

Proposed Electric and Water Utility Rate Increase

WA-3 and WA-9 Grove Customers

Renck Center, Hunt Park
October 30, 2017

Why We Are Here

- Proposed Water Rate Increase
- Water Cost of Service Study
- Irrigation Metered Service (WA-3) and Grove Preservation Service (WA-9) Rates
 - Proposed transition to residential and commercial rates
- Background and Discussion

Rate Plan Community Outreach

PROPOSAL

August 28 – RPU Board
September 26 – City Council

OUTREACH

October - November

WORKSHOP

November 28 –
Joint RPU
Board/City Council

RECOMMENDATION

January – RPU Board
February – City Council

IMPLEMENTATION

April 2, 2018

Outreach Goals

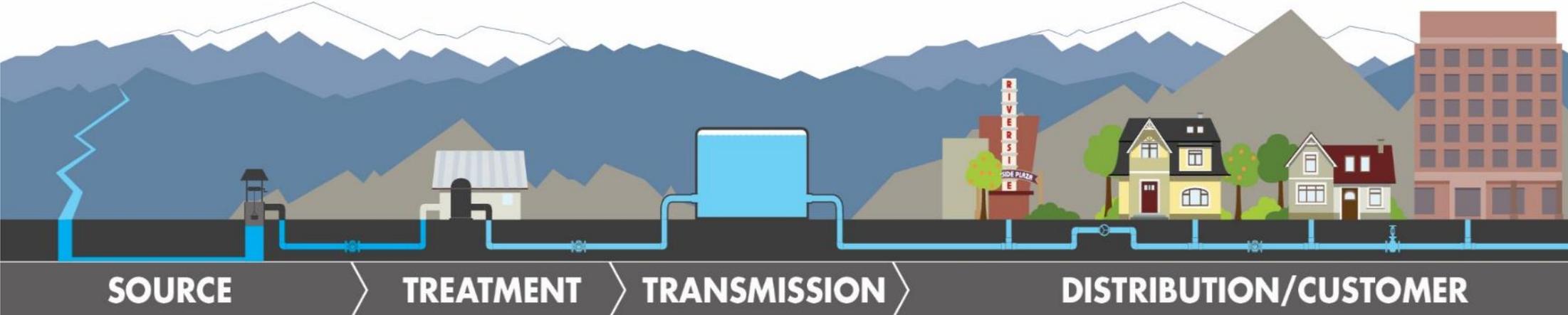
1. Describe proposal
2. Answer questions
3. Get feedback

