

Attachment 6

Board of Public Utilities
May 14, 2018

Notices of Public Hearing

Included:

- 1) Notice of public hearing for the proposed water rate increases direct mailed to water customers March 20, 2018.
- 2) Combined notice of public hearing for the proposed electric and water rate increases published in the Press Enterprise on April 29, 2018 and May 6, 2018.



Notice of Public Hearing

Notice Is Hereby Given that on May 14, 2018, at 6:30 p.m., or as soon thereafter as may be heard, the City of Riverside's Board of Public Utilities will hold a public hearing at Riverside City Hall in the Art Pick Council Chambers located at 3900 Main Street, Riverside, California to consider proposed increases to the City's water rates. At the time of the public hearing, the Board of Public Utilities will hear and consider all written protests and objections to the proposed water rate increases and consider whether to adopt such rate increases, subject to approval by the City Council. Further details regarding the proposed water rate increases are available at the Riverside Public Utilities offices, 3750 University Avenue, 3rd Floor, Riverside, California or at the Riverside City Clerk's Office, City Hall, 7th Floor, 3900 Main Street, Riverside, California and may be reviewed there by any interested person. The proposed water rate increases are also available on the RPU website: RiversidePublicUtilities.com/Rates

Protest of Proposed Rate Action

To protest the proposed rate increase, written protests must be received by the City at or before the close of the public hearing. Written protests may be submitted via mail or hand-delivered to the Riverside City Clerk at City Hall, 3900 Main Street, Riverside, California, 92522. Protests will also be accepted via electronic mail (e-mail) at City_Clerk@RiversideCA.gov. Each protest must identify the utility services address for the affected property (by assessor's parcel number or street address), indicate that the protest is related to the proposed water rate increases and include the name of the person submitting. Each utility services address may submit no more than one written protest. Protests received by telephone or on social media sites such as Facebook or Twitter will NOT be accepted. All interested parties are invited to attend the public hearing and present written protests or oral comments to the proposed water rate increases. However, oral comments at the public hearing will not qualify as a formal protest of the proposed water rate increases unless accompanied by a written protest setting forth the required information. If written protests are received from a majority of the affected parcels, the proposed rate increases will not be implemented.

EN ESPAÑOL: Para recibir una copia de este anuncio en español, por favor llámenos al (951) 782-0330.

Questions Regarding Proposed Rate Action

If you have any questions regarding the proposed water rate increases, or have questions on how to submit a written protest, please contact Riverside Customer Service at (951) 782-0330 or by email at CallCenter@RiversideCA.gov. If requested, this Notice and supporting materials will be made available in

appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the federal rules and regulations adopted in implementation thereof.

What Is It? After 7 years of water rates that have been frozen, the Riverside City Council conceptually approved water rate increases in January of 2018. These increases are broken down into yearly adjustments that take place over the next five years. The rate increases are based on system average and vary by customer class and consumption level. The water system average annual rate increases are as follows:

Water System Average Annual Rate Increases

July 1, 2018	4.50%
July 1, 2019	5.75%
July 1, 2020	5.75%
July 1, 2021	5.75%
July 1, 2022	6.50%

Why are water rates changing? The City of Riverside is facing challenges, like most utilities across the state, related to aging infrastructure, government regulations and investment into capital-improvement projects designed to make Riverside's water safe, reliable and affordable. These rate increases are meant to address those issues.

Estimated customer impacts are provided below for residential, commercial, and industrial water customers. (Water usage is measured in 100 cubic feet (CCF) units. One CCF equals 748 gallons.)

Estimated Monthly Residential Bill Impacts (15 CCF Winter, 24 CCF Summer)

Proposed Water Rates Effective

	Current Bill	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Winter (15 CCF)	\$31.40	\$35.46	\$38.35	\$41.36	\$44.56	\$48.25
Summer (24 CCF)	\$48.27	\$48.71	\$52.05	\$55.43	\$58.99	\$63.23
Average (19 CCF)	\$38.43	\$40.98	\$44.06	\$47.22	\$50.57	\$54.49

A typical residential customer with a 3/4" meter using on average 19 CCF (approximately 14,200 gallons) per month would see their monthly bill increase by approximately \$2.55 in the first year of the rate plan. The monthly bill increases in years 2 through 5 would average \$3.38. The charges include the monthly customer charge by meter size, tiered seasonal volumetric charges per CCF, and the Water Conservation Surcharge of 1.5% of water service charges.

