



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: OCTOBER 28, 2014**  
**FROM: PUBLIC UTILITIES DEPARTMENT      WARDS: ALL**  
**SUBJECT: CITY OF RIVERSIDE POLICY PRINCIPLES FOR WATER PORTFOLIO MANAGEMENT**

## **ISSUE:**

The issue for City Council consideration is approval of the Policy Principles for Water Portfolio Management.

## **RECOMMENDATIONS:**

That the City Council approve the attached Policy Principles for Water Portfolio Management.

## **BOARD RECOMMENDATION:**

The Board of Public Utilities unanimously approved this item at their regularly scheduled meeting of August 1, 2014.

## **COMMITTEE RECOMMENDATION:**

On October 16, 2014, the Utility Services/Land Use/Energy Development Committee, with Chair Mac Arthur, Vice Chair Perry and member Gardner present, unanimously approved the Policy Principles for Water Portfolio Management.

## **BACKGROUND:**

Riverside Public Utilities has invested significantly in water supply facilities to extract and convey local groundwater resources as well as in peaking, emergency and redundant supply capacity from the Metropolitan Water District of Southern California. The diversity of local water supply facilities - including 54 active groundwater wells overlying three groundwater basins -- coupled with three primary imported water connections creates a high level of redundancy and reliability for customers served by Riverside Public Utilities.

In order to properly manage its diverse resources to maximize benefits for the community, staff has developed the attached set of policy principles. The principles recommended are analogous to the energy risk management principles already in effect for the electric utility and will guide decision

making at the operational level, such as groundwater basin pumping and purchase of imported water for direct delivery or recharge. Furthermore, the principles will serve as a framework for budgetary, policy and intra-governmental relation recommendations considered by the Board of Public Utilities and City Council. RPU's goal of "Water Independence" will be defined and guided by the policy principles.

The principles recognize first and foremost the City's role as stewards of a limited natural resource for the benefit of our agriculture, commercial, institutional and residential customer-owners and stakeholders. Within that role, and recognizing the adjudicated nature of our groundwater rights, the policy principles frame potential actions for the acquisition and use of the City's water resources.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with the adoption of these policy principles.

Prepared by: Girish Balachandran, Public Utilities General Manager  
Approved by: Belinda J. Graham, Assistant City Manager  
for Scott C. Barber, City Manager  
Approved as to form: Cristina Talley, Interim City Attorney



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CHRIS MAC ARTHUR, Chair  
Utility Services/Land Use/Energy  
Development Committee

Attachment: Policy Principles for Water Portfolio Management



## Riverside Public Utilities

### Policy Principles for Water Portfolio Management

#### Background

Riverside Public Utilities has invested significantly in water supply facilities to extract and convey local groundwater resources as well as in peaking, emergency and redundant supply capacity from the Metropolitan Water District of Southern California. The diversity of local water supply facilities -- including 54 active groundwater wells overlying three groundwater basins -- coupled with three primary imported water connections creates a high level of redundancy and reliability for customers served by Riverside Public Utilities. RPU's goal of "Water Independence" will be defined and guided by the following policy principles.

#### Policy Principles

- Riverside recognizes its important role as stewards managing a publicly owned resource for the benefit of a diverse community of agricultural, commercial, institutional and residential stakeholders.
- Riverside will plan water supply projects to minimize its operational reliance on imported water and insulate the community from external pressures faced by other communities dependent on the Bay-Delta water conveyance facilities while appropriately advocating for a viable state water supply system.
- Riverside will strive to annually exercise its maximum allowable groundwater production and export rights under the 1969 Western Judgment.
  - In exercising its rights, Riverside will preferentially produce water at the lowest cost, while ensuring acceptable water quality, best practices for basin management and compliance with agreements, judgments and other restrictions.
- Riverside recognizes the critical role that conjunctive management of surface, recycled and groundwater supplies play in the protection, reliability and sustainability of local, regional and statewide water supplies for water users and the environment.
  - In recognizing such, Riverside will work cooperatively with regional and wholesale water agencies to purchase and "bank" imported water when economically and physically feasible.
  - Riverside will continually evaluate the economic feasibility of using imported water to extend recycled water supplies when used for groundwater recharge.
- Riverside will strive to appropriately monetize unused and potentially expiring local water production and export rights through pre-planned and pre-executed water sales agreements.
- Riverside will ensure water supply availability for its customers through appropriate and economically balanced local and imported water supplies, conservation and water use efficiency and demand management measures.

