide the specified Parcels with retail water service by Colton.

3. CONDITIONS FOR PROVISION OF RETAIL WATER SERVICE. Riverside shall only be required to provide retail water service to the specified Parcels located within the Temporary Service Area under this MOU if the Owner agrees to comply with the following terms and conditions. If Owner fails to comply with any or all of the conditions, Riverside shall provide Colton with written notice that Riverside declines to provide water service to the specified Parcels:

3.1 Owner must dispose of sewage waste on the specified Parcels by way of connection to the public sewer system or the installation, operation and maintenance of private sewage holding tanks. Disposal of sewage waste by septic tank and/or leach field is strictly prohibited.

3.2 Owner shall be responsible for the design and installation of all public water facilities, in accord with Riverside standards and subject to Riverside approval, as required to provide individual water service and/or fire service to the specified Parcels. Riverside's commitment to provide water service is limited to the services requested under City of Riverside water permit PUW18-0094, namely, a 2" water meter for domestic supply, a 2" water meter for landscape irrigation, and a 12" fire service connection, unless otherwise agreed to by Riverside Public Utilities.

3.3 In accord with the City of Riverside Water Rules and Rates, as amended from time to time, Owner shall be responsible for all applicable fees and charges required to install all water facilities required by Riverside for the provision of retail water service to the specified parcel.

3.4 Owner shall agree to not store, except for incidental use, any oils, lubricants, pesticides, volatile organic compounds, radioactive materials or any such materials that would present possible threat to the safety or security of the regional water supply. All tanks for fuels, oils, etc., shall be above ground with adequate provisions for spill containment.

3.5 Owner agrees that at the time Colton has adequate water facilities to provide service, Owner is responsible for all fees and charges required by Colton in order to transfer retail water service to Colton. Furthermore, the Owner agrees to pay all applicable fees and charges to Riverside for the abandonment of Riverside facilities installed to provide the retail water service to the specified parcel.

3.6 Owner shall be a customer of Riverside and the water rate charged to the Owner will be Riverside's applicable retail water customer rate for service to the specified Parcels.

3.7 Within this Agreement, the Owner shall pay to Riverside a fee to reimburse Riverside for the estimated cost for Riverside to abandon any Riverside facilities installed to provide the retail water service to the specified Parcels.

3.8 Colton and Riverside are committed to upholding public integrity within the process of completing the Northside Interjurisdictional Specific Plan, and Riverside further memorializes that commitment as referenced in the letter from Mayor Bailey to Colton dated April 3, 2018, attached hereto as Exhibit B. Riverside acknowledges Colton's local land use authority and its approval of development consistent with its adopted land use policy and zoning regulations. Colton and Riverside acknowledge the need for transparency and therefore will request the Owner of the specified Parcels to participate in good faith in the Northside Interjurisdictional Specific Plan process until it is adopted by both cities.

4. NON-DISCRIMINATION. Except as provided in Section 12940 of the California Government Code, during the performance of this MOU, neither party shall discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical handicap, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation in use of the Property during the term of this MOU. Further, the parties agree to conform to the requirements of the Americans with Disabilities Act in the performance of this MOU.

5. GOVERNING LAW AND JURISDICTION. The parties agree that in the exercise of this MOU, the parties shall comply with all applicable federal, state, county and local laws, and

regulations in connection with the Property. The existence, validity, construction, operation and effect of this MOU and all of its terms and provisions shall be determined in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

6. NOTICES. Service of any notices, or other documents required or permitted under this MOU shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

<u>City</u>	<u>Colton</u>
City of Riverside Attn: Public Utilities General Manager 3900 Main Street Riverside, CA 92522	City of Colton Attn: Public Utilities General Manager 650 N. La Cadena Drive Colton, CA

7. SEVERABILITY. Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this MOU shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this MOU is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this MOU and shall not affect any other provision, term, condition, covenant, and/or restriction, of this MOU and the remainder of the MOU shall continue in full force and effect.

8. PARAGRAPH TITLES. The paragraph titles of this MOU are (i) inserted only for the convenience of the parties, (ii) are not intended to describe, define, limit, or otherwise affect the provisions in the portions of the MOU to which they pertain, and (iii) in no way describe, define, limit, or otherwise affect the scope or intent of this MOU or in any way affect the agreement of the parties set out in this MOU.

