

# Proposed Electric and Water Utility Rate Increase

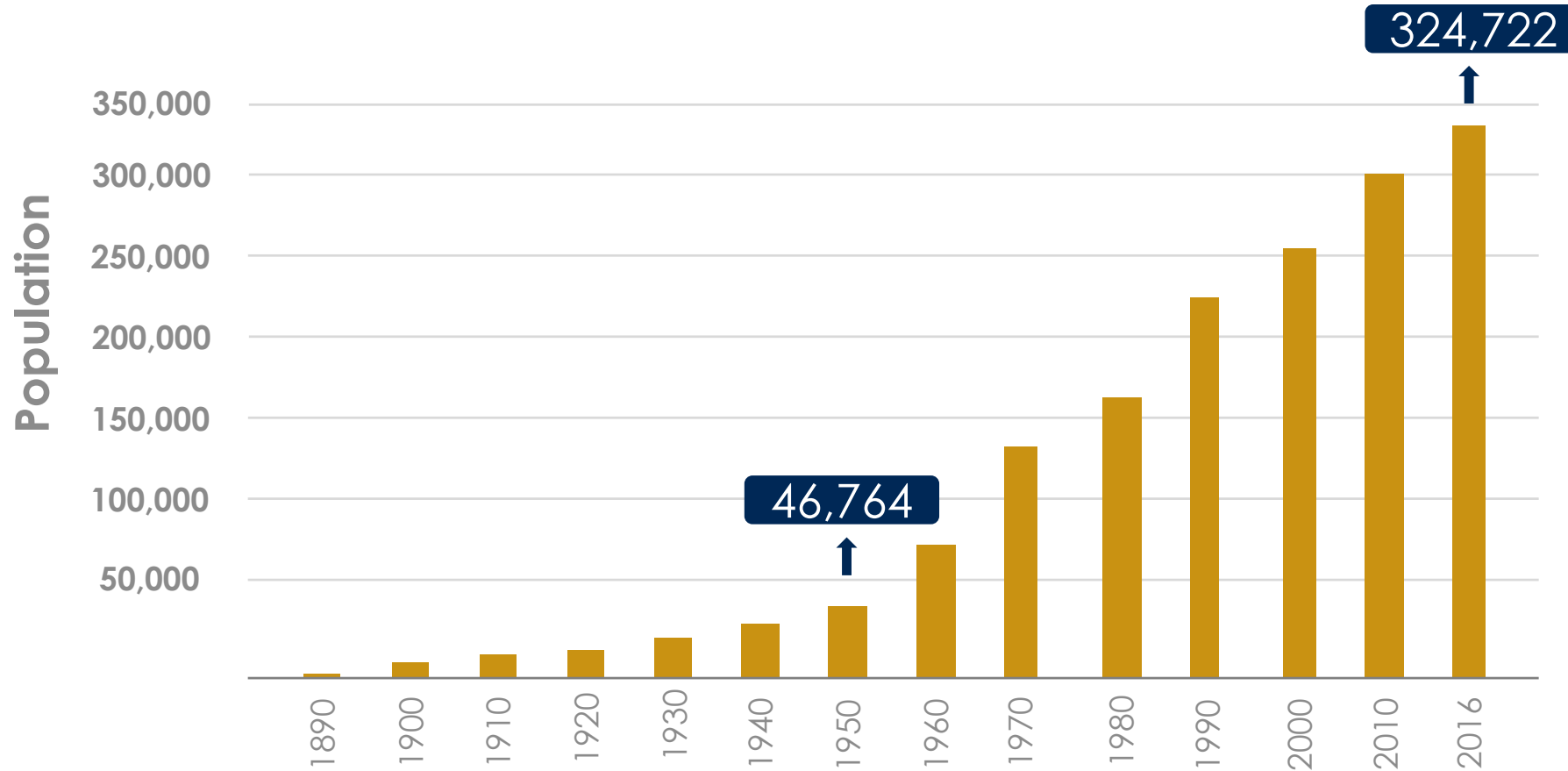
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## Community Meetings

# 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

A photograph of an electrical substation under a clear blue sky. In the foreground, a yellow utility truck with a boom lift is parked. A worker in a white hard hat and safety vest stands near the truck. In the background, a worker is on a lift bucket working on high-voltage power lines. The scene is filled with metal structures, insulators, and power lines.

