



FY 2026/27 FEES AND CHARGES

Riverside Public Utilities

Board of Public Utilities

June 8, 2026

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1

BACKGROUND

1. On May 8, 2023, the Board approved Resolution 2023-1, and on June 20, 2023, the City Council adopted Resolution R-24003 for the FY 2023/24 Master Fees and Charges schedule, which included:
 - a. 0 - 7.5% CPI increase to account for inflation that was in line with the Consumer Price Index of Riverside-San Bernardino-Ontario region
 - b. CPI adjustment was to mitigate potentially significant increases to fees and charges until the formal study was updated.
2. On May 13, 2024, the Board held a workshop to discuss the proposed FY 2024/25 Fees and Charges for RPU as completed by MGT of America Consulting in collaboration with City and RPU staff.
3. On June 10, 2024, the Board held a public hearing and approved Resolution 2024-2 for the Riverside Public Utilities Electric and Water Fiscal Year 2024/25 User Fees and Charges.
4. On June 25, 2024, the City Council held a public hearing and adopted Resolution R-24129 for the FY 2024/25 Master Fees and Charges schedule.

2



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2

CONSUMER PRICE INDEX (CPI) INCREASE

1. In order to have fees and charges keep pace with rising city costs, staff propose a 5.7% CPI increase for most Fiscal Year 2026/27 Fees and Charges changes.
2. The proposed adjustments are based on a 5.7% increase in the CPI for the Riverside-San Bernardino-Ontario region, calculated using data from January 2024 through November 2025, as published by the California Department of Industrial Relations (DIR).
3. CPI adjustment complements, rather than replaces, the broader comprehensive fee review process that is conducted every 3 to 5 years.
4. These adjustments were developed administratively by City Staff and are consistent with the City's prior CPI-based updates.



3

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3

ROUNDING ADJUSTMENTS

1. On November 12, 2025, the U.S. Treasury discontinued penny production.
2. Staff recommend adjusting fees and charges to the nearest dollar for most fees, with some fees to be rounded to the nearest nickel.
3. Rounding is reviewed to ensure that the fee or charge remains within the estimated reasonable cost of service, and amounts are rounded down when appropriate.
4. There are other fees that charge actual costs, which may include pennies. Staff request authority to round the final payment to the nearest nickel or dollar, whichever is more practical.
5. The timeline to implement this rounding for fees and charges is contingent on changes to the city's various payment processing systems and will be implemented at the earliest time possible.



4

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4

TIMELINE AND EFFECTIVE DATE

1. May 19, 2026, the City Council:
 - a) Received and provided input on the Fiscal Year 2026/27 Master Fees and Charges Schedule, which includes the RPU Electric and Water FY 2026/27 User Fees and Charges
 - b) Provided input on the revision of the Riverside Municipal Code to apply an annual inflator to the fees and charges based on the Consumer Price Index
 - c) Set a public hearing to occur on June 23, 2026, for the adoption of the proposed user fees and charges and proposed municipal code changes
2. June 8, 2026, the RPU Board will consider establishing the RPU Electric and Water FY 2026/27 User Fees and Charges.
3. June 23, 2026, the City Council public hearing for consideration and adoption of the proposed RPU Electric and Water User Fees and Charges.
4. July 1, 2026, updated fees and charges effective date.



5

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5

FISCAL IMPACT

Estimated Fiscal Year 2026/27 Revenue Impact with Annual CPI Increase:

Department	FY 2026/27 Estimated Revenue Impact
510 Electric Fund	\$476,000
520 Water Fund	\$127,000
Estimated Revenue Impact Total	\$603,000



6

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6

RECOMMENDATIONS

That the Board of Public Utilities:

1. Adopt a resolution to establish the Riverside Public Utilities Electric and Water Fiscal Year 2026/27 User Fees and Charges, as further described in the resolution; and

That the Board of Public Utilities recommend the City Council:

1. Conduct a public hearing on June 23, 2026 to receive public input related to the Riverside Public Utilities Electric and Water Fiscal Year 2026/27 User Fees and Charges; and
2. Adopt a resolution approving the Riverside Public Utilities Electric and Water Fiscal Year 2026/27 User Fees and Charges, as further described in that resolution.



7

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