



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 22, 2019

FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL

SUBJECT: CITY POLICY AND PROGRAM SUPPORT OF PROPOSITION R AND MEASURE C

ISSUE:

Receive, file and provide direction on a presentation of information regarding City policies related to implementation of Proposition R and Measure C.

RECOMMENDATION:

That the City Council receive, file and provide input on a presentation of information regarding City policies related to implementation of Proposition R and Measure C. Councilmembers Conder and Adams request the placement of this item on the October 22, 2019 agenda in accordance with Section 4.05.050 (D)(2) of the Riverside Municipal Code and propose an examination of policies and questions raised by them in this report as a result of the adoption of the WA-12 Agricultural Service Water Rate by the City Council and Board of Public Utilities on October 15, 2019 [e.g., Item 4b in the Discussion section Proposed WA-12 Agricultural Service Water Rate (2019), etc.] .

BACKGROUND:

During the September 24, 2019 City Council meeting, Councilmember Conder requested staff to evaluate and provide information on how City policies support, or can further support, the voter approved initiatives of Proposition R and Measure C.

Proposition R (1979)

Proposition R's primary purpose is to preserve citrus and agricultural lands in the Arlington Heights Greenbelt area along with setting a minimum lot size of five (5) acres to help reduce urban sprawl.

Measure C (1987)

Measure C's primary purpose is to reinforce the elements of Proposition R by preserving, protecting, and promoting citrus and agriculture; by reducing urban sprawl; and by improving quality of life in the City. Through Measure C, voters approved adding three policies to Proposition R to promote agriculture, titled as follows:

1. Policy to Promote and Encourage Agriculture,
2. Allocation of Funding for Replanting, and
3. Additional Agricultural and Open Space Policies.

These voter-approved policies were meant to set policy that reinforced the importance of agriculture in the community. Some of the policy directives included “to promote and encourage agriculture as an essential industry”, “to retain agricultural lands in private ownership”, “to encourage and assist the maintenance and formation of family farms, especially for farmers who live on their lands”, and to “insure that the Gage Canal water is reserved for agricultural use as the highest priority”. Measure C, Section 8 – Implementation, states, “This measure shall be implemented forthwith as a matter of the highest priority to the City”.

However, neither Prop R nor Measure C identifies the delivery system method or the cost methodology on which to base services and charges to RPU customers.

DISCUSSION:

Below are City policies and actions supporting the requirements of Proposition R and Measure C:

Judgment in Eminent Domain and Final Order of Condemnation (1965)

In 1965, the City acquired all assets of the Gage Canal Company for the City to use for the “greatest public good” and “necessary public use” of the City’s water customers. Under the terms of the City’s settlement with the Gage Canal Company, the City paid the Gage Canal Company the sum of \$547,276 and agreed to allow the Gage Canal Company to continue to deliver irrigation water to Gage Canal Company shareholders through the Gage Canal. Under the settlement agreement, which the court required at least 60% of the Gage Canal Company shareholders to approve, Gage agreed to issue no more shares. This action protected and maintained the agricultural water service to Gage shareholders, which was the historical beginning of the citrus industry in Riverside. The Gage Canal Company operating agreement established in 1965 remains active today. The Gage Canal Company has not issued any new shares and the City currently owns 61% of the Gage Canal Company shares. Since 1965, the City has not sold any of its Gage Canal Company shares. The City’s agreement with the Gage Canal Company does not require the City to deliver pressurized water to the Gage Canal Company shareholders and does not require shareholders to pressurize the water delivered.

WA-3 Irrigation Metered Service Water Rate (1976 – 2003)

Adopted three years before Proposition R was enacted, the WA-3 rate was intended to support agriculture in the City. This water rate provided pressurized, potable water for agricultural irrigation at a reduced cost. It did not have very stringent qualifying criteria, nor did it require ongoing audits to ensure customers were maintaining the required agriculture. WA-3 was closed to new customers in 2003. In 2004, the City Council rejected the proposed transition of existing WA-3 customers to WA-9 Grove Preservation Service rate.

Gage Water Exchange Agreement (1991)

This agreement was entered into between the City and Gage as a result of drought conditions. It provides an additional 25% of non-potable supply into the Gage Canal for agricultural purposes as well as supplements the City’s potable water supply.

Greenbelt Flowage Agreement and WA-8 Water Rate (1993)

This agreement was entered into between the City and Gage as the result of requests for non-potable agricultural irrigation water from the Gage Canal to properties that no longer held shares. The WA-8 Greenbelt Irrigation Service water rate was adopted as a result of this agreement. The WA-8 rate allowed properties capable of receiving non-potable water from the canal and engaged

in agriculture to receive water at the same cost of water paid by Gage Canal Company shareholders plus an additional assessment charge. The WA-8 water rate is still available today to customers who are able to receive non-potable water from the Gage Canal. Water delivered on this rate cannot be served or applied to the land through furrow irrigation methods.

