

CITY OF RIVERSIDE PUBLIC UTILITIES DEPARTMENT

1 of 4

Minutes of: Agricultural Water Rates Task Force, Meeting #9

Date of meeting: December 13, 2018

Time of meeting: 5:30 pm

Place of meeting: Mayors Ceremonial Room, 7th Floor City Hall
3900 Orange St., Riverside, CA 92501

Meeting was called to order by Chair Wilson

Mr. Wilson acknowledged alternate Brian Sheehe and reminded everyone to use their microphones.

Pledge of allegiance to the flag was given by Brian Sheehe

Roll Call

Present: Seth Wilson (Chair)	David Crohn (Vice-chair)	Gilberto Esquivel
Barbara Croonquist	Jason Gless	Darleen De Mason
Scott Andrews	Tom Evans	Jason Hunter
Dale Sexton	Patricia Lock Dawson	Sharon Mateja
Ed Adkison	Brian Sheehe (Alternate for Michele Sheehe)	

Absent: Steven Robillard

1. Citizen Participation

Rick Moslenko spoke about concerns regarding conflicts of interest, transparency, how the WA-Ag proposal v17 is being forced upon the Task Force, and that other proposals should be brought forth. He voiced concern about the biennial inspection charge, costs for a second meter, and the potential backflow device. Mary Humbolt spoke in regards to how many trees were in place as a result of the implementation of the WA-3 rate schedule, and as customers were transitioned off that rate how many trees began being cut down since customers could no longer afford to irrigate them. She discussed the advantages that trees bring to the City.

2. Approval of meeting minutes for November 14, 2018 meeting

Motion: Evans Second: Hunter

Ayes: Evans, Hunter, Wilson, Crohn, Esquivel, Croonquist, Gless, De Mason, Sexton, Sheehe

Absent: Mateja.

Abstain: Lock-Dawson, Adkison, Mayes, Andrews

3. Open Discussion

Chair Wilson reminded everyone of the Mission of the Task Force, to develop WA-3 and WA-9 rate recommendations for RPU Board and Council by July 1, 2019. Chair Wilson opened up discussion by going through the powerpoint page turn of the WA-Ag proposal v17 terms and conditions. Significant discussions followed as Chair Wilson walked through Slides 1 thru 9.

All of the following actions were taken on the WA-Ag v17 rate proposal.

Task Force agreed that:

- The explicit biennial inspection charge should be removed from the proposal.
- Regular inspections can primarily be done remotely using aerial photography and GIS applications.
- Staff should rework language regarding inspection timeframes.

Member Hunter made a motion to combine parts A & B of the RATES section of the proposal and to drop part C of the RATES section of the proposal.

Motion: Hunter Second: Adkison

Ayes: Hunter, Adkison, Andrews, Gless, Mayes, Lock-Dawson, Crohn, Sheehe, Croonquist, Mateja, Esquivel

Noes: Wilson, De Mason, Sexton

Absent: Robillard, Evans

Motion passed.

Task Force discussed the Qualifying Criteria and: (Absent: Robillard, Evans, Gless)

- Agreed to Criteria a and b.
- Tabled Criteria c.
- Agreed to modify Criteria d to be "Property is inside City limits".
- Agreed to Criteria f.
- Agreed to have staff re-word Criteria g.
- Member Adkison passed out a picture of a property that he felt should be able to qualify for the Ag rate and numerous members concurred.

Member Hunter made a motion to eliminate Qualifying Criteria e from the proposal.

Motion: Hunter Second: Andrews

Ayes: Hunter, Adkison, Andrews, Mayes, Sheehe, Esquivel, Sexton, De Mason

Noes: Wilson, Crohn, Croonquist, Mateja

Absent: Robillard, Evans, Gless, Lock-Dawson

Motion passed.

Task Force discussed the 2nd meter options on slide 7 and: (Absent: Robillard, Evans, Gless, Lock-Dawson)

-Agreed it was okay.

-Staff clarified 2nd meter connection charges.

Task Force discussed slide 8 and: (Absent: Robillard, Evans, Gless, Lock-Dawson)

-Agreed it was okay.

