

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 24, 2010

FROM: PUBLIC UTILITIES DEPARTMENT ITEM NO: 57

WARDS: ALL

SUBJECT: SIXTH AMENDMENT TO AGREEMENT FOR OPERATION OF GAGE CANAL

FACILITIES

ISSUE:

That the City Council consider approval of the Sixth Amendment ("Amendment") to the Agreement for Operation of Gage Canal Facilities ("Agreement") whereby maintenance and operational responsibilities for seven segments of the Gage Canal ("Canal") right-of-way will be transferred from the Gage Canal Company ("Gage") to the City of Riverside ("City").

RECOMMENDATIONS:

That the City Council:

- Approve the Sixth Amendment to the Agreement; and
- 2. Authorize the City Manager, or his designee, to execute the Amendment

BOARD RECOMMENDATION:

The Board of Public Utilities unanimously approved this recommendation at their July 16, 2010 meeting.

BACKGROUND:

The City, through its Public Utilities Department, owns the Canal facilities, including the right-of-way property adjoining the Canal. The City and Gage are parties to the Agreement whereby Gage is responsible for the supervision, operation, and maintenance of the Canal facilities, as well as any real property associated with the Canal. The Agreement has been modified five times to transfer maintenance responsibility for certain Canal right-of-way segments from Gage to the City. The proposed Amendment will transfer maintenance responsibility for seven additional segments of Canal property to the City.

The City routinely makes improvements along portions of the Canal as part of street improvement projects and/or pedestrian and bikeway trails. Ultimately, City responsibility for maintenance of the improvements is memorialized in amendments to the Agreement. Most recently, the Utility completed the Gage Canal Landscape Improvement Project, parallel to

Fairview Avenue, westerly of Alessandro Blvd. City maintenance responsibility for these most recent improvements, as well as previous improvements, needs to be incorporated into the Agreement.

While the Amendment releases Gage from its liability and maintenance responsibilities, transferring those responsibilities to the City for the seven segments identified below, it is noted that Gage will retain responsibility for all Canal and underground facilities, including pipeline maintenance, repair or other work as required. The Public Works Department will continue to maintain the existing landscaping along Segment 2. The Parks, Recreation and Community Services Department will assume maintenance responsibilities related to Segments 1 and 6. Public Utilities will continue to maintain other portions of the non-landscaped right-of-way for Segments 3, 4, 5 & 7. Improvements along Segment 3 are planned for fall 2010.

SEGMENT	LOCATION	MAINTENANCE	
1	Arlington Avenue to Central Avenue	Parks, Rec. and Community Services	
2	Alessandro Blvd. to Bronson Way	Public Works	
3	Bronson Way to Chicago Avenue, south of Andulka Park Right-of-Way	Public Utilities	
4	Chicago Avenue to Central Avenue, northerly of Canyon Crest Apartments	Public Utilities	
5	Freeway to Linden Street, and Linden to Sports Complex	Public Utilities	
6	Palmyrita Avenue to Spring Street, outside of city limits.	Parks, Rec. and Community Services	
7	Linden Street, Riverside to Headworks, San Bernardino, CA	Public Utilities	

FISCAL IMPACT:

There is no fiscal impact associated with the Amendment to the Agreement.

Prepared by: David H. Wright, Public Utilities General Manager

Certified as to availability

of funds: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer

Approved by: Belinda J. Graham, Assistant City Manager

for Bradley J. Hudson, City Manager

Approved as to form: Gregory P. Priamos, City Attorney

Attachments:

- 1. Sixth Amendment to Agreement for Operation of Gage Canal Facilities
- Board of Public Utilities Minutes of July 16, 2010

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SIXTH AMENDMENT TO AGREEMENT FOR OPERATION OF GAGE CANAL FACILITIES

THIS SIXTH AMENDMENT is made and entered into this day of

THIS SIXTH AMENDMENT is made and entered into this ____ day of _____,

2010, between the City of Riverside ("City"), a California charter city and municipal corporation, and the Gage Canal Company ("Company"), a California corporation (collectively the "Parties")

RECITALS:

- A. The Agreement For Operation of Gage Canal Facilities ("Agreement") was made and entered into June 9, 1965, pursuant to the Judgment in Eminent Domain and Final Order of Condemnation entered in Riverside Superior Court Case No. 70785, County of Riverside, State of California, entitled City of Riverside, a municipal corporation, Plaintiff vs. The Gage Canal Company, a corporation et al., Defendants.
- B. On March 23, 1976, the Parties entered into the "First Amendment" to permit the City's use of the Easterly 15 feet of that portion of the Gage Canal ("Canal") property between Linden and Spruce Streets for bikeway purposes, as set forth in the First Amendment.
- C. On March 12, 1982, the Parties entered into the "Second Amendment" to permit the City's use of that portion of the Canal property lying 663.5 feet to the south of Blaine Street for bikeway, pedestrian, recreation and parking purposes at the University of California at Riverside /City Athletic Complex Phase II, as set forth in the Second Amendment.
- D. On January 25, 2001, the Parties entered into the "Third Amendment" to permit the City's use of that portion of the Canal property lying 591 feet to the north of Martin Luther King Boulevard for pedestrian and parking lot purposes, including landscaping, through a License Agreement with the Regents of the University of California; which resulted in the placement of a portion of the Canal in a buried pipeline.
- E. On May 7, 2001, the Parties entered into the "Fourth Amendment" to allow the Company to recoup certain increases in the costs of fuel and power through reimbursement from the City.

