



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: DECEMBER 10, 2018

ITEM NO: 6

SUBJECT: **AGREEMENT FOR THE SALE OF EMERGENCY POTABLE WATER BETWEEN THE CITIES OF NORCO AND RIVERSIDE FOR A FIVE-YEAR TERM**

ISSUE:

Recommend that City Council approve the Agreement for the Sale of Emergency Potable Water between the City of Riverside and the City of Norco for a five-year term with an additional and automatic five-year renewal unless either party terminates the Agreement in writing; and authorize the City Manager or his designee, to execute the Agreement.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Recommend that the City Council approve the Agreement for the Sale of Emergency Potable Water between the City of Riverside and the City of Norco for a five-year term with an additional and automatic five-year renewal unless either party terminates the agreement in writing; and
2. Recommend that the City Council authorize the City Manager, or his designee, to execute the Agreement.

BACKGROUND:

On November 14, 2016, the Board of Public Utilities approved the construction of the Arlington Avenue 16-inch Water Main Extension Project to construct approximately 6,900 linear feet (LF) of 16-inch water main to extend service to the Riverside City Limits immediately east of the City Limits of Norco. The project allows Riverside Public Utilities (RPU) to serve customers within RPU's service area who were currently being served by the City of Norco, and provides for an interconnection with the City of Norco for emergency potable water, as well as, provides an opportunity for future water sales. RPU completed construction of the pipeline in September 2017 and has been working with the City of Norco to develop an agreement for the sale of emergency potable water. Both agencies wish to construct an interconnection, or intertie, between the potable water systems operated by RPU and Norco. The interconnection will be located southwest of the intersection of Arlington Avenue and Crestview Drive. The interconnection will have the ability to convey water in either direction to either city.

DISCUSSION:

Under the Terms of the Agreement for the Sale of Emergency Potable Water (Agreement), the amount of emergency water delivered from one agency to the other will not exceed 200 acre-feet per year unless the agencies agree otherwise. This agreement will help improve the reliability to both agencies in the event

of a loss of water due to a pipeline shutdown, mechanical or electrical failure of water system equipment, loss of an existing water supply, or to overcome short-term water quality impediments.

Emergency water shall not be provided for longer than 60 calendar days without written approval of the selling party. Under the Agreement, both agencies acknowledge that the selling party shall have the sole discretion to determine what amount of water, if any, to sell to the purchasing party in case of emergency and can exercise that discretion for any reason.

In an effort to minimize direct payments, water received through the interconnection shall be reimbursed by an equal quantity of water returned from the purchasing agency back to the selling agency. These reimbursements shall be completed within 180 days after the emergency has concluded. Any failure to reimburse the other party within the required 180-day period may be assessed at the Metropolitan Water District's current Tier 1 rate for treated potable water for the quantity delivered.

RPU will design and construct the interconnection and the cost will be shared between both agencies. RPU and Norco shall own and maintain their respective portions of the interconnection. The intertie piping and appurtenances are currently being designed and will be brought back for Board authorization for construction at a future date. This agreement will also provide the opportunity for a future long-term water purchase agreement between the two agencies.

FISCAL IMPACT:

There is no fiscal impact associated with this item. The interconnection is currently in design by RPU staff, and will be brought back for Board of Public Utilities authorization once the project is ready for construction.

Prepared by: Michael L. Plinski, Interim Utilities Assistant General Manager/Water
Approved by: Todd L. Jorgenson, Interim Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration

Attachments:

1. Agreement for the Sale of Emergency Potable Water – Cities of Norco and Riverside
2. Presentation