

# Proposed Electric and Water Utility Rate Increase

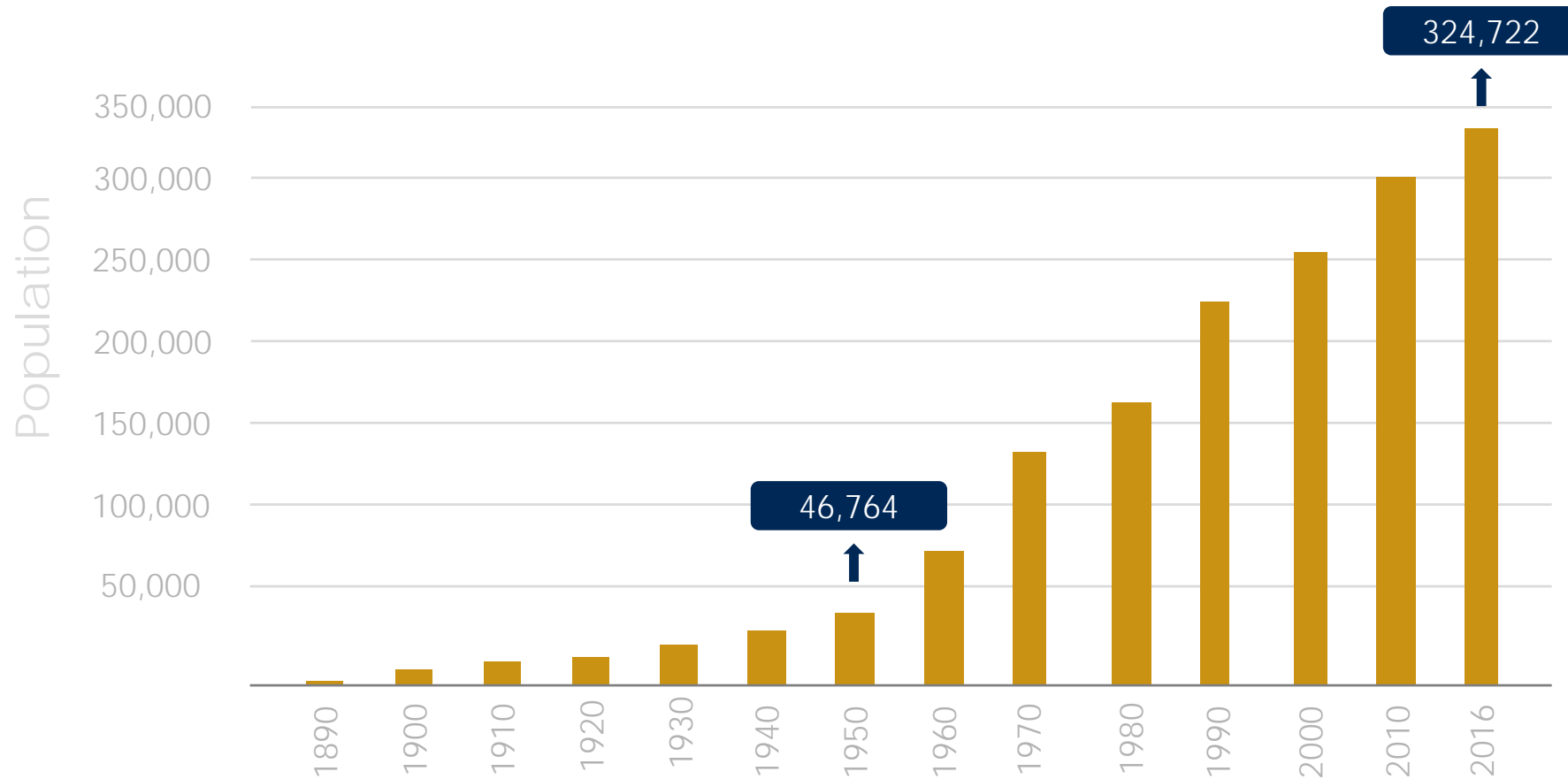
---

## Community Meetings

# What we will cover tonight:

1. Why is a rate increase needed?
2. How will it affect me?
3. What can I do?
4. Questions

# Population Growth



Sources: American Fact Finder/Census.gov and State of California, Department of Finance



26%

Utility Poles

60+

22,637



65

# Substation Transformers

10

60+





A photograph showing construction workers in a trench installing a large pipe. One worker is in the foreground, bent over, working on a pipe joint. Another worker is visible in the background. The pipe is wrapped in white protective material with 'Tentlex 30' and '3M' visible. The trench walls are earthen and the ground is muddy.

