

CITY OF RIVERSIDE

PUBLIC UTILITIES DEPARTMENT

1 of 4

Minutes of: Agricultural Water Rates Task Force, Meeting #8
Date of meeting: November 14, 2018
Time of meeting: 5:30 pm
Place of meeting: Mayors Ceremonial Room, 7th Floor City Hall
3900 Orange St., Riverside, CA 92501

Meeting was called to order by Chair Wilson

Mr. Wilson announced that the RPU Board had nominated Board member David Crohn as Vice-chair after accepting the resignation from Andrew Walcker, and that he was nominated by the Board to be the Chair of the Task Force. He acknowledged the alternates and also announced the 2nd update to the Utility Land Use Committee will be on Dec. 10, 2018 at Council Chamber at 1pm. Vice-chair David Crohn announced he lives in Ward 1 and pays a residential water rate.

Pledge of allegiance to the flag was given by Vice-chair David Crohn

Roll Call

Present:	Seth Wilson (Chair)	David Crohn (Vice-chair)	Gilberto Esquivel
	Barbara Croonquist	Jason Gless	Darleen De Mason
	Michele Sheehe	Tom Evans	Jason Hunter
	Dale Sexton	Steven Robillard	
	Gurumantra Khalsa (Alternate for Patricia Lock Dawson)		
	Kevin Dawson (Alternate for Sharon Mateja)		
	Rick Moslenko (Alternate for Ed Adkison)		
	Scott Simpson (Alternate for Scott Andrews)		

Absent: Rose Mayes

1. Citizen Participation

Joyce Jong spoke about a 3 million dollar grant that the City was just awarded, by the California Natural Resources Agency, for a project on 7.5 acres in the Northside that will include walking trails, an urban agricultural education center and 24 community garden plots that will be used in conjunction with a farmer training program.

Conrad Newberry spoke to request that all members of the Task Force use their microphones so audio is clear and available on videotaped recordings of the meetings.

2. Approval of meeting minutes for October 25, 2018 meeting

Motion: Evans Second: Gless

Ayes: All present

Absent: Mayes.

3. City Definition of Agriculture per Zoning Code

Jay Eastman, Principal Planner with the Planning Division, presented information on how the General Plan and Zoning Code relate to the definition of agriculture and agricultural land use. He mentioned how "agricultural uses" are allowed to occur in all residential zones. He also mentioned how there is no specific "agricultural zone". He read the definition of "agricultural uses" from the Zoning Code...*"Agricultural uses means the use of land for the commercial, or non-commercial, purposes of planting, growing, raising, or harvesting of crops, livestock or poultry, all of which shall be subject to any applicable state license to a conditional use permit where it's required under the code and to the limitations and exclusions presented in this definition or as set forth for specific zones created under this code. For the purpose of this definition crops shall not include marijuana or hemp. Planting, growing, raising and harvesting as applied to crops shall not be understood or construed to include milling, mulching, recycling, or other processing treatments of any kind."*

Numerous questions were posed by Task Force members and answered by Mr. Eastman.

Mr. Carl Pongs, Joyce Jong and Chair Wilson provided information regarding required agricultural licenses that may be needed for certain agricultural operations. Receive and file.

Motion: Hunter Second: Robillard

Ayes: All present

Absent: Mayes

4. Economic Viability of Agriculture in Riverside

Chair Wilson provided a presentation on how the economic viability of agriculture in Riverside would be very dependent upon the established water rates. He showed how different crops have different profitability levels and how some are more resilient to higher water rates than others. There were a number of questions from the Task Force members with answers provided by Chair Wilson, Joyce Jong and staff. Receive and file.

Motion: Khalsa Second: Sheehe

Ayes: All present

Absent: Mayes

5. Open Discussion

Member Evans handed out and introduced the current WA-Ag rate proposal (v14, dated 11/14/18) that had evolved out from the original WA-9 he had previously presented. Chair Wilson outlined what areas he would like focused on during the open discussion. Significant discussion followed by the Task Force. Chair Wilson requested a motion to close open discussion.

Motion: De Mason Second: Hunter

Ayes: All present

Absent: Mayes

6. Discuss Schedule of Meetings

Alternate Simpson mentioned some concerns member Mateja had about the current proposals that were on the table. Alternate Simpson then made the following motion "The Chairman shall place on the agenda all proposals for in depth discussion, analysis and comparison with the Evan's proposal and any others that may come forth. The Chairman shall direct staff to identify and call out areas or items of each proposal that are identical, similar, or effectively resolve an issue that is before the Task Force and retain these for "call out" in future discussions leading to a final decision on resolving the WA-3 and WA-9 rates. Some discussion followed and many members mentioned they would also like to see more on the other two proposals that had previously been proposed.

