

BOARD RESOLUTION NO. 2019-01

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF RIVERSIDE, CALIFORNIA, (1) ADOPTING AND ESTABLISHING THE PROPOSED WA-12 AGRICULTURAL SERVICE WATER RATE SCHEDULE, EFFECTIVE JANUARY 1, 2020; CLOSING THE EXISTING WA-9 GROVE PRESERVATION SERVICE WATER RATE SCHEDULE, EFFECTIVE OCTOBER 15, 2019; AND TRANSITIONING THE EXISTING WA-3 IRRIGATION METERED SERVICE AND WA-9 GROVE PRESERVATION SERVICE CUSTOMERS TO THE WA-12 AGRICULTURAL SERVICE WATER RATE SCHEDULE; AND (2) MAKING RELATED FINDINGS OF FACT

WHEREAS, the City of Riverside ("City") by and through its Public Utilities Department ("RPU") is obligated to (1) serve its electric and water customers safe, reliable and equitably priced water and electricity, (2) operate its Electric and Water Utilities in an efficient and economical manner, and (3) operate, maintain and preserve its Electric and Water Utilities in good repair and working order; and

WHEREAS, RPU is responsible for operating the Electric and Water Utilities in such a manner that revenues from the sale of electric and water shall at least equal the costs of operation, including all maintenance and operating, administrative and general, debt service, capital improvements, tax-related payments and other costs incurred in complying with prudent utility business practices; and

WHEREAS, on November 28, 2017, the City Council recommended the establishment of an Agricultural Water Rates Task Force ("Task Force"), appointed by the Board of Public Utilities (Board), to provide rate recommendations for the existing WA-3 Irrigation Metered Service and WA-9 Grove Preservation Service water rates. The City Council approved five-year water rate increases for all other customers, effective July 1, 2018. The City Council approved no increase to the rates for the WA-3 and the WA-9 customers, while the Task Force met to consider rate alternatives; and

WHEREAS, the Board appointed a Task Force of 16 community members and stakeholders, including current customers that are WA-3 and WA-9 water rate customers. The Task Force met for thirteen months and proposed an agricultural water rate; and

1 WHEREAS, the Task Force presented its final rate recommendation to the Board and the
2 City Council on May 21, 2019 and June 25, 2019, respectively. Both the Board and the City
3 Council unanimously received and filed the presentation by the Task Force and directed staff to
4 develop a financial impact analysis of the rate proposal and to use available existing published
5 data to establish the water allocation for the agricultural water rate proposal; and

6 WHEREAS, the Board also directed staff to estimate the fiscal impact of the rate freeze
7 for WA-3 and WA-9 customers, and to prepare a revised rate proposal that establishes a true
8 budget-based rate, where indoor use is charged as the first tier of use under the residential water
9 rates, the agricultural rate is the second tier of use, and the third and fourth tiers of use cover all
10 use that exceeds agricultural use. The City Council directed staff to present the final rate
11 proposal to the City Council for final adoption by October 1, 2019; to use existing University of
12 California Riverside data on crop factors; to allow several adjoining properties to amalgamate to
13 qualify for the agricultural water rate; and to create a Task Force to explore other ongoing
14 opportunities; and

15 WHEREAS, the WA-12 Agricultural water rate schedule is the proposed water rate
16 resulting from the efforts of the Task Force, as modified by staff to comply with Proposition 218.
17 This water rate schedule reflects all of the recommendations made by the Task Force, direction
18 from both City Council and Board, along with additional staff modifications to facilitate its
19 implementation; and

20 WHEREAS, the existing WA-3 Irrigation Metered Service and WA-9 Grove Preservation
21 Service water rate schedules apply to qualifying properties that meet the agricultural
22 requirements of each rate. Under the WA-3 and the WA-9 water rates, the customer's monthly
23 usage is applied to the rate, regardless if the water is used for agriculture or household and
24 ornamental landscape uses. The water utility does not collect all costs to serve these customers,
25 and subsidizes the shortfall with non-rate revenue; and

26 WHEREAS, the WA-12 water rate provides a reduced water rate only for agricultural
27 uses, and household and landscape uses are charged at a cost of service rate. This means that the
28 customers receives an appropriate amount of water based on the efficient irrigation of the

1 qualifying agricultural crops being grown. All other indoor domestic use, outdoor ornamental
2 landscape use (including pools), or inefficient irrigation is billed at the same rates as WA-1A
3 Single Family Residential Metered Service or WA-6 Commercial and Industrial Metered Service
4 customers. In summary, a water budget allocation will be developed for each customer to serve
5 the agricultural uses on the property; and

6 WHEREAS, because a WA-12 customer will not have separate meters for agricultural
7 uses and all other uses, RPU must estimate the amount of water used for agricultural use. The
8 customer provides, in the Application Form, a description of crops at the service address. Staff
9 will then estimate how much water is needed for those crops, and assign a Water Allocation; and

10 WHEREAS, the Water Allocation is calculated by using a formula that considers: (1)
11 Riverside's climate (ET_o), (2) the needs of various groupings of crops (K_c), (3) the planted area
12 of qualifying agriculture (IA), and (4) irrigation efficiency (IE); and