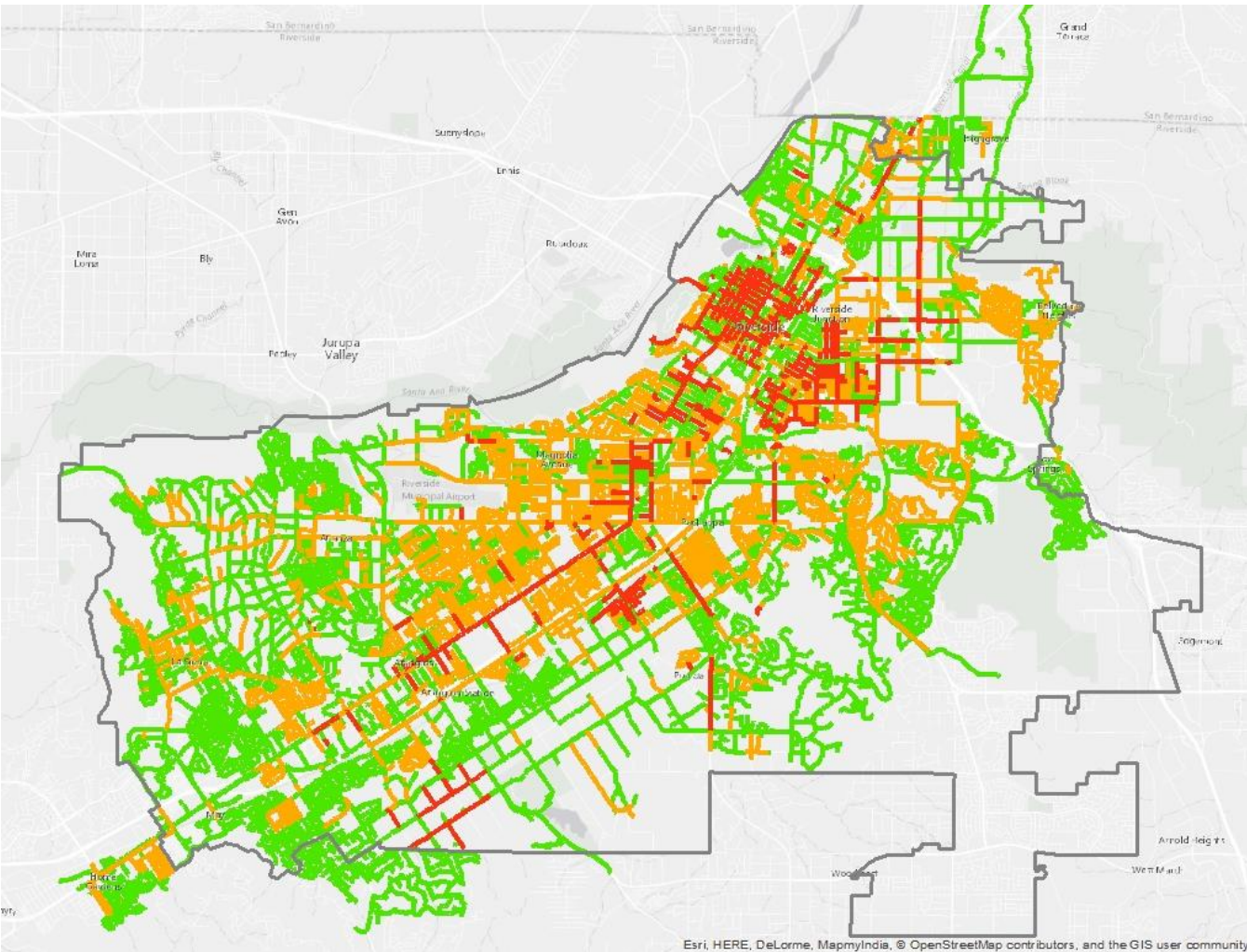
# 824 miles Distribution Mains

30%

60+



# Aging Pipes



- 80+ Years old
- 50-80 Years old
- 1-50 Years old







# Harvey Lynn Substation Explosion



From this...



...to this.