Task Force discussed slide 9 and: (Absent: Robillard, Evans, Gless, Lock-Dawson)

-Agreed to drop reference to nominal ornamental landscaping.

Scott Simpson spoke about concerns of mission creep and how much of what had been discussed was concerning matters outside the boundaries of the Water Department's mission and purpose.

Member Hunter made a motion to continue discussion at the next meeting.

Motion: Hunter Second: Andrews

No official vote was taken.

4. Discuss Schedule of Meetings

Item was not covered.

5. Emerging Ideas and Questions and Answers

Item was not covered.

6. Items for Future Consideration

None.

Meeting was adjourned by Chair Wilson

By: 

Richard Small, Secretary for Agricultural Water Rates Task Force

Attachments:

- (1) Picture handout from member Adkison.
- (2) WA-Ag v17 rate proposal.
- (3) Wa-Ag v17 terms and conditions presentation.

Reminder that all Ag Task Force meetings are videotaped and available for viewing at:

<https://riversideca.legistar.com/Calendar.aspx>



SCHEDULE WA-Ag (v17)

Agriculture Promotion and Preservation Rate

POLICY:

This rate is established to support, promote, preserve and encourage agriculture and the agricultural heritage of the City of Riverside.

APPLICABILITY:

This rate applies to properties that meet the “Qualifying Criteria” outlined in No. 1 of the Definitions; as well as any existing WA-3 or WA-9 customers, per Special Conditions #3.

TERRITORY: Within the RPU Service Area.

RATES:

A. Inside City Limits (Within Proposition R Boundaries)

1. With Single Family Residence;

Or Without Residence

<u>Biennial Inspection Charge (Per month, Per Account)</u>	\$xx.xx
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Monthly Customer Charge, Per Meter (up to 2 inch meter)

Meter Size	2018	2019	2020	2021	2022
5/8 and 3/4-inch	\$15.80	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	25.08	28.69	32.58	36.63	41.26
1-1/2-inch	48.08	55.00	62.45	70.22	79.08
2-inch	75.80	86.70	98.45	110.68	124.64

Quantity Rates

Per (CCF)

All 100 cubic feet (CCF) per month	\$1.16
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B. Inside City Limits (Outside Proposition R Boundaries)**1. *With Single Family Residence;******Or Without Residence***

Biennial Inspection Charge (Per month, Per Account) \$xx.xx

Monthly Customer Charge, Per Meter (up to 2 inch meter)

Meter Size	2018	2019	2020	2021	2022
5/8 and 3/4-inch	\$15.80	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	25.08	28.69	32.58	36.63	41.26
1-1/2-inch	48.08	55.00	62.45	70.22	79.08
2-inch	75.80	86.70	98.45	110.68	124.64

Quantity Rates

Per (CCF)

First nine (9) 100 cubic feet (CCF) per month \$1.16

All over nine (9) CCF per month \$1.45 **

**** 3 year transition period to bring these customers to the 2nd Tier rate of \$1.45/CCF**

(Year 1 - \$1.26/CCF; Year 2 - \$1.36/CCF; Year 3 - \$1.45/CCF)

C. Outside City Limits but Within RPU Service Area

Biennial Inspection Charge (Per month, Per Account) \$xx.xx

Monthly Customer Charges and Quantity Rates

For WA-Ag customers outside the City limits of Riverside, but within the RPU Service Area, the Customer Charges and Quantity Rates shall be the amount computed as set forth in RATES, A.1 of this schedule, multiplied by 1.5.

DEFINITIONS:

1. Qualifying Criteria - To qualify for this rate the following criteria **must be met**:
 - a. Property is $\frac{3}{4}$ acres or larger;
 - b. Property is allowed to conduct agricultural activities as a "permitted use" according to City Zoning codes and General Plan land uses.
 - c. Property is growing irrigated and clustered (positioned close together) fruit or nut trees, fruit bearing vines, row crop produce, or nursery stock on 75% or more of property; or 75% or more of property is being used as pasture for livestock; or a combination thereof.
 - d. Property is inside RPU Service Area.
 - e. If producing food or nursery stock to sell to market the property/business must have the appropriate horticultural and/or agricultural production permits and/or licenses as required and applicable by the California Department of Food and Agriculture (CDFA), the Riverside County Agricultural Commissioner, or the Riverside County Department of Environmental Health; and the business selling to market must maintain a City business license.
 - f. If property is vacant and for sale, meets Qualifying Criteria a, b and d above, and the prospective buyers agree to meet Criteria c and e above within six months of close of escrow on the property, the property can receive this rate upon proof of close of escrow.
 - g. Property owner may install a second meter for agricultural use only, provided such agricultural use area meets Qualifying Criteria a, b, d, and e above.
2. Single Family Residence shall be defined per Title 19 of the zoning code, but for purposes of this policy not to include Accessory Dwelling Units and Agricultural Caretaker Living Quarters as defined per Title 19 of the zoning code.

SPECIAL CONDITIONS:

1. The Board of Public Utilities will publish a list of Best Irrigation Management Practices for the WA-Ag customers to use as a guide and menu for efficient agricultural irrigation and conservation practices. These practices will be reviewed and updated at least every 5 years.
2. Any agricultural operations or activities must comply with all City municipal, zoning, land use, building, and/or other codes, as applicable.
3. Upon the effective date of this rate, all existing WA-3 and WA-9 customers will transition onto this WA-Ag rate in accordance with the applicable section of RATES A, B or C. Within 6 months of the effective date of this WA-Ag rate tariff, RPU staff will inspect each prior WA-3 and WA-9 customer property to ensure they are still in compliance with the *Applicability* and *Special Conditions* sections of their respective prior rate tariff (WA-3 or WA-9). If upon inspection, the property is found to no longer be in compliance, the customer will have 6 months to bring the property back into compliance. If compliance is not met by the 181st day

the customer will be moved to the WA-1 rate (residence on the property), or the WA-6 rate (no residence on the property), upon the next billing cycle from the final determination of non-compliance. Prior WA-3 and WA-9 customers will be inspected every two years and must remain in compliance with the *Applicability* and *Special Conditions* sections of their respective prior rate tariff (WA-3 or WA-9) in order to remain on the WA-Ag rate for the first ten (10) years

4. All prior WA-3 and WA-9 customer properties who were transitioned onto this WA-Ag rate will be required to meet the Qualifying Criteria as defined in No. 1 of the Definitions within ten (10) years of the effective date of this rate, or will be transitioned to WA-1 rate (residence on the property), or the WA-6 rate (no residence on the property) accordingly.
5. RPU staff will inspect each new WA-Ag customer property (non-prior WA-3 or WA-9 customer) receiving the WA-Ag rate every two years to ensure the property continues to meet the Qualifying Criteria to receive this rate. A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies. Customers found to no longer be in compliance with the Qualifying Criteria will be given 90 days to come back into compliance. If compliance is not met by the 91st day the customer will be moved to the WA-1 rate (residence on the property), or the WA-6 rate (no residence on the property) 90 days from the final determination of non-compliance.
6. WA-Ag customers found to be out of compliance more than one time within a 5 year period will be transitioned to the applicable WA-1 or WA-6 rate within 90 days of such determination, unless otherwise determined as the result of an appeal. Customers who have been found to be out of compliance twice within a 5 year period and transitioned off the WA-Ag rate can again reapply for the WA-Ag rate 2 years after the transition date.
7. If staff determines that WA-Ag is not applicable, the Customer may appeal the determination, following the requirements set out in Part A of the "General Provisions" section of the Water Rules and Rate Schedules.
8. Any properties being sold will be subject to being placed on the applicable rate. The new owner of a property previously receiving the WA-Ag rate must prove that the property meets the Qualifying Criteria as defined in No. 1 of the Definitions within 60 days of closing escrow to remain on the WA-Ag rate. Properties previously receiving WA-3 or WA-9 rates that were transitioned to WA-Ag must meet the Qualifying Criteria of this rate in order to remain on the WA-Ag rate after a property sale.
9. Water Conservation Surcharge: The rates and charges above are subject to a surcharge (Water Conservation Surcharge) as adopted via City Council Resolution No. 22675 on April 22, 2014 and such surcharge as in effect from time to time. The Water Conservation Surcharge will be applied to the Customer's total water usage charge including without limitation the quantity rates, customer and minimum charge for the applicable billing period.