13 WHEREAS, customers who also receive water from the Gage Canal Company ("Gage")
14 as current Gage shareholders, or customers receiving water from Gage under WA-8 Water Rate
15 Schedule, shall have that amount of water reduced from the Water Allocation based on actual
16 Gage water received, so as to ensure a property does not receive a double allocation of
17 agricultural water (under WA-12 and from the Gage Canal Company); and

18 WHEREAS, as part of the Five Year Water Rate plan, RPU studied the existing 197
19 customers on WA-3 and WA-9, and estimated that the utility was undercollecting the costs to
20 service these customers by approximately \$684,000. Proposition 218 requires that only costs
21 necessary to provide service be included in water rates. To comply with Proposition 218, RPU
22 offset the undercollection with non-rate revenue. All other non-rate revenue was allocated to
23 other customer classes to reduce rate increases; and

24 WHEREAS, in addition, the Task Force proposal opened the rate to all properties within
25 the RPU service territory that are at least one-half acre. (The WA-3 rate is closed to new
26 customers and the WA-9 rate is restricted to the City's Greenbelt area except for qualifying
27 parcels over five acres with a meter that does not serve a residence.) Staff estimates that there
28 are approximately 12,800 half-acre parcels in the City's sphere of influence; and

1 WHEREAS, all WA-3 and WA-9 customers will transition to the WA-12 water rate
2 schedule, and under the WA-12 Water Allocation methodology, the undercollection will
3 decrease because water used for household needs and non-agricultural outdoor needs will be
4 billed at the appropriate rate; and

5 WHEREAS, under the proposed WA-12 Agricultural Service water rate schedule and as
6 requested by the Task Force, new agricultural customers may be added to the rate. However,
7 staff is unsure as to how many customers will apply and qualify for WA-12, meaning that the
8 undercollection of costs could grow beyond the \$684,000 that is currently offset by non-rate
9 revenue. Staff proposes that WA-12 be limited to \$684,000 of undercollection of costs. This
10 means that new customers with qualifying agriculture can qualify for WA-12 until the \$684,000
11 undercollection is reached. When the \$684,000 limit is reached, the General Manager will
12 immediately declare the rate closed to new customers, subject to approval of the Board and the
13 City Council. The rate will remain closed until such time as additional non-rate revenues are
14 established to subsidize the cost to provide WA-12 to new customers. The Board and City
15 Council may, by resolution, identify such additional non-rate revenues and increase the program
16 limit; and

17 WHEREAS, on August 26, 2019, staff presented the proposed the proposed WA-12
18 water rate schedule to the Board for discussion, but not approval, including data supporting the
19 proposed Water Allocation methodology, and the Board conceptually approved the proposed
20 WA-12 Agricultural Service water rate schedule, the closure of the WA-9 Grove Preservation
21 Service upon approval of WA-12 Agricultural Service water rate and the transition of the
22 existing WA-3 Irrigation Metered Service and WA-9 Grove Preservation Service Customers to
23 the WA-12 Agricultural Service water rate schedule upon the effective date of the WA-12
24 Agricultural Service water rate schedule; and directed staff to prepare all documents necessary
25 for public noticing of the proposed WA-12 Agricultural Service water rate schedule for a public
26 hearing on October 15, 2019 Board of Public Utilities meeting, followed by final rate
27 recommendations to the City Council; and
28

1 WHEREAS, Proposition 218 (Cal. Const., Art. XIII D, sec. 6) requires that the City
2 provide notice to ratepayers of any new or increased water charges as property-related fees, and a
3 mechanism for rejecting such fees through a “majority protest.” The City must then conduct a
4 public hearing at the date, time, and location specified in the notice, and the date cannot be less
5 than 45 days after the notices have been mailed. At the hearing, the City must consider all
6 protests against the new/increased charge. The City may adopt the new charges, unless it
7 receives written protests from a majority (50% plus 1) of the ratepayers. Upon conclusion of the
8 hearing, any written protests received must be tallied to determine whether a “majority protest”
9 has occurred. If a majority protest does not occur, the City can then proceed with imposition of
10 the new/increased fee or charge; and

11 WHEREAS, the City’s Board of Public Utilities (“Board”) is charged by Section 1202(e)
12 of the City Charter to establish the rates for the Water Utility, subject to the approval of the City
13 Council; and

14 WHEREAS, on August 30, 2019, the City mailed written notices to all record owners
15 directly liable to pay for such water services of the City’s intent to hold a public hearing on
16 October 15, 2019, at 2:00 p.m. at a joint meeting of the City of Riverside’s City Council and
17 Board of Public Utilities at Riverside County Administrative Center, 4080 Lemon Street, First
18 Floor Board Chambers, Riverside, to consider adopting and establishing the proposed WA-12
19 Agricultural Service water rate schedule, closing WA-9 Grove Preservation Service upon approval
20 of WA-12 Agricultural Service water rate schedule and transitioning existing WA-3 Irrigation
21 Metered Service and WA-9 Grove Preservation Service Customers to the WA-12 Agricultural
22 Service water rate schedule (the “Proposed Agricultural Water Rates”); and

23 WHEREAS, such mailed written notice generally provided the basis and reasons for the
24 Proposed Agricultural Water Rates; and

25 WHEREAS, the mailed written notice further provided that at the time of the public
26 hearing, the Board will hear and consider all written comments, protests and objections
27 concerning these matters and will consider and may adopt the specified rates; and
28

1 WHEREAS, on October 15, 2019, at 2:00 p.m., a joint public hearing, notice of which
2 was duly published in The Press-Enterprise on September 30, 2019 and October 7, 2019, was
3 commenced by the City Council and the Board on the Proposed Agricultural Water Rates to
4 receive and consider the staff report, cost analysis and oral and written comments, protests and/or
5 objections from the public to the Proposed Agricultural Water Rates, and after receipt and
6 consideration thereof the City Council and Board concluded the joint public hearing; and

7 WHEREAS, at the time of the public hearing, _____ written protests and/or
8 objections to the Proposed Agricultural Water Rates were received; and

9 WHEREAS, at the time of the public hearing, RPU had _____ water customers,
10 with the number comprising a majority of such customers being _____, and thus did not
11 receive a majority protest to the Proposed Agricultural Water Rates.