Harvey  
Lynn  
Substation  
Explosion  
March 2014



# NETFLIX





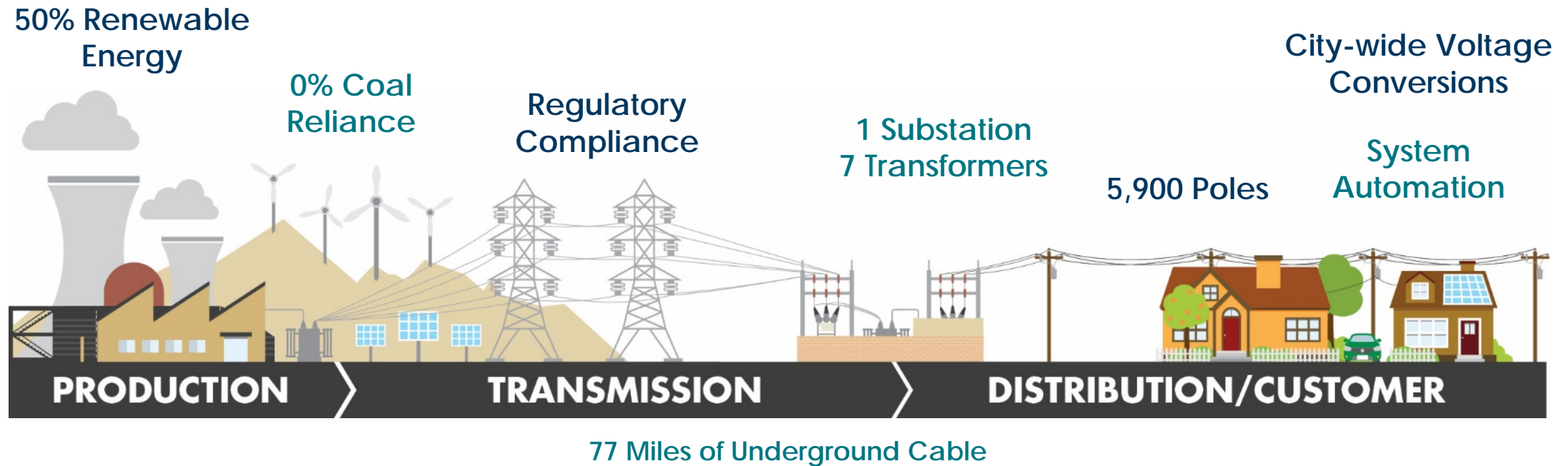
FLORIDA AMBULANCE 26

**Sept. 2017:  
12 Deaths due to Power Failure  
at Florida Care Center**





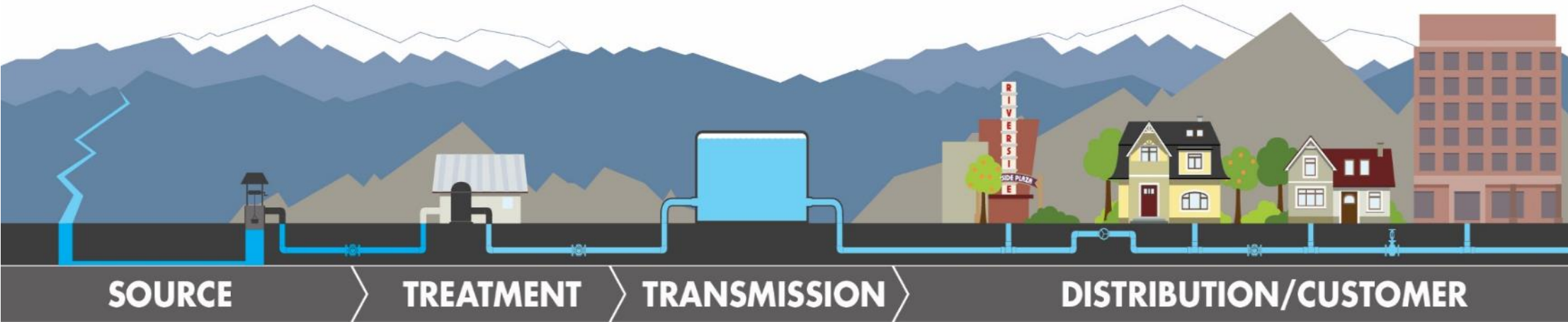
# Electric System – 10 Year Plan





# Water System – 10 Year Plan

Recycled Water  
Storm Water Capture



5 Wells

North Waterman  
Treatment Plant

80 Miles of Pipeline  
Replace Techite Pipe

3 Pressure Stations • System Automation

2,400 miles



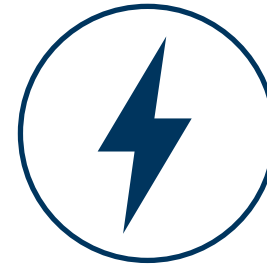


# 7 Years Without a Rate Increase



## 7 Years

since the last  
water increase (2010)



## 7 Years

since the last  
electric increase (2010)



Renewable Power Requirements  
Increased from

## 20% to 50%

since the last rate plan



Five-year California Drought  
(2011-2016)

Hottest and Driest in  
Instrumental Record  
since the late 1800s

# Cost Increase ↑ of Average Household Items



↑ 58%  
\$

Tide Laundry Detergent  
2010 - \$7.97  
2016 - \$12.57



1 pound of bacon  
2010 - \$3.22  
2016 - \$4.48

↑ 39%  
\$



↑ 50%  
\$

1 pound of potatoes  
2010 - \$0.52  
2016 - \$0.78



Movie ticket  
2010 - \$7.50  
2016 - \$10.49

↑ 40%  
\$



iPhone 4  
2010 - \$399  
iPhone 7  
2016 - \$649

↑ 63%  
\$

Source: [ThePeopleHistory.com/pricebasket.html](http://ThePeopleHistory.com/pricebasket.html)

Source: [Apple.com](http://Apple.com)



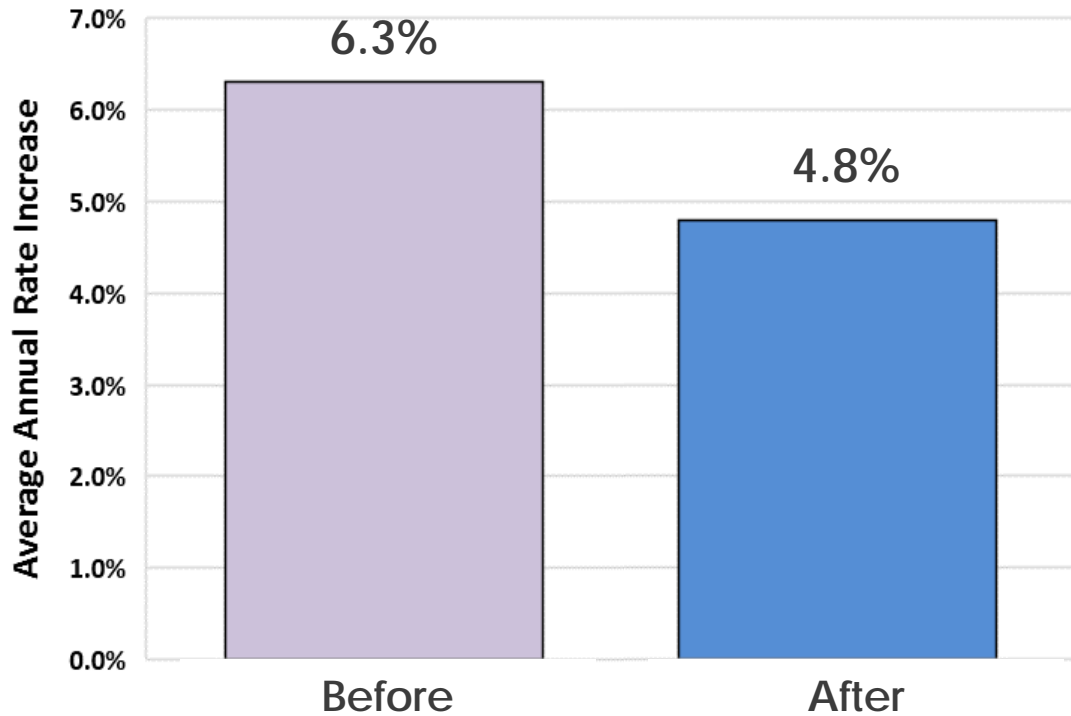
# Keeping Rates as Low as Possible

1. Transmission Revenues *\$36-40 million/year*
2. Cap-and-Trade Revenues *\$5 million/year*
3. Western Water Sale Agreement *~\$5 million/year*
4. Excess Renewable Energy Sales *\$3-5 million/year*
5. Solar at Well Sites *\$800,000/year*
6. Scheduling Services *\$750,000/year*
7. \$85 Million Line of Credit *reduced cash reserves*
8. 55-year Lease with Hillwood *potential for \$45 million*

