



# Water Conservation Surcharge

Customer Relations Division

Board of Public Utilities  
April 24, 2017

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## BACKGROUND

1. The Water Conservation Surcharge is a 1.5% charge on all water sales for residential and commercial customers.
2. May 25, 2004 - 10 year surcharge was adopted by City Council.
3. April 22, 2014 - City Council approved a ten-year extension requesting a triennial report on the disbursement of revenue collected.

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## DISCUSSION

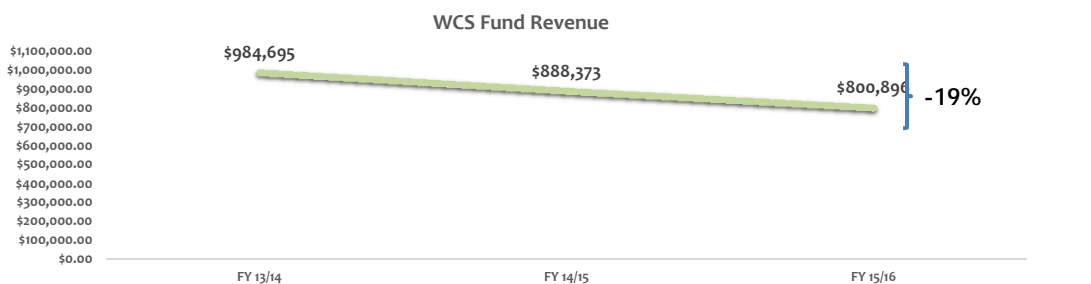
1. The surcharge is listed as an individual line item on the monthly utility bill and is to be used for:
  - A. Conservation
  - B. Education
  - C. Water Use Efficiency Programs

## DISCUSSION

2. The surcharge is applied to both residential and commercial customers and represents \$750,000 – \$950,000 annually.
  - A. Average Monthly Residential Charge = \$.57
  - B. Average Monthly Commercial Charge = \$3.17

## DISCUSSION - REVENUE

Since the approved extension of the Water Conservation Surcharge (WCS) in 2014, the fund has experienced a 19% contraction in revenue received from the charge.



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## DISCUSSION - REVENUE

WCS Fund Revenue	FY 13/14	FY 14/15	FY 15/16
WCS Revenue	\$984,695	\$888,373	\$800,896
Outside Agency	\$62,150	\$3,531,557	\$487,614
Rate Revenue	\$0	\$1,000,000	\$750,000
<i>Total Revenues</i>	<i>\$1,046,845</i>	<i>\$5,419,930</i>	<i>\$2,038,510</i>

### Outside Agency

1. Western Municipal Water District – *Turf Removal*
2. Santa Ana Watershed Project Authority – *Turf Removal*

### Rate Revenue

Water Fund Balance – *Turf Removal*

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## DISCUSSION -EXPENDITURES

The primary function of the WCS is to allow RPU to develop and administer water conservation programs and rebates. RPU utilizes the WCS to fund:

1. Turf removal programs
2. Offer rebates on water saving devices
3. Fund and administer water saving direct installation programs
4. Offer water innovation grants

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## DISCUSSION - EXPENDITURES

<b>WCS Fund Expenditures</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>
WCS Programs	\$471,428	\$5,068,628	\$1,580,118
Personnel	\$172,099	\$208,923	\$196,713
Non-personnel	\$47,962	\$79,741	\$132,375
<i>Total Expenditures</i>	<i>\$691,489</i>	<i>\$5,357,292</i>	<i>\$1,909,206</i>

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## DISCUSSION - EXPENDITURES



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## DISCUSSION - EXPENDITURES

### WCS Programs:

1. Rebate Programs
2. In classroom conservation education
3. Goeske Demonstration Garden



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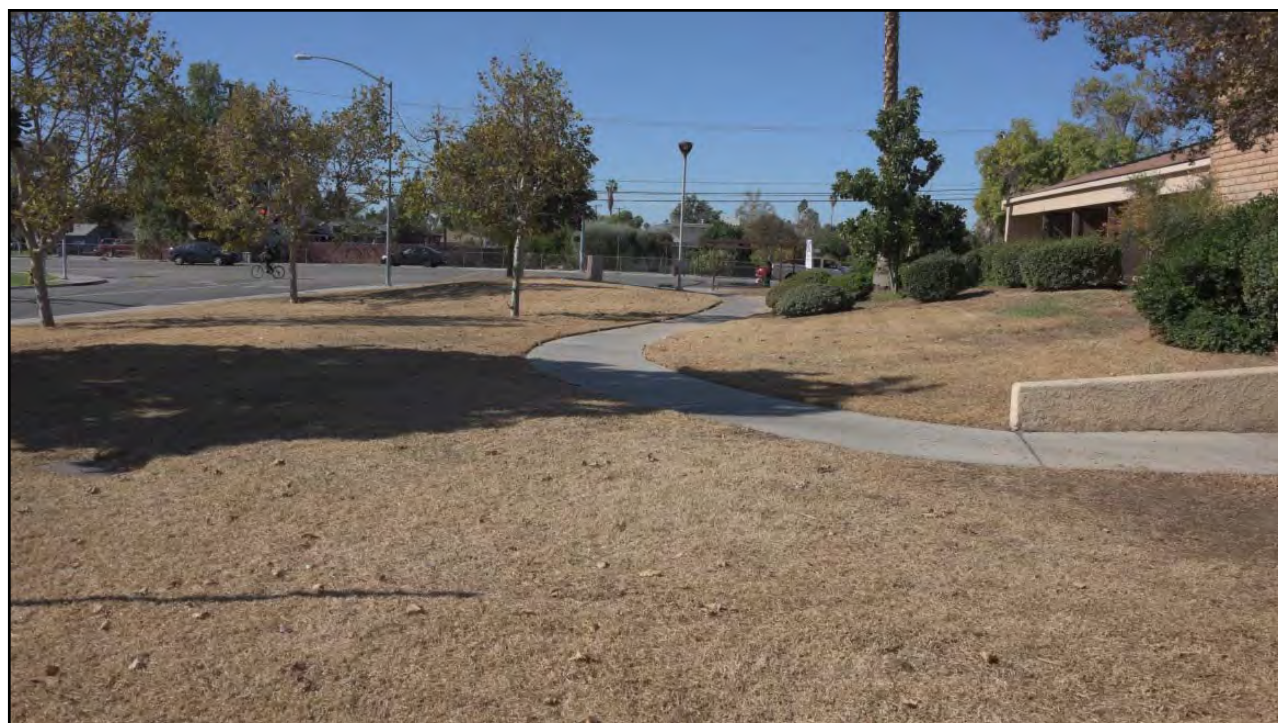
## GOESKE DEMONSTRATION GARDEN