9. AMENDMENTS. This MOU may be amended or supplemented only by written documents signed by all parties.

10. VENUE. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

11. AUTHORITY. The individuals executing this MOU and any instruments referenced herein each represent and warrant that they have the legal power, right and actual authority to bind their respective parties to the terms and conditions hereof and thereof.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed on the date and year first written above.

CITY OF RIVERSIDE

CITY OF COLTON

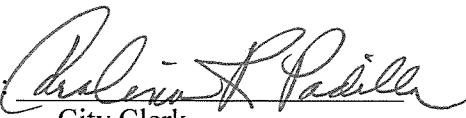
By: _____
City Manager

By: _____
City Manager

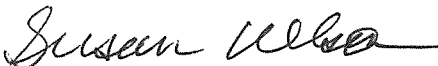
ATTEST:

ATTEST:

By: _____
City Clerk

By: _____
City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

“Exhibit A”

Map and Legal Descriptions

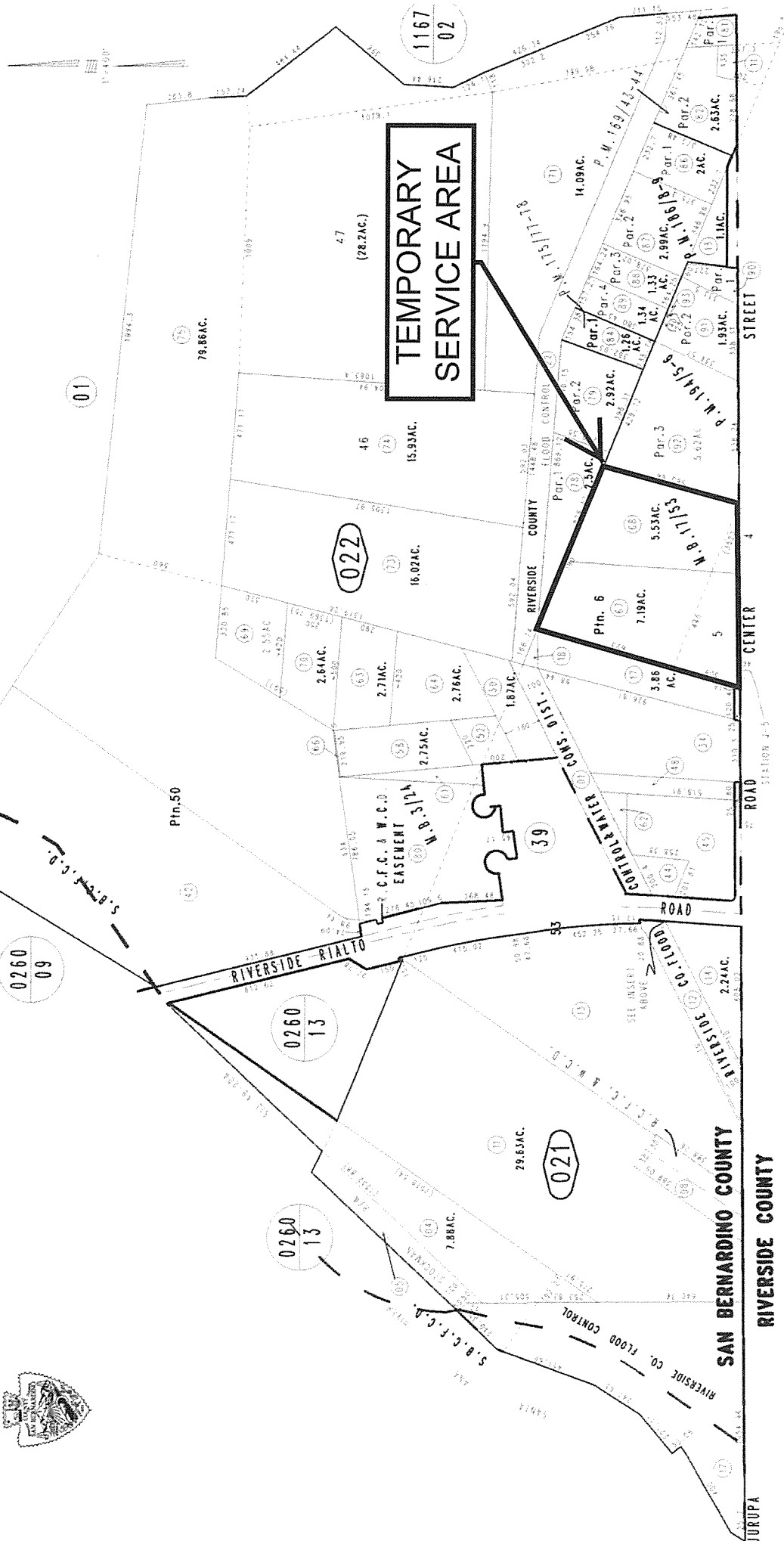
THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY



Ptn. Resurvey of Lot 19 Bandini Donation M.B.17/53
Ptn. Bandini Donation M.B.3/24

City of Colton
Tax Rate Area
2123

0277-02



REVISED
03/24/99 RA

Assessor's Map
Book 0277 Page 02
San Bernardino County

Ptn. S.W.1/4, Sec. 1
T.2S., R.5W.

Parcel Map No 13021, P.M. 146/18-19
Parcel Map No 14405, P.M. 169/43-44
Parcel Map No 14531, P.M. 175/77-78
Parcel Map No 15145, P.M. 186/78-9

November 2003

APN 0277-022-67:

THAT PORTION OF LOT 5 OF THE SUBDIVISION OF LOT 19 OF THE ADDITION TO THE BANDINI DONATION, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 17 OF MAPS, PAGE 53, RECORDS OF SAN BERNARDINO COUNTY, LYING WITHIN IN THE COUNTY OF SAN BERNARDINO, AND THAT PORTION OF LOT 6 OF THE SUBDIVISION OF LOT 19 OF THE ADDITION TO THE BANDINI DONATION, AS SHOWN BY MAP ON FILE IN BOOK 17 OF MAPS, PAGE 53, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WESTERLY OF THE NORTHERLY PROLONGATION OF THE DIVISION LINES BETWEEN LOTS 4 AND 5 OF SAID SUBDIVISION.

APN 0277-022-68:

ALL THAT PORTION OF LOT 6 OF THE SUBDIVISION OF LOT 19 OF THE ADDITION TO THE BANDINI DONATION, AS PER MAP RECORDED IN BOOK 17, PAGE 53 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT 6;

THENCE NORTH $16-1/2^{\circ}$ EAST 623 FEET ALONG THE WESTERLY BOUNDARY LINE OF SAID LOT 6 TO THE NORTHWESTERLY CORNER OF SAID LOT;

THENCE SOUTH $66-3/4^{\circ}$ EAST ALONG THE NORTHERLY BOUNDARY LINE OF SAID LOT, 798 FEET MORE OR LESS, TO A POINT FROM WHENCE A STRAIGHT LINE DRAWN TO THE NORTHEASTERLY CORNER OF LOT 4 OF SAID SUBDIVISION WOULD BE PARALLEL WITH THE WESTERLY BOUNDARY LINE OF SAID LOT 6;

THENCE IN A STRAIGHT LINE SOUTH $16-1/2^{\circ}$ WEST, PARALLEL WITH THE SAID WESTERLY BOUNDARY LINE OF SAID LOT 6 TO THE NORTHEASTERLY CORNER OF THE ABOVE MENTIONED LOT 4, WHICH POINT IS IN THE SOUTHERLY BOUNDARY LINE OF SAID LOT 6;

THENCE NORTH $67-1/4^{\circ}$ WEST 798 FEET TO THE POINT OF BEGINNING.

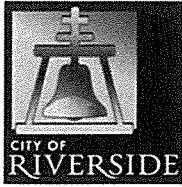
ALSO THAT PORTION OF LOTS 4 AND 5 OF SAID SUBDIVISION OF LOT 19 TO THE ADDITION TO THE BANDINI DONATION, SITUATED IN SAN BERNARDINO COUNTY, ALL AS SHOWN BY MAP RECORDED IN BOOK 17, PAGE 53 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION OF LOT OF THE SUBDIVISION OF LOT 19 OF THE ADDITION TO THE BANDINI DONATION AS SHOWN BY MAP ON FILE IN BOOK 17, PAGE 53 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, LYING WITHIN THE COUNTY OF SAN BERNARDINO AND THAT PORTION OF LOT 6 OF THE SUBDIVISION OF LOT 19 OF THE ADDITION TO THE BANDINI DONATION AS SHOWN BY MAP ON FILE IN BOOK 17, PAGE 53 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WESTERLY OF THE NORTHERLY PROLONGATION OF THE DIVISION LINE BETWEEN LOTS 4 AND 5 OF SAID SUBDIVISION.

