

SEWER/WASTEWATER RATE ADJUSTMENT NOTIFICATION

A Spanish language version of the Proposition 218 Notice is also available at [add website link]: UNA VERSIÓN EN ESPAÑOL DEL AVISO DE LA PROPOSICIÓN 218 TAMBIÉN ESTÁ DISPONIBLE AQUÍ: [add website link]:

Rialto Utility Authority (RUA)

In 2012, the City and RUA agreed to a 30-year concession agreement with **Rialto Water Services (RWS)** along with their contractor Veolia North America (Veolia) to accelerate delivery of much-needed capital improvement projects, turnover management of the water and sewer systems, and to implement efficiency improvements without adding financial risk to the City and RUA. This progressive and innovative public-private partnership enabled the City/RUA and its partners to deliver more than \$41 million in water and sewer capital improvements. The agreement required a 5-year rate adjustment of 25% each year with the last one ending in 2018. As capital improvement, system operating, and compliance costs have increased over the years, the RUA has maintained services without cost increases to our customers for over 5-years.

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Under the Concession Agreement, the City/RUA retains full ownership of the water system, retains all water rights and supply, and possesses the rate-setting authority. RWS provides financial backing, oversight, and concession services for the life of the agreement, while Veolia delivers all water service operations, including billing and customer service, and oversees a capital improvement program to upgrade aging facilities. City staff provides oversight of the Concession Agreement and everyday operations that provide water services to **over 104,000 residents and businesses in the city**. Staff identifies, plans, and prioritizes projects. Coordinates the financing and scheduling with Concessionaire partners and presents projects to the City Council for approval.

Investment in Rialto Sewer Infrastructure

The City/RUA are continually evaluating sewer system improvements to ensure a safe and reliable collection and treatment system. With changes in customer water use in response to recent drought conditions, corresponding reductions in sewer flows, and several new development projects proposed throughout the City's sewer service area, the City staff completed the Sewer Master Plan (WWMP) update in August 2022. Because of the focus and significant investment of the \$30 Million upgrades to the City's Wastewater (Sewer) Treatment Plant (WWTP) in 2018, the 2022 Sewer Master Plan update focused on identifying improved capacity to meet existing and projected future flows and any remaining deficiencies in the collection system.

Sewer system improvement projects completed last year

- Baseline Feeder Sewer Improvement
- Sycamore Sewer Lift Station (*in progress, estimated to be completed June 2024*)

Other Projects

- Rialto Habitat Nature Center Design

New 5-Year Sewer Capital Improvement Projects (CIP)

Harnessing ARPA Funds, RUA Reserves, and Development Impact Fees, we're proud to share that these financial resources account for an impressive 38% of the total CIP projects earmarked for the next 5 years. The \$19.4 million in savings will be passed on to our valued customers, resulting in lowered sewer rate adjustments. This achievement is a testament to Rialto's unwavering commitment to responsible fiscal stewardship and a strategic vision for a prosperous future. As we applaud the completion of our successful CIP sewer projects, we extend a heartfelt invitation to every resident. Your voice matters, and we invite you to actively participate in shaping a sustainable future for

"\$19.4 million savings is passed on to our customers by lowering the sewer rate adjustments".

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Rialto. Connect with us by calling (909) 820-2525 ext. 2062 during normal business hours or emailing AskRUA@rialtoca.gov.

	Total Project Cost	ARPA ¹ Funded	RUA Reserves	Development Impact Fee (DIF) ²	Remaining Cost Funded by Sewer Rates
Sewer System Security Upgrades	\$2 million	\$2 million			
Upsizing Sewer Mains in Sycamore Ave. and moving flows to Acacia Ave. via Baseline Road (Master Plan)	\$5 million			\$5 million	
Upsizing Sewer Mains in Acacia Ave. - Victoria to McKinley (Master Plan)	\$2 million			\$2 million	
Digester 1 and 2 Transition, Cleaning, and Rehabilitation	\$1.8 million				\$1.8 million
Solids Handling Upgrades at the WWTP	\$26.4 million		\$10 million	\$400,000	\$16 million
Agua Mansa Sewer Lift Station	\$2 million				\$2 million
Plant 5 Secondary Effluent Clarifiers A&B Overhaul	\$500,000				\$500,000
Ayala Lift Station Upgrade and Repair	\$2 million				\$2 million
Electrical Upgrade	\$8.8 million				\$8.8 million
TOTAL	\$50.5 million	\$2 million	\$10 million	\$7.4 million	\$31.1 million
		4%	20%	15%	62%

¹ Signed into law on March 11, 2021, the American Rescue Plan Act (ARPA) provided funding for Cities to make necessary investments to sewer infrastructure

² Development impact fees (DIF) are a one-time charge to new development imposed under the Mitigation Fee Act. These fees are charged to new development to mitigate impacts resulting from the development activity and cannot be used to fund existing sewer deficiencies.