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## DISCUSSION - EXPENDITURES

### Personnel

Two full-time employees who manage:

- A. Water rebate programs
- B. Customer relations – high bill, water rate inquiries
- C. Technical assistance
- D. Direct Installation programs
- E. Presentations for local community groups
- F. Special projects
- G. Work with other local agencies for program funding

## DISCUSSION - EXPENDITURES

### Non-Personnel:

1. Consultants provide technical assistance
2. Advertising
3. Software licensing – turf removal program
4. Outside printing – rebate collateral
5. Staff training and certifications

## WATER CONSERVATION PROGRAMS

(SB) x7-7 mandated a reduction in usage of 20% by the year 2020. RPU conservation programs assist with meeting this mandate.

1. RPU reduction goal = 213 GCPD
2. RPU is currently tracking = 180 GCPD

## WATER CONSERVATION PROGRAMS

1. RPU considers the water conserved through its conservation efforts to be a resource.
2. RPU looks at the avoided cost of purchasing water through Metropolitan Water District (MWD) as the benchmark resource cost.
3. The purchase of imported water from MWD costs RPU approximately \$1,000 per acre foot.

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## TURF REMOVAL PROGRAM

The Waterwise Landscape Program encourages RPU customers to reduce their outdoor water consumption by removing their turf grass and replacing it with native or low water use plants and high-efficiency drip irrigation.

### During the past 3 years:

1. 643 customers
2. 1.2 billion gallons saved
3. Lifetime resource cost of \$177 per acre foot

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## WATER SAVING DEVICES

RPU provides incentives to its water customers who install qualifying water measures.

1. High efficiency toilets
2. Weather Based Irrigation Controllers
3. High efficiency sprinkler nozzles
4. High efficiency clothes washers
5. FreeSprinklerNozzles.com

## WATER SAVING DEVICES

During the past 3 years:

1. 3,647 customers
2. 508,665,000 gallons saved
3. Lifetime resource cost of \$31 per acre foot



## DIRECT INSTALLTION PROGRAMS

To encourage hard to reach high use water customers to reduce their consumption, RPU created two direct installation programs.

### WMWD/RPU programs:

1. High-Efficiency Toilets
2. High-Efficiency Urinal Flush Valves



### RPU funded program:

Smart Irrigation Program – WBIC and HE sprinkler nozzles



### During the past 3 years:

1. 1,811 customers
2. 211,590,000 gallons saved
3. Lifetime resource cost of \$122 per acre foot

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## WATER INNOVATIONS GRANT PROGRAM

The Water Innovations Grant Program provides support for local universities as they make advancements in water conservation techniques and procedures.

August 23, 2016 – City Council approved a \$50,000 grant to UCR.

The goal of the awarded project is to develop an electrochemical system to remove nitrate from drinking water.

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## WCS – DROUGHT RESPONSE

Since the inception of the WCS in 2004, RPU has offered water conservation programs and rebates for nearly 14 years. This history positioned RPU to quickly respond to the drought.

1. 948 acre feet saved in 2013 (*pre drought*)
2. 3,390 acre feet saved in 2015

**258% increase**

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## WCS – DROUGHT RESPONSE

### California Water Action Plan *"Make Conservation a California Way of Life"*

1. Using water more efficiently
2. Eliminating water waste
3. Strengthening local drought resilience
4. Improving agricultural water use efficiency and drought planning

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## **“Make Conservation a California Way of Life”**

**RPU is currently working towards this new philosophy by:**

1. **WCS Programs** - will assist in meeting the new state mandates by enhancing existing programs and creating new ways to encourage RPU customers to save water.
2. **WELO** – Already adopted. RPU is working with the Planning Department to develop new customer design tools. These tools will support new state mandates by helping both contractors and DIY customers meet new guidelines.

## **RECOMMENDATIONS**

That the Board of Public Utilities receive and file this report.