12 NOW, THEREFORE, BE IT RESOLVED by the Board of Public Utilities of the City of
13 Riverside, California, on the basis of the cost analyses and staff reports and the other evidence
14 submitted by RPU at the May 21, 2019 and August 26, 2019 Board meetings, the June 25, 2019
15 Council meeting and the October 15, 2019 Joint City Council/Board Meeting and as all
16 incorporated herein by reference, as follows:

17 Section 1: The foregoing recitals are true and correct and are adopted and
18 incorporated herein by reference as findings of fact of this Board.

19 Section 2: On the basis of the evidence referenced herein, the Board hereby finds and
20 determines that the projected revenue generated by the Proposed Agricultural Water Rates, set
21 forth in the Water Rate Schedules attached hereto as Exhibit A, and incorporated herein by this
22 reference, are for the purposes of (1) meeting operating expenses, including employee wage and
23 fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial
24 reserve needs and requirements, (4) obtaining funds for capital projects necessary to maintain
25 service within existing service areas, and (5) obtaining funds necessary to maintain those
26 intracity transfers which are authorized by the City Charter, and the increased rates are exempt
27 from the provisions of the California Environmental Quality Act (California Public Resources
28 Code sections 21000 et seq.) under Public Resources Code section 21080(b) (8).

Section 3: The Proposed Agricultural Water Rates are exempt from the voter approval requirements of Proposition 26, as adopted by voters on November 2, 2010, because the rates are imposed for a specific government service provided directly to the ratepayer that is not provided to those not charged and which does not exceed the reasonable costs to the local government of providing the service.

Section 4: That a majority of the record owners directly liable to pay such rates did not provide written objections or protests to the Proposed Agricultural Water Rates.

Section 5: The new and/or amended Water Utility Rate Schedules WA-3, WA-9 and WA-12, all attached hereto as Exhibit A are hereby adopted and established under and pursuant to Section 1202 (e) of the Charter of the City of Riverside, California, as approved by the City Council of the City of Riverside, California, effective October 15, 2019 (WA-3 and WA-9) and January 1, 2020 (WA-12).

ADOPTED by the Board of Public Utilities of the City of Riverside this ____ day of
October, 2019.

Jo Lynne Russo-Pereyra
Chair of the Board of Public Utilities,
City of Riverside, California

Attest:

Secretary of the Board of Public Utilities
City of Riverside, California

I, Todd Corbin, Secretary of the Board of Public Utilities of the City of Riverside,
California, hereby certify that the foregoing Resolution was duly and regularly introduced and

1 adopted by the Board of Public Utilities of said City at its meeting held on the ____ day of
2 October, 2019, to wit:

3 Ayes:

5 Noes:

7 Absent:

8 Abstain:

10 IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of October, 2019.

14 _____
15 Secretary to the Board of Public Utilities
16 City of Riverside, California

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26 09/26/2019 sw 18-0319.2

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EXHIBIT A

TO BOARD RESOLUTION

EFFECTIVE JANUARY 1, 2020 (WA-12) AND OCTOBER

15, 2019 (WA-3 AND WA-9)

EXHIBIT A

City of Riverside
Public Utilities Department

SCHEDULE WA-12 AGRICULTURAL SERVICE

APPLICABILITY:

Applicable only to agricultural users that meet the Qualifying Criteria and Special Conditions set forth in this schedule.

TERRITORY:

City of Riverside and contiguous area.

RATES:

Quantity Rates

With Residence (Winter)	Per 100 Cubic Feet Per Month - Effective July 1,			
100 cubic feet per month	2019	2020	2021	2022
Tier 1 (first 9 CCF)	\$1.19	\$1.22	\$1.26	\$1.30
AWA* (CCF allocation per customer)	\$1.19	\$1.22	\$1.26	\$1.30
Tier 2 (next 26 CCF above Tier 1+AWA)	\$1.50	\$1.54	\$1.58	\$1.64
Tier 3 (all CCF above Tier 1+AWA+Tier 2)	\$2.76	\$2.84	\$2.91	\$3.01

With Residence (Summer)	Per 100 Cubic Feet Per Month - Effective July 1,			
100 cubic feet per month	2019	2020	2021	2022
Tier 1 (first 9 CCF)	\$1.19	\$1.22	\$1.26	\$1.30
AWA* (CCF allocation per customer)	\$1.19	\$1.22	\$1.26	\$1.30
Tier 2 (next 26 CCF above Tier 1+AWA)	\$1.50	\$1.54	\$1.58	\$1.64
Tier 3 (all CCF above Tier 1+AWA+Tier 2)	\$3.37	\$3.46	\$3.55	\$3.66