WA-9 Grove Preservation Service Water Rate (2003 – current)

Adopted in 2003 as a result of the closure of the WA-3 water rate, WA-9 was intended to continue the support of agriculture in the City but with more specific qualifying criteria, and primary applicability to groves within the Greenbelt. This water rate provides pressurized, potable water for agricultural irrigation at a reduced cost. WA-9 did not have an auditing function built into it similar to WA-3. In 2009, this rate was closed to new customers outside the Greenbelt unless the properties were larger than five acres and had a meter that does not serve a residence.

GrowRIVERSIDE Initiative (2013)

The first “Greenbelt Committee” met in 2013, which ultimately led to the first GrowRIVERSIDE conference in 2014. The purpose of GrowRIVERSIDE was to expand awareness of the need for locally sourced food, conservation of local farmland and resources, and protection of the City’s rich agricultural heritage. It is an effort to develop a Food Policy Action Plan by partnering with other local groups to enhance and strengthen the economy while providing positive impacts on health and the environment. The sixth annual GrowRIVERSIDE conference was extremely successful and just completed in the first week of October 2019.

The Agricultural Water Rates Task Force (2018 – 2019)

In November 2017, during joint City Council/Board of Public Utilities meeting to considered and conceptually approve rate increases for all electric and water customers, the City Council declined to conceptually approve the proposed increases to the WA-3 and WA-9 agricultural water rate classes, froze those rates at their current levels, and asked that an ad-hoc Agricultural Water Rates Task Force (Task Force) be formed to help develop a rate recommendations for those rates. This Task Force was composed of stakeholders from each Council Ward and was appointed by the Board of Public Utilities (Board) in March of 2018. The Task Force began the first of 13 monthly meetings in April of 2018 and completed their final meeting in April of 2019.

The Task Force proposal suggested that the existing WA-3 and WA-9 customers would transition to the new rate based on specific qualifying criteria, while being allocated a specific amount of agricultural water at the RPU’s lowest tiered water rate and at a reduced cost. The Task Force presented their final rate proposal recommendation to Board and City Council in May and June of 2019, respectively.

Proposed WA-12 Agricultural Service Water Rate (2019)

The final Task Force rate proposal, now called the WA-12 Agricultural Water Service, was slightly modified by staff to comply with Proposition 218 and to facilitate its implementation. This water rate provides pressurized, potable water for agricultural irrigation at a reduced cost equivalent to the cost of delivering water from groundwater sources obtained from the Gage Canal Water Company. This is the utilities lowest cost for sourced potable water. Staff presented the proposed WA-12 rate to the Board on August 26, 2019 and obtained their conceptual approval and direction to proceed with the required noticing for public hearing. The WA-12 water rate is based on established scientific principles, provides very clear qualifying criteria, has a well-defined allocation methodology, provides for specific audit timeframes, charges all usage above the agricultural water allocation at the applicable rates, and requires a customer to complete an application form with pertinent crop information. WA-12 is available throughout the entire water service area to qualifying properties to encourage, promote, and support agriculture in alignment

with Proposition R and Measure C. The City Council and Board of Public Utilities approved the WA-12 Agricultural Service Water Rate at a public hearing meeting on October 15, 2019. The rate becomes effective on January 1, 2020.

The following are concepts that could be considered by City Council and the Board of Public Utilities to guide future analysis and policy development for the ongoing support of Proposition R and Measure C:

1. WA-12 Agricultural Service
 - a. Create a separate crop group for avocado trees, with respective crop factors.
 - b. Consider future alternatives to the fixed monthly crop factors.
2. WA-8 Greenbelt Irrigation Service
 - a. Reduce the transportation charge and/or remove pressurization requirement.
 - b. Identify funding to provide financial assistance for required improvements.
3. Water Rule 16
 - a. Modify to allow for new irrigation contracts resulting in production scale agriculture.
4. Gage Canal
 - a. Strategic expansion of non-potable distribution system to allow opportunities for new irrigation contracts that support production scale agriculture.
 - b. Consider developing a process that enables property owners within the Gage Canal Water Company service territory to repurchase from the City shares of the Gage Canal Company based on the following criteria.
 - i. Property must be at least one acre in size
 - ii. Water must be used for agriculture
 - iii. Property owners can demonstrate that the shares were originally transferred to the City in error, negligence of the previous owner or part of a sale of property that was subdivided leaving new parcels without its proportional shares..
5. Develop Synergistic Agricultural Partnerships
 - a. Form Agricultural Task Force for ongoing agricultural community input/discussion.
 - b. Enhance communication between Utility and the City's GrowRIVERSIDE initiative.
 - c. Enhance communication between Utility and Gage regarding infrastructure.
 - d. Develop an Agricultural Business Development unit to explore business and economic development opportunities and support existing agricultural activities.

Setting a Policy Framework for Success of Prop R and Measure C

Once a clear path is set and a group of supporting policies are put in place, the continued support for agriculture in the City will be simpler to achieve. A clear policy framework is very valuable tool at a time when a number of new Councilmembers will be starting on the City Council. It also sets a clear directive for staff to execute a plan for carrying out the requirements of Proposition R and Measure C.

