



SALE OF SURPLUS POTABLE WATER AND EMERGENCY POTABLE WATER AGREEMENT

The **City of Riverside Public Utilities (Riverside)** entered an agreement for the Sale of Surplus Potable Water and Emergency Potable Water with the **City of Norco (Norco)**. In 2020, Riverside and Norco signed a 5-year agreement that provides:



Additional revenue for Riverside



Cost-savings for Norco



Greater water reliability for the region



Lower rate increases for both Riverside and Norco



Greater value for all Riverside and Norco customers

AGREEMENT HIGHLIGHTS



2020 Costs – Riverside deliveries to Norco are secondary to Riverside's retail customers and any other existing obligation or commitment. The delivery cost for 2020 is estimated at \$821 per acre-foot. This cost includes energy costs, operations and maintenance costs, and a capital recovery charge.



Future Costs – Pricing for future years will be calculated annually 12 months prior to deliveries for the year, and will be based on actual energy and maintenance costs.



Riverside Water – 5-Year Term – Riverside is to produce, treat, and convey about 1,000 acre-feet per year of its export right to Norco for 5 years.



Riverside Revenue – The estimated revenue to Riverside for delivering Surplus Water to Norco is approximately \$821,000 per year. Revenue is anticipated to increase each subsequent year. Surplus Water sales may exceed \$4,000,000 over the term of this 5-year agreement.



Norco Savings – The estimated savings to Norco as compared to purchasing imported water from Metropolitan Water District are approximately \$230,000.