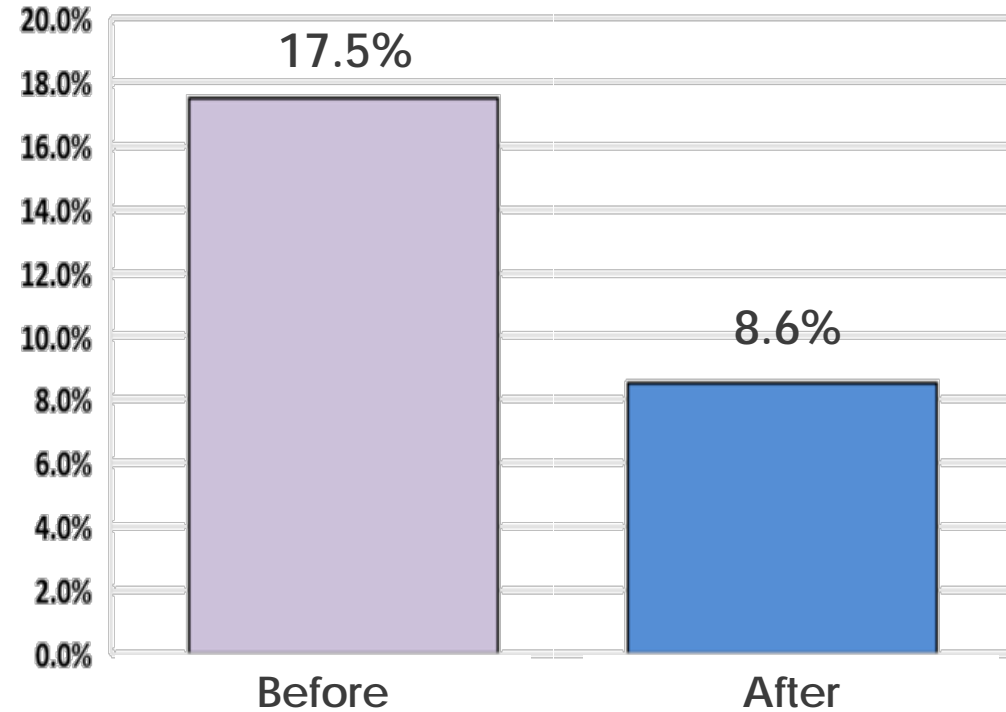


# Rates Lowered to Stay Affordable

## Electric



## Water





# Average Annual Rate Increase

	Years 1-5 (2018-2022)	Years 6-10 (2023-2027)
Electric	4.8% (5-Year Average)	Annual Cost-Based Price Adjustment
Water	8.6% (5-Year Average)	Annual Cost-Based Price Adjustment

# Average Monthly Bill Increases – Years 1-5

	<b>Low-Use</b> 355 kWh 12 CCF	<b>Typical-Use</b> 592 kWh 19 CCF	<b>High-Use</b> 1400 kWh 29 CCF
Electric	<b>\$3.11</b> (5%)	<b>\$5.18</b> (5%)	<b>\$11.56</b> (4%)
Water	<b>\$4.05</b> (12%)	<b>\$4.56</b> (10%)	<b>\$6.48</b> (8%)

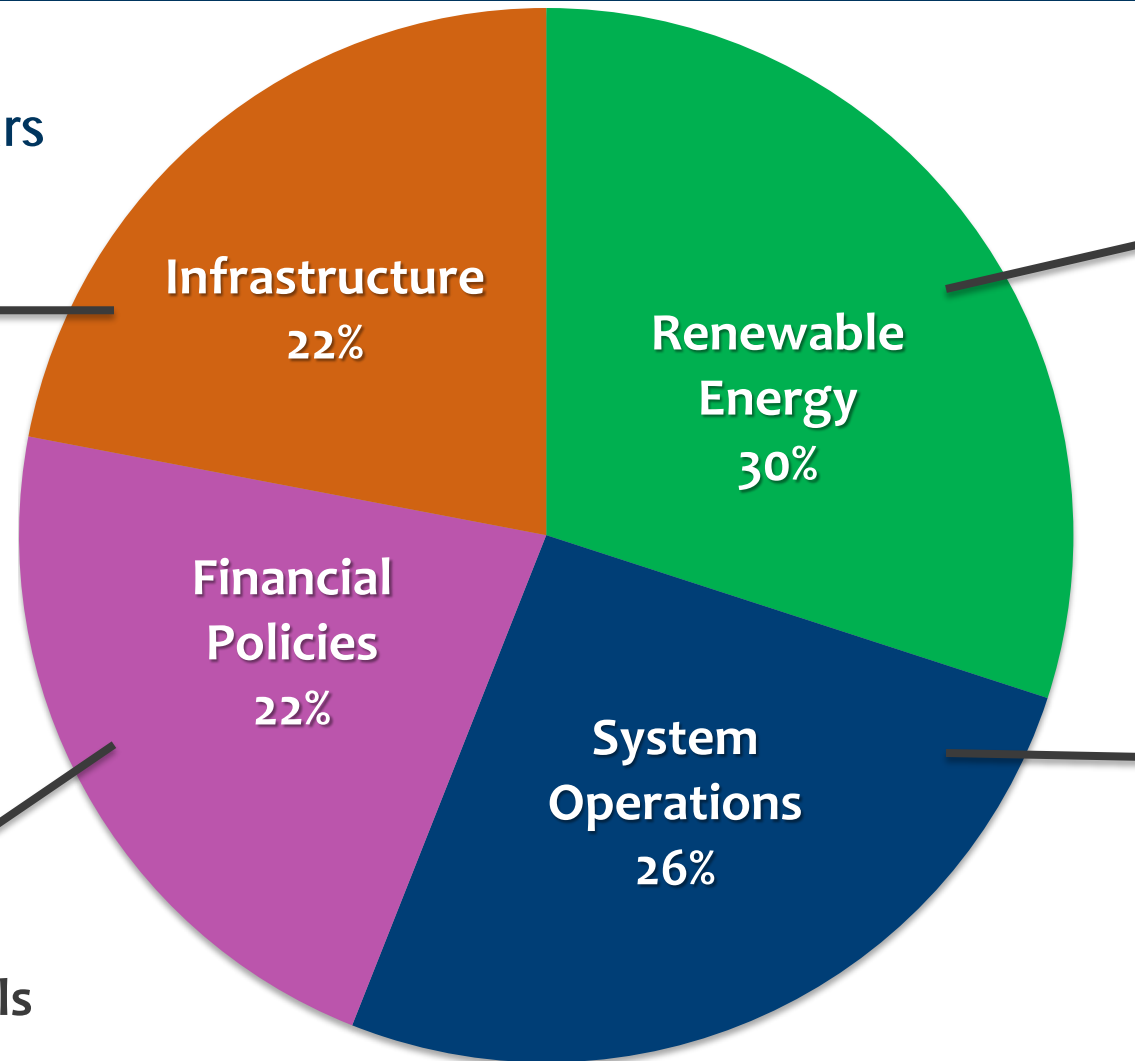
Includes Public Benefits Charge and Water Conservation Surcharge  
 kWh = kilowatt hour  
 CCF = one hundred cubic feet



