RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES **DATE:** MARCH 11, 2019

ITEM NO: 12

SUBJECT: CAPITAL EXPENDITURE NOT-TO-EXCEED $1,500,000 TO FUND UP TO 17 RECYCLED WATER CUSTOMER SITE CONVERSIONS

ISSUES:

Recommend that the City Council approve a capital expenditure not-to-exceed $1,500,000 to fund up to 17 recycled water customer site conversions.

RECOMMENDATION:

That the Board of Public Utilities recommend that the City Council approve a capital expenditure, not-to-exceed $1,500,000, to fund up to 17 recycled water customer site conversions.

BACKGROUND:

On April 24, 2017, the Board approved a Professional Consultant Services Agreement with Parsons Brinckerhoff, Inc. (Parsons) in the amount of $434,370 for project management, engineering design and construction management services for the Jackson Street Phase 1 and 2 Recycled Water Sites Retrofit Project.

On May 22, 2017, the Riverside Board of Public Utilities (Board) received an update of the City's Recycled Water Program that started over 25 years ago. The update included details of several items relating to the City of Riverside's Recycled Water Program, including the Jackson Street Recycled Water Pipeline Project, Phase I and the associated recycled water customer site conversions.

On June 12, 2017, the Board awarded a construction contract to Trautwein Construction, Inc. for the Jackson Street Recycled Water Pipeline Project, Phase I in the amount of $7,162,460. Construction of that project has since been completed, and it is available to provide recycled water service.

DISCUSSION:

The Jackson Street Recycled Water Pipeline Project, Phase I will deliver recycled water to 17 recycled water customers. Each of these customer sites require certain modifications to their existing on-site irrigation systems before they can receive recycled water. Parsons was selected to prepare the necessary documents for the site conversions.

The site conversions require approval of the State Water Resources Control Board Division of Drinking Water (DDW) and may involve installation of separate irrigation pipelines with reconfigured sprinkler heads to avoid runoff of recycled water onto the street or sidewalks, in compliance with Riverside Public Utilities'

(RPU) discharge permit. Sprinklers may also require relocation to avoid overspray onto public areas such as benches, tables, drinking fountains and playground equipment, in compliance with RPU's recycled water permit. Construction plans for each proposed on-site recycled water system along with a site report must be submitted to DDW for review and approval. Finally, each site conversion will undergo annual inspection and testing to ensure continued compliance.

The upfront work required to retrofit customer sites for recycled water is site-specific, unique in nature, and requires a great deal of effort. Therefore, a one-time utility funding of site conversions for existing customers with large landscape irrigation needs is being requested and is believed to be an effective way to incentivize customers to convert existing landscape irrigation from potable to recycled water, thereby freeing up potable water for other beneficial uses. City Council approval is required to fund the expenditure.

Staff has reached out to the recycled water customers identified in attachment 2, who are at different levels in the conversion process. Parsons has prepared conversion plans for six (6) sites to date. The site conversion projects will be advertised for construction bids on the City's bidding website and awarded in accordance with Purchasing Resolution No. 23256. The projects will be constructed in stages. According to preliminary engineering estimates, the cost to convert all 17 identified sites will be approximately $1,500,000.

Staff anticipates delivering approximately 12 acre-feet of recycled water to new customers in 2019 and approximately 430 acre-feet of recycled water to new customers in 2020. Staff has also begun discussions with the Western Municipal Water District (WMWD) for future deliveries of recycled water to WMWD per Board direction. Once an agreement is reached, staff will seek funding to extend the pipeline to WMWD's delivery point.

Although RPU does not typically work on water systems on the customer's side of the meter, in this situation it is practical because:

1. RPU staff will develop the expertise to manage and inspect onsite recycled water conversions;
2. It will incentivize our customers to take on the responsibilities of a recycled water system, which includes having an onsite expert and avoiding cross connections;
3. RPU anticipates cost recovery to occur within approximately five (5) years, once projects are completely built;
4. It matches our philosophy on water conservation programs; and
5. This is an expenditure equivalent to developing a new source to our water supply portfolio.

The use of recycled water offers many benefits including:

1. Helping support a sustainable Riverside;
2. Aligning with Riverside's One-Water-One-Riverside philosophy for adding value to our community by maintaining a reliable water supply, advancing our economy and keeping waterways healthy;
3. Supporting Riverside's commitment to the GreenRiverside initiative;
4. Decrease customer dependence on and use of potable water supplies; and
5. Aligning with Utility 2.0.

FISCAL IMPACT:

Sufficient funds are available in the Water Capital Construction & Improvements - Recycled Water Facilities Account No. 6230000-470811 in the amount of $1,250,000 and the Public Utilities Water Engineering Non-Personnel – Maintenance of Recycled Water Equipment Account No. 6210000-424811 in the amount of $250,000 for a combined total of $1,500,000.

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

1. Project Site Map
2. List of Potential Site Customers
3. Presentation