Without Residence (Winter)	Per 100 Cubic Feet Per Month - Effective July 1,			
100 cubic feet per month	2019	2020	2021	2022
AWA* (CCF allocation per customer)	\$1.19	\$1.22	\$1.26	\$1.30
All CCF above AWA	\$1.58	\$1.58	\$1.58	\$1.58

Without Residence (Summer)	Per 100 Cubic Feet Per Month - Effective July 1,			
100 cubic feet per month	2019	2020	2021	2022
AWA* (CCF allocation per customer)	\$1.19	\$1.22	\$1.26	\$1.30
All CCF above AWA	\$1.84	\$1.84	\$1.84	\$1.84

*AWA = Agricultural Water Allocation in CCF per month, per Customer (see Definitions 1.a)

Customer Charge (Per WA-1A Schedule)

	Per Meter, Per Month - Effective July 1,			
Meter Size	2019	2020	2021	2022
5/8 and 3/4 inch	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	\$28.69	\$32.58	\$36.63	\$41.26
1-1/2 inch	\$55.00	\$62.45	\$70.22	\$79.08
2-inch	\$86.70	\$98.45	\$110.68	\$124.64

Surcharge Area Outside City

Charges shall be the amount computed at the quantity rates and the customer charge set forth in this schedule multiplied by 1.47.

Adopted by Board of Public Utilities:
Approved by City Council:
Effective Date:

Board Resolution No
Council Resolution No.

QUALIFYING CRITERIA:

1. To qualify for this rate, Applicants must meet **ALL** of the following criteria :
 - a. Service address is located within the service area of Riverside Public Utilities.
 - b. Applicant must submit a completed Agricultural Service Application Form and permit a physical, onsite inspection.
 - c. Service address is allowed to conduct agricultural activities as a permitted use under the City's Municipal code, including the City zoning codes, and General Plan land uses.
 - d. Service address property size must be at least one-half acre in size and customer is growing, cultivating, and maintaining:
 - i. minimum of 75 edible fruit or nut trees; or
 - ii. minimum 75 edible grape vines; or
 - iii. minimum of half acre in row crop produce, vine crops other than grape vines, nursery stock, or pasture with qualifying Livestock; ornamental turf shall not be considered pasture; or
 - iv. a combination of i, ii, and/or iii.
2. If the service addresses for multiple Customers are contiguous, collectively comprise one-half acre, each individual service address meets all of the Qualifying Criteria set forth in No. 1a, b, and c, above, and collectively meet all of the Qualifying Criteria 1.d above, then each service address can qualify to receive a proportionate share of the AWA as long as each service address has its own water service and the contiguous parcels are continually maintaining a minimum total of one-half acre of Qualifying Agriculture.
3. If service address is undeveloped and for sale, meets Qualifying Criteria 1.a, b and c above, and the prospective buyer provides proof that Criteria 1.d shall be met within six months of close of escrow on the property, the service address can qualify for this rate upon proof of close of escrow and when agricultural activities specified in 1.d.iv begin.

DEFINITIONS:

1. Agricultural Water Allocation (AWA)

- a. The total monthly agricultural water allocation volume in hundred cubic feet (CCF) as determined by the following formula based on the monthly average reference evapotranspiration rate (ET_o), particular crop factor(s) (K_c), the irrigated planted areas (IA) occupied by the respective crop(s), and an irrigation efficiency factor (IE). (Note: 36.3 converts ET_o into CCF)

$$AWA = ET_o \times K_c \times IA \times 36.3 \times (1/IE)$$

- b. If the customer's property has a residence and receives non-potable water deliveries from the Gage Canal Company (Company) via the WA-8 Greenbelt Irrigation Service rate, or by owning shares in the Company, the AWA will be reduced for planted areas being irrigated by Company water by up to 156 CCF/planted acre/month for those months the Company can provide delivery to the parcel. Such reduction shall be based upon actual deliveries of water, and the Utility shall verify that such water was delivered.

- c. The Monthly Allocation Calculator (Exhibit A) will be used to calculate the total AWA for the respective property and crop(s).

2. Irrigated Area Allocation (IA)

- a. The amount of planted area allocation assigned to a qualifying service address. IA will be determined by verifying the planted areas of Qualifying Agriculture in the Agricultural Service Application Form submitted by the Applicant. Planted area measurements will be verified by physical, onsite inspection.
- b. Individually planted trees or grape vines shall each initially receive an IA equal to 400 square feet and 100 square feet, respectively. The total cumulative area assigned to all individually planted trees or grape vines cannot exceed the planted area identified in the Agricultural Service Application Form. The Customer's IA will be the lesser of the planted area allocation or total cumulative area assigned to all individually planted trees or grape vines.
- c. Applicant may submit an amended Agricultural Service Application Form to increase the IA if new agricultural activity is added.
- d. The following areas will be excluded from the IA: buildings, roads, pathways, hardscapes, landscaping, ornamental turf, and fallow areas.

3. Crop Factors (K_c)

The value assigned to one of the four groups of Qualifying Agriculture listed below as derived and taken from the Irrigation Training & Research Center (ITRC) California Evapotranspiration Database for California Irrigation Management Information System (CIMIS) Zone 6, developed by California Polytechnic State University in San Luis Obispo, California. Additional information can be found at the City of Riverside Public Utilities website at <http://www.riversidepublicutilities.com/>.