**Estimated Monthly Commercial Bill Impacts
(33 CCF Winter, 43 CCF Summer)**

Proposed Water Rates Effective

	Current Bill	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Winter (33 CCF)	\$67.07	\$78.38	\$82.04	\$85.99	\$90.10	\$94.80
Summer (43 CCF)	\$96.76	\$105.76	\$109.43	\$113.38	\$117.49	\$122.19
Average (37 CCF)	\$79.44	\$89.79	\$93.45	\$97.40	\$101.51	\$106.21

A typical commercial customer with a 1" meter using on average 37 CCF (approximately 27,700 gallons) per month would see their monthly bill increase by approximately \$10.35 in the first year of the rate plan. The monthly bill increases in years 2 through 5 would average \$4.11. The charges include the monthly customer charge by meter size, seasonal volumetric charges per CCF, and the Water Conservation Surcharge of 1.5% of water service charges.

**Estimated Monthly Industrial Bill Impacts
(318 CCF Winter, 415 CCF Summer)**

Proposed Water Rates Effective

	Current Bill	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022
Winter (318 CCF)	\$602.99	\$652.59	\$673.11	\$695.20	\$718.21	\$744.47
Summer (415 CCF)	\$890.23	\$917.67	\$938.18	\$960.28	\$983.29	\$1,009.55
Average (358 CCF)	\$722.67	\$763.04	\$783.56	\$805.65	\$828.66	\$854.92

A typical industrial customer with a 3" meter using on average 358 CCF (approximately 267,800 gallons) per month would see their monthly bill increase by approximately \$40.37 in the first year of the rate plan. The monthly bill increases in years 2 through 5 would average \$22.97. The charges include the monthly customer charge by meter size, seasonal volumetric charges per CCF, and the Water Conservation Surcharge of 1.5% of water service charges.

Residential Water and Electric rate calculators are provided for your convenience in estimating your new monthly bill. Visit RiversidePublicUtilities.com/Rates

Changes to the Water Rates include:

- 1. Fixed Cost Recovery Concept:** Currently, the water utility's fixed costs are approximately 90%; however, we collect only 28% through fixed charges. By the fifth year of the rate plan, RPU will collect approximately 39% of our fixed costs through fixed charges. This adjustment helps RPU meet its objective of increased revenue stability and reflect how actual costs are incurred.
- 2. Monthly Customer Charge:** RPU will implement a uniform fixed monthly customer charge for each meter size. This will increase the percentage of costs recovered by this fixed charge to better reflect how actual costs are incurred.
- 3. Residential Tier Adjustment:** RPU will reduce the current four-tier structure to a three-tier rate structure for Single Family Residential (SFR) customers following the same winter and summer seasons.
- 4. Residential Tier 1 Reduction:** RPU will revise the SFR Tier 1 allotment from 15 CCF to 9 CCF per month, based on state recommended indoor household usage and four persons per SFR household.
- 5. New Multi-Family Rate:** RPU will implement a new Multi-Family Residential (MFR) Rate for accounts with 2 to 4 dwelling units. The MFR Tier 1 allotment will be set at 7 CCF per dwelling unit, based on state recommended indoor household usage and three persons per MFR household. MFR accounts with 5 or more dwelling units will receive the Commercial and Industrial rate.
- 6. Commercial and Industrial Tier Adjustment:** RPU will combine Commercial and Industrial accounts into one rate class with a uniform, seasonally adjusted volumetric rate.
- 7. Landscape Rate:** RPU will implement a uniform landscape rate which is seasonally adjusted and separate from the Commercial and Industrial Rates.

Customers may be changed to the applicable rate schedule effective with the rate plan on July 1, 2018, if RPU determines that the customer no longer qualifies for the assigned rate schedule.