Proposition 218 and Prop R and Measure C

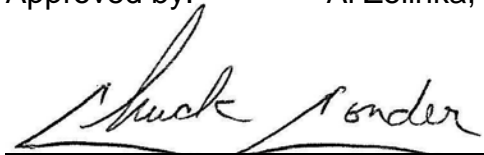
Proposition 218, which was adopted by voters as an amendment to the California Constitution in 1996, generally requires that only costs necessary to provide water service be included in water rates. In order to fund initiatives to promote agriculture with ratepayer funds, the City would need to determine if the cost of such initiatives is related to the provision of water service. There are

several alternative funding sources to support initiatives to promote agriculture: (1) general fund revenues or non-ratepayer revenues generated by utility assets; (2) a ballot measure asking voters to approve a tax to support agriculture; or (3) solicitation of private funds or grants. Neither Prop R nor Measure C require that the City use ratepayer funds to support agriculture, as Prop 218 has preempted those two measures regarding use of ratepayer funds.

FISCAL IMPACT:

There is no fiscal impact for this presentation.

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved as to form: Gary G. Geuss, City Attorney
Approved by: Al Zelinka, FAICP, City Manager



Chuck Conder
Councilmember Ward 4



Steven K. Adams
Councilmember Ward 7

Attachments:

1. Proposition R
2. Measure C
3. Water Rule 16
4. Proposed WA-12 Water Rate Schedule, "Agricultural Service"
5. Presentation

Proposition R

TAXPAYERS' INITIATIVE ORDINANCE TO REDUCE COSTLY URBAN SPRAWL BY PRESERVING RIVERSIDE'S CITRUS AND AGRICULTURAL LANDS, ITS UNIQUE HILLS, ARROYOS, AND VICTORIA AVENUE

THE PEOPLE OF THE CITY OF RIVERSIDE, STATE OF CALIFORNIA, DO ORDAIN AS FOLLOWS:

Section 1. The people of the City of Riverside find that the City's present general plan and growth policies permit disorderly development and have caused conditions harmful to the public health, safety and general welfare. The City's plans and policies reduce the availability of public funds to maintain essential public services for present and future City residents. Tax dollars are being diverted to extend costly new services to outlying subdivisions. Overcrowding of schools, reduced police and fire protection, flood hazards, insufficient sewage treatment capacity, heavy traffic, air pollution, energy waste, deterioration of older neighborhoods, and increased utility and service fees are the result.

These plans and policies also destroy the city's remaining citrus groves, agricultural land, natural resources, and historic Victoria Avenue. Our hills, ridgelines, arroyos, and watersheds are being bulldozed. All these are priceless and irreplaceable civic amenities which enhance the quality of life and which we wish to preserve for ourselves and future generations.

Section 2. The people hereby declare that the foregoing conditions can be avoided or alleviated by the adoption and implementation of this Ordinance.

Section 3. Except as stated herein, the Residential Agricultural (RA) Zone, as set forth in the Riverside Municipal Code on May 15, 1979, is hereby applied to:

- a. all property lying in the Riverside Arlington Heights Greenbelt within the area enclosed by a line beginning on the centerline of Washington Street 712 feet northwesterly of its intersection with the centerline of Victoria Avenue, then proceeding southwesterly parallel to and 712 feet northwesterly of the centerline of Victoria Avenue to the centerline of Harrison Street, along the centerline of Harrison Street northwesterly to the southeasterly property line of the Riverside Canal, along the property line of the Riverside Canal southwesterly to the City Limits, along the City Limits in a generally easterly direction to the centerline of Washington Street, then northerly along the centerline of Washington Street to the point of beginning.
- b. all property zoned Residential Agricultural on May 15, 1979, lying in the Arlanza-La Sierra area of Riverside within the area enclosed by a line beginning on the centerline of Tyler Street at its intersection with the centerline of Arlington Avenue, then proceeding northerly along the centerline of Tyler Street to its connection with the

northwesterly line of the old Ohio Avenue (vacated) right-of-way, then proceeding northeasterly along the northwesterly line of the old Ohio Avenue (vacated) right-of-way to the City Limits, then westerly and southerly along the City Limits to the centerline of Arlington Avenue, then easterly along the centerline of Arlington Avenue to the point of beginning.

The text of the RZ Zone as of May 15, 1979, shall be the zone text to be applied to the property described herein, except that one single family dwelling shall be permitted per lot and the minimum area of each such lot shall be five acres. The uses permitted in the RA Zone as of May 15, 1979, shall be the uses allowable, except that those uses defined in Paragraphs 6 and 12 of Section 19.08.020 of the Municipal Code shall not be allowed unless mandated by State Law.

Residential subdivisions which have been issued building permits as of the date this Ordinance is enacted shall be exempt from the requirements of this Section provided that substantial investment toward actual construction has been made under the permit within one-hundred twenty days of the issuance of the building permit.