- F. On May 24, 2007, the Parties entered into the "Fifth Amendment" to allow the City to use a portion of the Gage Canal for a parking lot.
- G. Several portions of the Gage Canal have been covered and are maintained either by the City or by third parties, with the approval of the City and Company. The Parties now wish to amend the Agreement to exclude the following portions of the Gage Canal, for the following reasons:
 - Segment No. 1 Arlington to Central Avenue (this portion of the Gage Canal is covered and utilized by the City, as shown on the map attached hereto as Exhibit "C")
 - Segment No. 2 Alessandro Blvd. to Bronson Way (this portion of the Gage Canal is covered and utilized by the City, as shown on the map attached hereto as Exhibit "C")
 - Segment No. 3 Bronson Way to Chicago Avenue, south of Andulka Park (this portion of the Gage Canal is covered and utilized by the City, as shown on the map attached hereto as Exhibit "C")
 - Segment No. 4 Chicago Avenue to Central Avenue, south of Canyon Crest Apartments (this portion of the Gage Canal is covered; on September 10, 2002, with Company approval, City licensed use of this portion of the Gage Canal to Regional Properties, Inc., as shown on the map attached hereto as Exhibit "C")
 - Segment No. 5 Freeway to Linden Streeter and Linden to Sports Complex (this portion of the Gage Canal is covered; on May 24 2007, with Company approval, City licensed use of this portion of the Gage Canal to Masjed of Riverside, as shown on the map attached hereto as Exhibit "C")
 - Segment No. 6 Palmyrita Avenue to Spring Street, outside of city limits (this portion of the Gage Canal is covered and utilized by the City, as shown on the map attached hereto as Exhibit "C")
 - Segment No. 7: Headworks, located at 1271 Tippecanoe, San Bernardino, California, to the Linden Street turnout, (this portion of the Gage Canal is covered and utilized by the City, as shown on the map attached hereto as Exhibit "E")
 - H. By this amendment, the Company shall be released from any obligations to

supervise, operate, maintain, supervise or patrol those portions of the Gage Canal or from any liabilities arising from such obligations for those portions of the Gage Canal.

NOW, THEREFORE, the City and the Company agree as follows:

1. Section 4 of the Agreement is amended to read as follows:

"Section 4: In accordance with the terms of this agreement, and except as provided in Section 24, 25, 26, 27, 28, and 29, the Company shall, as an independent contractor, supervise, operate and maintain the real property, facilities and fixtures condemned to the use of the City by the Judgment. In addition, the Company agrees to utilize and employ that property retained by the Company pursuant to the Judgment which is necessary to the efficient operation, maintenance and administration of the entire water production and distribution facility and the fulfillment of the terms of this agreement. Unless otherwise specified by this agreement, the operation, maintenance and administration of the above specified properties, for the purpose specified in Section 3, shall be conducted in the same manner and in accordance with the practices employed at the time of the execution of this agreement; the same manner and practices shall include but not be limited to accounting procedures, cost computations and allocations, record keeping and filing, billing and collecting, delivery of water, and payment of appropriate taxes and expenses. The transfer of the right to receive water from one parcel to another shall be only in accordance with City approval."

2. Section 9 of the Agreement is amended to read as follows:

"Section 9: Except as provided in Sections 24, 25, 26, 27, 28, and 29, the Company shall supervise and patrol the condemned properties for the purpose of preventing trespass, encroachment, damage or adverse possession and use by unauthorized persons. The Company shall report any damage or adverse possession to the City immediately upon

knowledge thereof, and the Company shall take all steps within its powers to stop or correct such damage or adverse possession."

Section 10 of the Agreement is amended to read as follows:

"Section 10: Except as provided in Sections 24, 25, 26, 27, 28, and 29, public liability for acts or omissions of the Company incident to the operation and maintenance of the property of the Company and the property condemned to the use of the City is the responsibility of the Company and the Company shall indemnify and hold the City harmless from any claim or demand against the City resulting proximately from the operation and maintenance by the Company. The Company shall obtain and keep in force and effect commercial general liability and property damage insurance indemnifying the Company in minimum amounts of \$500,000 per person, \$1,000,000 each accident and \$200,000 property damage."

4. A new Section 28 shall be added to the Agreement to read as follows:

"Section 28: The City shall have the right to authorize the use of the portions of the Canal right-of-way, as shown on the map attached hereto as Exhibit "C" and described in the legal description attached hereto as Exhibit "D," both incorporated herein by this reference ("the affected property") for the following purposes:

The affected property shall be used solely for: (a) vehicular ingress and egress, (b) landscaping, (c) traffic circulation and (d) parking to the extent approved by the City and the Company; (e) continued use and maintenance of the proposed improvements and landscaping to the extent approved by the City and the Company, and for no other purpose. Such use is conditioned upon each of the following requirements:

- (1) No structures or improvements shall be built or placed within the affected property except as approved by the City and the Company and no construction shall begin on the subject project until the City and the Company have given their written approval.
- (2) No improvements whatever shall be placed, constructed or maintained within the said reach of the Canal right-of-way on the affected property which cannot be quickly and easily removed. This restriction shall include but not be limited to electrical facilities, sidewalks, sprinklers and/or sprinkler pipelines. In no event shall any substantial weight bearing improvements be constructed or maintained immediately over the covered Gage Canal pipeline.
- (3) The City's assumption of full responsibility as set forth in Section 24 (2) and Section 24 (3) of the Agreement, as amended, shall be deemed to encompass, but not be limited to, the affected project as described in Exhibits C and D attached hereto.
- (4) If, in the sole judgment of the Company, it becomes necessary to gain access to the affected property in furtherance of the purposes as set forth in Section 3 of the Agreement, as amended (including but not limited to the maintenance, repair, replacement or augmentation of existing Canal or covered Canal facilities), the Company shall have the right to do so, including partial or total removal of all or any portion of the improvements encompassed in the subject project. Except in situations deemed by the Company to be an emergency, the Company will notify the Property Services Manager of the City prior to any such removal. The cost of such removal shall be the responsibility of the City and shall be promptly reimbursed to the Company by the City upon demand. Replacement of such subject project improvements and the cost of such replacement shall be the responsibility of the City.