Outreach Process

1. Rate Plan community meetings in all Wards
2. Informational mailers

Water System – 10 Year Plan

Recycled Water
Storm Water Capture



5 Wells

North Waterman
Treatment Plant

80 Miles of Pipeline
Replace Techite Pipe

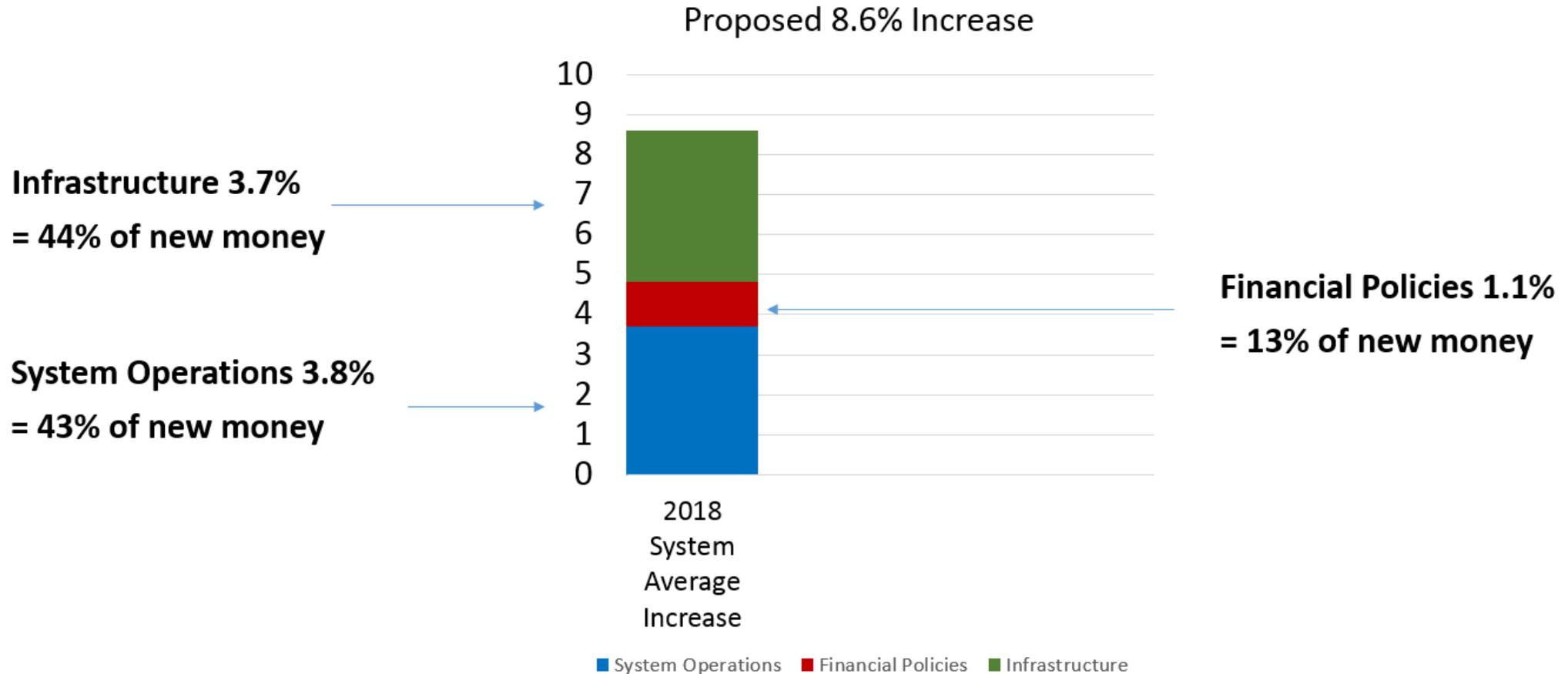
3 Pressure Stations • System Automation

Average Annual Water Rate Increase

	Years 1-5 (2018-2022)	Years 6-10 (2023-2027)
Water	8.6% (5-Year Average)	Annual Cost-Based Price Adjustment

Based on system average, rate increase varies by customer class and consumption levels

What the Water Rate Increase Pays For



Agriculture's Role in Riverside

- Establishment of 1870s Riverside Colony
- Irrigation Canals for Citrus Industry
- Economic Prosperity
- Local Groundwater Rights
- Water Independence



Proposition R and Measure C

- **Proposition R (1979)**

- Preservation of Agriculture and Open Space/Hillsides
- “...the City shall adopt a policy that will **continue to make water and electricity available for agricultural use.**”

- **Measure C (1987)**

- Amendment to Proposition R, further promotion of agriculture
- “...the City shall forthwith take any and all appropriate actions to carry out this measure, including but not limited to the following...
Insure that the Gage Canal water is reserved for agricultural use as the highest priority...”