Individuals may construct one single family dwelling on a lot of less than five acres existing as of May 15, 1979, in the RA Zone created herein if such individuals occupy the residence after construction. To aid in the implementation of this Section, the City shall adopt a policy that will continue to make water and electricity available for agricultural use.

Section 4. The Residential Conservation (RC) Zone as described in the Riverside Municipal Code on May 15, 1979, is hereby applied to all property having an average natural slope of 15 percent or more, except that all lots having an average natural slope of 15 to 30 percent shall be limited to one single family dwelling per two acres. Lots having an average natural slope of greater than 30 percent shall be limited to one single family dwelling per five acres. Further, the uses permitted in the RA Zone as of May 15, 1979, shall be the uses allowable in the RC Zone, except that those uses defined in Paragraphs 6 and 12 of Section 19.08.020 of the Municipal Code shall not be permitted unless mandated by State law.

Residential subdivisions which have been issued building permits as of the date this Ordinance is enacted shall be exempt from the requirements of this Section provided that substantial investment toward actual construction has been made under the permit within one-hundred twenty days from the issuance of the building permit.

Individuals may construct one single family dwelling on a lot existing as of May 15, 1979, in the RC Zone created herein of less than the minimum lot size required by this Section if such individuals occupy the residence after construction.

This Section shall not apply to land zoned RC prior to May 15, 1979.

Notwithstanding any provision of this Section to the contrary, if property otherwise subject to this Section is also subject to the RA Zoning pursuant to Section 3 of this initiative, then the provisions of Section 3 shall prevail.

Section 5. This Ordinance does not apply to the restoration or rehabilitation of, or to any additions to, residential dwellings existing prior to, or under construction on, the date of enactment of this Ordinance or to dwellings later constructed in accordance with this Ordinance.

Section 6. The City's General Plan shall be amended in the manner required by law to conform with these provisions. To the extent that any policy or provision of this Ordinance is not self-executing, the City Council shall promptly enact such regulations and ordinances as may be necessary to carry out the directives and intent hereof.

Section 7. These provisions are minimum requirements for the promotion of the public health, safety and general welfare. This Ordinance may be amended by a two-thirds affirmative vote of the City Council only to further its purposes. This Ordinance may be amended or repealed by a vote of the people.

Section 8. If any portion of this Ordinance is held invalid, the remaining portions shall survive intact, because it is expressly declared that this Ordinance would have been prepared, submitted and approved irrespective of the fact that any section or portion thereof might be held invalid.

Measure C

CITIZENS' RIGHTS INITIATIVE TO REDUCE COSTLY URBAN SPRAWL, TO REDUCE TRAFFIC CONGESTION, TO MINIMIZE UTILITY RATE INCREASES, AND TO FACILITATE PRESERVATION OF RIVERSIDE'S CITRUS AND AGRICULTURAL LANDS, ITS SCENIC HILLS, RIDGELINES, ARROYOS AND WILDLIFE AREAS.

Section 1. Statement of Purposes and Intent.

The purposes and intent of this measure are to:

- ! Guarantee the right of Riverside's citizens to determine Riverside's future growth and quality of life.
- ! Reduce costly urban sprawl and minimize future tax and utility rate increases.
- ! Preserve, protect and promote citrus and agriculture uses.
- ! Reduce traffic congestion resulting from rapid growth.
- ! Limit housing densities in the Greenbelt, in La Sierra Lands, and in the Sycamore Canyon Park area.
- ! Preserve and protect open space lands.
- ! Preserve the vitality of older neighborhoods.

Section 2. Findings.

- a. Riverside's quality of life is deteriorating because it is located in one of the fastest growing areas in the State. Rapid growth is causing:
 - 1. Traffic congestion;
 - 2. Loss of agricultural and open space lands;
 - 3. Higher taxes and utility rates to subsidize growth;
 - 4. Increased air, water, and noise pollution;
 - 5. Crowding, congestion and increased crime; and
 - 6. Inadequacy of services and facilities.
- b. City government has failed to implement the minimum requirements of Riverside's 1979 initiative, Proposition R.
- c. The City's residential and small business electric rates and per capita debt are among the highest in the State.
- d. The cost of developing agricultural lands for urban uses is more expensive to the taxpayer and utility rate payer than preserving them for agriculture.
- e. Unplanned expansion of the City boundaries by annexation can have high costs and significant negative impacts on the City's quality of life, yet the City has no comprehensive plan for such annexations and expansions.
- f. Sufficient vacant and developable land exists within the current City boundaries to meet projected housing needs, including housing for low and moderate income families, and still preserving agricultural and open space lands.
- g. The public health, safety, and general welfare will be promoted by the adoption of this measure.

Section 3. Definitions.