SAID DESCRIPTION WAS APPROVED BY CERTIFICATE OF COMPLIANCE WHICH RECORDED MAY 31, 2001 AS INSTRUMENT NO. 2001-210475, OFFICIAL RECORDS.

“Exhibit B”

Letter from Mayor Bailey to Colton dated April 3 2018



Office of the Mayor

City of Arts & Innovation

April 3, 2018

Honorable Richard A. DeLaRosa, Mayor
Honorable Isaac T. Suchil, Councilmember – District 6
City of Colton
650 N. La Cadena Drive
Colton, CA 92324

SUBJECT: NORTHSIDE INTERJURISDICTIONAL SPECIFIC PLAN

Dear Mayor DeLaRosa and Councilmember Suchil,

Thank you for your letter dated March 15, 2018. On behalf of the City of Riverside, I appreciate your communication and greatly value our two cities' partnership on shared interests within the region – not the least of which is the Northside Interjurisdictional Specific Plan.

The following serves as a response to your letter. I will touch on 3 key points: the City of Riverside's perspective on its land holdings within the Northside Interjurisdictional Specific area; the City of Riverside's commitment to upholding the public integrity of the Northside Interjurisdictional Specific Plan process; and, an update on the status of the Northside Interjurisdictional Specific Plan process.

City of Riverside's Land Holdings within the Northside Interjurisdictional Specific Area

The City of Riverside places great weight on this interjurisdictional specific plan process because the Northside has an important part in our collective heritage, is a place of community pride and envisioned potential, contains over 400 acres of undeveloped land owned by the City of Riverside, including Riverside Public Utilities. Specifically, the City of Riverside controls the undeveloped 227-acre property in the City of Colton (i.e., Pellissier Ranch) and another 179 acres within the City of Riverside (i.e., the Ab Brown Sports Complex and former Riverside Golf Course). To this end, I understand the importance of the Pellissier Ranch to the City of Colton as it is identified as a "planning focus area" in your 2013 adopted General Plan Land Use Element.¹ When juxtaposed to the current Light Industrial land use and zoning designations for Pellissier Ranch (as well as the "Concept D" transmitted in your March 15th letter), the City of Colton's adopted non-industrial vision² for the property conveys a dichotomy of possibilities for the future.

¹ Please refer to pages LU-56 and LU-57 of the 2013 adopted City of Colton General Plan Land Use Element; <http://ca-colton.civicplus.com/DocumentCenter/View/1345>.

² As embodied in the City of Colton's "planning focus area" description for Pellissier Ranch: "The City envisions this area as a riverfront community consisting of low-density and medium-density housing, schools and parks, trails, community facilities, and a commercial area serving the neighborhood." (Source: Page LU-56 of the 2013 adopted City of Colton General Plan Land Use Element; <http://ca-colton.civicplus.com/DocumentCenter/View/1345>.)

This policy contrast, combined with the array of interests of the City of Riverside, underscores the value of this interjurisdictional specific plan process. Together, with input from the community, the Cities of Colton and Riverside will determine a path forward for the Northside area.

Commitment to Upholding Public Integrity of the Northside Interjurisdictional Specific Plan Process

The process is presently in the "Alternatives" phase and is progressing toward the "Preferred Plan" phase.³ Once the process yields a preferred plan, the final three phases will commence "Environmental Scoping," "Draft Specific Plan & Draft Program EIR," and "Final Specific Plan & Final Program EIR." Throughout all phases, the City of Riverside will continue advancing public integrity of the process by upholding the following six objectives:

1. Engage the full spectrum of Northside community members, landowners, and stakeholders in the planning process for the Northside Specific Plan.
2. Use input, ideas, and feedback from the community to help shape the Northside Specific Plan, including the baseline study, vision concepts, alternatives, and preferred plan.
3. Strengthen and expand relationships and trust between the City, community members, and other government agencies.
4. Transparently share project information, studies, meeting conclusions, and incremental decisions with community members.
5. Utilize prior community discussions about Northside assets and vision and seek input from others who may not have been part of the prior discussions.
6. Coordinate with and seek input from other government agencies that have jurisdiction and/or interest in the project area.