Chair Wilson called for a vote.

Motion: Simpson Second: Khalsa

Ayes: All present

Absent: Mayes

No other comments or discussion on the schedule of topics.

7. Emerging Ideas and Questions and Answers

Chair Wilson reviewed the current set of Emerging Ideas and Questions and Answers posed thus far by the Task Force. Alternate Dawson made a few comments regarding his concern for how the term "revenue requirement forecast" was used in the Q&A's.

8. Items for Future Consideration

Public comment: Mr. Carl Pongs spoke about how the Emerging Ideas list has "shutting down the Gage Canal" as one of the ideas. He mentioned how the Task Force and City Council does not have the authority to shut The Gage Canal Company down as it would require the shareholders and Gage Canal Company Board of Directors to vote for such an action. Alternate Moslenko mentioned how there is interest in allowing old Gage customers to recover ownership of lost shares.

Adjourn

By: 

Richard Small, Secretary for Agricultural Water Rates Task Force

Attachments:

WA-Ag Rate Proposal (v14, dated 11/14/18)

Reminder that all Ag Task Force meetings are videotaped and available for viewing at:

<https://riversideca.legistar.com/Calendar.aspx>

SCHEDULE WA-Ag (v14)

Agriculture Promotion and Preservation Rate

POLICY:

This rate is established to support, promote, preserve and encourage agriculture and the agricultural heritage of the City of Riverside.

APPLICABILITY:

This rate applies to properties that meet the "Qualifying Criteria" outlined in No. 1 of the Definitions; as well as any existing WA-3 or WA-9 customers, per Special Conditions #3.

TERRITORY: Within the Riverside City limits.

RATES:

A. Inside City Limits (Within Proposition R Boundaries)

- 1. *With Single Family Residence and Nominal Ornamental Landscaping;
Or Without Residence***

Customer Charge

	Per Meter, Per Month				
Customer Charge	2018	2019	2020	2021	2022
5/8 and 3/4-inch	\$15.80	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	25.08	28.69	32.58	36.63	41.26
1-1/2-inch	48.08	55.00	62.45	70.22	79.08
2-inch	75.80	86.70	98.45	110.68	124.64

Up to 2 inch meter allowed

Quantity Rates

Per (CCF)

All 100 cubic feet (CCF) per month

\$1.16

2. With Single Family Residence and more than Nominal Ornamental Landscaping

Two Meters required:

(1) For residence and landscape area

(1) For Agricultural Operations

(Meter 1) Residence and Landscape area

Applicable WA-1 quantity rates and customer charges

(Meter 2) Agricultural Operations

Customer Charge

	Per Meter, Per Month				
Customer Charge	2018	2019	2020	2021	2022
5/8 and 3/4-inch	\$15.80	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	25.08	28.69	32.58	36.63	41.26
1-1/2-inch	48.08	55.00	62.45	70.22	79.08
2-inch	75.80	86.70	98.45	110.68	124.64

Up to 2 inch meter allowed

Quantity Rates

Per (CCF)

All 100 cubic feet (CCF) per month

\$1.16

The second meter (Meter 2) for Agricultural Operations can be installed via a manifold configuration at the current meter and service location at the premises. The customer will pay the associated costs of the installation and retrofit charges by City Forces at the primary meter location.

Customer will be responsible for all tailpipe work required to connect Meter 2 to the agricultural operations irrigation system. A backflow inspection will be conducted by City staff before Meter 2 can be activated. Backflow device(s) may be required.

A Backup Facility Capacity Charge based on meter size will be due before Meter 2 will be activated.

B. Inside City Limits (Outside Proposition R Boundaries)

1. With Single Family Residence and Nominal Ornamental Landscaping; Or Without Residence

Customer Charge

	Per Meter, Per Month				
Customer Charge	2018	2019	2020	2021	2022
5/8 and 3/4-inch	\$15.80	\$18.07	\$20.53	\$23.08	\$26.00
1-inch	25.08	28.69	32.58	36.63	41.26
1-1/2-inch	48.08	55.00	62.45	70.22	79.08
2-inch	75.80	86.70	98.45	110.68	124.64

Up to 2 inch meter allowed

Quantity Rates

Per (CCF)

First nine (9) 100 cubic feet (CCF) per month

\$1.16

All over nine (9) CCF per month

\$1.45 **

**** 3 year transition period to bring these customers to the 2nd Tier rate of \$1.45/CCF**

(Year 1 - \$1.26/CCF; Year 2 - \$1.36/CCF; Year 3 - \$1.45/CCF)

C. Outside City Limits

WA-Ag is not open to new customers outside the City limits.