- i. 0.45 for immature trees (for first 5 planted years).
- ii. 0.53 for grape vines and row crops.
- iii. 0.69 for citrus, avocado, edible fruit and nut trees, and nursery stock.
- iv. 0.89 for pasture with livestock.

4. Reference Evapotranspiration (ET_o)

The rolling 15 year monthly average ET_o value of required irrigation (in inches per month) as derived from CIMIS Station #44 data located at the University of California, Riverside. The 15 year rolling average will be updated annually. Visit <https://cimis.water.ca.gov> for more information on available monthly ET_o data from CIMIS Station #44. A table of this data is attached as Exhibit B and is also available on the RPU website.

5. Irrigation Efficiency (IE)

The ratio of the volume of water needed by the Qualifying Agriculture to grow and develop divided by the total volume of water delivered for the intended purpose of irrigating the Qualifying Agriculture. The Irrigation Efficiency ratio accounts for factors such as distribution uniformity, irrigation runoff, deep percolation, water management, and evaporation losses prior to water entering the soil. An Irrigation Efficiency value of 85% is applied to the AWA.

6. Qualifying Agriculture shall mean edible citrus, fruit or nut trees; grape vines; row crop produce; nursery stock; and pasture with Livestock
7. Livestock shall mean animals kept or raised for use other than pleasure.

SPECIAL CONDITIONS:

1. The Board of Public Utilities will publish a list of Best Water Management Practices for the customers on this rate to use as a guide and menu for efficient agricultural irrigation practices. These practices shall be reviewed and updated at least every 5 years.
2. Upon the effective date of this rate, all existing WA-3 and WA-9 customers will transition to this rate in accordance with the terms of this rate by submitting a completed Agricultural Service Application Form. Within fourteen days of the effective date of this rate schedule or receipt of the Agricultural Service Application Form from customer, the Utility will conduct a physical onsite inspection of the service address to verify that the correct AWA is being applied. If a WA-3 or WA-9 service address does not comply with the requirements of this rate schedule, Customer will have six months to bring their service address property into compliance or the Utility will assign an applicable rate to the Customer other than this rate schedule, effective as of January 1, 2020. If an existing WA-3 or WA-9 Customer refuses to allow a physical onsite inspection, the Utility will immediately assign an applicable rate to the Customer other than this rate schedule.
3. If Customer or an applicant fails to allow a physical, onsite inspection as required under this rate, the Utility will assign an applicable rate to the Customer other than this rate schedule.
4. Service under this rate schedule will require the installation of forced sprinkler irrigation systems or other suitable alternative. Furrow irrigation systems or other gravity fed irrigation system will not be allowed under this rate.
5. Each service address property receiving this rate shall be physically inspected every five years to ensure the service address property meets the Qualifying Criteria and that the assigned AWA is accurate. The Utility will provide at least a 48 hour advanced notice of such inspection. Upon inspection, AWA may be adjusted in accordance with this rate schedule. If a Customer is not in compliance with this rate schedule, the Utility shall assign an applicable rate to the Customer other than this rate schedule.
6. If Customer or applicant requests a meter size larger than two inch, RPU has the sole discretion to make a determination if the property can be allowed to receive this rate. Customer will be responsible for all costs and fees associated with such meter.
7. Customers may request an increase or decreases to their AWA once every two years. Such re-allocation will require an onsite, physical inspection of the service address property to verify types and amounts of Qualifying Agriculture as well as to verify area in agricultural use. RPU may reassess the planted areas on a customer property and/or adjust the AWA at any time.

8. Second Meter:

Customers may choose to have a second meter installed by the Utility for agricultural purpose in addition to a meter for non-agricultural service. Customer will be responsible for all costs and fees associated with such second meter, in accord with the Utility's Water rates and Rules. Customer will be responsible to pay all costs associated with any tailpipe work connecting the second meter to Customer's agricultural irrigation system. A backflow inspection will be conducted by City staff before Meter 2 can be activated and backflow device(s) may be required. If a backflow device is required, Customer will be responsible to provide the Utility with an annual backflow certification at Customer's cost. Meter 2 can only be used to irrigate QUALIFYING AGRICULTURE. RPU staff will conduct inspections and pressure testing (if needed) at least biennially to verify the Meter 2 irrigation system is independent and not cross-connected to the domestic system.

9. RPU reserves the right to make adjustments to the AWA due to extreme weather conditions. The amount of adjustment will be determined by the Utility General Manager and approved by the Board of Public Utilities.

10. For Customers found to be out of compliance more than one time within a 5 year period, the Utility shall assign an applicable rate to the Customer other than this rate schedule. Customer may re-apply for this rate two years after such assignment.

11. Program Limit:

The total demand for this Schedule shall collectively not exceed \$684,000 in under collection of costs to provide this rate. Once the Program Limit is reached, the General Manager will immediately declare the Schedule closed to new customers, subject to approval by the Board of Public Utilities and the City Council. The rate will remain closed until such time as additional non-rate revenues are established to subsidize the cost to provide this rate to new Customers. The City Council may, by resolution, identify such additional non-rate revenues and increase the Program Limit set forth herein. Such increase must be adopted by a resolution that is also approved by the Board of Public Utilities.

