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## RESOLUTION NO. 2020-1

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF THE CITY OF RIVERSIDE, CALIFORNIA (1) ADOPTING REVISED WATER RULE 7 AND APPENDIX A: WATER FEES AND CHARGES SCHEDULE FOR LOW INCOME RESIDENTIAL CUSTOMERS; (2) MAKING FINDINGS OF FACT; (3) RECOMMENDING CITY COUNCIL APPROVAL THEREOF

WHEREAS, the City of Riverside's ("City") Department of Public Utilities ("RPU") has submitted for action by the Board of Public Utilities ("Board") and the City Council, the proposed adoption and approval of revised Water Rule 7 and Appendix A: Water Fees and Charges Schedule for low income residential customers as further explained herein; and

WHEREAS, Senate Bill 998 was adopted September 28, 2018 and applies to public water systems that supply water to more than 200 service connections and prohibits residential water service from being disconnected under special circumstances. Publicly owned water utilities such as Riverside Public Utilities (RPU) are required to comply with the requirements of SB 998 by February 1, 2020. The bill provides residential water service customers that have been identified and verified as low-income (200% below the Federal Poverty Level) with a 60-day waiting period during delinquency before receiving a 48-hour disconnection notice and qualifies them for an amortized payment plan, as well as a reduced same day reconnection fee of \$50; and

WHEREAS, on September 27, 2011, the City Council approved Water Rule 7, titled "Discontinuance and Restoration of Water Service." Water Rule 7 provides rules for discontinuance of water service for reasons including customer request, unsafe equipment, situations in which the water service was activated without application of service, dangers to the health of the customer, inability to pay utility bill, fraud, service at more than one location, when the utility's business is closed, when there is a landlord-tenant relationship and a master metered residential unit; and

WHEREAS, the RPU water rules also set the amount to restore service and of the reestablishment of service deposit; and

WHEREAS, on June 21, 2011, the City Council approved Appendix A: Water Fees and

Charges Schedule, which sets the fees and charges incurred because of termination of water service with all Water Rules; and

WHEREAS, the current Water Rule 7 does not differentiate rules, fees, or reconnection charges based on a customer's income. Neither the Water Rule 7 nor Appendix A specify rules for the discontinuance and restoration of water service or have different service reconnection charges for low-income customers; and

WHEREAS, the proposed changes to Water Rule 7 and Appendix A: Water Fees and Charges Schedule reflect the requirements of the new legislation passed under Senate Bill 998. These changes include provisions for the delay in disconnection and the documentation requirements for any residential customer who demonstrates a household income below 200% of the Federal poverty level. The income requirement is aligned with Riverside Public Utilities' SHARE utility assistance program; and

WHEREAS, further, the proposed changes also include revisions to the rules for when a low-income customer enters into an amortized payment arrangement, if the customer fails to comply with the amortized agreement and the notification of service termination; and

WHEREAS, the proposed changes to Appendix A: Water Fees and Charges Schedule include the reduced \$50 charge for same day service reconnection charge for low-income customers.

WHEREAS, a public hearing, notice of which was duly published in <u>The Press-Enterprise</u> on December 29, 2019 and January 5, 2020, in compliance with Government Code Sections 66018 and 6062a, was held on January 13, 2019 at 6:30 p.m. before the Board of Public Utilities to consider the revisions noted herein; and

WHEREAS, the Board is charged by Section 1202(e) of the City Charter to establish and adopt the rates, rules, fees and charges for the Electric and Water Utilities, subject to the approval of the City Council; and

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WHEREAS, the Board intends to establish and adopt the revised Water Rule 7 and Appendix A: Water Fees and Charges Schedule, all in accordance with staff recommendations; and

NOW, THEREFORE, BE IT RESOLVED, based upon the foregoing facts, the staff report, and other evidence submitted by staff to the Board, by the Board of Public Utilities of the City of Riverside, California, as follows:

Section 1: The foregoing recitals are true and correct and are adopted and incorporated herein by reference as findings of fact of this Board.

Section 2: On the basis of the RPU staff analyses, data and reports, the foregoing recitals and the other evidence submitted by staff to the Board, the Board hereby finds and determines that the proposed revisions to Water Rule 7 and Appendix A: Water Fees and Charges Schedule are exempt from the provisions of the California Environmental Quality Act (Pub. Res. Code Section 21000 et seq.) under Public Resources Code section 21080(b) (8), as the proposed revisions to the existing rules are for the purpose of (A) meeting operating expenses, including employee wage rates and fringe benefits, (B) purchasing or leasing supplies, equipment, or materials, (C) meeting financial reserve needs and requirements, (D) obtaining funds for capital projects necessary to maintain service within existing service areas, and/or (E) obtaining funds necessary to maintain those intracity transfers as are authorized by City Charter.

Section 3: The proposed revisions to Water Rule 7 and Appendix A: Water Fees and Charges Schedule are exempt from the voter approval requirements of Proposition 26, as adopted by voters on November 2, 2010, because the rates are imposed for a specific government service provided directly to the ratepayer that is not provided to those not charged and which does not exceed the reasonable costs to the local government of providing the service.

Section 4: The proposed revisions to Water Rule 7 and Appendix A: Water Fees and Charges Schedule, attached hereto as Exhibit A and incorporated herein by reference, are hereby adopted and established under and pursuant to Section 1202(e) of the Charter of the City of Riverside, California, are recommended for approval by the City Council of the City of Riverside, California, and shall become effective upon February 1, 2020 and with approval by the City Council of the City of Riverside, California.

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## EXHIBIT A

Water Rule 7 and Appendix A: Water Fees and Charges Schedule Effective February 1, 2020

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