# What the Electric Rate Increase Pays For

Electric: 4.8% first 5 years;  
price escalator next 5 years

- 5,900 Poles
- 77 Miles Cable
- 7 Substation Transformers
- 1 Substation
- Voltage Conversions
- System Automation
- Charter Transfer to General Fund
- Minimum Reserve Levels

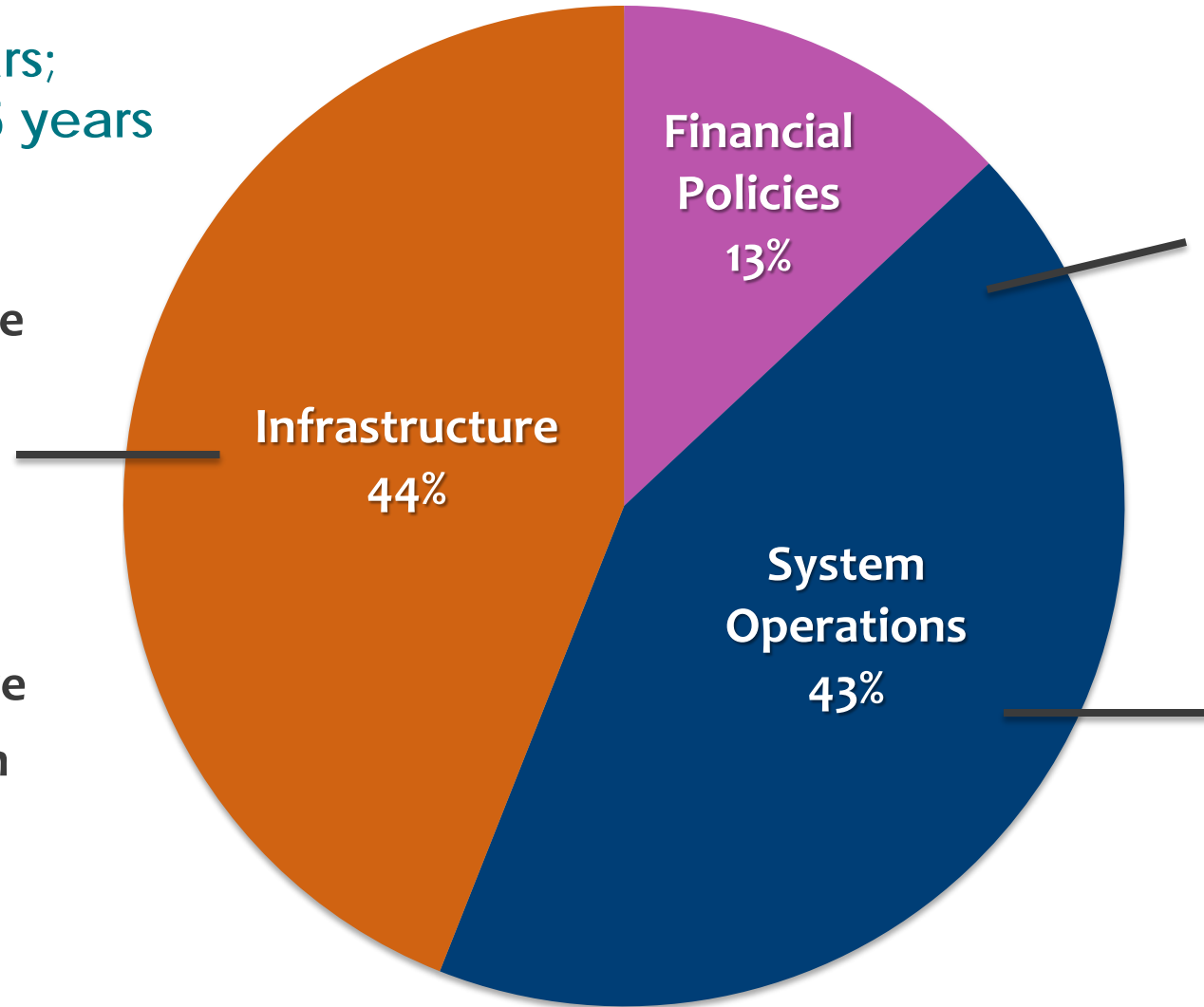


- 50% Renewable Energy
- 0% Coal
- System Maintenance
- Fleet & Fuel
- Labor

# What the Water Rate Increase Pays For

Water: 8.6% first 5 years;  
price escalator next 5 years

- 80 Miles Pipeline
- Replace Techite Pipe
- 1 Treatment Plant
- 5 Wells
- 3 Pressure Stations
- Recycled Water & Stormwater Capture
- System Automation



- Charter Transfer to General Fund
- Minimum Reserve Levels
- System Maintenance
- Fleet & Fuel
- Labor



