

**3.10-2 LAFCO FORMATION DOCUMENTS
FOR THE FARM MUTUAL WATER COMPANY**

LOCAL AGENCY FORMATION COMMISSION

12TH FLOOR
COUNTY ADMINISTRATIVE CENTER
4080 LEMON STREET
RIVERSIDE, CALIFORNIA 92501

July 16, 1976

EXECUTIVE OFFICER
ROBERT T. ANDERSEN
ASS'T EXEC. OFFICER
ROBERT J. FITCH
LAFCO PLANNER
HOWARD L. POWELL

Local Agency Formation Commission
County Administrative Center
Riverside, California 92501

Re: LAFC #76-13-1--Proposed Annexation of 10th Fringe Area to
Elsinore Valley Municipal Water District - by Board of
Directors

Gentlemen:

The above proposal has met all requirements of the law and was approved by the County Surveyor on April 20, 1976. It has been reviewed by all members of the Advisory Staff and all governmental jurisdictions have been notified. CEQA provisions have been complied with, in that an Environmental Impact Report has been filed with the Planning Department and certified as not having an adverse effect on the environment.

This proposal was initiated by resolution of the District Board of Directors.

Physical Features:

Area comprises approximately 327 acres located in the Cottonwood Canyon area on the Bundy Canyon Road. It is not contiguous to the present district boundaries but this is permissible under the Water Code.

Population:

Area is uninhabited, with no dwelling units.

Economic Factors:

Land use and zoning: land is vacant, some of it in agriculture. Zoning is R-T (mobile home subdivisions and mobile home parks).

Assessed valuation: land is assessed at \$57,980; there are no improvements.

Purpose:

To provide water service to the mobile home park proposed for the area. Developers will pay annexation fee of \$16,380 (\$50 per acre) and the cost of construction of a 10-inch water line to the area (\$320,000).

*app. 7/21 - 303 ac. as per
annexed map*

L AFC #76-13-1

This 327-acre annexation is a portion of a total 1,500-acre mobile home development for retirement, recreational and permanent dwelling use. The Specific Plan for the entire development was approved by the Board of Supervisors on September 24, 1974, with certain conditions. The following two conditions are pertinent to this annexation proposal:

Condition No. 6 - Permittee shall provide a private sewage treatment plant for the disposal of all effluent.

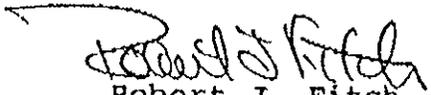
Condition No. 16 - Prior to the issuance of a building permit for construction for any use contemplated by this approval, permittee shall install transmission lines for domestic water from a public water source to the subject site for distribution within the subject site, all at no cost to local government agencies.

With regard to Condition No. 16 concerning the provision of water, the Planning Department's interpretation of this condition is that the entire site subject to the Specific Plan approval (all 1,500 acres) needs to be annexed to the Elsinore Valley Municipal Water District in order to comply with such condition. Additionally, the Assessor has noted that the boundary of the 327-acre annexation proposal as filed by the proponent splits at least two parcels, thereby creating different tax code areas within the same ownerships.

In view of the above comments from the L AFC Advisory Staff, this annexation proposal should be expanded to include the entire 1,500 acre site subject to the Specific Plan approved by the Board of Supervisors.

I THEREFORE RECOMMEND that the territory proposed to be annexed to the Elsinore Valley Municipal Water District (L AFC #76-13-1) be expanded to include the entire 1,500 acres subject to Specific Plan No. 116-C/W and that the annexation of the expanded territory be approved subject to the usual conditions.

