



# WATER COST OF SERVICE ANALYSIS AND RATE DESIGN

## Riverside Public Utilities

### Board of Public Utilities

April 8, 2024

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## BACKGROUND

1. March 14, 2022, Board approved Water Cost of Service Analysis (COSA) and Rate Design Project with Carollo
2. First and Second Amendments required for additional cost of service and rate design analysis
3. Water Utility Five-Year Rate Plan approved by City Council on September 19, 2023



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## THIRD AMENDMENT

Additional analysis is required if City Council gives direction to change the water general fund transfer. A new study would include:

1. Update customer data analysis
2. Develop various cost of service analysis and rate design scenarios
3. Customer bill impact analysis
4. Cost of service and rate design study report



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## WATER COSA AND RATE DESIGN PROJECT

Consultant: Carollo Engineers, Inc	Amount
Phases I, II, and III- Cost of Service Analysis, Rate Trends Study, Rate Design, Recycled Water Rate Design ( <b>\$34,570 remaining on original Agreement</b> ), Budget-Based Rate Design and Implementation Plan	\$161,140
First Amendment- Additional Cost of Service and Rate Design Analysis	\$13,692
Second Amendment- Additional Cost of Service and Rate Design Analysis	\$40,000
Third Amendment- Additional Cost of Service and Rate Design Analysis to Develop Scenarios for the Removal of the General Fund Transfer	\$165,950
<b>Final Total</b>	<b>\$380,782</b>



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## STRATEGIC PLAN ALIGNMENT



### Priority 6 – Infrastructure, Mobility & Connectivity

Goal 6.2 – Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve a Third Amendment to the Professional Consultant Services Agreement for Water Cost of Service Analysis and Rate Design with Carollo Engineers, Inc., of Riverside, California, increasing the contract amount by \$165,950 for a revised total contract amount of \$380,782;
2. Amend the Agreement to exercise the option to extend the term of the agreement to December 31, 2025; and
3. Authorize the City Manager, or designee, to execute the Third Amendment, including making minor and non-substantive changes.



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