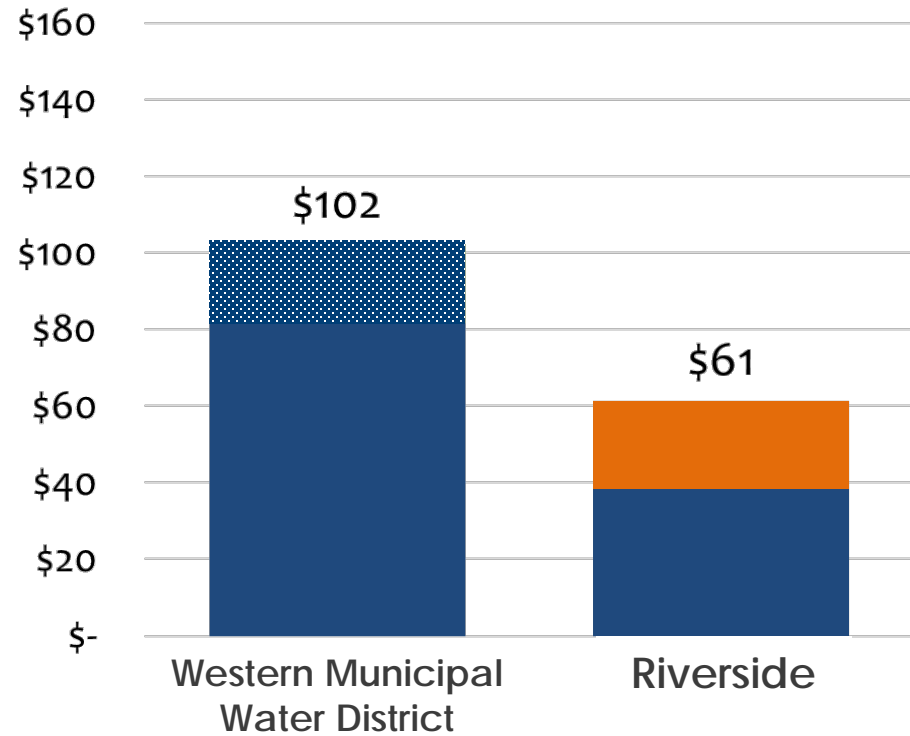
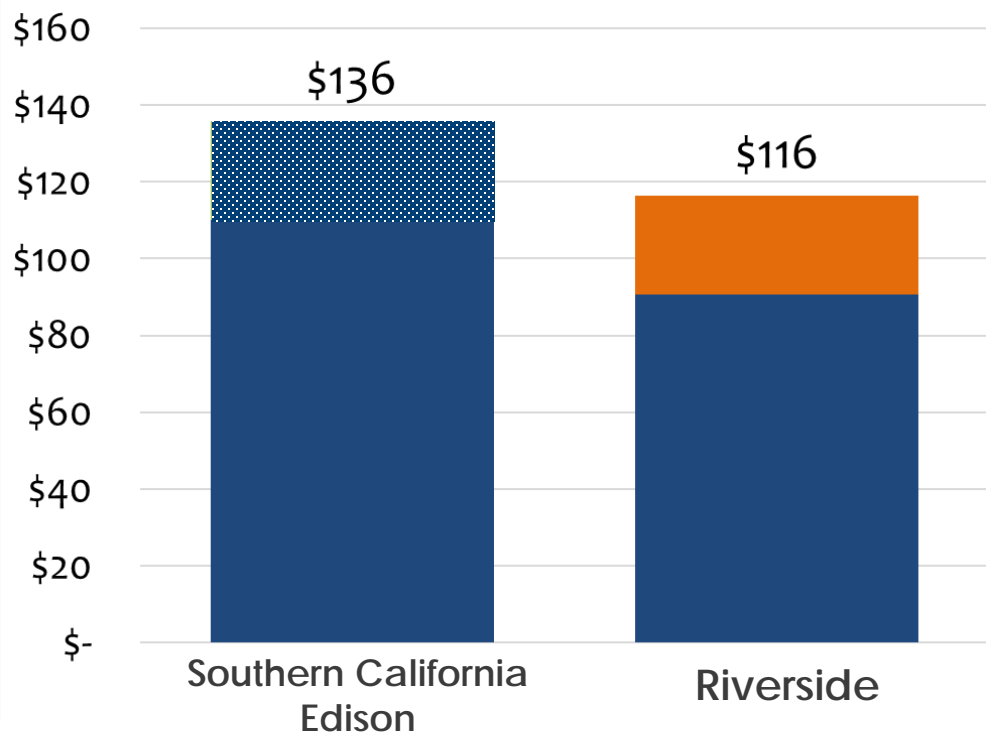
# Rates Remain Lower Than Other Agencies

## Electric

## Water

- Proposed 5-year increase
- Assumed 5-year increase
- Current

\$61 lower per month



Electric based on 592 kWh per month

Water based on 19 CCF per month

# Low-Income Assistance

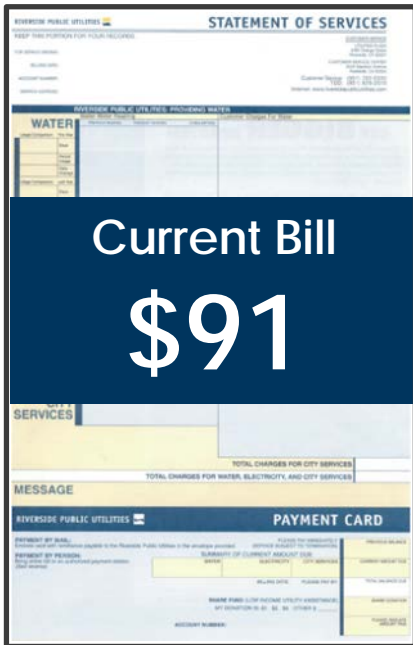
1. SHARE Program
2. Energy Savings Assistance Program
3. Energy/Water Efficiency Rebates
4. Affordable Solar Energy for Riverside
5. Water Rate Assistance
6. Increased Outreach