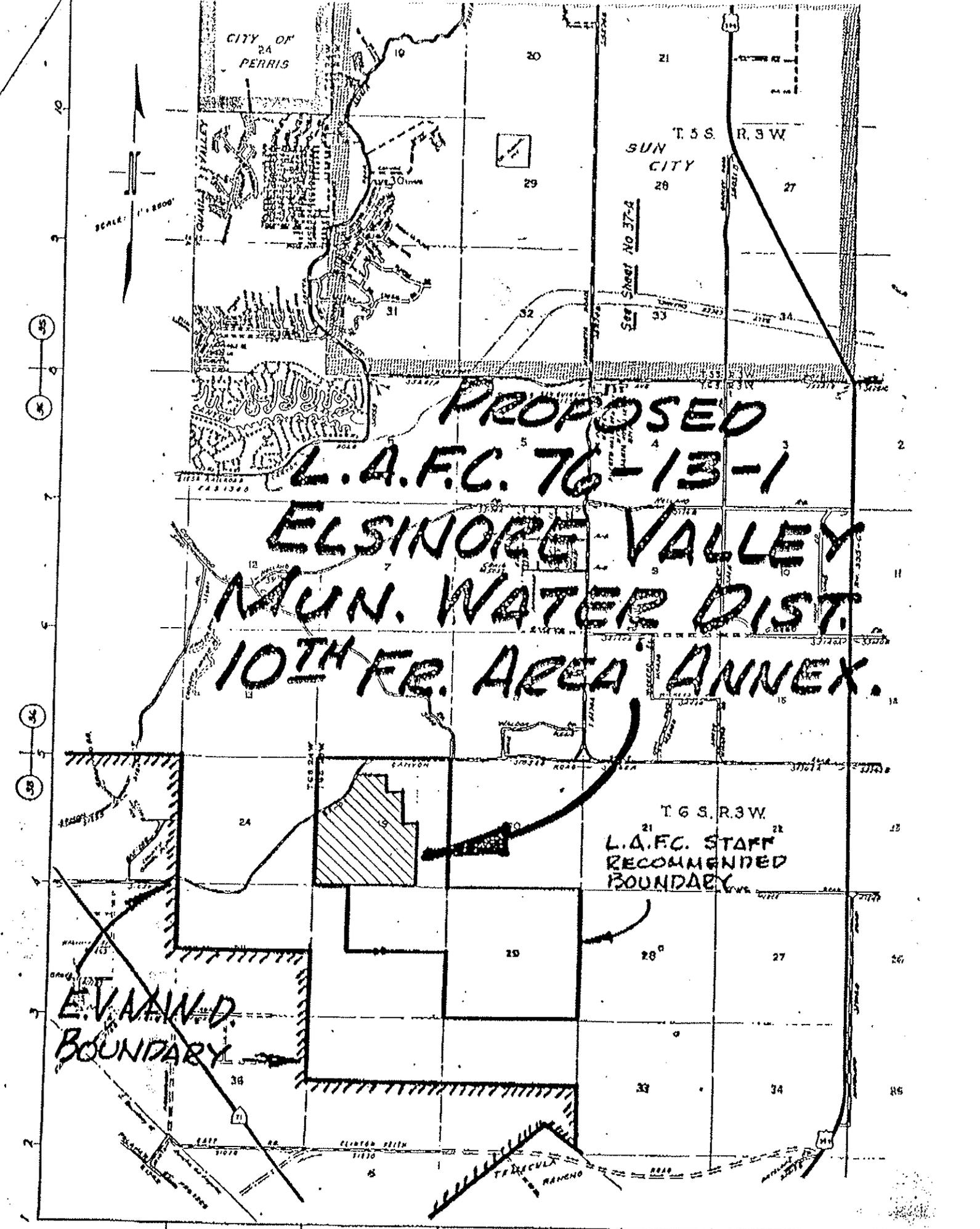
Respectfully submitted,


Robert J. Fitch

Ass't Executive Officer

RJF:rh

approved per amended map (dated 7/22/76)



**PROPOSED
L.A.F.C. 76-13-1
ELSINORE VALLEY
MUN. WATER DIST.
10TH FR. AREA ANNEX.**

T. 6 S. R. 3 W.
**L.A.F.C. STAFF
RECOMMENDED
BOUNDARY**

**E. VAND.
BOUNDARY**

12/14 1976

AGREEMENT FOR ANNEXATION AND WATER SERVICE

1. PARTIES AND DATE.

The parties to this Agreement are ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a public agency, hereinafter called "District", AMREC SHELTER INCORPORATED, a California corporation, hereinafter called "Developer", and COUNTY WATER COMPANY OF RIVERSIDE, a public utility, hereinafter called "Company". The date of this Agreement is 1976.