<p>23. Utility Services/Land Use/Energy Development Committee recommends Policy Principles for Water Portfolio Management (All Wards)</p>	<p>Jason Hunter</p>	<p>Canyon Crest</p>	<p>Let me get this straight? You're committing the utility to storm water capture, purple pipes, and efficiency and conservation measures until the end of time to make way for development fees, property taxes, and an increased water transfer in order to keep the General Fund afloat, while also preparing for water wheeling and off-system sales (that ought to go like a lead balloon with the Green Belt)...and this is on the Consent Calendar? You have to be kidding me.</p> <p>How about someone answer as to what assumptions those demand growth numbers are based upon? The honest, ugly truth is that efficiency and conservation must accommodate all growth until storm water capture and the purple pipes are ready...and that isn't happening anytime soon. Hence, we've cooked up an imaginary water emergency, complete with threats of fines and tattle-on-your-neighbor tactics. If growth outstrips efficiency and conservation, rates will go up or services reduced....simply economics fellas.</p>
<p>25. Referral to Governmental Affairs Committee of City Council Rules of Procedure and Order of Business for consideration of amendment for placement of items on agenda, Public Comment period, and speaker cards (All Wards)</p>	<p>Jason Hunter</p>	<p>Canyon Crest</p>	<p>My thoughts:</p> <p>1) This is common sense. Just add semi-colons: "...matters pertinent to and within the jurisdiction of the City may be placed on the agenda by the Mayor, any Councilmember, the City Manager, any Department Director, or any other person, subject to the discretion of the City Manager."</p> <p>2) Put public comment right before the discussion calendar, but after the presentations. I think this is fair middle ground.</p> <p>3) Section X(C) is already violated every meeting, so even the new practice doesn't make sense. Accept speaker cards at any time up to when the second public speaker begins. This gives the public the time to listen to the staff presentation (which usually contains more information than the staff report that is attached to the agenda) and decide whether they want to submit a card.</p> <p>p.s. given the delay in addressing these subjects, should we expect an answer on Councilman Soubirous' question regarding Sec. 702 of the Charter sometime early next year? Come on already!</p>
<p>33. Transfer \$122,000 from Library Trust Fund Account and appropriate to Library Expenditure Account - Appropriate gifts of \$140,617.79 including \$52,074.79 from Friends of the Library revenue, \$4,166 from Maxine Tate Library Fund, \$80,000 from Library System, and \$4,377 from Vanderzyl Fund for library programs, materials, and services (All Wards)</p>	<p>Jason Hunter</p>	<p>Canyon Crest</p>	<p>Please give back to the Electric Fund all monies given to the Riverside Library Foundation. These gifts were not authorized, and are therefore a misuses of public funds under Section 1204 of the Charter.</p>

**CITY OF RIVERSIDE** This is NOT a  
**SPEAKER CARD** regularly recurring  
item 7)

WELCOME TO THE RIVERSIDE CITY COUNCIL MEETING!  
IF YOU WISH TO ADDRESS THE CITY COUNCIL, PLEASE COMPLETE AND SUBMIT THIS CARD TO THE CITY CLERK.  
SPEAKERS ARE ENCOURAGED TO SUBMIT THEIR CARDS TO THE CITY CLERK BEFORE THE SCHEDULED MEETING  
TIME. SPEAKER CARDS WILL BE ACCEPTED UNTIL THE AGENDA ITEM IS CALLED.

ITEM NO.: 23 Should be on Discussion  
NAME: Karen Davis Wright calendar DATE: 10/28/2014

CITY/NEIGHBORHOOD: \_\_\_\_\_ PHONE # (Optional): \_\_\_\_\_

ADDRESS (Optional): \_\_\_\_\_ Address \_\_\_\_\_ City/State/Zip \_\_\_\_\_

SUBJECT: Policy Principles for Water Portfolio Mgmt  
☐ SUPPORT ☐ OPPOSE ☐ NEUTRAL

In accordance with the Public Records Act, any information you provide on this form is available to the public.

Pursuant to the City Council Meeting Rules adopted by Resolution No. 22676, the Members of the City Council  
and the public are reminded that they must preserve order and decorum throughout the Meeting. In that  
regard, Members of the City Council and the public are advised that any delay or disruption in the  
proceedings or a refusal to obey the orders of the City Council or the presiding officer constitutes a violation  
of these rules.

is not a regularly recurring item  
and citizens SHOULD HAVE A SAY, and