10. Water General Fund Transfer: The Water General Fund Transfer is a component of every customer's water bill, and is a transfer of up to 11.5% of revenues from the Water Fund to the City's General Fund. On June 4, 2013, the voters of the City of Riverside approved the Water General Fund Transfer as a general tax, pursuant to Article 13.C of the California Constitution.

11. Customers on this rate explicitly grant RPU staff the right to enter and inspect their property for compliance within the terms and timeframes specified in the Special Conditions and Definitions sections of this rate tariff.

ENERGY COST ADJUSTMENT FOR PUMPING WATER:

The Quantity Rates shall be subject to an energy cost adjustment relating to increases and decreases in the cost of electric power for pumping water. This energy cost adjustment shall apply to each one hundred cubic feet (CCF) of sales to which Quantity Rates apply.

Determination of the adjustment factor shall be made at the beginning of each quarter, with the initial adjustment beginning February 1, 1983.

The energy cost adjustment shall be calculated by dividing the CCF of metered Water sold in each quarter into the total dollar amount of fuel cost adjustments plus any base rate increases imposed by power suppliers for pumping water during that quarter:

- A. Fuel cost adjustment charges by Southern California Edison Company.
- B. Fuel cost surcharge charges by City of Riverside.
- C. Base rate increase charges by Southern California Edison Company.*
- D. Base rate increase charges by City of Riverside.*

$$\underline{\$ (A+B+C+D)} = \$0.000 \text{ per CCF}$$

CCF (Metered Sales)

The resultant shall be the energy cost adjustment factor for pumping water and shall be expressed in terms of cents per CCF carried out to the nearest \$0.0001. This factor shall be divided by 0.885 to allow for the 11.5% of gross revenue payable to the City General Fund. The resultant shall then become the energy cost adjustment to be multiplied by all CCF increments reported in billings to Customers. The resultant amount in each case, expressed to the nearest \$0.01, shall constitute the adjustment to be added to the Customer's bill.

*(Over base rates in effect February 1, 1983)



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TERRITORY: Within the RPU Service Area.

RATES:**A. Inside City Limits (Within Proposition R Boundaries)****1. With Single Family Residence;****Or Without Residence**

<u>Biennial Inspection Charge (Per month, Per Account)</u>	\$xx.xx
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B. Inside City Limits (Outside Proposition R Boundaries)**1. With Single Family Residence;****Or Without Residence**

<u>Biennial Inspection Charge (Per month, Per Account)</u>	\$xx.xx
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C. Outside City Limits but Within RPU Service Area

<u>Biennial Inspection Charge (Per month, Per Account)</u>	\$xx.xx
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Charges for WA-Ag customers outside the City limits of Riverside but within RPU Service Area shall be the amount computed at the Quantity Rates and the Customer Charges set forth in RATES, A.1 of this schedule, multiplied by 1.5.

DEFINITIONS:

1. Qualifying Criteria - To qualify for this rate the following criteria **must be met**:
 - a. Property is $\frac{3}{4}$ acres or larger;
 - b. Property is allowed to conduct agricultural activities as a "permitted use" according to City Zoning codes and General Plan land uses.
 - c. Property is growing irrigated and clustered (positioned close together) fruit or nut trees, fruit bearing vines, row crop produce, or nursery stock on 75% or more of property; or 75% or more of property is being used as pasture for livestock; or a combination thereof.
 - d. Property is inside RPU Service Area.
 - e. If producing food or nursery stock to sell to market the property/business must have the appropriate horticultural and/or agricultural production permits and/or licenses as required and applicable by the California Department of Food and Agriculture (CDFA), the Riverside County Agricultural Commissioner, or the Riverside County Department of Environmental Health; and the business selling to market must maintain a City business license.
 - f. If property is vacant and for sale, meets Qualifying Criteria a, b and d above, and the prospective buyers agree to meet Criteria c and e above within six months of close of escrow on the property, the property can receive this rate upon proof of close of escrow.