2. RECITALS.

2.1 Developer owns or has options on certain property located in Riverside County, California, which Developer plans to develop as a mobile home subdivision to be known as "The Farm", and desires, among other things, water service for such mobile home subdivision. Attached hereto and hereby incorporated herein as Exhibit "A" hereof is a map setting forth the boundaries of the area proposed to be developed by Developer, which area is hereinafter referred to as the "Development".

2.2 County Water Company of Riverside is a California corporation which proposes to engage in the business of a public utility water company to provide retail water service within the Development.

2.3 District is willing to use its authority as a municipal water district to provide water to Company for the purpose of providing public water service within the Development.

2.4 It will be necessary to annex the Development to District in order to provide water service as herein contemplated. It is contemplated, however, that District will annex the Development in three separate phases. The Development has therefore been divided into phases to be known as Phase I, Phase II and Phase III, and the areas to be included within each such phase are as set forth on Exhibit "A" hereto.

3. TERMS.

3.1 Service. District will provide wholesale water service to the portions of the Development annexed to District in accordance with this Agreement, pursuant to District rules and regulations through a line to be constructed by Developer to District's specifications, which

Exhibit "A" hereto. *- missing*

has Oak Ck. boundaries been annexed

line will run from existing District facilities located on Corydon and Garden Avenues to a single meter at the boundary of the area to be annexed, all as shown on Exhibit "B" *missing* attached hereto and incorporated herein by this reference. Company will provide retail water service to users within the annexed area. The parties hereto expressly understand that District is not annexing this area in order to provide sewer services, and that District has no plans or funds for sewer service to this area.

3.2 Annexation of Phase I Area. District will proceed, subject to applicable statutes and regulations, with the annexation of the area shown on Exhibit "A" as Phase I and will provide water service to Company for distribution in said Phase I, subject to the following conditions and covenants; it being understood that District may terminate this Agreement and shall have no obligation to proceed hereunder, with or without notice, upon the failure by Developer or by Company to comply with any of such conditions or covenants:

(a) Costs. Developer agrees to pay all costs incurred by District either in connection with this annexation or in connection with the construction contemplated by this Agreement. All legal costs and engineering costs (including, but not necessarily limited to, review

of plans and specifications, inspection and testing) will be reimbursed to District by Developer on a monthly basis as billed. All other costs will be reimbursed to District by Developer before the annexation is certified to be complete.

(b) Fees. Pursuant to established District policy, Developer also agrees to pay to District annexation fees of \$50 per acre before annexation proceedings are undertaken by District.

(c) Construction of Water Transmission Line. Developer agrees to pay for and construct, pursuant to District plans and specifications and subject to standard District inspection, the water transmission line shown on Exhibit "B" as connecting existing District facilities with the area to be annexed. Developer will then convey this line to District at no cost. This line will have been constructed, accepted by District at no cost to District, and tested ready for service before District will have any obligation to provide water to Company for distribution in Phase I of the Development. Until said line is fully in operation satisfactory to District, District shall have no obligation to provide water to any of the area included in the Development, whether or not the annexation of that area to District has been completed.

(d) Construction of Water Distribution System.

Company shall construct its water distribution system within the area to be annexed. The system shall be constructed in accordance with District plans and specifications which shall have been previously reviewed and approved by District's Engineer and General Manager. Until said system has been completed and is in a condition satisfactory to District, District shall have no obligation to provide water to Company or to any of the area to be annexed.