12. Water Conservation Surcharge

The rates and charges above are subject to a surcharge (Water Conservation Surcharge) as adopted via City Council Resolution No. 22675 on April 22, 2014 and such surcharge as in effect from time to time. The Water Conservation Surcharge will be applied to the Customer's total water usage charge including without limitation the quantity rates, customer and minimum charge for the applicable billing period.

13. Applicable Rate Schedule

a. Applicable Rate Schedule

For Customers applying for service at an existing service address, the Utility will assign a water rate schedule based on the characteristics of the service address. The Utility will presume that any water rate previously assigned to that service address is the appropriate schedule, unless the Customer requests a review for another applicable rate schedule, rate, or optional provision. In certain situations when a Customer does not qualify for a water rate previously assigned to that service address, the Utility will assign the applicable rate to the Customer. The Utility assumes no responsibility for advising the Customer of lower optional rates under existing schedules available as a result of the Customer's changes to the characteristics of the service address.

b. Change of Rate Schedule

A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies for the assigned rate schedule. The change will become effective for service rendered after the next regular meter reading following verification and approval by the Utility of such eligibility. Any change in rate schedules pursuant to this section shall be made prospectively only.

14. Water General Fund Transfer

The Water General Fund Transfer is a component of every customer's water bill, and is a transfer of up to 11.5% of revenues from the Water Fund to the City's General Fund. On June 4, 2013, the voters of the City of Riverside approved the Water General Fund Transfer as a general tax, pursuant to Article 13.C of the California Constitution.

ENERGY COST ADJUSTMENT FOR PUMPING WATER:

The Quantity Rates shall be subject to an energy cost adjustment relating to increases and decreases in the cost of electric power for pumping water. This energy cost adjustment shall apply to each one hundred cubic feet (CCF) of sales to which Quantity Rates apply. Determination of the adjustment factor shall be made at the beginning of each quarter, with the initial adjustment beginning February 1, 1983.

The energy cost adjustment shall be calculated by dividing the CCF of metered Water sold in each quarter into the total dollar amount of fuel cost adjustments plus any base rate increases imposed by power suppliers for pumping water during that quarter:

- A. Fuel cost adjustment charges by Southern California Edison Company.
 - B. Fuel cost surcharge charges by City of Riverside.
 - C. Base rate increase charges by Southern California Edison Company.*
 - D. Base rate increase charges by City of Riverside.*
- $$\frac{\$ (A+B+C+D)}{\text{CCF (Metered Sales)}} = \$.0000 \text{ per CCF}$$

The resultant shall be the energy cost adjustment factor for pumping water and shall be expressed in terms of cents per CCF carried out to the nearest \$0.0001. This factor shall be divided by 0.885 to allow for the 11.5% of gross revenue payable to the City General Fund. The resultant shall then become the energy cost adjustment to be multiplied by all CCF increments reported in billings to Customers. The resultant amount in each case, expressed to the nearest \$0.01, shall constitute the adjustment to be added to the Customer's bill.

*(Over base rates in effect February 1, 1983)

SCHEDULE WA-3

(This rate schedule was closed to new customers on May 31, 2003. On January 1, 2020, existing customers will be transitioned to WA-12 Agricultural Service.)

IRRIGATION METERED SERVICE

APPLICABILITY:

Applicable to commercial agriculture service on Premises of 3/4 acre or more. Premises must be used for:

1. Irrigated Groves of at least 75 trees, or
2. Commercial Farming, or
3. Commercial Use of Pasture, or

Premises in excess of 3/4 acre may be occupied by a residence. Residence may have nominal areas of ornamental shrubbery or lawns.

Also applicable to governmental-owned parks of 3/4 acre or more.

TERRITORY:

City of Riverside and contiguous area.

RATES:

A. Basic Area (Inside City)

1. With Residence

<u>Quantity Rates</u>		<u>Per 100 Cubic Feet</u>
<u>100 cubic feet per month</u>		
First 100		\$0.81
All Over 100		\$1.26

2. Without Residence

<u>Quantity Rate</u>	<u>Per 100 Cubic Feet</u>
All 100 cubic feet per month	\$1.26

<u>Minimum Charge</u>		<u>Minimum Monthly Charge</u>
All meter sizes through	3-inch	\$97.75
	4-inch	136.18
	6-inch	292.37
	8-inch	490.85

The Department shall specify meter size based on acreage need. The Minimum Charge will entitle the Customer to the quantity of water that the monthly minimum charge will purchase at the Quantity Rates rounded to the nearest billing unit.

B. Surcharge Area Outside City

Rates and Charges shall be the amount computed at the Quantity Rates and the Minimum Charge set forth in the Basic Area of this schedule multiplied by 1.5.

SPECIAL CONDITIONS

1. This rate schedule shall not apply to any additional Customers or additional Customers' Premises after May 31, 2003. This rate schedule shall continue to apply to WA-3 Customers and their Premises eligible for and receiving water service under WA-3 as of May 31, 2003 only so long as such Customers and their Premises continuously meet the criteria set out in the "Applicability" section above.

2. Greenbelt Definition. That area defined by Section 3(a) of Proposition R approved by the voters of Riverside in 1979.

3. Water Conservation Surcharge

The rates and charges above are subject to a surcharge (Water Conservation Surcharge) as adopted via City Council Resolution No. 22675 on April 22, 2014 and such surcharge as in effect from time to time. The Water Conservation Surcharge will be applied to the Customer's total water usage charge including without limitation the quantity rates, customer and minimum charge for the applicable billing period.