For purposes of this measure, the following words and phrases shall have the following meanings:

- a. "Effective date" shall mean the date on which this initiative measure was adopted by the City Council of the City of Riverside or the date on which it was passed by the voters at the polls, whichever occurs first.
- b. "Proposition R" shall mean the citizens initiative labeled "Measure R" adopted by the voters of the City of Riverside in 1979 attached hereto.
- c. "Agricultural land(s)," "Agriculture," "Agricultural use" shall mean all lands designated for agricultural use in the City's General Plan and/or zoning ordinance as of June 1, 1987 and all parcels of land greater than ten acres in size in active agricultural production as of the effective date of this measure or within one year prior thereto.
- d. "Greenbelt" shall mean that area defined by Section 3(a) of Proposition R.
- e. "La Sierra Lands" shall mean that area defined by Section 3(b) of Proposition R.
- f. "Sphere of Influence" means the Sphere of Influence for the City of Riverside as adopted and amended from time to time by the Local Agency Formation Commission (LAFCO).

Section 4. Amendment to Proposition R to Correct City Abuse of Proposition R.

It is the purpose of the following amendments to Proposition R, in addition to the purposes stated in Section 1, to assist the City in carrying out its planning and zoning programs so as to limit the City's future growth, to preserve Riverside's quality of life and to ensure the City's ability to provide adequate traffic circulation, police, fire, and other services while minimizing utility rate increases. The full text of Proposition R is attached hereto and incorporated herein by this reference. Section 7 of Proposition R is hereby amended to read as follows (overstrike indicates proposed deletion):

Section 7. "These provisions are minimum requirements for the promotion of the public health safety and general welfare. This Ordinance may be amended by a two-thirds affirmative vote of the City Council only to further its purposes or repealed only by a vote of the people".

Section 5. Additions to Proposition R to Promote Agriculture.

Subparagraph 3(c) is hereby added to Proposition R to read as follows:

- "a. *Policy to Promote and Encourage Agriculture.* It is hereby declared to be the policy of the City of Riverside to promote and encourage agriculture as an essential industry and a desirable open space use. The Greenbelt and La Sierra Lands are important agricultural lands because of their high soil quality, favorable climate, and low water costs. It is further declared to be the policy of the City to retain, wherever feasible, agricultural lands in private ownership and to encourage and assist the maintenance and formation of family farms, especially for farmers who live on their land. The City shall forthwith adopt such policies, ordinances, and resolutions as may be necessary to implement these policies.

- b. Allocation of Funds for Replanting* The City shall allocate funds under its annual budget for at least the next five (5) years to establish programs for one time, low cost loans for the replanting of dying groves and/or vacant agricultural land and/or for the protection of agricultural land from theft, vandalism and dumping.
- c. Additional Agricultural/ and Open Space Policies.* To further promote and preserve agricultural uses and agricultural lands in the City of Riverside, the City shall forthwith take any and all appropriate actions to carry out this measure, including but not limited to the following:
1. Insure that the Gage Canal water is reserved for agricultural use as the highest priority;
 2. Protect Greenbelt streets from heavy traffic;
 3. Minimize the extension of City services and urban infrastructure into agricultural land areas, except as needed for agricultural purposes;
 4. Develop and implement public service and infrastructure standards compatible with and appropriate for agricultural lands;
 5. Plan and implement programs wherever feasible in the Greenbelt, in the La Sierra Lands, in the Sycamore Canyon Park area and in other appropriate areas for recreational opportunities for biking, equestrian and hiking uses consistent with farming needs, agricultural uses and wildlife protection;
 6. Prepare, or cause to be prepared, approve and adopt a Specific Plan pursuant to Government Code Section 65450 et seq. for the La Sierra Lands area of the City which meets, at minimum, all of the following criteria:
 - a. New housing units shall be clustered to protect the river bottom wildlife refuge, the agricultural land along the river bluffs and the open space character of the area;
 - b. The total number of housing units permitted shall be no more than as permitted under the existing zoning, but requiring that the housing areas be developed consistent with the standards and criteria of the RC "Residential Conservation" Zone;
 - c. The wildlife refuge, agricultural land and open space character of the river area shall all be preserved;
 - d. Any future roads and/or utility service shall be located so as to protect the wildlife refuge, agricultural land, and open space character of the area;
 - e. Public trail access along the river corridor compatible with protection of the wildlife refuge shall be maintained and provided for hiking, bicycling and equestrian uses".

Section 6. Protection of Sycamore Canyon Park.

To protect the Sycamore Canyon Park area as an important wildlife habitat area and open space area, the City shall limit any future increases in housing unit density granted to developers in or near the Park in exchange for land donations to the Park to the percentage set forth in the Sycamore Canyon Park Specific Plan (fifteen percent).

Section 7. Planning to Minimize Adverse Impacts to the City's Sphere of Influence Area.

The City shall forthwith initiate a planning process leading to the development and adoption of a Plan for the ultimate development of the City's Sphere of Influence area. Until such Plan is adopted by the City, the City shall not, unless compelled by law to do so, initiate nor approve any annexations to the City. Upon adoption of the Plan required by this Section, the City may initiate and/or approve annexations consistent with the Plan.