The City of Riverside understands the urgency and importance expressed by the City of Colton for completing the specific plan. However, the City also understands that the 227-acre City of Riverside-owned Pellissier Ranch represents a rare opportunity to arrive at a land use that is in the best interests of all. The City of Riverside appreciates the City of Colton's "Concept D" as important input in the public process; however, to uphold public trust and integrity of the planning process, the City of Riverside remains fully committed to completing the Northside Interjurisdictional Specific Plan process. This includes a commitment that the City of Riverside will not entertain development proposals of any kind on City of Riverside-owned property until after adoption of the specific plan and environmental impact report.

Status of the Northside Interjurisdictional Specific Plan Process

The City of Riverside believes that the area encompassed by the Northside Specific Plan area has the long-term potential to achieve unprecedented community value for both cities and the region. As you correctly noted, the planning process is taking longer than the 18 to 20 months

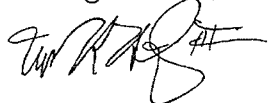
³ The process is outlined at: http://northsideplan.com/wp-content/uploads/2017/05/Northside_Newsletter.pdf

originally envisioned in December 2016; the anticipated summer 2018 completion date has now moved to the last quarter of 2018. As often happens with community-based planning processes, much learned during the process adds considerations – and time – not foreseeable at the project outset. That said, since the outset of the planning process, City of Colton staff, City of Riverside staff, the community, property owners, regional partners, consultants and others have worked together so that the resulting Northside plan celebrates the area's history, respects residential neighborhoods, and is a prominent destination and employment center for the region (please see the attached list of participation/involvement by City of Colton staff).

Presently, the planning consultant team (led by Rick Engineering) is incorporating the community input received on Concepts A, B, and C⁴ to create a single concept for the Northside. The concept will seek to advance Colton's desire for job creation and fiscal stability (as set forth in your letter) with the City of Riverside's desire to create lasting community value that respects heritage, culture, environment, and quality of life and benefits the residents of both cities for generations. The concept developed by the consultant will undergo a market assessment and will be shared with the public to receive input and to determine community support. Throughout each step, Colton staff will continue to be involved; the City of Riverside will also work with Colton staff to arrange a time to present the concept to the Colton City Council.

The City of Riverside appreciates the consistent coordination and collaboration of the City of Colton in developing the Northside Interjurisdictional Specific Plan. I also appreciate your communication regarding the progress of the process and Colton's "Concept D" for Pellissier Ranch. I will work with our City Manager's Office to continue our two cities' coordination and look forward to a time in the near future when all can celebrate the completion of this interjurisdictional, community-based planning process.

With gratitude,



William "Rusty" Bailey, III
Mayor

cc: Riverside City Council
Colton City Council
John A. Russo, Riverside City Manager
William R. Smith, Colton City Manager
Mark Tomich, Colton Development Services Director
Arthur Morgan, Colton Economic Development Manager
Al Zelinka, FAICP, Riverside Assistant City Manager
Todd Jorgenson, Interim General Manager – Riverside Public Utilities
Rafael Guzman, Riverside Director of Community & Economic Development

Attachment: City of Colton Staff Participation/Involvement with Northside Interjurisdictional Specific Plan

⁴ For detailed information on Concepts A, B, and C, please refer to http://northsideplan.com/wp-content/uploads/2017/10/Northside_Workshop2_HandoutPackage_Oct2017.pdf

City of Colton Staff Participation/Involvement with Northside Interjurisdictional Specific Plan

- 11/4/15 – Attended Pre-RFQ Community meeting and participated in Review of RFQ/RFP in early 2016
- 4/28/16 – Participated in review of RFQ/RFP proposals and evaluations.
- 5/26/16 – Participated in Consultant Interviews and Evaluations.
- 5/9/16 – Colton staff hosted Riverside staff to discuss Roquet Ranch and the relationship to the Northside Specific Plan.
- 1/26/17 – Attended Northside Specific Plan kickoff meeting and tour of project area
- 2/28/17 – Colton Planning, Public Works, Public Utilities staff met with Riverside staff and consultants for utility and infrastructure discussion.
- 6/7/17 – Attended Community Workshop 1
- 8/2/17 – Hosted Riverside staff for discussion of draft concept plans.
- 9/11/17 – Attended internal Conceptual Plan Review meeting
- 10/11/17 – Attended Community Workshop 2
- 11/14/17 – Riverside staff presented Concept Alternatives to Colton Planning Commission
- 11/29/17 – Joint Colton/Riverside City Council meeting – Northside SP not an agenda item
- 1/22/18 – Status update with Mark Tomich
- 2/5/18 – Attended meeting with Caltrans regarding I-215 interchanges