FIRST AMENDMENT TO THE WATER PRODUCTION, CONVEYANCE, AND RECIPROCAL SALES AGREEMENT BETWEEN THE CITY OF RIVERSIDE AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Public Utilities - Water Department

City Council
June 10, 2025

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BACKGROUND

1. University of California (UCR) Regents have water rights established by the 1969 Judgement
2. UCR does not have necessary infrastructure to deliver their water
3. RPU wheels UCR's water rights under an Agreement
   a. Delivers to UCR domestic system
4. Established cost structure for City to recover its costs for:
   a. Energy
   b. Operations and Maintenance
   c. Capital replacement
   d. Assessments

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BACKGROUND

5. Current 2015 Agreement was successor to 1993 Water Sales Agreement
   a. Board approval on July 10, 2015
   b. Council approval on November 3, 2015
6. 2015 Agreement expires on June 1, 2025

BACKGROUND

7. Campus demand in 2024 was 957 acre feet (417,064 ccf)
8. UCR's domestic water rights (~1,290 acre feet):
   a. 738 acre feet export rights from Bunker Hill Basin
   b. 552 acre feet extraction credit in Riverside Basin
9. UCR has 1,076 acre feet entitlement of irrigation water
   a. Shares in Gage Canal Company
   b. Irrigation water delivered to UCR Ag Ops area
10. RPU may purchase UCR's excess water rights in Bunker Hill Basin

BACKGROUND

11. RPU serves UCR through two meters
    a. Primary from University Heights Reservoir
    b. Secondary along Linden Street

12. UCR's tariff:
    a. $0.53 per ccf
    b. WA-6 charged for deliveries taken above water right

13. On May 12, 2025, the Board of Public Utilities voted unanimously with recusal from Vice Chair Siana to recommend that City Council approve the First Amendment to the Water Production, Conveyance, and Reciprocal Sales Agreement Between the City of Riverside and the Regents of the University of California

DISCUSSION

1. May 2024, RPU staff began negotiating with UCR to establish terms for a new Agreement
2. Litigation between City and UCR stalled negotiations
3. UCR proposed one (1) year extension
    a. City agreed
    b. CAO developed First Amendment using existing terms
4. First Amendment would expire June 1, 2026
    a. Negotiations will restart once litigation resolved

STRATEGIC PLAN ALIGNMENT

Strategic Priority 3 – Economic Opportunity

Goal 3.4 – Collaborate with key partners to implement policies and programs that promote local business growth and ensure equitable opportunities for all.

Cross-Cutting Threads

- Community Trust
- Equity
- Fiscal Responsibility
- Innovation
- Sustainability & Resiliency

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RECOMMENDATIONS

That the City Council:

1. Approve the First Amendment to the Water Production, Conveyance, and Reciprocal Sales Agreement Between the City of Riverside and the Regents of the University of California; and
2. Authorize the City Manager or his designee to execute the First Amendment to the Water Production, Conveyance, and Reciprocal Sales Agreement Between the City of Riverside and the Regents of the University of California including making minor non-substantive changes.

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