(5) The subject project and its use as set forth in the Scope of Development shall not interfere with the primary function of the Canal as it has been covered to provide water, or with the rights and obligations of the Company in connection therewith."

A new Section 29 shall be added to the Agreement to read as follows: 5.

"Section 29: The City shall supervise, operate, maintain and repair the Gage Canal pipeline and all appurtenances thereto from the Headworks, located at 1271 Tippecanoe, San Bernardino, California, to the Linden Street turnout, as shown on the map attached hereto as Exhibit "E".

Any provision of the agreement as previously amended which has not been 6. specifically amended herein shall remain in full force and effect.

IN WITNESS WHEREOF the City and the Company have caused this Sixth Amendment to Agreement for Operation of Gage Canal Facilities to be duly executed on the day and year first above written.

CITY OF RIVERSIDE, a California charter THE GAGE CANAL COMPANY, City and municipal corporation a California Corporation

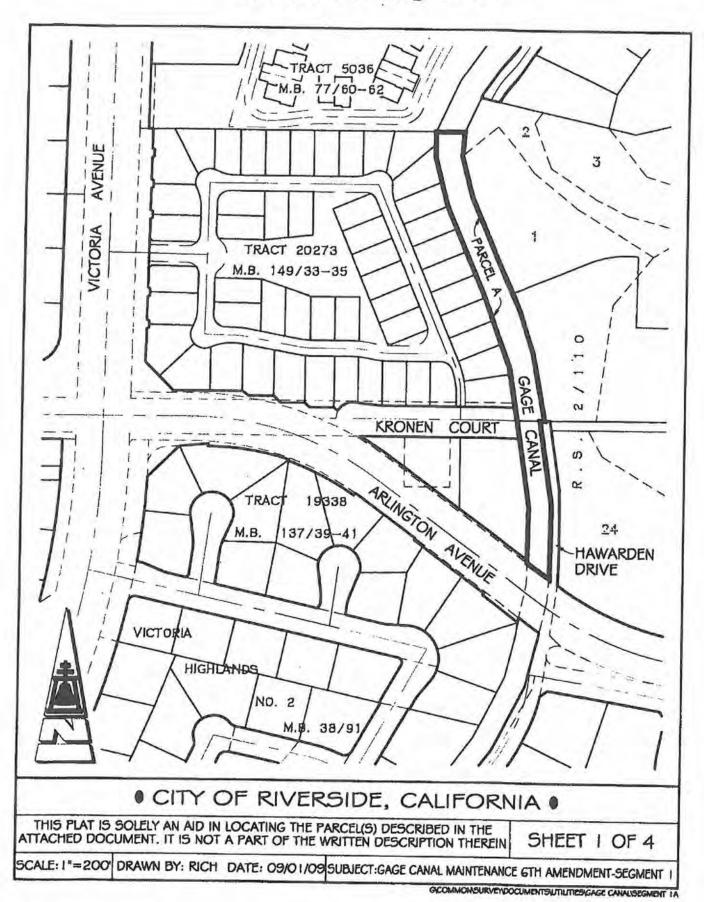
City Manager

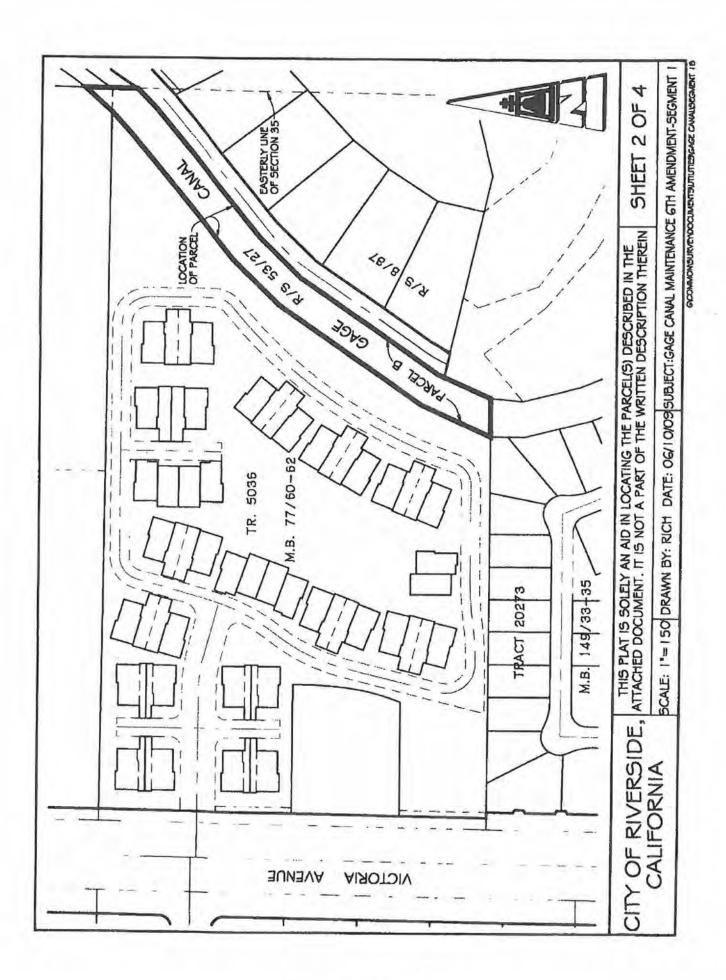
Attest: City Clerk Paul Z. Reno

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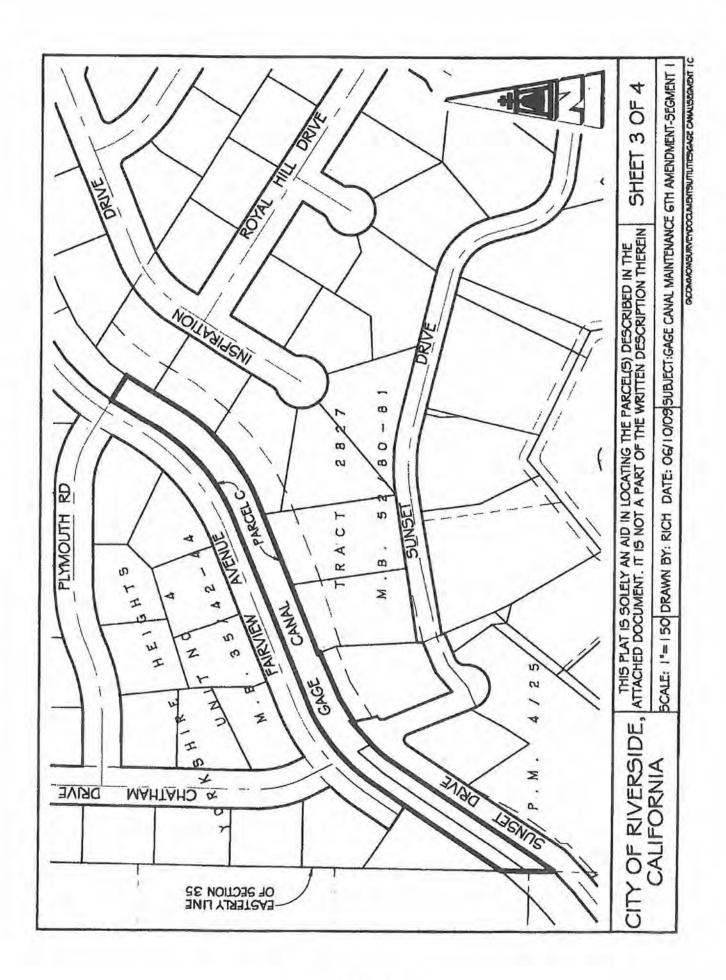
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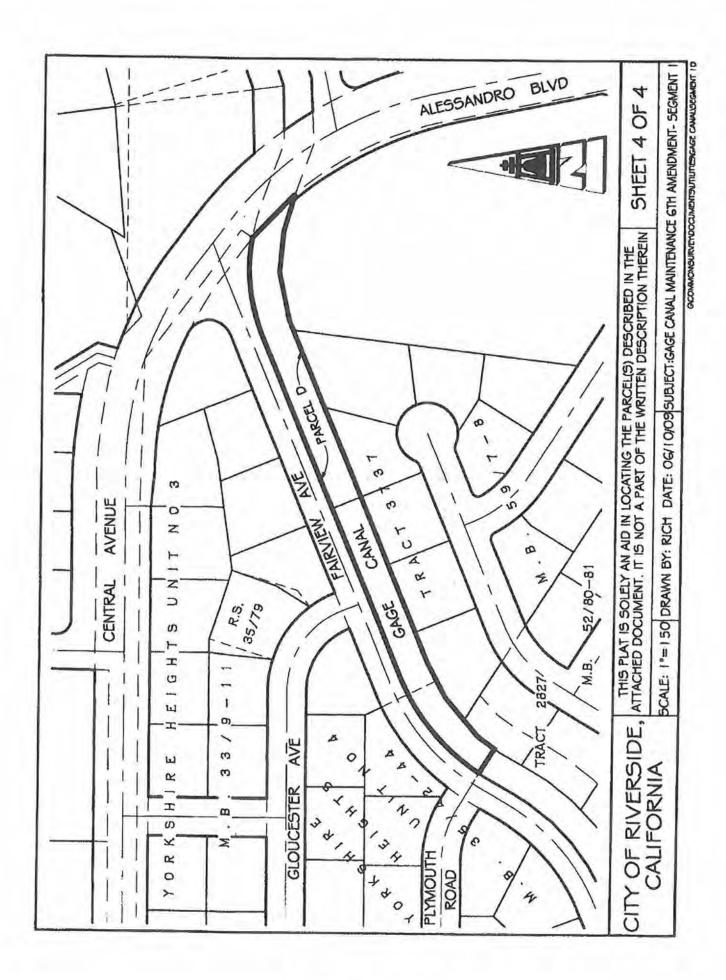