The City's Plan for the Sphere of Influence area shall meet at minimum all of the following criteria:

- a. The plan shall extend, at minimum, the provisions of Proposition R and of this measure to the Sphere of Influence area;
- b. The plan shall identify and make provision to protect sensitive wildlife open space and agricultural lands, including but not limited to, lands adjacent to Lake Mathews;
- c. The process leading to adoption of the Plan and its implementation shall include residents of the Sphere of Influence area and shall include notice and public hearing; and
- d. The Plan shall require that upon annexation new development in the Sphere of Influence area shall pay all costs of providing public services and urban infrastructure to such development.

Section 8. Implementation.

The City Council and all City agencies, boards, and commissions are hereby directed to take any and all actions necessary to carry out this initiative measure, including but not limited to, adoption and implementation of any amendments to the City General Plan, Zoning Ordinance, and/or City Code. This measure shall be implemented forthwith as a matter of the highest priority to the City.

Section 9. Guidelines.

The City Council may adopt guidelines to implement and interpret this initiative measure following public notice and public hearing provided that any such guidelines shall be consistent with the provisions and intent of this measure. Any such guidelines must be adopted by two-thirds vote of the City Council.

Section 10. Exemptions for Certain Projects.

This measure shall apply to all properties and projects covered by its terms except it shall not apply to any development project which has obtained a vested right as of the effective date of this measure. For purposes of this measure, a vested right shall have been obtained only if each and all of the following criteria are met:

- a. The proposed project has received a building permit or its final discretionary approval;

- b. Substantial expenditures have been incurred in good faith reliance on the permit or final discretionary approval; and
- c. Substantial construction has been performed in good faith reliance on the permit or final discretionary approval.

The "substantiality" of expenditures incurred and of construction performed and the question of whether or not such expenditures and construction were in "good faith" are questions of fact to be determined on a case by case basis by the City Council following application by the developer and notice and public hearing. Actions taken by a developer to speed up or expedite a development project with knowledge of the pendency of this measure shall not be deemed to be in "good faith" and shall not qualify for vested rights. Phased projects shall be considered for exemption on a phase by phase basis to the extent permitted by California law.

Section 11. Amendment or Repeal.

This measure may be amended or repealed only by a majority of the voters voting in an election thereon.

Section 12. Severability.

If any section, subsection, sentence, clause, phrase, part or portion of this measure is for any reason held to be invalid or unconstitutional by a final judgment of any court of competent jurisdiction such decision shall not affect the validity of the remaining portions of this measure. It is hereby declared that this measure and each section, subsection, sentence, clause phrase, part or portion thereof would have been adopted or passed irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, parts or portions be declared invalid or unconstitutional.

WATER RULE 16

CONVEYANCE OF WATER RIGHTS AND WATER STOCK

A. WATER RIGHTS AND STOCK TO CITY

Applicable to all parcels of land with a gross acreage of less than 2-1/2 acres and having received irrigation water from a mutual water company except for Gage Canal Company.

All lands under a gross acreage of less than 2-1/2 acres of land shall forfeit all water rights or water stock which are appurtenant to the property and convey same to the City as a condition of receiving domestic water. The water rights or water stock will be donated to the City unless previous contractual agreements are on record with the City.

B. STOCK AND CONTRACT TRANSFERS

Whenever a water stock certificate or water contract must be changed or reissued by the City, a one hundred dollar (\$100.00) processing fee will be charged for the following water companies:

Gage Canal Company (Contracts Only)

C. GAGE CANAL COMPANY WATER ENTITLEMENTS

Subject to conditions outlined in various City and Gage Canal Company Agreements, such as "Agreement for Operation of Gage Canal Facilities", the "By-Laws of the Gage Canal Company", and the "Stipulation for Judgment in Eminent Domain and Final Order of Condemnation", the following procedures shall be utilized when either contracting or transferring water entitlements:

Transfer of Shares or Contracts to new owner of existing property to which the shares are appurtenant for continued agricultural use. This action is defined in Section #8 of the "Agreement for Sale of Gage Canal Company Shares" (Sales Agreement) and does not require City consent. Does not impact existing City water supplies.

Turning in Shares to City without a request for "Contract for Delivery of Irrigation Water" (Contract). This is the completion of the original Sales Agreement and final payment of \$175 is made by the City. The City receives the shares and the water and the water entitlement represented by the shares for domestic use.

Conversion of Shares to Contract for Delivery of Irrigation Water to other lands within the Gage Canal service area. The original shareholder with shares excess to their needs offers, through the Gage Canal Company, to make these shares available. Other property owners, by virtue of Sales Agreement Item #7, within the service area contract with the City for the water entitlement represented by the shares. The City receives the Gage shares but **not** the water entitlement. City approval is required per Section 4 of the "Agreement for Operation of Gage Canal Facilities". This approval is required but must be given.

The following types of transfers or contracts which would subtract from existing Water Utility domestic water supply will not be approved:

Request for Water Contracts for land on which the Gage water shares have been sold or transferred to the City. These contracts would be based on shares that have been turned into the City, the final \$175 payment has been made and the terms of the Sales Agreement are complete. This type of transaction would **not** receive City approval.