# What Can I Do?

Typical Residential Monthly Electric Bill:

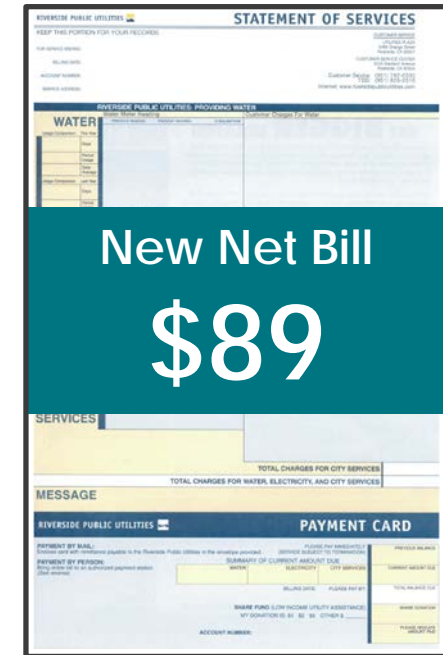


Proposed Bill Increase



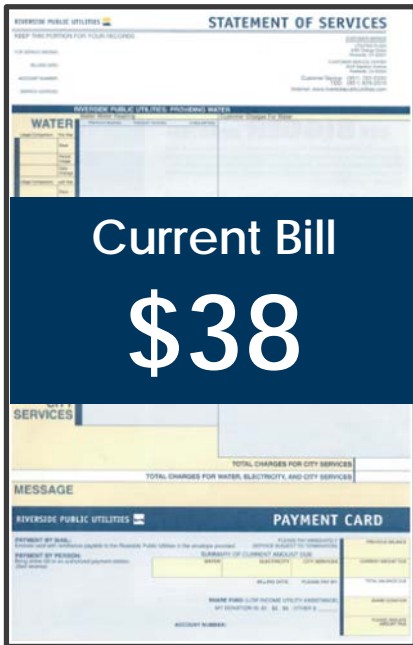
Retail Cost of 10 Bulbs	\$40
RPU's Contribution	(\$30)
Customer Cost	\$10

Decrease if Implemented



# What Can I Do?

## Typical Residential Monthly Water Bill:

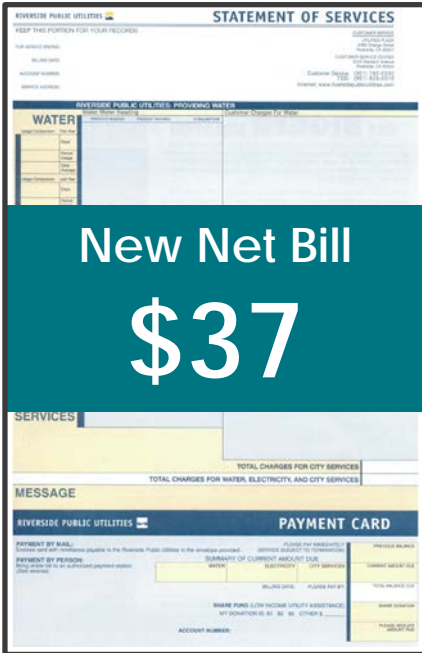


Proposed Bill Increase

**Install a Weather Based Irrigation Controller (WBIC) & 25 Free Sprinkler Nozzles**

Retail Cost of a WBIC	\$250
RPU's Rebate	(\$200)
Customer Cost	\$50
FreeSprinklerNozzles.com	\$0

Decrease if Implemented





# What Can I Do?

## Electric

- Year 1: LED Bulbs
- Year 2: Solar attic fan
- Year 3: Ceiling fans
- Year 4: A/C tune-up
- Year 5: Energy star TV