WA-3 and WA-9 Water Rates

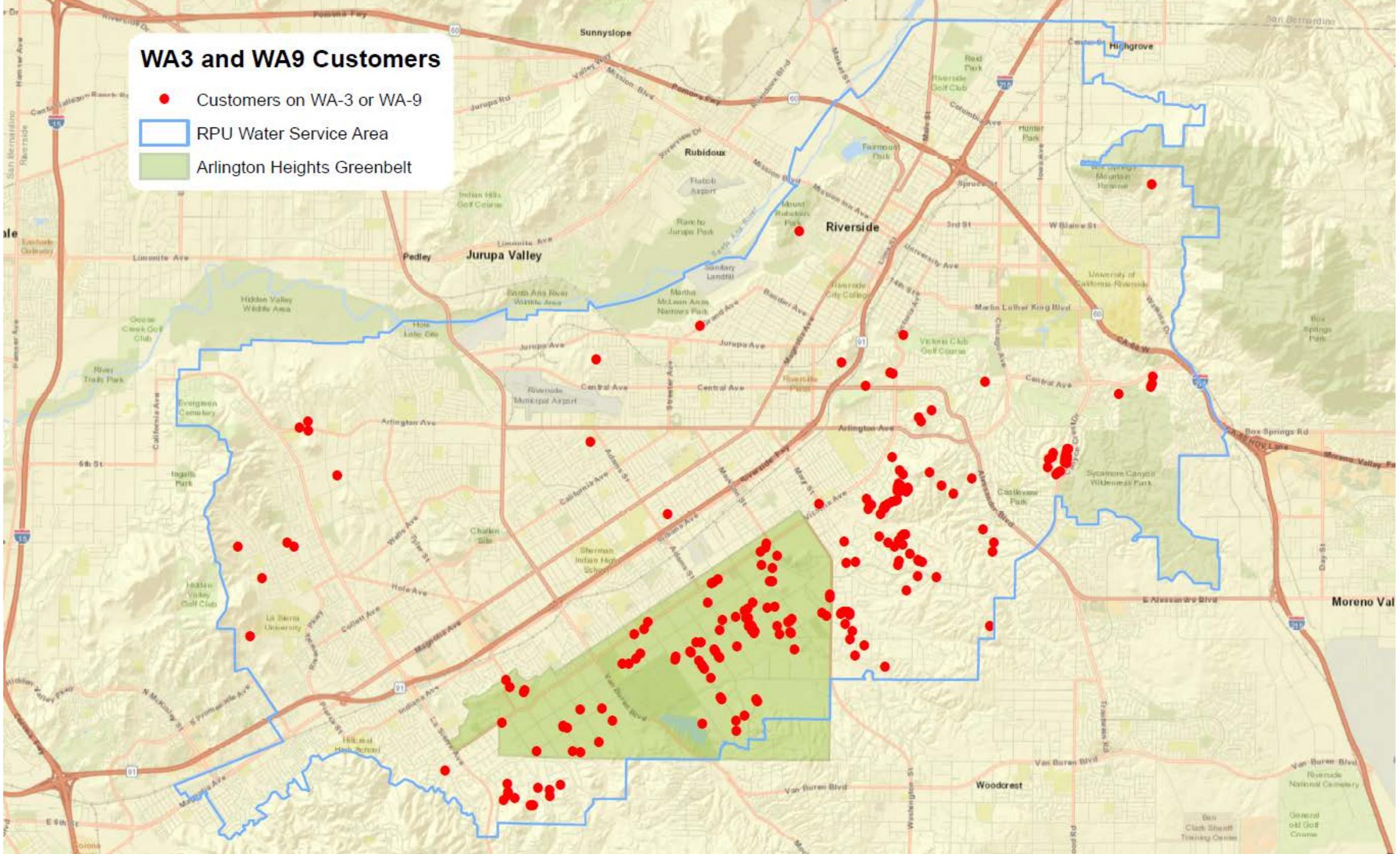
- **Irrigation Metered Service (WA-3)**
 - Implemented in the 1980s
 - Customers with at least 75 trees or commercial agricultural operations on 3/4-acre or larger properties
 - Closed to new customers in 2003
- **Grove Preservation Service (WA-9)**
 - Implemented in 2003
 - Residential, governmental or Greenbelt wholesale nursery customers with qualifying groves on their properties
 - Closed to residential non-Greenbelt customers in 2009

WA-3 and WA-9 Customers

Rate	# Customers
WA-3.1 (with residence)	125
WA-3.2 (without residence)	7
WA-9.1 (with residence)	50
WA-9.2 (without residence)	15
Total	197

WA3 and WA9 Customers

- Customers on WA-3 or WA-9
- RPU Water Service Area
- Arlington Heights Greenbelt



Why the Change?