How to save on your water bill

RPU offers many residential and commercial rebate programs designed to help you save money by conserving water. Learn more about our assistance programs, and water upgrades by visiting our website at RiversidePublicUtilities.com/Rebates

Proposed Electric rate increases will also be considered on May 14, 2018. A separate notice will be published for that hearing.





Notice of Public Hearing

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EN ESPAÑOL: Para recibir una copia de este anuncio en español, por favor llámenos al 951-782-0330.

Electric System Average Annual Rate Increases

The electric system average annual rate increases are as follows:

July 1, 2018	2.95%
July 1, 2019	3.00%
July 1, 2020	3.00%
July 1, 2021	3.00%
July 1, 2022	3.00%

Customer bill impacts will vary by customer class and consumption level. Estimated bill impacts are provided below for residential and commercial electric customers:

Estimated Monthly Residential Bill Impacts (592 kWh Average)						
		Proposed Electric Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (592 kWh)	\$90.57	\$91.97	\$95.03	\$98.24	\$101.93	\$105.67

A typical residential customer using on average 592 kWh per month would see their monthly bill increase by approximately \$1.40 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$3.43.

Estimated Monthly Commercial Flat Bill Impacts (2,400 kWh Average)						
		Proposed Electric Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (2,400 kWh)	\$416.27	\$428.48	\$438.66	\$449.82	\$461.97	\$475.11

A typical commercial flat customer using on average 2,400 kWh per month would see their monthly bill increase by approximately \$12.21 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$11.66.

Estimated Monthly Commercial Demand Bill Impacts (14,000 kWh Average)						
		Proposed Electric Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (14,000 kWh)	\$2,173.79	\$2,225.46	\$2,285.82	\$2,346.18	\$2,410.86	\$2,476.98

A typical commercial demand customer using on average 14,000 kWh per month would see their monthly bill increase by approximately \$51.67 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$62.88.

Estimated Monthly Industrial Time-of-Use Bill Impacts (175,000 kWh Average)						
		Proposed Electric Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (175,000 kWh)	\$20,617.18	\$21,328.04	\$22,069.48	\$22,832.01	\$23,604.08	\$24,314.50

A typical industrial time-of-use customer using on average 175,000 kWh per month would see their monthly bill increase by approximately \$710.85 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$746.62.

Water System Average Annual Rate Increases

The water system average annual rate increases are as follows:

July 1, 2018	4.50%
July 1, 2019	5.75%
July 1, 2020	5.75%
July 1, 2021	5.75%
July 1, 2022	6.50%

Customer bill impacts will vary by customer class and consumption level. Estimated bill impacts are provided below for residential and commercial water customers:

Estimated Monthly Residential Bill Impacts (19 CCF Average)						
		Proposed Water Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (19 CCF)	\$38.43	\$40.98	\$44.06	\$47.22	\$50.57	\$54.49

A typical residential customer with a 3/4" meter using on average 19 CCF (approximately 14,200 gallons) per month would see their monthly bill increase by approximately \$2.55 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$3.38.

Estimated Monthly Commercial Bill Impacts (37 CCF Average)						
		Proposed Water Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (37 CCF)	\$79.44	\$89.79	\$93.45	\$97.40	\$101.51	\$106.21

A typical commercial customer with a 1" meter using on average 37 CCF (approximately 27,700 gallons) per month would see their monthly bill increase by approximately \$10.35 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$4.11.

Estimated Monthly Industrial Bill Impacts (358 CCF Average)						
		Proposed Water Rates Effective July 1 st of Following Years				
	Current Bill	2018	2019	2020	2021	2022
Average (358 CCF)	\$722.67	\$763.04	\$783.56	\$805.65	\$828.66	\$854.92

A typical industrial customer with a 3" meter using on average 358 CCF (approximately 267,800 gallons) per month would see their monthly bill increase by approximately \$40.37 in the first year of the rate plan. The monthly bill increases in years 2 through 5 will average \$22.97.

How to save on your electric and water bill?

RPU offers many residential and commercial rebate programs designed to help you save money by conserving electricity. Learn more about our assistance programs, off-peak pricing, or upgrades by visiting our website at www.RiversidePublicUtilities.com/Rebates