



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: DECEMBER 9, 2019**

**ITEM NO: 5**

**SUBJECT: AGREEMENT FOR TRANSITION OF RETAIL WATER SERVICE WITH THE CITY OF NORCO TO TRANSITION TWO CUSTOMERS WITHIN THE RIVERSIDE WATER SERVICE AREA CURRENTLY SERVED BY THE CITY OF NORCO TO BE SERVED BY THE CITY OF RIVERSIDE**

**ISSUES:**

Recommend that the City Council approve the Agreement for Transition of Retail Water Service with the City of Norco to transition two (2) customers within the Riverside Water Service Area at 11550 and 11551 Arlington Avenue currently served by the City of Norco to be served by the City of Riverside and authorize the City Manager, or designee, to execute the agreement.

**RECOMMENDATIONS:**

That the Board of Public Utilities recommend that the City Council:

1. Approve the Agreement for Transition of Retail Water Service with the City of Norco to transition two (2) customers within the Riverside Water Service Area at 11550 and 11551 Arlington Avenue currently served by the City of Norco to be served by the City of Riverside; and
2. Authorize the City Manager, or designee, to execute the Agreement including the ability to make minor non-substantive changes.

**BACKGROUND:**

The City of Riverside Public Utilities Department (RPU) provides retail water service to customers within its City limits. Under certain conditions where RPU is unable to provide retail water service to its customers, water service may be provided by an adjacent water utility provider. Crestlawn Memorial Park and Color Green Wholesale Nursery, located at the westerly edge of RPU's service area at 11550 and 11551 Arlington Avenue, respectively, have been served by the City of Norco because RPU's distribution system did not extend to this area.

On November 14, 2016, the City of Riverside Board of Public Utilities approved the construction of the Arlington Avenue 16-inch Water Main Extension Project to construct approximately 6,900 LF of 16-inch water main to extend service to the Riverside City Limits immediately east of the City Limits of Norco. Construction of the pipeline was completed in 2017 and RPU now has the ability to serve these two (2) customers. In addition, Crestlawn Memorial Park and Color Green Wholesale Nursery have requested RPU to provide water service to their parcels and RPU is in agreement to provide such water service.

**DISCUSSION:**

The Norco City Council previously approved an agreement between the City of Norco and the City of Riverside for the transition of these two (2) retail customers in 2018 and the Crestlawn Memorial Park and the Color Green Wholesale Nursery have recently been connected to RPU's distribution system. Under the Terms of Agreement for Transition of Retail Service, the City of Norco agrees that RPU will provide retail water services to the properties within RPU's service area, and that Norco will hold RPU harmless from any claims for damages or losses due to RPU providing water service to the two (2) customers located within RPU's service area. In addition, the customers will be responsible for all applicable fees and charges required to install the water service and facilities required by RPU for the provision of retail water service to the specified parcels; the new customers will be charged the applicable RPU retail water customer rate for service.

**FISCAL IMPACT:**

The estimated total revenue from the acquisition of these two (2) retail water customers is estimated at \$160,000 annually and will be collected as part of the normal billing process for Riverside Public Utility water customers.

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

Certifies availability  
of funds: Brian Seinturier, Utilities Fiscal Manager

Concurs with: Chad Blaise, Public Works Director, City of Norco

**Attachments:**

1. Agreement for Transition of Retail Water Service
2. Site Map
3. Presentation