(e) Security For Construction Of Water Transmission Line.

Promptly upon execution of this Agreement, and prior to completion of the annexation proceedings, Developer will deposit with District cash or other security satisfactory to District in an amount and upon terms and conditions satisfactory to District to assure construction of the water transmission line as shown on Exhibit "B" and as hereinabove described.

3.3 Annexation of Phase II and Phase III Areas.

District will proceed, subject to applicable statutes and regulations, with the annexation of the areas shown on Exhibit "A" as Phase II and Phase III, and will provide water service to Company for distribution in said Phases II and III, subject to the following conditions and covenants; it being understood that District may terminate this Agreement and shall have no

obligation to proceed hereunder, with or without notice, upon the failure by Developer or Company to comply with any of such conditions or covenants:

(a) Costs. Developer agrees to pay all costs incurred by District either in connection with these annexations or in connection with the construction contemplated by this Agreement. All legal costs and engineering costs (including, but not necessarily limited to, review of plans and specifications, inspection and testing) will be reimbursed to District by Developer on a monthly basis as billed. All other costs will be reimbursed to District by Developer before the annexations are certified to be complete.

(b) Terms. The annexation of the area within Phase I of the Development shall have been completed and Developer and Company shall have complied with all of the conditions and covenants required in connection therewith.

(c) Fees. Pursuant to established District policy, Developer agrees to pay to District annexation fees of \$50 per acre before annexations of Phases II and III are certified to be complete.

(d) Construction of Water Distribution System. Company shall construct its water distribution system within the area to be annexed. The system shall be constructed in

accordance with District plans and specifications which shall have been previously reviewed and approved by District's Engineer and General Manager. Until said system has been completed and is in a condition satisfactory to District, District shall have no obligation to provide water to Company or to any of the area to be annexed.

3.4 Water Distribution Service By Company. It shall be a prior condition of any obligation of District to furnish water to Company, that Company shall have obtained an appropriate Certificate of Convenience and Necessity from the California Public Utilities Commission to provide such water service in the Development. Water service from the water transmission line shown on Exhibit "B" or otherwise furnished by District to Company shall be distributed only within areas of the Development which have been previously annexed to District.

3.5 Expansion of Company Service. Company agrees not to expand its water or sewer service area beyond the boundaries of the area shown on Exhibit "A" without the prior written consent of District.

3.6 Conveyance of Facilities. Should Company discontinue retail water service to the users within the area to be annexed, Company and Developer agree to convey

all Company water facilities therein to District at no cost to District, in order that uninterrupted service be provided to the users within the area.

3.7 Surplus Well Water. In the event that Company develops, purchases or operates wells within the area to be annexed, District will have the right of first refusal as to the purchase of any surplus water from such wells. Delivery or sale of this well water to any other purchaser shall be effected on the same terms and conditions and at the same price as previously offered to District hereunder.

3.8 Limitation on District Service. Although District is empowered by statute to provide, and does in fact provide, other services than water service, the parties hereto understand that under this Agreement only water service will be provided to the area to be annexed.

3.9 Front Footage Charge; Refunds. District agrees that, for a period of ten years from and after completion and acceptance of the water transmission line shown on Exhibit "B", District shall levy a front footage connection charge in an amount to be determined by District in accordance with actual construction costs against all property fronting on said water transmission line at such future time as a direct connection is made (other than the connection or

connections to Company or Company's successor in interest contemplated by this Agreement). The monies so collected by District shall be paid over to Developer within sixty days after collection. There shall be no obligation on the part of District to pay over to Developer any such funds except to the extent that such connections to said water transmission line in fact occur and such front footage connection charges are in fact paid to District. If an owner of property fronting on the water transmission line requests a connection to such line to serve a portion of his property, the front footage charge shall be limited to that portion of the property so benefitted. District shall be the sole judge as to the extent of the property so benefitted by such connection.