Request for Water Contracts for Additional Water added to existing shares up to a maximum of three (3) shares per acre (Negotiating Report Section D.2.h.). These contracts would be based on shares that have been turned in to the City and terms of the Sales Agreement are complete or the City has purchased shares outright. This type of transaction would **not** receive City approval.

Shares turned into City for which no Sales Agreement was signed. These shares do not have a commitment for a Contract. The City has agreed to purchase all shares of this type for \$225 per share. Shareholders may transfer water entitlement from one parcel of land to another belonging to them (Negotiating Report Section D.4.h.). City will **not** approve transfer of water entitlement to land **not** owned by shareholder.

Transfer of Contract for Delivery of irrigation water from one parcel of land to another parcel of land. The City will **not** allow the transfer as the Contract is appurtenant to the described parcel.

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), and the irrigated planted areas (IA) occupied by the respective crop(s).
(Note: 36.3 converts ET_o into CCF)

$$AWA = ET_o \times K_c \times IA \times 36.3$$

- 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.
 - 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 lessor 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. Qualifying Agriculture shall mean edible citrus, fruit or nut trees; grape vines; row crop produce; nursery stock; and pasture with Livestock
6. 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)

WA-12 Monthly CCF Water Allocation Calculator

CIMIS Station #44 Reference 15 year average ET ₀ (2004-2018) in inches / month ¹												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	2.61	2.92	4.66	5.68	6.42	7.02	7.47	7.17	5.7	4.07	2.89	2.29
² K _c for citrus, avocado, fruit and nut trees, and nursery stock	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
	65.37	73.14	116.72	142.27	160.80	175.83	187.10	179.59	142.77	101.94	72.39	57.36
² K _c for grape vines and row crops	0	0	0	0	0	0	0	0	0	0	0	0
	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
	50.21	56.18	89.65	109.28	123.51	135.06	143.72	137.94	109.66	78.30	55.60	44.06
² K _c for pasture with livestock	0	0	0	0	0	0	0	0	0	0	0	0
	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89
	84.32	94.34	150.55	183.50	207.41	226.80	241.33	231.64	184.15	131.49	93.37	73.98
² K _c for immature trees	0	0	0	0	0	0	0	0	0	0	0	0
	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Monthly AWA	0	0	0	0	0	0	0	0	0	0	0	0

¹ The rolling 15 year average will be updated annually

² K_c factors were derived from the Irrigation Training & Research Center (ITRC) California Evapotranspiration Database developed by California Polytechnic State University San Luis Obispo for CIMIS Zone 6, average values from irrigation design and water balance conditions for drip, spray and surface irrigation techniques.

WA-12 Monthly CCF Allocation Formula

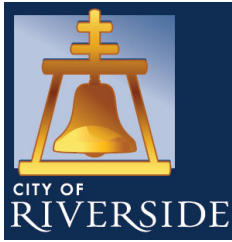
$$AWA = ET(o) \times K_c \times IA \times 36.3$$

AWA = Agricultural Water Allocation in CCF per month, per customer

Zone 6 - CIMIS Station #44 Total ETo (inches/month)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	15 Year Avg. Eto
Jan	2.49	2.02	2.92	3.28	1.69	3.32	2.35	2.91	3.02	2.72	3.27	2.84	2.09	1.81	2.41	2.61
Feb	2.76	2.21	3.35	2.91	2.31	2.41	2.44	2.91	3.41	3.18	3.03	3.32	4.29	2.08	3.17	2.92
Mar	4.81	3.93	3.42	5.02	5.30	4.62	4.67	4.22	4.51	4.80	4.95	5.85	4.92	5.01	3.81	4.66
Apr	5.90	5.41	4.26	5.04	6.04	5.58	5.11	5.57	5.85	5.71	6.52	6.28	6.04	6.13	5.69	5.68
May	7.10	6.47	6.02	6.47	6.28	6.32	6.18	6.67	7.00	7.01	7.65	5.37	6.21	5.95	5.57	6.42
June	6.50	6.49	7.16	7.16	7.59	5.37	6.25	6.95	7.62	7.36	7.61	7.46	7.21	6.98	7.61	7.02
July	7.55	7.28	7.73	7.57	7.53	7.60	6.57	7.76	7.93	7.13	7.77	6.75	7.74	7.11	8.04	7.47
Aug	6.81	6.68	7.20	7.09	7.23	6.68	6.99	7.65	7.84	7.37	7.29	7.66	6.88	6.40	7.35	7.14
Sept	5.83	5.32	5.70	5.44	5.79	5.89	5.45	5.47	6.44	6.14	6.19	5.81	5.30	4.92	5.86	5.70
Oct	3.39	3.65	3.95	4.34	5.02	4.40	2.10	4.03	4.38	4.27	4.52	4.22	3.87	4.54	4.30	4.07
Nov	2.44	2.84	3.14	2.81	3.14	3.18	3.22	2.45	2.72	2.76	3.21	2.77	3.18	2.35	3.13	2.89
Dec	2.30	2.15	2.94	2.24	1.89	2.08	1.78	2.82	1.70	2.80	2.01	2.35	1.99	3.09	2.24	2.29

The data in this table was downloaded from Station #44 of the California Irrigation Management Information System (CIMIS) located at the University of California Riverside (<https://cimis.water.ca.gov/Default.aspx>). CIMIS Station #44 is located in CIMIS Zone 6 and the table above uses the Station #44 monthly Reference Evapotranspiration (Eto) rates in inches/month for 2004 - 2018 to establish the 15 year average monthly ETo values (**in bold**) that are used in the WA-12 Agricultural Service monthly agricultural water allocation (AWA) formula. This 15 year average will be updated annually to ensure a continual 15 year rolling average of ETo values.



