



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** JANUARY 27, 2020

**ITEM NO:** 1

**SUBJECT:** WA-12 AGRICULTURAL SERVICE WATER RATE SCHEDULE UPDATE

**ISSUE:**

Receive and file this update on the WA-12 Agricultural Service water rate schedule.

**RECOMMENDATION:**

That the Board of Public Utilities receive and file this update on the WA-12 Agricultural Service water rate schedule.

**BACKGROUND:**

The City Council adopted the WA-12 Agricultural Service water rate schedule (WA-12) on October 15, 2019, with an effective date of January 1, 2020. As a result, the existing WA-3/WA-9 customers were required to apply for the new WA-12 rate schedule effective January 1, 2020, or transition to another applicable rate. Potential new customers could begin submitting applications to be considered for the new WA-12 water rate as of January 2, 2020.

**DISCUSSION:**

**Transition of the Existing WA-3/WA-9 Rate Customers**

As of January 14, 2020, there have been 134 applications received and approved from the existing 192 WA-3/WA-9 properties. There are currently 17 applications on their way, 20 customers who have chosen not to apply, and 21 customer properties that are non-responsive. Field Services staff has delivered door hangers to all non-responsive properties. Out of the 134 approved applications, 35 will require additional trees or agriculture to be planted before July 1, 2020 in order to remain on the WA-12 rate. Verifications of the planted areas have been mostly done remotely in coordination with the property owners. As of January 14, 2020, there has been 221 acres of verified planted area allocated to the existing WA-3/WA-9 properties. There have been 296,021 hundred cubic feet (CCF) of water allocated to the 134 approved applications and 100,930 CCFs of water offset by the respective Gage Canal reductions.

**New WA-12 Rate Customer Applications**

In the second week of December 2019, all water utility customers were mailed letters notifying them of the opportunity to apply for WA-12 rates with applications being accepted starting January 2, 2020. As of January 14, 2020, there have been 51 new WA-12 rate customer applications received with 22 having been processed. Of those 22, there were 19 applications approved and three (3) applications that will not qualify at this time due to insufficient tree counts or acreage of agriculture. Twenty-nine applications remain to be processed. Most all planted area verifications for new customers have been performed remotely in

coordination with the customer. As of January 14, 2020, there has been 44 acres of verified planted area allocated to new WA-12 rate customers. There have been 36,571 CCFs of water allocated to the 19 approved new customer applications and 44,240 CCFs of water offset by the respective Gage Canal reductions.

#### Total Allocations

As of January 14, 2020, there has been a total of 265 acres of verified planted area allocated between the existing WA-3/WA-9 rate customers and new WA-12 rate customers. There have been 332,592 total CCFs of water allocated and 147,170 total CCFs offset by Gage Canal reductions.

#### **FISCAL IMPACT:**

The WA-12 Rate Program Limit was set at \$684,000. Staff has estimated the 134 existing WA-3/WA-9 rate allocations to be equal to about \$240,000 of the Program Limit. As new customers get approved for the WA-12 rate, staff must perform a bill impact analysis using their average historic consumption data in order to quantify their impact to the Program Limit. The 19 new WA-12 rate applications that have been approved will add an additional financial impact to the Program Limit. At this time staff is estimating the impact of the 19 new WA-12 rate customers at about \$45,000, for a total of approximately \$285,000 of the \$684,000 Program Limit being reached.

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Attachment: Presentation