

WATER 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.

"the RUA has maintained services without cost increases to our customers for over 5-years".

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 54,000 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 Water Infrastructure

Water system improvement projects completed last year

- Riverside North Waterline Improvement Project
- Riverside Central Waterline Improvement Project
- Sycamore Waterline Improvement Project

"\$12 million savings is passed on to our customers by lowering the water rate adjustments".

New 5-Year Water Capital Improvement Projects (CIP)

Rialto has successfully secured \$12 million in grants, accounting for an impressive 57% of the total CIP projects funded for the next 5 years. This \$12 million savings is passed on to our customers by lowering the water rate adjustments. The achievement is a testament to our city's dedication to responsible fiscal stewardship and a strategic vision for the future. As we celebrate the success of our completed CIP water projects, we invite every resident to join the conversation in shaping a sustainable and water-secure future for Rialto by calling (909) 820-2525 ext. 2062 during normal business hours or emailing AskRUA@rialtoca.gov. Together, we can ensure that our city continues to thrive as a model of responsible urban development.

	Total Project Cost	Grant/ARPA Funded	Development Impact Fee (DIF) ¹	Remaining Cost Funded by Water Rates
Watermain Replacement Project	\$6.7 million		\$2.9 million	\$3.8 million
Water System Security Upgrades	\$2 million	\$2 million		

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Automatic Meter Infrastructure Upgrades	\$8 million	\$8 million		
City 3A Groundwater Treatment Project	\$4.2 million	\$2 million		\$2.2 million
TOTAL	\$20.9 million	\$12 million	\$2.9 million	\$6 million
		57%	14%	29%

¹ 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 water system deficiencies.

Rialto Water Infrastructure Challenges

- Historic spike in inflation caused by COVID-19-related issues, further exacerbated by global changes.
- Increased project costs:
 - Increases in construction material costs.
 - Labor cost increases.
- Project schedule delays:
 - Raw material shortages.
 - Skilled labor shortages.
 - Shipping delays and other supply chain issues.
- Water sector obstacles:
 - Increased and emerging regulatory compliance resulting in more rigorous testing and reporting.
 - The City of Rialto has sufficient water supply to service our customers. However, the State of California drought and long-term drinking water supply availability concerns have created new mandates for water conservation and efficiency for RUA.

Proposed Water 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 delivers high-quality water to over 54,000 residents. Our work is almost exclusively funded by the rates that customers pay and is offset by state and federal grants.

Our system works 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 water 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.

The tiered usage billing structure charges customers a higher water rate as use increases. Tier 1 is for essential indoor water use such as drinking, washing, and cooking. Tier 2 is for efficient outdoor watering of trees and lawns. Revenue from other sources helps to keep Tier 1 and 2 rates lower than Tier 3, which is allocated to higher water use customers that drive up the cost to meet the State's water conservation and efficiency mandates. Rialto residential monthly average water

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use of 16 ccf per month will change from a monthly bill of \$57.74 to \$63.80 per month or a \$6.06 adjustment.

Monthly Minimum Charge	Current	Proposed Rates				
		3/1/24	1/1/25	1/1/26	1/1/27	1/1/28
Single Family Residences, Multiple Family Connections, Commercial, Landscape, and Industrial Service Customers						
1/2 " & 5/8" meter	\$30.42	\$33.38	\$37.38	\$39.63	\$42.00	\$44.52
3/4" meter	\$30.42	\$33.38	\$37.38	\$39.63	\$42.00	\$44.52
1" meter	\$44.01	\$51.03	\$57.15	\$60.58	\$64.21	\$68.07
1 1/2" meter	\$53.04	\$95.15	\$106.56	\$112.96	\$119.74	\$126.92
2" meter	\$152.54	\$148.09	\$165.86	\$175.81	\$186.36	\$197.54
3" meter	\$324.45	\$289.28	\$323.99	\$343.43	\$364.04	\$385.88
4" meter	\$550.59	\$448.11	\$501.88	\$532.00	\$563.92	\$597.75
6" meter	\$1,138.62	\$889.31	\$996.03	\$1,055.79	\$1,119.14	\$1,186.29
8" meter	\$1,636.17	\$1,418.76	\$1,589.01	\$1,684.35	\$1,785.41	\$1,892.54

Volume Charge, \$/ccf	Current	Proposed Rates				
		3/1/24	1/1/25	1/1/26	1/1/27	1/1/28
<u>All Customers Except those Noted Below</u>						
0 - 9 ccf		\$1.63	\$1.83	\$1.94	\$2.05	\$2.17
10 - 30 ccf		\$2.25	\$2.52	\$2.67	\$2.83	\$3.00
>31 ccf		\$3.05	\$3.42	\$3.62	\$3.84	\$4.07
<u>Multiple Apartments</u>						
Over 49 Units and Mobile Homes	\$2.40	\$2.56	\$2.87	\$3.04	\$3.22	\$3.42
<u>Landscape</u>						
0 - 30 ccf	\$2.70	\$2.25	\$2.52	\$2.67	\$2.83	\$3.00
>31 ccf	\$3.32	\$3.05	\$3.42	\$3.62	\$3.84	\$4.07

Your Dollars at Work.

Water systems are critical to public health. The city of Rialto/RUA is committed to providing customers with safe, reliable, and affordable drinking water. The system requires ongoing maintenance and upgrades. Many parts of the city's water system pipes are over 60 years old (pre-1950). The city has documented a history of repairs and failures of these pipes and has developed a program for its systematic replacement. We need to continue to maintain and upgrade aging systems to prevent breaks, meet regulatory requirements, and improve seismic safety. Your dollars pay for essential services and projects that protect public health.

Where Does Your Water Dollar Go? Understanding the True Value of Water

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At first glance, a water bill may seem steep. But when we consider the amount of water consumed and the work involved in delivering high-quality, safe, reliable water, it's surprisingly affordable. Compared to other daily costs like gasoline (averaging \$5.37 per gallon), RUA water is by far the most cost-effective at \$1.63 for 748 gallons. Water sold at local grocery stores averages \$1.25 for one gallon and Rialto resident's average household water use is 11,969 gallons per month (16 ccf).

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 water rate increases, these Notices are being sent to all Rialto water 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."

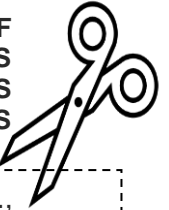
If adopted, the proposed rates will become effective on March 1, 2024.

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Ways To Reduce Your Water Bill. Senior Citizen Discount: residential customers aged 65 and over qualify for a 20% discount on the "Monthly Minimum Charge." Qualifying residents must present proof of age. **Low-Income Discount:** households who have incomes at or below the Low-Income Limit (80% of Median Income) as published by the U.S. Department of Housing and Urban Development (HUD) for San Bernardino County qualify for 20% discount on the "Monthly Minimum Charge." Qualifying households must present proof of identification, income, residence, and a copy of the bill to apply for the program. The discount does not apply to commercial or industrial customers. **The Senior Citizen Discount and Low-Income Discount are mutually exclusive.** An account holder may only receive one such discount at any period. If at the time of application for the discount, an account holder is eligible and applies for both discounts, then only the Senior Citizen Discount shall be applied to charges after the date of application, but not the Low-Income Discount. **UUT Exemption:** For more information regarding the Utility Users Tax exemption, contact (909) 820-2661.

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 **WATER** 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: _____