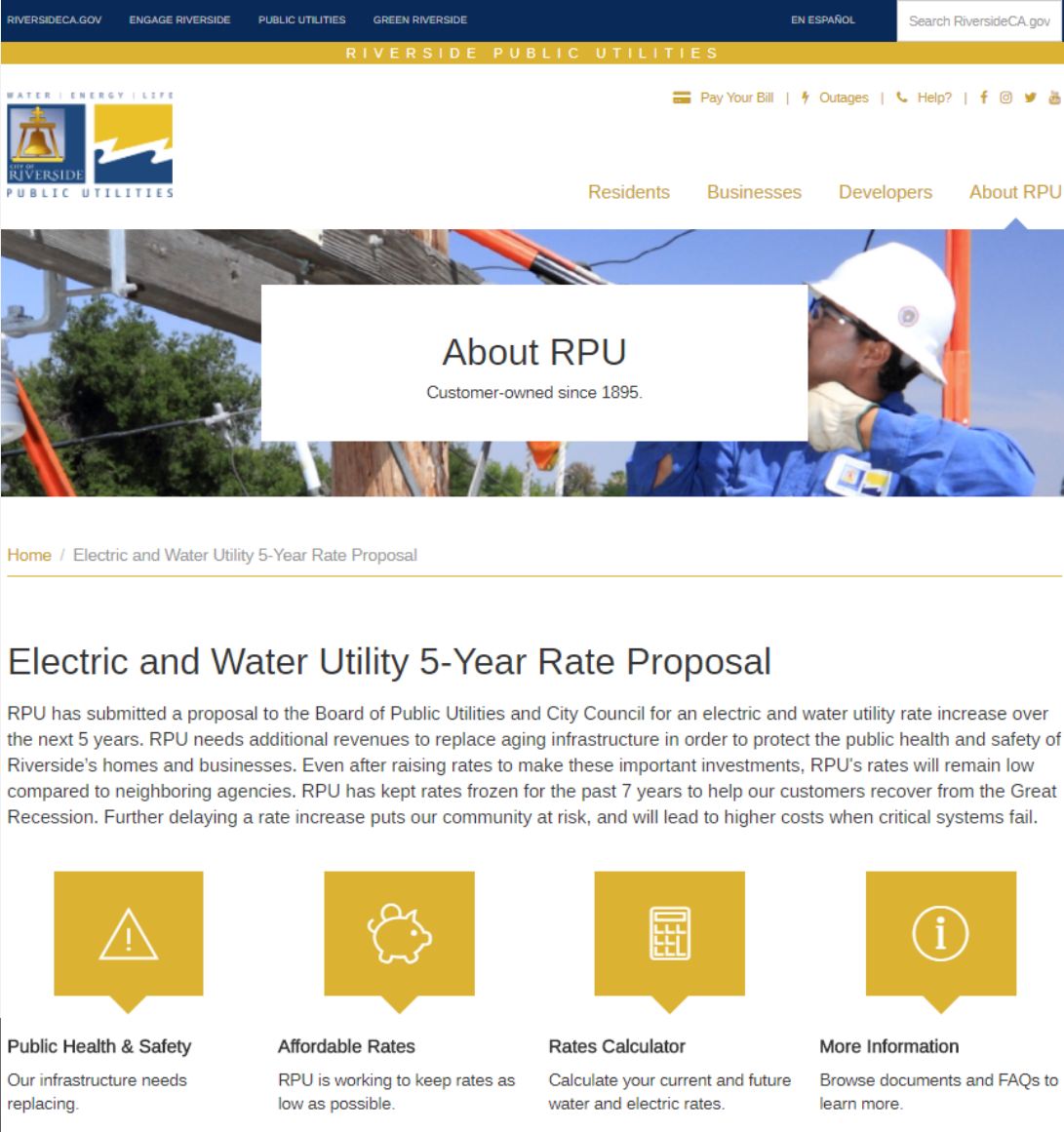
## Water

- Year 1: Smart controller
- Year 2: Efficient toilets
- Year 3: Efficient nozzles
- Year 4: Efficient washer
- Year 5: Waterwise plants



# Other Resources

1. **Website** – Rate calculator, FAQs, Rate Plan Documents, Ways to Save
2. **Flyers** – Fact Sheet, FAQs
3. **Customer Service** – Dial “311”
4. **Bill Inserts**
5. **EngageRiverside.com**
6. **Upcoming Community Meetings**



The screenshot displays the Riverside Public Utilities website. At the top, there is a navigation bar with links for RIVERSIDECA.GOV, ENGAGE RIVERSIDE, PUBLIC UTILITIES, GREEN RIVERSIDE, and EN ESPAÑOL. A search bar is located on the right. Below the navigation bar is a yellow banner with the text 'RIVERSIDE PUBLIC UTILITIES'. The main content area features a large image of a utility worker in a blue uniform and white hard hat. Overlaid on this image is a white box with the text 'About RPU' and 'Customer-owned since 1895.' Below the image, there is a breadcrumb trail: 'Home / Electric and Water Utility 5-Year Rate Proposal'. The main heading is 'Electric and Water Utility 5-Year Rate Proposal'. The text below explains that RPU has submitted a proposal for a rate increase over the next 5 years to replace aging infrastructure. At the bottom, there are four yellow callout boxes with icons and text: 'Public Health & Safety' (warning icon), 'Affordable Rates' (piggy bank icon), 'Rates Calculator' (calculator icon), and 'More Information' (info icon).

**Public Health & Safety**  
Our infrastructure needs replacing.

**Affordable Rates**  
RPU is working to keep rates as low as possible.

**Rates Calculator**  
Calculate your current and future water and electric rates.

**More Information**  
Browse documents and FAQs to learn more.



# Community Meetings

## **WARD 1**

**Wednesday, November 8, 2017**

**6 pm**

Riverside City Hall  
Mayor's Ceremonial Room  
3900 Main Street  
Riverside, CA 92522

## **WARD 2**

**Wednesday, October 11, 2017**

**5:30 pm**

Natifuentes Centro de Ninos  
2010 Martin Luther King Blvd.  
Riverside, CA 92507

## **WARD 3**

**Wednesday, November 1, 2017**

**6 pm**

Janet Goeske Senior Center  
5257 Sierra Street  
Riverside, CA 92504

## **WARD 4**

**Wednesday, October 18, 2017**

**6 pm**

Taft Elementary  
959 Mission Grove Parkway N  
Riverside, CA 92506

## **WARD 5**

**Monday, November 6, 2017**

**6 pm**

Hunt Park  
4015 Jackson Street  
Riverside, CA 92504

## **WARD 6 & WARD 7**

**Thursday, November 9, 2017**

**6 pm**

La Sierra High School Library  
4145 La Sierra Avenue  
Riverside, CA 92505

# Community Outreach

## PROPOSAL

August 28 – RPU Board  
September 26 – City Council

## OUTREACH

October - November

## WORKSHOP

November 28 –  
Joint RPU  
Board/City Council

## RECOMMENDATION

January – RPU Board  
February – City Council

## IMPLEMENTATION

April 2, 2018

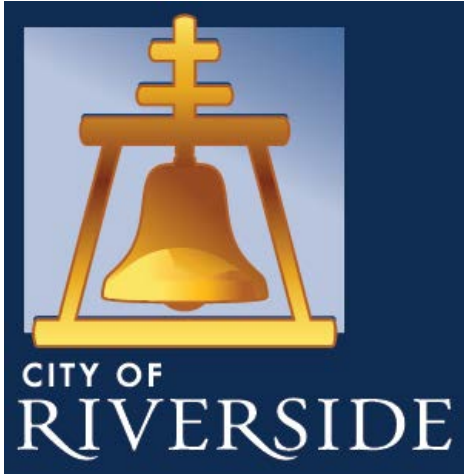
## Outreach Goals

1. Describe proposal
2. Answer questions
3. Get feedback

## Outreach Process

1. Community meetings in all Wards
2. Informational mailers





# Proposed Electric and Water Utility Rate Increase

---

## Questions/Comments