- **Cost of Service Study Findings**
 - Not collecting all the costs to cover the delivery of water
 - Negative impact on low-use, low-income customers
 - Recommended transition to residential/commercial rates
- **Proposed Transitional Rates**
 - Mitigation of immediate economic impact to current WA-3/WA-9 customers
 - *Rate increase will vary significantly for individual customers*
 - Low-use customers may see rate reduction in 1st year

Proposed Transitional Rates

WA-3.1 – Transitional Irrigation Rate with Residence

Tier	CCF allotment	Existing	2018	2019	2020	2021	2022
1	First 100	\$0.81	\$0.90	\$1.14	\$1.45	\$1.84	SFR Rates
2	>100	\$1.26	\$1.71	\$2.17	\$2.76	\$3.50	

Current monthly minimum charge will be replaced by monthly fixed charge paid by all customers

Proposed Transitional Rates

WA-3.2 – Transitional Irrigation Rate without Residence

Tier	Existing	2018	2019	2020	2021	2022
All usage	\$1.26	\$1.35	\$1.48	\$1.63	\$1.79	Comm./ Industrial Rates

Current monthly minimum charge will be replaced by monthly fixed charge paid by all customers

Proposed Transitional Rates

WA-9.1 – Transitional Grove Preservation Rate with Residence

Tier	CCF allotment	Existing	2018	2019	2020	2021	2022
1	First 15	\$0.91	\$1.10	\$1.33	\$1.62	\$1.97	SFR Rates
2	16 - 60	\$1.58	\$1.12	\$1.37	\$1.66	\$2.03	
3	> 60	\$1.07	\$1.50	\$1.88	\$2.36	\$2.97	

Current monthly fixed charge will be replaced by monthly fixed charge paid by all customers

Proposed Transitional Rates

WA-9.2 – Transitional Grove Preservation Rate without Residence

Tier	Existing	2018	2019	2020	2021	2022
All usage	\$1.07	\$1.18	\$1.34	\$1.53	\$1.74	Comm./ Industrial Rates

Current monthly fixed charge will be replaced by monthly fixed charge paid by all customers

Managing Cost Increase

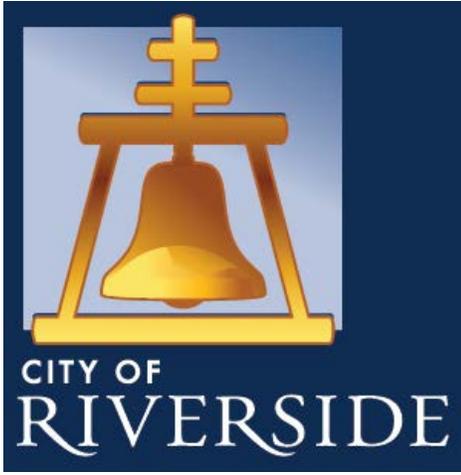
- **Metropolitan Water District Water Savings Incentive Program (WSIP)**
 - Financial incentives for customized water efficiency projects
- **Smart Irrigation Program (SIP)**
 - Free evaluation, installation of efficient irrigation technology
- **Irrigation and Water Management Systems**
 - Free evaluation, technical information, recommendations regarding irrigation equipment

Other Opportunities

- **Dedicated Irrigation Meter Installation**
 - Install a second metered connection for grove irrigation
- **Conversion to Greenbelt Irrigation Service (WA-8) Water Rate**
 - Access lower cost Gage Canal water service
 - Install a connection to receive Gage Canal water
- **Gage Canal Upgrade**
 - Pressurization, increased opportunities for connection

Questions

- Are there other options for RPU to:
 - ✓ Address negative impacts to low-use, low-income customers?
 - ✓ Mitigate economic impact to current WA-3/WA-9 customers?
 - ✓ Support Riverside's agriculture and open space consistent with Proposition R and Measure C?
- What should the Board of Public Utilities and City Council consider in making this decision?



Questions & Discussion