



Final Recommendation of WA-Hybrid Rate Proposal

Agricultural Water Rates
Task Force
Seth Wilson, Chair

Task Force Mission

“The mission of the Agricultural Water Rates Task Force is to develop WA-3 and WA-9 rate recommendations for the Board of Public Utilities and City Council consideration by July 1, 2019.

Mission accomplished April 25, 2019

Task Force Deliverables

1. Monthly updates to Board
2. Quarterly updates to Utility Services/Land Use/Energy Development Committee
3. Final rate recommendations to the Board of Public Utilities by June 3, 2019
4. Final rate recommendations to the City Council by July 1, 2019

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Task Force Goals

1. The Task Force shall endeavor to consider the fair and equitable distribution of water system costs for all Public Utilities water customers while promoting local agriculture and land use policies consistent with Proposition R, Measure C, California law and the GrowRIVERSIDE movement
2. The Task Force shall seek and hear input from the public and stakeholders
3. The Task Force shall endeavor to arrive at a consensus in completing its mission

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Task Force Meetings

1. April 26, 2018
2. May 24, 2018
3. June 28, 2018
4. July 26, 2018
5. August 23, 2018
6. September 27, 2018
7. October 25, 2018
8. November 14, 2018
9. December 13, 2018
10. January 31, 2019
11. February 21, 2019
12. March 28, 2019
13. April 25, 2019

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Task Force Process

1. First 5 months - background information
2. (4) member proposals presented
3. (1) citizen proposal offered
4. Narrowed down to WA-Hybrid for refinements in February
5. Final proposal with recommendations on April 25, 2019

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Task Force Recommendation Areas

1. Terms and Conditions
2. Billing determinants
3. Rates
4. Special Conditions

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Terms & Conditions

Qualifying Criteria:

1. Within the RPU Service Area (subject to outside city surcharge)
2. "Permitted use" activities under City Zoning codes
3. Minimum ½ acre or larger parcel size
4. (75) edible fruit/nut trees or edible fruit bearing vines;
5. OR ½ acre of row crops, nursery stock, pasture
6. Vacant properties can qualify

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Billing Determinants

1. Customized "Hybrid" Water Allocations
 - a. Based upon the amount of water necessary to support site specific agricultural activities
2. Fixed Irrigated Areas for fruit trees (400 sq ft/tree) and vines (100 sq ft/vine)
3. Measured areas for row crops, nurseries, pasture

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Billing Determinants

4. Proposed crop factors and the evapotranspiration approach and methodology to be considered for Section 4 of the DEFINITIONS was presented to the Task Force
5. Task Force recommended to have RPU staff develop the method for water use allocation subject to an independent review and validation of published crop factors along with a review of historical usage patterns for horticulture

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Rates

1. Agricultural water allocation rate - \$1.16/CCF
 - a. COSA referenced rate (WA-1A, Tier 1)
 - b. Receives Gage water preference
 - c. Respects City's Proposition R and Measure C mandates
2. Customer Charge is equal to WA-1A rate schedule
3. Quantity rate and Customer Charge both increase over next 4 years equal to WA-1A rate schedule

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Rates

4. Rate is attached to customer's underlying rate schedule

<ol style="list-style-type: none"> a. With Residence (WA-1A) <ol style="list-style-type: none"> i. First use – Allocated agricultural use ii. Next 9 ccf – Indoor Use (Tier 1) iii. Next 26 ccf – Eff Outdoor Use (Tier 2) iv. Additional use – High Water Use (Tier3) 	<ol style="list-style-type: none"> b. No Residence (WA-6) <ol style="list-style-type: none"> i. First use – Allocated agricultural use ii. Next use – WA-6
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Special Conditions

1. Follow irrigation BMPs
2. Comply with municipal codes
3. Existing WA-3/9's must meet new criteria
4. Customers req'd to notify City of changes
5. 5 year onsite inspection cycle
6. If not applicable, customer can appeal

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Special Conditions

7. Properties sold could remain on rate
8. Max meter size 2 inch
9. Customers can petition for reallocation every 2 years, RPU can reassess areas or allocations anytime
10. Second meter option available
11. Option for extreme weather adjustments
12. Out of compliance twice in 5 years → applicable rate

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Conclusions

1. Recommended rate proposal accomplishes Task Force mission
2. Achieves Task Force goals:
 - a. Fair and equitable
 - b. Promotes local agriculture and supports GrowRIVERSIDE
 - c. Respects Prop R and Measure C
 - d. Respects California Law
3. Task Force received good public participation and input
4. Task Force had good consensus on recommendations

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Task Force Recommendations

That the City Council:

1. Receive and file the WA-Hybrid rate proposal recommendation from the Agricultural Water Rates Task Force; and
2. Direct staff to obtain outside validation of crop factors for agricultural purposes, and, for horticultural purposes, a review of past water use practices in determining the water use allocations

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RPU Board Recommendations

1. Direct staff to estimate the fiscal impact of the WA-Hybrid rate proposal recommendation including the fiscal impacts of the one-year rate freeze approved by the City Council for customers on Water Rates WA-3 and WA-9;
2. Direct staff to also prepare a revised WA-Hybrid rate proposal recommendation with a tiered agricultural rate that establishes a true budget based rate, where indoor use is charged as the first tier of use (WA-1A tier one), the agricultural rate is the second tier of use, and the third and fourth tiers of use cover all use that exceeds the agricultural use (WA-1A tiers two and three); and
3. Direct staff to review whether an additional Council action is needed to extend the rate freeze for customers on Water Rates WA-3 and WA-9 pending adoption of a new rate for agricultural customers

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