Until 1/1/2020, charges for WA-Ag customers outside the City limits of Riverside shall be the amount computed at the Quantity Rates and the Customer Charge set forth in RATES, A.1 of this schedule, multiplied by 1.5.

As of 1/1/2020, any customers outside the City limits of Riverside who are on the WA-Ag rate will be transitioned to the applicable water rate schedule (WA-1 with a residence, or WA-6 without a residence) and cannot be appealed.

After 1/1/2020 this section is no longer applicable.

DEFINITIONS:

1. Qualifying Criteria - To qualify for this rate the following criteria **must be met**:
 - a. Property is $\frac{3}{4}$ acres or larger;
 - b. Property is allowed to conduct agricultural activities as a “permitted use” according to City Zoning codes, General Plan land uses, Proposition R or Measure C.
 - c. Property is growing irrigated and clustered (positioned close together) fruit or nut trees, fruit bearing vines, row crop produce, or nursery stock on 75% or more of property; or 75% or more of property is being used as pasture for livestock.
 - d. Property is inside City limits;
 - e. If producing food or nursery stock to sell to market the property/business must have the appropriate horticultural and/or agricultural production permits and/or licenses as required and applicable by the California Department of Food and Agriculture (CDFA), the Riverside County Agricultural Commissioner, or the Riverside County Department of Environmental Health; and the business selling to market must maintain a City business license.
2. Single Family Residence shall be defined per zoning code 19.04.120, but for purposes of this policy not to include Auxiliary Dwelling Units and Agricultural Caretaker Living Quarters as defined per zoning code 19.08.020.
3. Nominal Ornamental Landscaping is defined as plants, other than the agricultural operations, covering in the aggregate not more than the greatest of 1/4 acre or 7% of total property acreage not including the footprint of a single family dwelling, other structure(s) and/or hardscape surfaces.

SPECIAL CONDITIONS:

1. The Board of Public Utilities will publish a list of Best Irrigation Management Practices for the WA-Ag customers to use as a guide and menu for efficient agricultural irrigation and conservation practices. These practices will be reviewed and updated at least every 5 years.
2. Any agricultural operations or activities must comply with applicable City municipal, zoning, land use, building or other codes as applicable.
3. Upon the effective date of this rate, all existing WA-3 and WA-9 customers will transition onto this WA-Ag rate in accordance with the applicable section of RATES A, B or C. Within 6 months of the effective date of this WA-Ag rate, RPU staff will inspect each prior WA-3 and WA-9 customer property to ensure they are still in compliance with the Applicability and Special Conditions sections of their respective prior rate tariff (WA-3 or WA-9). If upon inspection, the property is found to no longer be in compliance, the customer will have 90 days to bring the property back into compliance. If compliance is not met by the 91st day the customer will be moved to the WA-1 rate (residence on the property), or the WA-6 rate (no residence on the property), 90 days from the final determination of non-compliance. These

prior WA-3 and WA-9 customers will be inspected at least every two years and must remain in compliance with the Applicability and Special Conditions sections of their respective prior rate tariff (WA-3 or WA-9) in order to remain on the WA-Ag rate.

4. RPU staff will inspect each new WA-Ag customer property (non-prior WA-3 or WA-9 customer) receiving the WA-Ag rate at least once every two years to ensure the property continues to meet the Qualifying Criteria to receive this rate. A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies. Customers found to no longer be in compliance with the Qualifying Criteria will be given 90 days to come back into compliance. If compliance is not met by the 91st day the customer will be moved to the WA-1 rate (residence on the property), or the WA-6 rate (no residence on the property) 90 days from the final determination of non-compliance.
5. WA-Ag Customers found to be out of compliance more than one time within a 5 year period will be transitioned to the applicable WA-1 or WA-6 rate within 90 days of such determination, unless otherwise determined as the result of an appeal. Customers who have been found to be out of compliance twice within a 5 year period and transitioned off the WA-Ag rate can again reapply for the WA-Ag rate 2 years after the transition date.
6. If staff determines that WA-Ag 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.
7. Any properties transferring ownership will be subject to being placed on the applicable rate. The new owner of a property previously receiving the WA-Ag rate must prove that the property meets the Qualifying Criteria as defined in No. 1 of the Definitions within 60 days of closing escrow to remain on the WA-Ag rate. Properties previously receiving WA-3 or WA-9 rates that were transitioned to WA-Ag must meet the Qualifying Criteria of this rate in order to remain on the WA-Ag rate after a transfer of ownership.
8. 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.
9. 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.*

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

CCF (Metered Sales)

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)