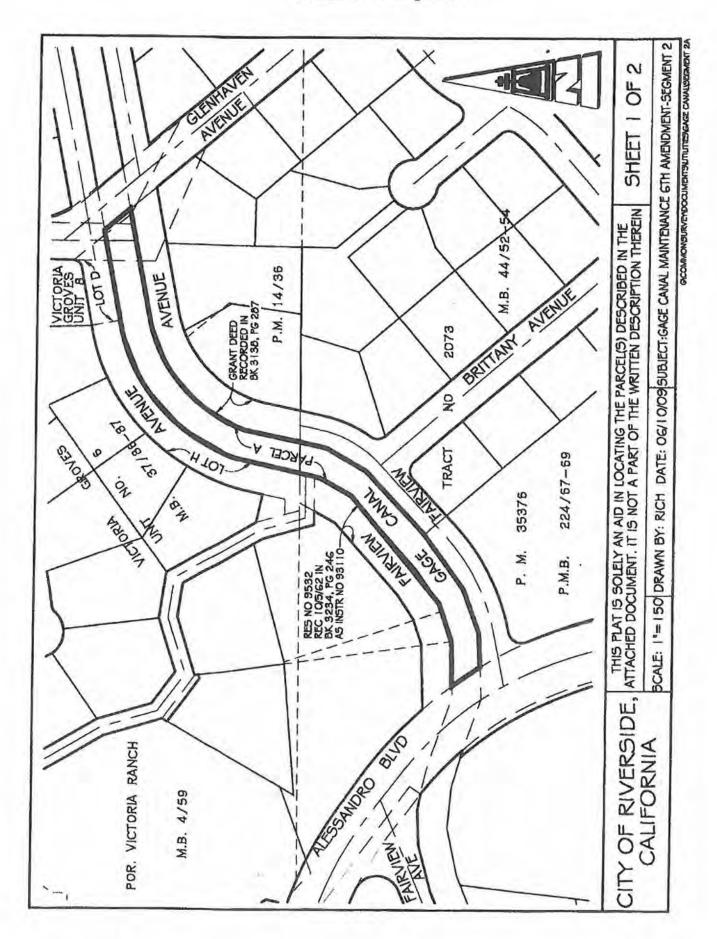
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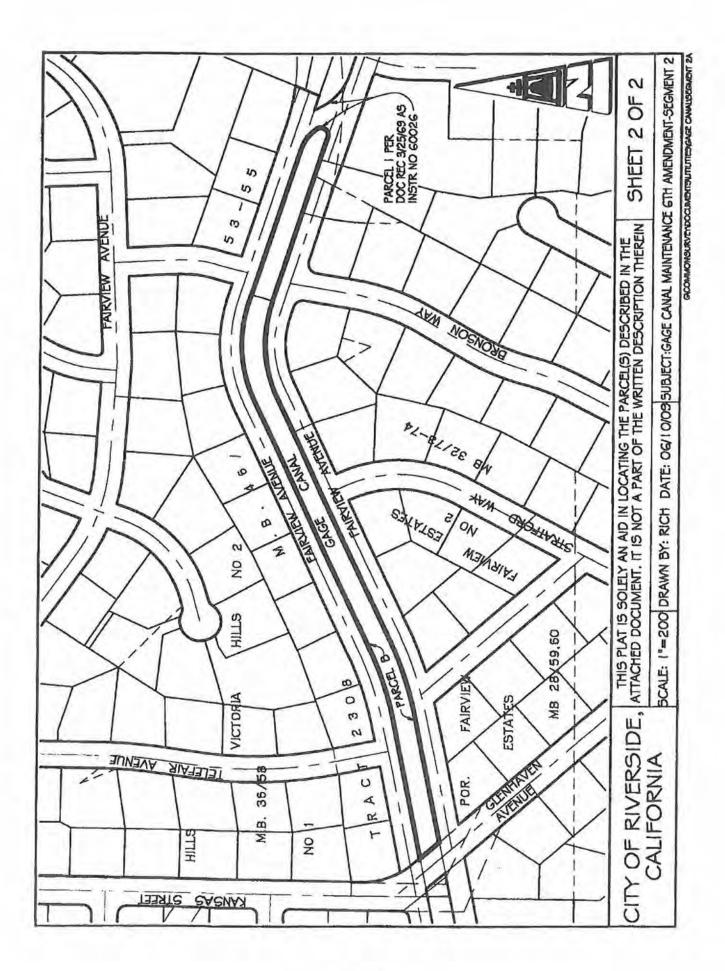
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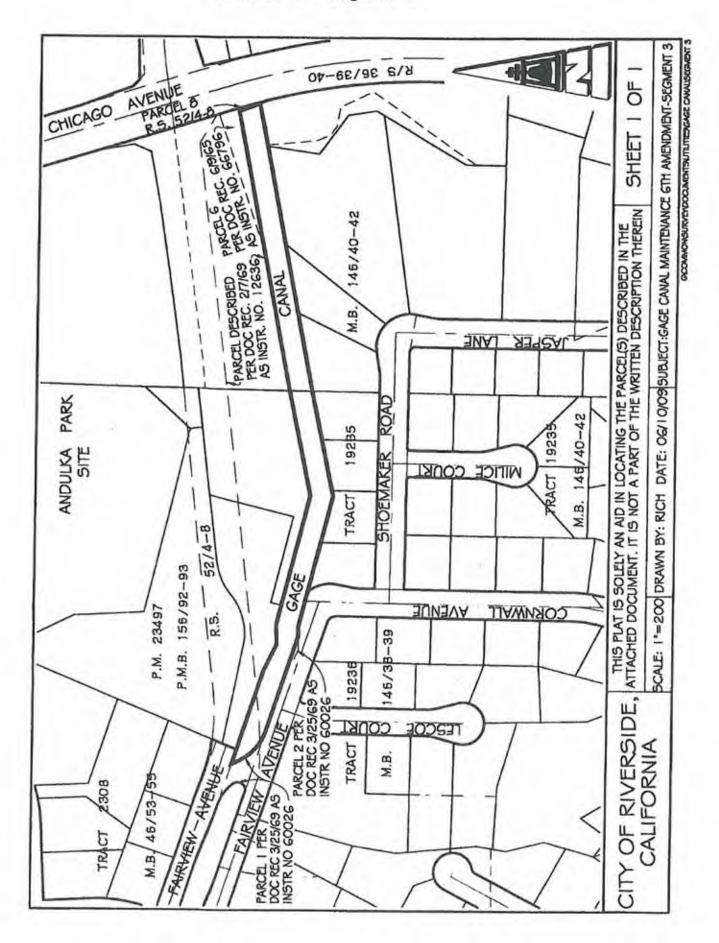