3.10 Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

3.12 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any portion of this Agreement shall be binding unless executed in writing by the party making the waiver.

3.13 Limited Assignability. Company may assign its rights under this Agreement to any public utility water company holding appropriate authorization from the California Public Utilities Commission, or to such other person or entity as District may expressly approve in writing, which approval shall not be unreasonably withheld; provided, that any such assignee shall execute an appropriate written undertaking in form and substance satisfactory to District under which such assignee shall expressly agree to be subject to and bound by the provisions of this Agreement. Except as herein provided, neither Company nor Developer may assign

its interests under this Agreement without the express prior written consent of District.

EXECUTED the day and year first above written.

"DEVELOPER": AMREC SHELTER INCORPORATED

By: *Paul D. Doherty*

Title: PRESIDENT

"COMPANY": ? COUNTY WATER COMPANY OF RIVERSIDE

By: *John E. ...*

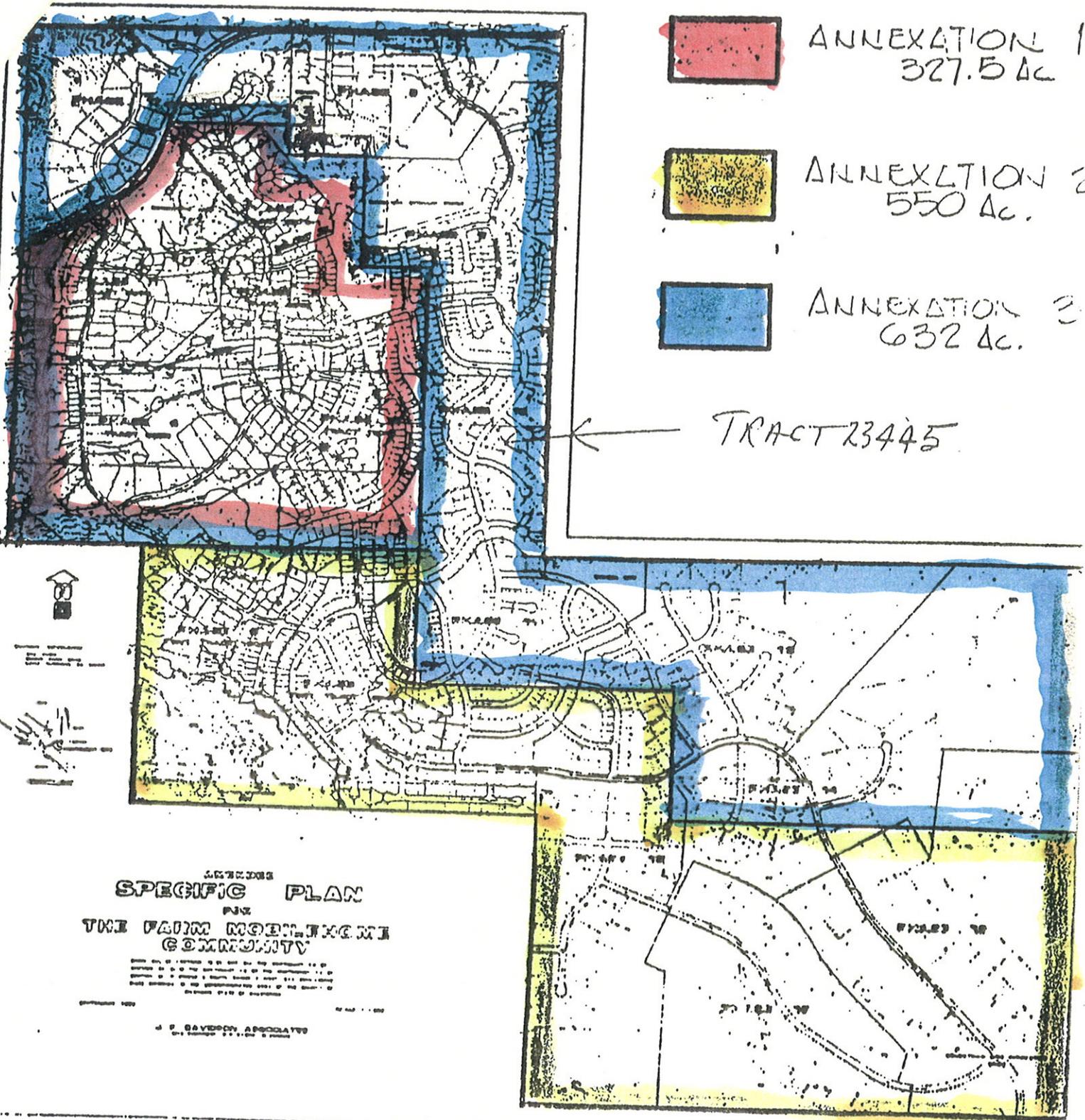
Title: PRESIDENT

"DISTRICT": ELSINORE VALLEY MUNICIPAL WATER DISTRICT

By: *William F. ...*

Title: PRESIDENT

EXHIBIT A. 10TH FRINGE AREA



SUPPLEMENTARY AGREEMENT

This is an Agreement by and between ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a public agency, hereinafter called the "District," and AMREC SHELTER, INCORPORATED, a California corporation, hereinafter called the "Developer," entered into as of the date hereinafter set forth.

RECITALS

A. The parties hereto together with County Water Company of Riverside, hereby succeeded by The Farm Mutual Water Company, have heretofore entered into a certain "Agreement for Annexation and Water Service," pursuant to which Agreement AMREC has constructed a water transmission line (referred to hereinafter as the "Transmission Line") connecting existing District facilities with the area annexed by the District as its "Tenth Fringe Area." Due to certain delays in the construction and installation of the Transmission Line, certain guaranties and warranties of manufacturers with respect to materials used in the Transmission Line, have or may have heretofore expired.