4. Applicable Rate Schedule

- a. Applicable Rate Schedule

For Customers applying for service at an existing service address, the Utility will assign a water rate schedule based on the characteristics of the service address. The Utility will presume that any water rate previously assigned to that service address is the appropriate schedule, unless the Customer requests a review for another applicable rate schedule, rate, or optional provision. In certain situations when a Customer does not qualify for a water rate previously assigned to that service address, the Utility will assign the applicable rate to the Customer. The Utility assumes no responsibility for advising the Customer of lower optional rates under existing schedules available as a result of the Customer's changes to the characteristics of the service address.

- b. Change of Rate Schedule

A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies for the assigned rate schedule. The change will become effective for service rendered after the next regular meter reading following verification and approval by the Utility of such eligibility. Any change in rate schedules pursuant to this section shall be made prospectively only.

5. Water General Fund Transfer

The Water General Fund Transfer is a component of every customer's water bill, and is a transfer of up to 11.5% of revenues from the Water Fund to the City's General Fund. On June 4, 2013, the voters of the City of Riverside approved the Water General Fund Transfer as a general tax, pursuant to Article 13.C of the California Constitution.

ENERGY COST ADJUSTMENT FOR PUMPING WATER:

The Quantity Rates shall be subject to an energy cost adjustment relating to increases and decreases in the cost of electric power for pumping water. This energy cost adjustment shall apply to each one hundred cubic feet (CCF) of sales to which Quantity Rates apply.

Determination of the adjustment factor shall be made at the beginning of each quarter, with the initial adjustment beginning February 1, 1983.

Schedule WA-3 Irrigation Metered Service

-3-

The energy cost adjustment shall be calculated by dividing the CCF of metered water sold in each quarter into the total dollar amount of fuel cost adjustments plus any base rate increases imposed by power suppliers for pumping water during that quarter.

- A. Fuel cost adjustment charges by Southern California Edison Company.
- B. Fuel cost surcharge charges by City of Riverside.
- C. Base rate increase charges by Southern California Edison Company.*
- D. Base rate increase charges by City of Riverside.*

$$\frac{\$ (A+B+C+D)}{\text{CCF (Metered Sales)}} = \$.0000 \text{ per CCF}$$

The resultant shall be the energy cost adjustment factor for pumping water and shall be expressed in terms of cents per CCF carried out to the nearest \$0.0001. This factor shall be divided by 0.885 to allow for the 11.5% of gross revenue payable to the City General Fund. The resultant shall then become the energy cost adjustment to be multiplied by all CCF increments reported in billings to Customers. The resultant amount in each case, expressed to the nearest \$0.01, shall constitute the adjustment to be added to the Customer's bill.

*(Over base rates in effect February 1, 1983)

SCHEDULE WA-9

(This rate schedule is closed to new customers upon City Council approval of WA-12 Agricultural Service. On January 1, 2020, existing customers will be transitioned to WA-12 Agricultural Service.)

GROVE PRESERVATION SERVICE

APPLICABILITY:

Applicable to Qualifying Groves with no more than a single-family residence and nominal ornamental landscaping on Premises. Also applicable to government-owned parks of 3/4 acre or more that includes a Qualifying Grove and wholesale nurseries in the Greenbelt on parcels of 20 acres or under that plant staggered rows of citrus along street frontage in accordance with the City directed standards adopted for Victoria Avenue on November 12, 2003. This rate is established in order to preserve and promote groves of fruit and nut trees that represent a significant part of Riverside's heritage.

As of December 1, 2009, this rate is closed to new customers outside the Greenbelt, as defined by Section 3.a of Measure R except for parcels that are over 5 acres with a meter that does not serve a residence and is planted by fruit or nut trees.

TERRITORY:

City of Riverside and contiguous area.

RATES:

A. Basic Area (Inside City)

1. With Residence and Nominal Ornamental Landscaping

<u>Customer Charge</u>	<u>Per Meter, Per Month</u>
5/8 and 3/4 –inch	\$7.35
1-inch	12.21
1-1/2-inch	24.45
2-inch	39.09
3-inch	73.29
4-inch	122.15
6-inch	244.33
8-inch	390.91

The Department shall specify meter size based on acreage need.

<u>Quantity Rates</u>	<u>Per 100 Cubic Feet</u>
<u>100 cubic feet per month</u>	
First 15	\$0.91
16-60	\$1.58
All Over 60	\$1.07

2. With Residence and more than Nominal Ornamental Landscaping

**Two Meters required – one for residence and landscape usage
– one for Qualifying Groves**

Residence and Landscape area

Quantity Rates and Customer Charges Applicable WA-1 rate

Qualifying Groves	
<u>Customer Charge</u>	<u>Per Meter, Per Month</u>
5/8 and 3/4-inch	\$7.35
1-inch	12.21
1-1/2-inch	24.45
2-inch	39.09
3-inch	73.29
4-inch	122.15
6-inch	244.33
8-inch	390.91

The Department shall specify meter size based on acreage need.

