



City of Arts & Innovation

Utility Services/Land Use/Energy Development Committee

**TO: UTILITY SERVICES/LAND USE/ENERGY
DEVELOPMENT COMMITTEE MEMBERS**

DATE: DECEMBER 10, 2018

FROM: PUBLIC UTILITIES DEPARTMENT

WARDS: ALL

SUBJECT: AGRICULTURAL WATER RATES TASK FORCE 2nd QUARTERLY UPDATE

ISSUE:

Receive and file the second quarterly update on the Agricultural Water Rates Task Force activities and progress.

RECOMMENDATION:

That the Utility Services/Land Use/Energy Development Committee receive and file the second quarterly update on the Agricultural Water Rates Task Force activities and progress.

BACKGROUND:

On November 28, 2017, City Council recommended the establishment of an Agricultural Water Rates Task Force (Task Force), subject to the Brown Act, for one year while freezing WA-3 and WA-9 agricultural water rates. The Task Force, composed of community members and stakeholders, will work with Riverside Public Utilities (RPU) staff to develop rate alternative recommendations for the RPU Board (Board) and City Council that address proposed WA-3 and WA-9 rate revisions. Councilmember MacArthur suggested that RPU Boardmember Walcker, and Seth Wilson of the Riverside Food Systems Alliance, lead the Task Force. City Council further directed the Board to provide quarterly updates on Task Force activities to the City Council Utility Services/Land Use/Energy Development Committee.

On August 13, 2018, following discussion, the Utility Services/Land Use/Energy Development Committee unanimously received and filed the first quarterly update on the Agricultural Water Rates Task Force activities and progress.

DISCUSSION:

Composition of the Task Force

On March 29, 2018 the Board of Public Utilities established the Agricultural Water Rates Task Force composed of 16 community members and stakeholders. The members are working with RPU staff to develop WA-3 and WA-9 rate recommendations for the Board and City Council.

Chair Walcker submitted a letter of resignation from the Task Force on 10/21/18. On November 5, 2018 the RPU Board nominated existing Vice-chair Seth Wilson into the Chair position and nominated Boardmember David Crohn into the Vice-chair position. This new Task Force leadership will be effective at the Wednesday November 14, 2018 Ag Task Force meeting. The current list of Task Force members is included as an attachment.

Meetings

At the publishing of this report there have been seven Task Force meetings conducted with the eighth meeting scheduled for Wednesday November 14, 2018. Since the last update on August 13, 2018, a great deal of additional information has been presented to the Task Force members. The meetings continue to be well attended, there has been public input, and the members are highly engaged. Open discussions began during the fifth meeting, on August 23rd, and have been very productive. The approved meeting minutes from meetings 3 through 6 are included as attachments. Some great ideas have been emerging from the Task Force and a number of questions have been posed. Staff has been capturing all ideas and questions and continues to work on producing answers. The Emerging Ideas, and Questions and Answers, are included as attachments.

Topics Covered to Date

The primary topics covered since the 1st update to the Land Use Committee include the overview of The Gage Canal Company, Riverside Food Systems Alliance, the Urban Water Management Plan, Cost of Service Analysis (COSA) in regards to WA-3 and WA-9 proposed rate transitions, Water Rate Comparison Tables, Legal Guidance on Proposition 218, and presentations and open discussions on the three rate proposals that have emerged thus far (WA-9 / Flat Rate / Business Improvement District).

There has been a fourth proposal that has evolved from the original WA-9 proposal, which has been named the WA-Ag rate proposal. The WA-Ag proposal has been developed such that it will grandfather all existing WA-3 and WA-9 customers into it based on their location in reference to the boundaries established by Proposition R. It also sets forth qualifying criteria for how new customers can qualify for the WA-Ag rate as well as how ongoing inspection and compliance will be handled. The open discussion of the Wednesday November 14, 2018 Task Force meeting will take a deep dive into the WA-Ag rate proposal.

Upcoming Meetings

The primary focus of future meetings will be the continued open discussion, development, evaluation and evolution of proposed rate recommendations. The schedule of meeting dates and topics is included as an attachment. The Task Force is meeting regularly in the Mayor's Ceremonial Room on the 7th floor of City Hall at 5:30 pm. The meetings have been recorded and are available on the City's website.

FISCAL IMPACT:

There is no fiscal impact for this item.

Prepared by:
Certified as to availability
of funds:
Approved by:

Todd L. Jorgenson, Interim Utilities General Manager

Edward Enriquez, Interim Chief Financial Officer/City Treasurer
Al Zelinka, FAICP, City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Presentation
2. Emerging Ideas updated 10/25/18
3. Questions & Answers updated 10/31/18
4. Approved Minutes of Meeting #3
5. Approved Minutes of Meeting #4
6. Approved Minutes of Meeting #5
7. Approved Minutes of Meeting #6
8. Schedule of Topics updated 11/8/18
9. Current Task Force Member List