B. The Agreement for Annexation and Water Service referred to hereinabove contains in Section 3.9 thereof certain provisions under the terms of which AMREC may be entitled to receive front footage connection charge payments received by the District from persons making direct connections to the Transmission Line. AMREC has represented and hereby expressly represents to the District that it now holds and owns full

right, title and interest to any such rights to receive front footage charges and that no assignment or transfer of such rights to any others is now or will be in effect during the term of this Supplementary Agreement.

THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. In consideration of the acceptance and maintenance of the Transmission Line by the District, AMREC hereby assigns and transfers to the District all of its right, title and interest in and to any and all front footage connection charges heretofore or hereafter collected by the District pursuant to Section 3.9 of the above-described Agreement for Annexation and Water Service, for a period of one (1) year from December 15, 1977, subject to the terms and conditions hereinafter set forth.

2. The District agrees to accept, operate and maintain the Transmission Line as a part of the District's water system.

3. The District will deposit and hold any and all front footage charges collected pursuant to this Agreement in an account or fund which shall be used exclusively for any necessary repairs of the Transmission Line the need for which may arise from December 15, 1977 until December 15, 1978. At the end of such one-year period, any funds held by the District in the above-described account or fund over and above that required for such repairs shall be paid over to AMREC and thereafter any front footage charges shall be levied, collected

and paid over in accordance with the terms of Section 3.9 of the Agreement for Annexation and Water Service.

4. In the event repairs are necessary, the District is to immediately notify AMREC and AMREC must immediately proceed to perform needed repairs to the Districts approval or the District may cause the repairs to be performed and will pay for such repairs from the account or fund set up for this purpose.

5. Except as hereinabove supplemented or amended, the Agreement for Annexation and Water Service referred to herein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 4th day of May, 1978.

AMREC SHELTER, INCORPORATED

By:

Dale DeLoraine
Title President

ELSINORE VALLEY MUNICIPAL
WATER DISTRICT

By:

Title