DEFINITIONS:

1. Qualifying Criteria - To qualify for this rate the following criteria **must be met**:
 - g. Property owner may install a second meter for agricultural use only, provided such agricultural use area meets Qualifying Criteria a, b, d and e above.

Should a percentage of Agricultural Use area be included:

- % of gross property?
- % of area served by 2nd meter?

(Meter 2) Agricultural Operations

To be added to support Definition 1.g.

The second meter (Meter 2) for Agricultural Operations can be installed via a manifold configuration at the current meter and service location at the premises. The customer will bear the burden of the installation and retrofit charges by City Forces at the primary meter location.

Customer will be responsible for all tailpipe work required to connect Meter 2 to the agricultural operations activities. A backflow inspection will need to be conducted by City staff, and backflow device(s) possibly required, before Meter 2 can be activated.

A Backup Facility Capacity Charge based on meter size will be due before Meter 2 will be activated.

DEFINITIONS:

2. Single Family Residence shall be defined per Title 19 of the zoning code, but for purposes of this policy not to include Accessory Dwelling Units and Agricultural Caretaker Living Quarters as defined per Title 19 of the zoning code.

Nominal Ornamental Landscaping

Dropped from current version 17, should it remain?

Property has no more than a single family residence with nominal ornamental landscaping;

Nominal Ornamental Landscaping is defined as plants, other than the agricultural operations, covering in the aggregate not more than the greatest of 1/4 acre or 7% of total property acreage not including the footprint of a single family dwelling, other structure(s) and/or hardscape surfaces.

SPECIAL CONDITIONS:

1. The Board of Public Utilities will publish a list of Best Irrigation Management Practices for the WA-Ag customers to use as a guide and menu for efficient agricultural irrigation and conservation practices. These practices will be reviewed and updated at least every 5 years.
2. Any agricultural operations or activities must comply with all City municipal, zoning, land use, building, and/or other codes, as applicable.
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SPECIAL CONDITIONS:

7. If staff determines that WA-Ag is not applicable, the Customer may appeal the determination, following the requirements set out in Part A of the "General Provisions" section of the Water Rules and Rate Schedules.
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$\$ (A+B+C+D)$ = $\$ 0.000$ per CCF

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*(Over base rates in effect February 1, 1983)

Proposed For Large Water Users (> than 1.8 acre-feet per year); Similar to current WA-3 rates

Demand Ratchet: A means of applying a minimum billing to a large water-use customer who may have inconsistent or seasonal water requirements.

If water consumption exceeds 100 ccf during any month, following charges shall apply for the next 12 months:

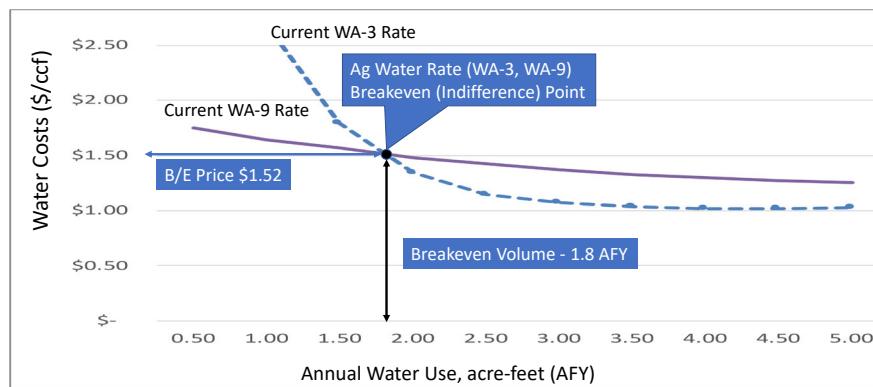
Quantity Rate (Per 100 Cubic Feet): \$X.XX/ccf

Minimum Monthly Charge:

All meter sizes through	3-inch:	\$XXX.XX/month
	4-inch:	\$XXX.XX/month
	6-inch:	\$XXX.XX/month
	8-inch:	\$XXX.XX/month

The Department shall specify meter size based on acreage need. The Minimum Charge will entitle the Customer to the quantity of water that the monthly minimum charge will purchase at the Quantity Rates rounded to the nearest billing unit.

RPU Rate Comparisons: WA-3, WA-9



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