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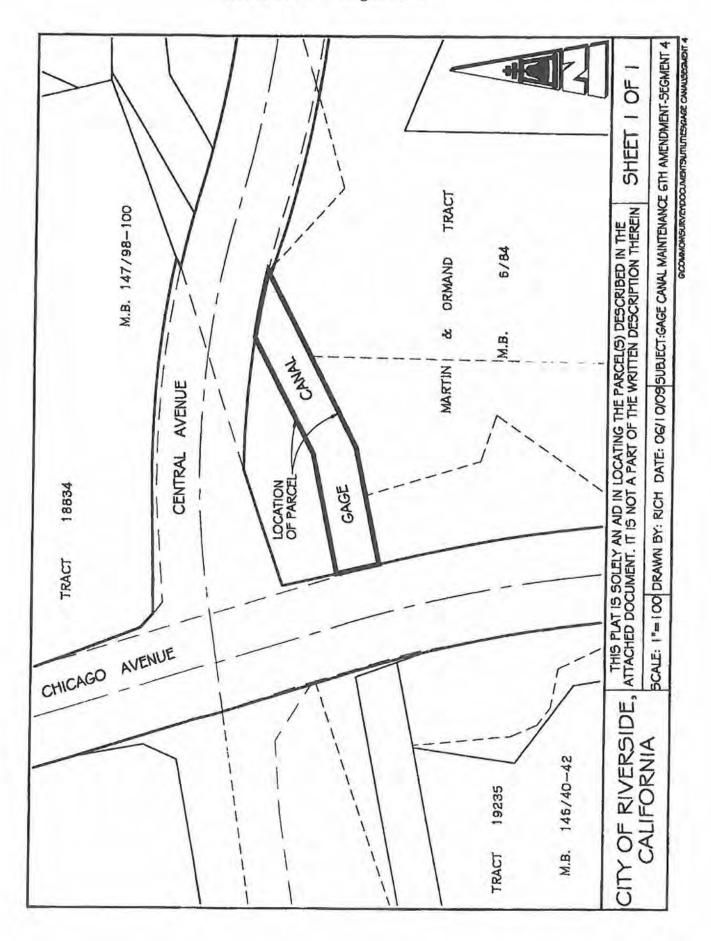


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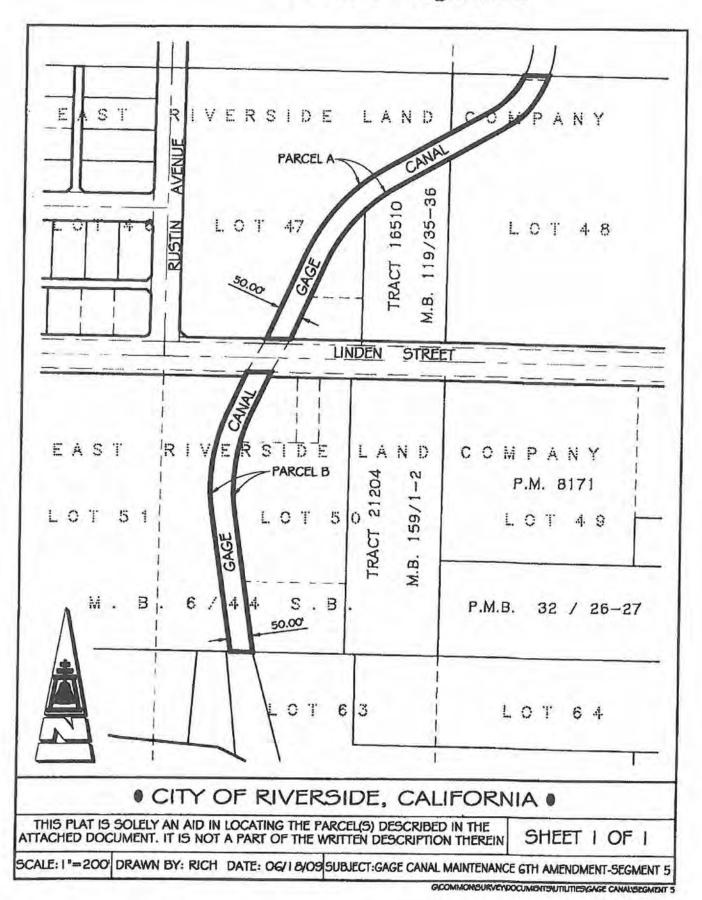


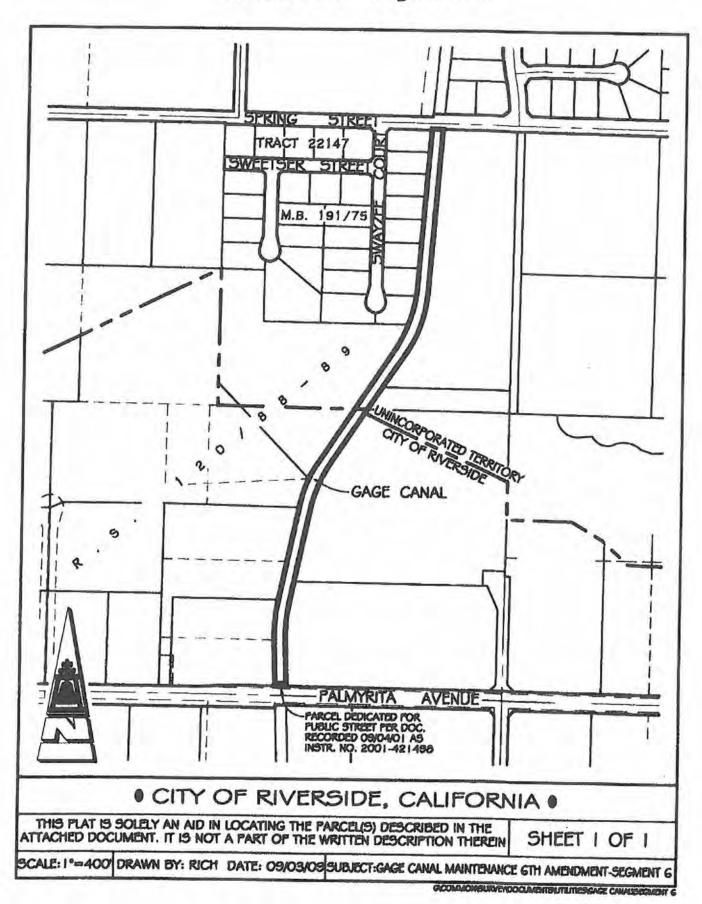


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APN 223-270-062, 222-204-017, 222-184-004, 222-192-007, 222-211-021, 223-280-003 & 241-020-001

