

Transitional Water Service Agreement Between Van Buren Golf, LLC and the City of Riverside

Board of Public Utilities
November 26, 2018

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Rate Plan Impact on Customer

1. May 22, 2018: City Council adopts five-year water rate plan, effective July 1, 2018
2. Van Buren Golf Course receives recycled water service under RPU Schedule WA-10 – Recycled Water Service (Schedule WA-10)
3. Cost of Service Study determined Schedule WA-10 was not collecting all costs for service under this rate

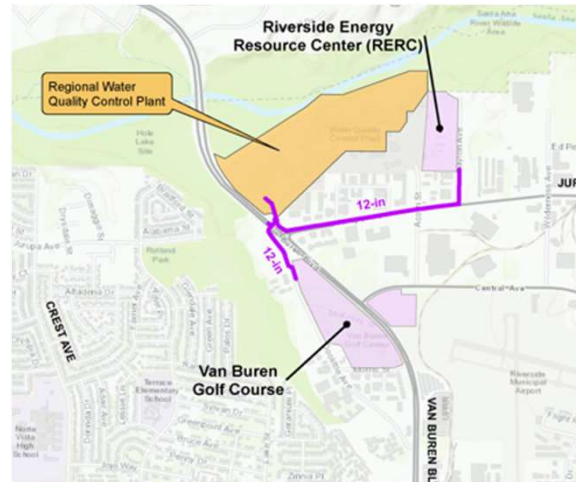
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Early Adopter of Recycled Water

1. Van Buren Golf Course has partnered with the City since 1997 to receive recycled water
2. Van Buren Golf Course assisted in the early stages of development of the recycled water infrastructure and distribution system



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Large Landscape Component

Van Buren Golf Course has substantial grass and ornamental landscape areas requiring watering



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Substantial Water Cost Increase

1. Van Buren Golf Course would experience a substantial increase in water costs due to the revised Schedule WA-10
 - a) The prior Schedule WA-10 was \$0.80 per one hundred cubic feet (CCF)
 - b) The new Schedule WA-10 is \$1.57 per CCF
2. Solution: 10-Year Transitional Water Service Agreement
 - a) Transition from current charges to full cost-of-service non-potable charges in 10 years



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Transitional Rate Breakdown

10-Year Transitional Water Rate Agreement

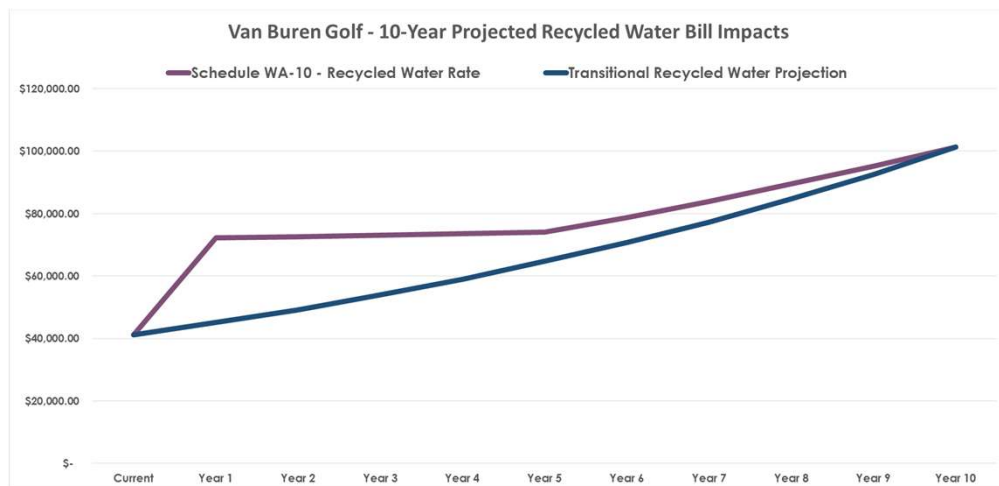
	Quantity Rate All Usage per CCF	Customer Charge 4"		Quantity Rate All Usage per CCF	Customer Charge 4"
Year 1	\$0.96	\$232.95	Year 6	\$1.49	\$407.86
Year 2	\$1.04	\$266.44	Year 7	\$1.63	\$434.37
Year 3	\$1.14	\$302.52	Year 8	\$1.79	\$462.60
Year 4	\$1.24	\$340.10	Year 9	\$1.96	\$492.67
Year 5	\$1.36	\$382.97	Year 10	\$2.15	\$524.69



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10-Year Transitional Rate Timeline



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Additional Collaborative Efforts

1. Increase energy efficiency rebate cap to \$100,000
2. Provide water-wise landscape improvement rebate funding up to \$100,000 at \$3.00 per square foot
3. Temporary and permanent signage in a prominent location, promoting the benefits of recycled water and water-efficient landscaping



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Staff Recommendations

That the Board of Public Utilities recommend that the City Council:

1. Approve the Transitional Water Service Agreement with Van Buren Golf, LLC, providing a ten-year transition to the revised rate Schedule WA-10 Recycled Water Service through June 30, 2029; and
2. Authorize the City Manager, or his designee, to execute the Transitional Water Service Agreement with Van Buren Golf, LLC for the purpose of providing a ten-year transition to the revised rate Schedule WA-10 Recycled Water Service, including making minor, non-substantive changes, to sign all documents and instruments necessary to complete the transaction, and to execute amendments.