<u>Quantity Rates</u>	<u>Per 100 Cubic Feet</u>
All 100 cubic feet per month	\$1.07

3. Without Residence

<u>Customer Charge</u>	<u>Per Meter, Per Month</u>
5/8 and 3/4-inch	\$7.35
1-inch	12.21
1-1/2-inch	24.45
2-inch	39.09
3-inch	73.29
4-inch	122.15
6-inch	244.33
8-inch	390.91

The Department shall specify meter size based on acreage need.

<u>Quantity Rate</u>	<u>Per 100 cubic Feet</u>
All 100 cubic feet per month	\$1.07

B. Surcharge Area Outside City

Charges shall be the amount computes at the Quantity Rates and the Customer charge set forth in the Basic Area of this schedule multiplied by 1.47.

SPECIAL CONDITIONS

1. A Qualifying Grove inside the Greenbelt is defined as a cluster of at least 75 or more Qualifying Trees on 3/4 acre or more. A Qualifying Grove outside the Greenbelt is defined as a cluster of at least 75 or more Qualifying Trees on 5 acres or more with a meter that does not serve a residence and is planted by Qualifying Trees. Qualifying Trees intermingled with nominal ornamental landscaping shall be considered part of the nominal ornamental landscaping and shall not be counted in determining whether the required quantity of Qualifying Trees are present on the Premises.
2. Wholesale nurseries located within the Greenbelt may qualify for this rate if such nurseries plant at least two rows (three rows for nurseries located along Victoria Avenue) of non-dwarf citrus trees along the street frontage of their Premises sufficient to screen nursery from view. Such planting shall be done in accordance with any City adopted standards or designs for standard spacing and placement of individual trees and rows of trees. Customer shall be responsible for the long term maintenance of the citrus trees, including irrigation.
3. Qualifying Trees is defined as those trees bearing edible fruits or nuts listed on the Qualifying Trees List maintained in the offices of the Department. The Qualifying Trees List shall be established and modified from time to time by resolution of the Board of Public Utilities.

4. Nominal Ornamental Landscaping is defined as plants other than Qualifying Trees and hardscaping, covering in the aggregate not more than the greatest of 1/4 acre or 5% of total Premises acreage.
5. If staff determines that WA-9 is not applicable, the Customer may appeal the determination, following the requirements set out in Part A of the "General Provisions" section of the Water Rules and Rate Schedules.
6. Water Conservation Surcharge

The rates and charges above are subject to a surcharge (Water Conservation Surcharge) as adopted via City Council Resolution No. 22675 on April 22, 2014 and such surcharge as in effect from time to time. The Water Conservation Surcharge will be applied to the Customer's total water usage charge including without limitation the quantity rates, customer and minimum charge for the applicable billing period.

7. Applicable Rate Schedule

a. Applicable Rate Schedule

For Customers applying for service at an existing service address, the Utility will assign a water rate schedule based on the characteristics of the service address. The Utility will presume that any water rate previously assigned to that service address is the appropriate schedule, unless the Customer requests a review for another applicable rate schedule, rate, or optional provision. In certain situations when a Customer does not qualify for a water rate previously assigned to that service address, the Utility will assign the applicable rate to the Customer. The Utility assumes no responsibility for advising the Customer of lower optional rates under existing schedules available as a result of the Customer's changes to the characteristics of the service address.

b. Change of Rate Schedule

A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies for the assigned rate schedule. The change will become effective for service rendered after the next regular meter reading following verification and approval by the Utility of such eligibility. Any change in rate schedules pursuant to this section shall be made prospectively only.

8. Water General Fund Transfer

The Water General Fund Transfer is a component of every customer's water bill, and is a transfer of up to 11.5% of revenues from the Water Fund to the City's General Fund. On June 4, 2013, the voters of the City of Riverside approved the Water General Fund Transfer as a general tax, pursuant to Article 13.C of the California Constitution.

ENERGY COST ADJUSTMENT FOR PUMPING WATER:

The Quantity Rates shall be subject to an energy cost adjustment relating to increases and decreases in the cost of electric power for pumping water. This energy cost adjustment shall apply to each one hundred cubic feet (CCF) of sales to which Quantity Rates apply.

Determination of the adjustment factor shall be made at the beginning of each quarter, with the initial adjustment beginning February 1, 1983.

The energy cost adjustment shall be calculated by dividing the CCF of metered water sold in each quarter into the total dollar amount of fuel cost adjustments plus any base rate increases imposed by power suppliers for pumping water during that quarter:

Schedule WA-9 Grove Preservation Service

-4-

- A. Fuel cost adjustment charges by Southern California Edison Company.
- B. Fuel cost surcharge charges by City of Riverside.
- C. Base rate increase charges by Southern California Edison Company.*
- D. Base rate increase charges by City of Riverside.*

$$\frac{\$ (A+B+C+D)}{\text{CCF (Metered Sales)}} = \$.0000 \text{ per CCF}$$

The resultant shall be the energy cost adjustment factor for pumping water and shall be expressed in terms of cents per CCF carried out to the nearest \$0.0001. This factor shall be divided by 0.885 to allow for the 11.5% of gross revenue payable to the City General Fund. The resultant shall then become the energy cost adjustment to be multiplied by all CCF increments reported in billings to Customers. The resultant amount in each case, expressed to the nearest \$0.01, shall constitute the adjustment to be added to the Customer's bill.

*(Over base rates in effect February 1, 1983)