Navigating the Future: Addressing Rialto's Sewer Infrastructure Challenges

The projects identified in the New 5-Year Sewer Capital Improvement Project list help to resolve the following sewer infrastructure challenges with proven solutions.

1. Sustaining Growth Responsibly:

- Challenge: The continuous rise in Rialto's population is putting a strain on our existing sewer systems.
- Solution: Upgrades and expansions are essential to ensure our systems can handle the increased sewer and wastewater volumes that come with urban growth.

2. Embracing Environmental Responsibility:

- Challenge: Evolving environmental regulations, particularly those related to water quality and pollution control, are placing new demands on our sewer system operators.
- Solution: Complying with these regulations requires strategic investments in cutting-edge technology and infrastructure to safeguard our environment.

3. Financial Health for Infrastructure Wealth:

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- Challenge: Securing adequate funding for regular maintenance and upgrades is crucial for the continued functionality of our sewer systems.
- Solution: By prioritizing financial support, we can ensure the resilience of our infrastructure and protect the well-being of our community.

4. The Technological Frontier:

- Challenge: While technological advancements open doors to enhance efficiency and monitoring in our sewer systems, their integration comes with challenges.
- Solution: Striking the right balance involves addressing costs, providing training, and ensuring compatibility to fully reap the benefits of technological progress.

In facing these challenges head-on, Rialto is committed to fostering a sustainable, resilient sewer infrastructure that aligns with our community's growth and environmental stewardship goals. Together, we can navigate these challenges and build a brighter future for Rialto.

Proposed Sewer/Wastewater Rates Effective March 1, 2024, and January 1, 2025, through January 1, 2028.

Every day, the City of Rialto/Rialto Utility Authority as operated by Rialto Water Services and Veolia generates clean energy protects the environment and public health by treating sewer for over 21,400 residents and businesses. Our work is almost exclusively funded by the rates that customers pay and is offset by state and federal grants and development impact fees.

Our systems work 24 hours a day, 7 days a week, 365 days a year with emergency services available day and night to monitor these systems.

Our rates reflect the true cost of operating, maintaining, and upgrading our sewer system. To continue delivering the services that Rialto residents and businesses depend on, the RUA is proposing water rate adjustments starting March 1, 2024, and annually from January 1, 2025, through January 1, 2028.

Proposed Sewer/Wastewater Rates

	Current	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Group I, \$/month/unit						
Residential	\$62.19	\$67.07	\$70.80	\$74.68	\$77.80	\$79.64
Residential X 1.3	\$80.84	\$87.19	\$92.04	\$97.08	\$101.14	\$103.53
Residential Multi.	\$62.19	\$62.19	\$62.19	\$62.19	\$64.60	\$66.12
Non-Residential, \$/ccf						
Group II - Commercial	\$6.77	\$5.70	\$5.80	\$5.90	\$6.08	\$6.23
Group III - Commercial	\$7.96	\$8.06	\$8.40	\$8.74	\$9.10	\$9.32
Group IV - Commercial	\$10.17	\$11.91	\$13.17	\$14.49	\$15.43	\$15.79
Commercial II X 1.3	\$8.80	\$7.41	\$7.54	\$7.67	\$7.91	\$8.09
Commercial IV X 1.3	\$13.22	\$15.49	\$17.12	\$18.84	\$20.06	\$20.53
Schools: \$/pupil/month						
Elementary and Continuing	\$0.85	\$1.14	\$1.19	\$1.23	\$1.28	\$1.32
Junior High and High	\$2.03	\$2.22	\$2.31	\$2.40	\$2.50	\$2.56

NOTE: Extraterritorial (outside the borders of the City of Rialto) sewer fees have been established at one point three (1.3) times the current sewage charges in accordance with Resolution No. 6209 adopted January 8, 2013.

Investing in Our Community: Strengthening Rialto's Sewer Systems for a Healthier Tomorrow

At the heart of public health lies a robust and reliable sewer system. The City of Rialto and Rialto Utilities Authority (RUA) are unwavering in our commitment to provide you, our valued customers,

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with a sewer system that safeguards our public health, provides environmental protection, and sustains overall community well-being.

Ensuring the longevity and effectiveness of the sewer system requires ongoing maintenance and strategic upgrades. Some components of our sewer system have been serving the community since the 1960s, underlining the need for continuous attention. By dedicating resources to maintain and upgrade aging infrastructure, we actively work to prevent disruptions, meet evolving regulatory standards, and enhance seismic safety measures.

As stewards of your hard-earned dollars, we are dedicated to executing initiatives that not only maintain the integrity of our sewer systems but also propel us toward a future of heightened resilience, efficiency, and environmental responsibility.