Parcel A

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal bounded as follows:

On the north:

By the easterly prolongation of the southerly line of Parcel 2, as shown on Record of Survey filed in Book 53, Page 27, of Records of Surveys, in the Office of the County Recorder of sald County;

On the east:

By the westerly line of Parcels 1 and 2 and Hawarden Drive, as shown on Record of Survey filed in Book 2, Page 110, of Records of Surveys, in said Office of the County Recorder;

On the west:

By the easterly line of Tract 20273, as shown by map filed in Book 149, Pages 33 through 35, inclusive, of Maps, in said Office of the County Recorder;

and

By the easterly line of Kronen Court as shown on said Tract 20273;

and

By the easterly line of that certain parcel described in Certificate of Compliance recorded January 12, 1987, as Instrument No. 7568, of Official Records of said County;

On the south:

By the northerly line of Arlington Avenue, as shown on Tract 19338, filed in Book 137, pages 39 through 41, inclusive, of Maps, In said Office of the County Recorder.

Parcel B

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal, as shown on Record of Survey filed in Book 53, Page 27, of Records of Surveys, in the Office of the County Recorder of said County, lying westerly of the easterly line of Section 35, Township 2 South, Range 5 west, San Bernardino Meridian.

Parcel C

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal lying easterly of the easterly line of Section 35, Township 2 South, Range 5 west, San Bernardino Meridians and lying southwesterly of the southeasterly prolongation of the centerline of Plymouth Road, as shown on shown on Yorkshire Heights, Unit No. 4, filed in Book 35, Pages 42 through 44, inclusive, of Maps, in the Office of the County Recorder;

Parcel D

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal bounded as follows:

On the northwest:

By the southerly line of Fairview Avenue, as shown on Yorkshire Heights, Unit No. 3, filed in Book 33, Pages 9 through 11, inclusive, in the Office of the County Recorder of said County;

and

By the southerly line of Fairview Avenue, as shown on Yorkshire Heights, Unit No. 4, filed in Book 35, Pages 42 through 44, inclusive, in said Office of the County Recorder;

On the southeast:

By the northerly line of Tract No. 3737, as shown by map filed in Book 59, Pages 7 and 8, of Maps, in said Office of the County Recorder;

and

By the northerly line of Tract No. 2827, as shown by map filed in Book 52, Pages 80 and 81, of Maps, in said Office of the County Recorder;

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By the westerly line of Alessandro Boulevard, as shown on said Yorkshire Heights, Unit No. 3;

On the southwest:

By the southeasterly prolongation of the centerline of Plymouth Road, as shown on said Yorkshire Heights, Unit No. 4.

This description was prepar conformance with the requi	red by me or u rements of the	under my direction in Land Surveyors Act.	
ALL THE RESERVE TO TH		Prep.	
Mark S. Brown, L.S. 5655 License Expires 9/30/09	Date		



APN 222-250-002, 222-093-006, 222-161-011, 222-161-010 & 222-170-036

PARCEL A

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal bounded as follows:

On the north:

By the southerly line of Lot D, of Victoria Groves Unit 8, as shown by map filed in Book 35, Pages 3 and 4, of Maps, in the Office of the County Recorder of said County;

and

The southerly line of Lot H, of Victoria Groves Unit 6, as shown by map filed in Book 37, Pages 86 and 87, of Maps, In said Office of the County Recorder;

and

The southerly line of the parcel described in Resolution 9532, recorded October 5, 1962, in Book 3234, Page 246, as Instrument No. 93110, of Official Records of Riverside County;

On the south:

The northerly line of the parcel described in grant deed, recorded June 19, 1964, in Book 3726, Page 227, as Instrument No. 75744, of Official Records of Riverside County;

and

The northerly line of Lot "E" of Tract 2073, as shown by map filed in Book 44, Pages 52 through 54, inclusive, of Maps, in said Office of the County Recorder, and its northeasterly prolongation;

and

The northerly line of the parcel described in Grant Deed from Victoria Knolls Inc.; Jack M. Bryant and Carleen B. Bryant to the City of Riverside, recorded, in Book 3138, Pages 286 and 287, Records of Riverside County;

On the east:

By the westerly line of Glenhaven Avenue, as shown on Glenhaven Knolls Unit No. 1, filed in Book 40, Pages 4 and 5, of Maps, in said Office of the County Recorder;

On the west:

By the easterly line of Alessandro Boulevard, as shown on Parcel Map 35376, filed in Book 224, Pages 67 through 69, of Parcel Maps, in said Office of the County Recorder.

PARCEL B

That portion of the Gage Canal as shown on Tract 2308, in the City of Riverside, County of Riverside, State of California, as shown by map filed in Book 46, Pages 53 through 55, inclusive, of Maps, in said Office of the County Recorder;

EXCEPTING THEREFROM that portion lying westerly of the westerly line of Parcel 1 as described in document Recorded March 25, 1969, as Instrument No. 60026, of Official Records.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act,

Mark S. Brown, L.S. 5655

License Expires 9/30/09

Prep.

