

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Ron Moreno, Director of Public Works/City Engineer

**DATE:** November 12, 2024

**SUBJECT:** Approve Infrastructure Funding and Acquisition Agreement for the Butterfield Stage Road Storm Drain - Line A with the County of Riverside and Riverside County Flood Control and Water Conservation District

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**PREPARED BY:** Anissa Sharp, Management Analyst

**RECOMMENDATION:** That the City Council approve the infrastructure funding and acquisition agreement between the County of Riverside, Riverside County Flood Control and Water Conservation District, and the City of Temecula for the Butterfield Stage Road Storm Drain - Line A, Stage 2.

**BACKGROUND:** The Board of Supervisors of the County of Riverside (“Board of Supervisors”) established Assessment District No. 159 (Rancho Villages) of the County of Riverside (the “Original District”) pursuant to the provisions of the Municipal Improvement Act of 1913, being Division 12 (commencing with Section 10000) of the Streets and Highways Code of the State of California (respectively, the “1913 Act”) and recorded a Notice of Assessment Lien against all parcels within the boundaries of the Original District in the amount of \$77,535,514.82 (the “Original Assessment Lien”). The Notice of Assessment Lien was recorded on July 17, 1988. Pursuant to Resolution No. 2003-253, the Board of Supervisors ordered changes in the work to be financed under the Original Assessment Lien and reduced the assessment liens on identified parcels in an aggregate amount of \$5,936,101.93. The County recorded an Amended Notice of Assessment Lien was recorded on August 27, 2003.

The Board of Supervisors established Assessment District No. 159 Supplemental (Rancho Villages) of the County of Riverside (the “Supplemental District”) pursuant to the 1913 Act. The County recorded a Supplemental Assessment Lien in the amount of \$79,316,598.52 on November 18, 1991. Pursuant to Resolution No. 2003-254, the Board of Supervisors ordered changes in the work to be financed under the Supplemental Assessment Lien and reduced the assessment liens on identified parcels in an aggregate amount of \$36,535,441.07. An Amended Notice of Assessment Lien was recorded on August 27, 2003. The Original District and Supplemental District are referred to below collectively as the “Assessment Districts”. Their boundaries are contiguous.

All bonds issued to fund the Assessment Districts have been repaid, and no bond or other indebtedness currently exists with respect to the Assessment Districts. Currently, \$4,008,270.19 of unused funds remain in the Assessment Districts.

Butterfield Stage Road Line A is a flood control storm drain facility (“Flood Control Storm Drain”)

owned by Riverside County Flood Control and Water Conservation District (“County Flood Control District”). The Flood Control Storm Drain is located within the City of Temecula’s boundaries. The construction of Stage 2 of Line A of the Flood Control System is required to address remaining drainage tributary to Butterfield Stage Road.

Butterfield Stage Road – Stage 2 of Line A is the last drainage infrastructure identified within the Assessment Districts and therefore eligible to receive the remaining unused funds. Cost estimates to construct the storm drain exceeded the remaining balance of funds. As a result, the County Flood Control District has budgeted to contribute the additional construction costs in an amount not-to-exceed \$3,000,000 to the City toward the construction of Butterfield Stage Road Line A – Stage 2. The Infrastructure Funding and Acquisition Agreement outlines the conditions under which the City is to cause the Flood Control Storm Drain to be constructed, receive reimbursement for the costs incurred, and the conditions under which the County Flood Control District will accept State 2 of Line A of the Flood Control Storm Drain into its maintained system.

Article II of the Agreement specifies that the City is the lead agency for CEQA and will assume lead responsibility for the construction of the subject Flood Control Storm Drain improvements. The County Flood Control District is authorized to enter the subject area to inspect the improvements. The Agreement outlines the procedure for disbursement to the City from the County Flood Control District of the funds for the Flood Control Storm Drain improvements. The Agreement provides that, notwithstanding anything to the contrary in the Agreement, in the event the costs of administration, construction management, design, environmental compliance, NPDES compliance, regulatory permits and the estimated construction cost of the Flood Control Storm Drain to be incurred by the City exceed the available Flood Control District Funds, available Assessment District Funds, and the contributions of the Developer of Tract 36483, the City may stop work on the Flood Control Storm Drain until such time as sufficient funds are available for the Flood Control Storm Drain. City shall not be required to contribute its own funds to the Flood Control Storm Drain.

The Agreement provides that the City is be responsible to operate and maintain the Flood Control Storm Drain until the County Flood Control District accepts the Flood Control Storm Drain for operation and maintenance. It outlines at Section 2.2, the documents and steps the City must take for the County Flood Control District to accept the Flood Control Storm Drain in the County Flood Control District’s maintained system. The Developer of Tract 36483 will seek to acquire the necessary property interests that are needed for the Flood Control Strom Drain improvements, but are not currently owned by the County Flood Control District. It may be necessary for the City to work with the Developer on said acquisitions. Under the Agreement, the City is responsible for granting to the County Flood Control District title to any property interests that are necessary for the Flood Control Storm Drain improvements but are not presently owned by the County Flood Control District.

Further, the Agreement contains insurance and indemnification provisions.

**FISCAL IMPACT:** Costs incurred will be reimbursable under the terms outlined in the Infrastructure Funding and Acquisition Agreement.

**ATTACHMENTS:** Infrastructure Funding and Acquisition Agreement