Together, We Build a Stronger Tomorrow

In supporting our ongoing efforts, you contribute to the preservation of our community's well-being. Your dollars at work go beyond mere infrastructure maintenance – they empower us to embrace innovation, meet regulatory challenges head-on, and ensure our system is both safe and sustainable. Thank you for your continued trust and investment in the health and prosperity of Rialto. Your dollars are indeed hard at work, laying the foundation for a community that thrives today and for generations to come.

Our Public Rate Setting Process.

The City/RUA is committed to a transparent public rate-setting process and is available to answer your questions. An independent rate consultant has completed a Revenue Analysis and Rate Study. The rate study findings provide the basis for our rate proposal, which goes through an extensive review process to ensure affordability, stability, and fairness. Interested customers and others can provide comments on the proposed rates at Rialto Engagement Group Meetings, scheduled for Thursday, January 25, from 6:30 pm to 8:30 pm; and January 27, February 3, February 10 (Special Engagement with Presentation and Q&A in Spanish), and February 17 from 10 am to noon at city hall council chambers. To learn more about our rates package, rate-setting process, and upcoming meetings, visit www.yourrialto.com/Rates.

Some customers will receive multiple notices

To ensure that all customers are informed about the sewer rate increases, these Notices are being sent to all Rialto sewer customers. If you are responsible for more than one bill, you will receive more than one Notice, but only one written protest per affected property will be counted towards the majority protest. Proposition 218 requires cities to mail a public hearing notice to every property owner about proposed rate changes 45 days before holding a public hearing during which the City Council considers whether to adopt the changes. It also establishes a protest process for account holders to follow if they wish to oppose the proposed rates. The City has chosen to send this notice to rate-paying tenants as well.

Public Engagement Meetings for Water & Sewer Rates

All meetings are held in Rialto Council Chambers located at 150 S. Palm Ave. at the date and times specified below.

Thursday, January 25, 2024
6:30 pm to 8:30 pm

Saturday, February 3, 2024
10 am to Noon

sábado, 10 de febrero de 2024
10 am al mediodía: participación
especial con presentación y
preguntas y respuestas en
español

Saturday, February 17, 2024
10 am to Noon

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Who receives public hearing notice? Every property owner and rate-paying tenant receives a public hearing notice.

How can I participate?

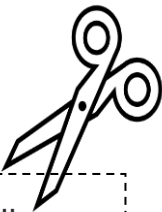
Interested parties can comment on the proposed rates. California Constitution Article XIII D section 6 (Proposition 218) prohibits the City from implementing the new rates if a majority of the affected **property owners or tenants file written protests opposing the rates before the end of the public hearing**. Only one written protest per affected property will be counted towards the majority protest. Written protests must be received by the Rialto City Clerk at 290 W Rialto Avenue Rialto, CA 92376, or hand delivered to the City Clerk's Office Monday through Friday 7 am to 6 pm., before the end of the public hearing which is scheduled for 6:30 p.m., February 27, 2024. Each protest must identify the affected property (by street address or Assessor's Parcel Number) and include the signature of the property owner or utility customer of record. **In compliance with Proposition 218, e-mail protests will not be accepted. Fax protests will also not be accepted.** Although oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing.

"All ballots must be mailed to Rialto City Clerk at 290 W Rialto Avenue Rialto, CA 92376, or hand delivered to the City Clerk's Office Monday through Friday 7 am to 6 pm."

If adopted, the proposed rates will become effective on March 1, 2024.

UUT Exemption: The Utility Users Tax (UUT) for the City of Rialto is 8% and is levied on the users of various utilities. Low-income households and senior citizens are exempt from paying the tax. For information and to check your status of obtaining a Utility Users Tax exemption, please contact (909) 820-2661 during normal business hours.

UNDER CALIFORNIA GOVERNMENT CODE SECTION 53759, THERE IS A 120-DAY STATUTE OF LIMITATIONS FOR CHALLENGING ANY NEW, INCREASED, OR EXTENDED FEE OR CHARGE. THIS STATUTE OF LIMITATIONS APPLIES TO THE WATER AND SEWER SERVICE RATES AND CHARGES PROPOSED IN THIS NOTICE. IT ALSO APPLIES TO FUTURE CHANGES TO WATER AND SEWER RATES AND CHARGES.



Written protest must be mailed in an envelope addressed to or delivered to: City Clerk, 150 S. Palm Ave., Rialto, CA 92376 by February 27, 2024, at the time of the Public Hearing.

I _____ oppose the proposed **SEWER** rate increase.
(Print name)

Assessor's Parcel Number or Address: _____

Please circle one: I am the property owner OR I am the rate paying tenant

Signature: _____