L.S. #5655 Exp. 9/30/09

Page 2

APN 222-170-035 & 254-070-002

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal bounded as follows:

On the north:

By the southerly line of Parcel 6, as described in document recorded June 9, 1965, as Instrument No. 66796, records of said County;

and

The southerly line of the Parcel described in document recorded February 7, 1969, as Instrument No. 12636, records of said County;

and

The southerly line of Parcel Map 23497, as shown by map filed in Book 156, Page 93, of Parcel Maps, in the Office of the County Recorder of said County, and its northwesterly prolongation;

On the south:

By the northerly line of Fairview Avenue, as shown on Tract 19236, filed in Book 146, Pages 38 and 39, of Maps, in said Office of the County Recorder;

and

The northerly line of Parcel 2, as described in Resolution No. 15673, recorded March 25, 1985, as Instrument No. 60026, of Official Records of said County;

and

The northerly line of Tract 19235, as shown by map filed in Book 146, Pages 40 through 42, inclusive, of Maps, in said Office of the County Recorder, and its northeasterly prolongation;

On the east:

By the westerly line of Parcel 8, as shown by map filed in Book 52, Pages 4 through 8, inclusive, of Records of Survey, in said Office of the County Recorder;

On the west:

The easterly line of Parcel 1, as described in Resolution No. 15673, recorded March 25, 1985, as Instrument No. 60026, of Official Records of said County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Mark S. Brown, L.S. 5655

License Expires 9/30/09

L.S. #5655 Exp. 9/30/09

APN 254-070-004

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal as shown on Martin & Ormand Tract, filed in Map Book 6, Page 84, records of said County;

EXCEPTING THEREFROM that portion lying northerly of the southerly line of Central Avenue;

ALSO EXCEPTING THEREFROM that portion lying westerly of the easterly line of Chicago Avenue;

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Mark S. Brown, L.S. 5655 License Expires 9/30/09 ato 1

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Exp. 9/30/09

APN 250-230-011 & 250-260 & 002

Parcel A

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal lying within Lats 48 and 49, in Block 5 of the Map Showing the Lands of the East Riverside Land Company, filed in Map Book 6, Page 44, records of San Bernardino County, California:

EXCEPTING THEREFROM that portion lying southerly of the northerly line of Linden Avenue.

Parcel B

That certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of the Gage Canal lying within Lot 50, in Block 5 of the Map Showing the Lands of the East Riverside Land Company, filed in Map Book 6, Page 44, records of San Bernardino County, California;

EXCEPTING THEREFROM that portion lying northerly of the southerly line of Linden Avenue.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Mark S. Brown, L.S. 5655

License Expires 9/30/09

APN 255-110-010 & 255-120-008

That certain real property in the City of Riverside, County of Riverside, State of California, and in the Unincorporated Territory of said Riverside County, more particularly described as follows:

That portion of the Gage Canal as shown on Record of Survey filed in Book 120, Pages 88 and 89, of Records of Surveys, in the Office of the County Recorder of said County;

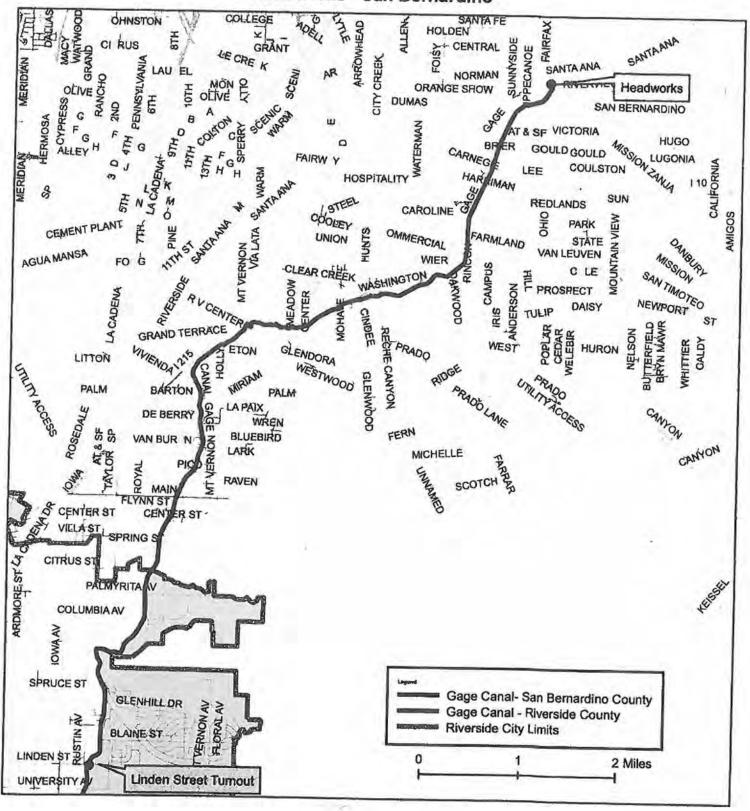
EXCEPTING THEREFROM that portion lying within that certain parcel of land dedicated for public street purposes per document recorded September 4, 2001, as Instrument No. 2001-421498, of Official Records of said County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.			SED LAND SUPPLE TO STATE OF
Mark S. Brown, L.S. 5655 License Expires 9/30/09	Date	Prep	L.S. # 5655 * Exp. 9/30/09 *



EXHIBIT E Gage Canal Linden Street - Riverside Headworks - San Bernardino





JULY 16, 2010 Board of Public Utilities "UNOFFICIAL" Minutes

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar:

Motion - Davidson. Second - Elliott.

Ayes: Sutter, Elliott, Curtin, Davidson, Sanchez, Scott-Coe, Segura, and Ament.

Noes: None.

Abstain: None.

Absent: Bernie Titus (excused absence due to vacation)

Other Items

11. SIXTH AMENDMENT TO AGREEMENT FOR OPERATION OF GAGE CANAL FACILITIES

The Board of Public Utilities recommended that the City Council approve the Sixth Amendment to the Agreement.