CITY POLICY & PROGRAM SUPPORT OF PROPOSITION R AND MEASURE C

Public Utilities Department

City Council
October 22, 2019

RiversidePublicUtilities.com



1

BACKGROUND

1. Proposition R (1979)

- a. Preserve citrus and agricultural lands in Greenbelt
- b. Set minimum 5 acre parcel size to reduce urban sprawl

2. Measure C (1987)

- a. Advocated for necessary policy to reinforce elements of Prop R
- b. *"This measure shall be implemented forthwith as a matter of the highest priority to the City"*
- c. *"Insure that the Gage Canal water is reserved for agricultural use as the highest priority"*

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2

FRIENDLY CONDEMNATION BETWEEN THE CITY AND THE GAGE CANAL COMPANY (1965)

1. Judgment and Stipulation
2. Secured water rights, facilities and property for
"greatest public good" and "necessary public use"
3. Protected Gage shareholders thru Operating Agreement
4. Maintained deliveries of agricultural irrigation water to shareholders

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3

WA-3 IRRIGATION METERED SERVICE WATER RATE (1976 - 2003)

1. Intended to support agriculture
2. Provided agricultural irrigation water at reduced cost
3. Did not affect other customer needs
4. Closed to new customers in 2003
5. In 2004, City Council rejected proposed transition of WA-3 to WA-9

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4

GAGE WATER EXCHANGE AGREEMENT (1991)

1. Result of drought conditions
2. Provided additional 25% non-potable water into lower Gage Canal
3. Riverside Canal is source of non-potable water
4. Supplements City's potable water supply

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5

GREENBELT FLOWAGE AGREEMENT AND WA-8 GREENBELT IRRIGATION SERVICE RATE (1993)

1. Result of requests for Gage Canal water
2. Provides option to properties without shares
3. Costs about double that of a shareholder
4. Still available to those that can receive water

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6

WA-9 GROVE PRESERVATION SERVICE WATER RATE (2003 - CURRENT)

1. Continued support of agriculture after WA-3 closed
2. Provided agricultural irrigation water at reduced cost
3. Did not affect other customer needs
4. Primary applicability to groves in Greenbelt
5. Closed to new customers outside Greenbelt in 2009 unless larger than 5 acres and no home

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7

GrowRIVERSIDE INITIATIVE (2013)

1. Greenbelt Committee first met in 2013
2. Expand awareness of need for locally sourced food
3. Conserve local farmland
4. Protect City's Ag heritage
5. First conference in 2014
6. Developed Food Policy Action Plan

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8

AGRICULTURAL WATER RATES TASK FORCE (2018 - 2019)

1. Council rejected proposed rate increases to WA-3 and WA-9 in Nov. 2017 and requested formation of community led Task Force
2. Task Force developed rate proposal over 13 months
3. Final recommendations to Board/Council in May/June 2019
4. Existing WA-3 and WA-9 customers transition to new rate

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9

PROPOSED WA-12 AGRICULTURAL SERVICE WATER RATE (2019)

1. Includes all Task Force recommendations
2. Includes staff modifications to comply with Prop 218 and facilitate implementation
3. Based on scientific principles, clear qualifying criteria, allocation methodology, audit timeframes
4. All usage above allocation at applicable rate
5. Promotes, encourages, and supports agriculture

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10

CONSIDERATIONS/OPTIONS FOR ONGOING SUPPORT OF PROP R & MEASURE C

1. WA-12

- a. Create avocado tree crop group and factors
- b. Further refine crop factors of other groupings

2. WA-8

- a. Reduce transportation charge, remove pressurization req
- b. Allocate financial assistance for req'd improvements
- c. Support initiatives to connect Gage water to properties

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11

CONSIDERATIONS/OPTIONS FOR ONGOING SUPPORT OF PROP R & MEASURE C

3. Water Rule 16

- a. Allow Irrigation Contracts for production scale Ag

4. Gage Canal

- a. Strategic expansion of delivery system
- b. Evaluate pros/cons of selling back shares for ag production

5. Develop Synergistic Partnerships

- a. Enhance communications with Gage and GrowRIVERSIDE
- b. Form ongoing Agricultural Task Force & Ag Business Development unit

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12

RECOMMENDATIONS

That the City Council receive, file and provide input on a presentation of information regarding City policies related to implementation of Proposition R and Measure C.