65

Substation Transformers

10

60+

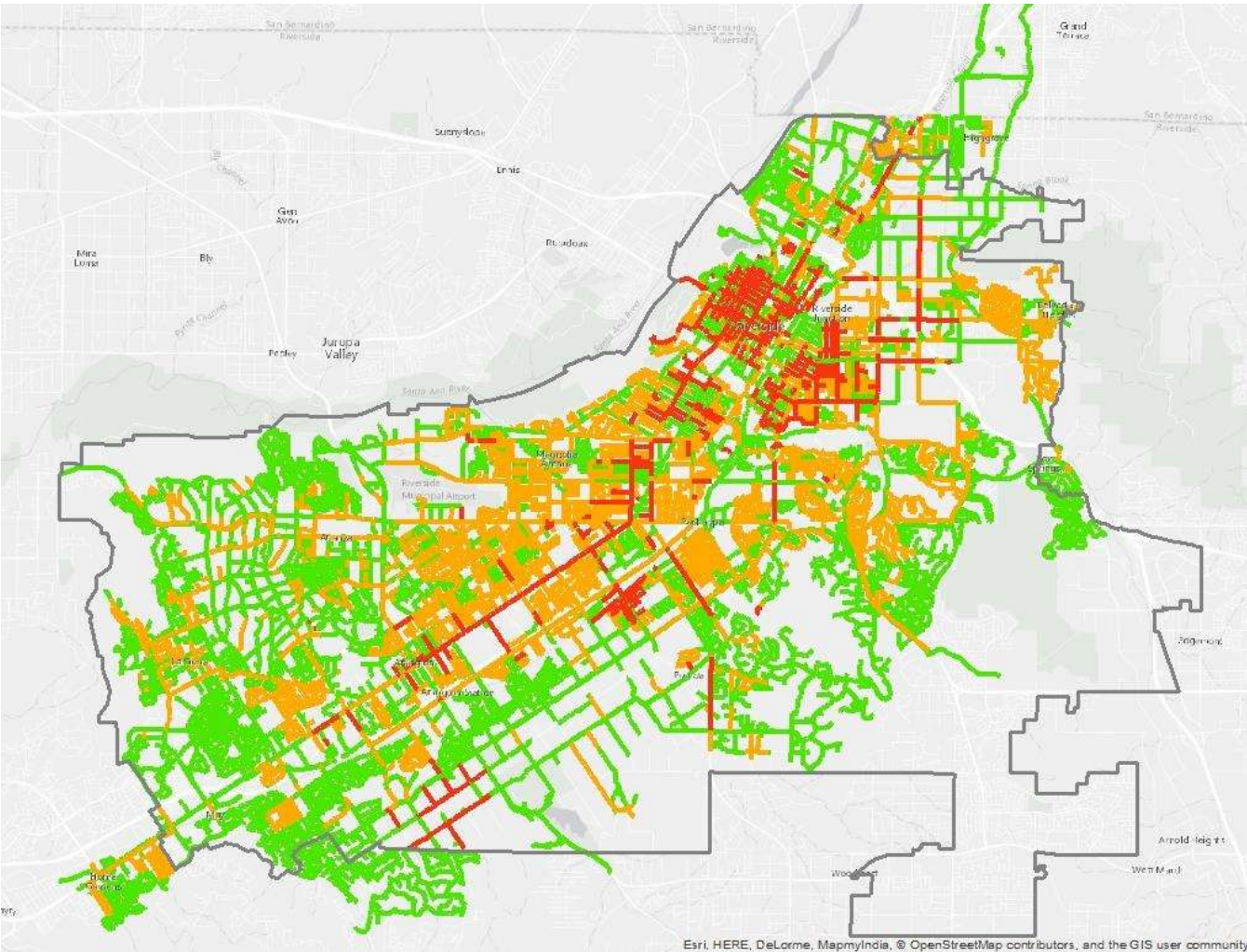
A photograph showing construction workers in a trench installing a large pipe. One worker is bent over, working on the pipe, while another stands nearby. The pipe is wrapped in white protective material with 'Temflex 30' and '3M' visible. A large brass fitting is attached to the pipe in the foreground. The background shows the earthen walls of the trench.

# 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**

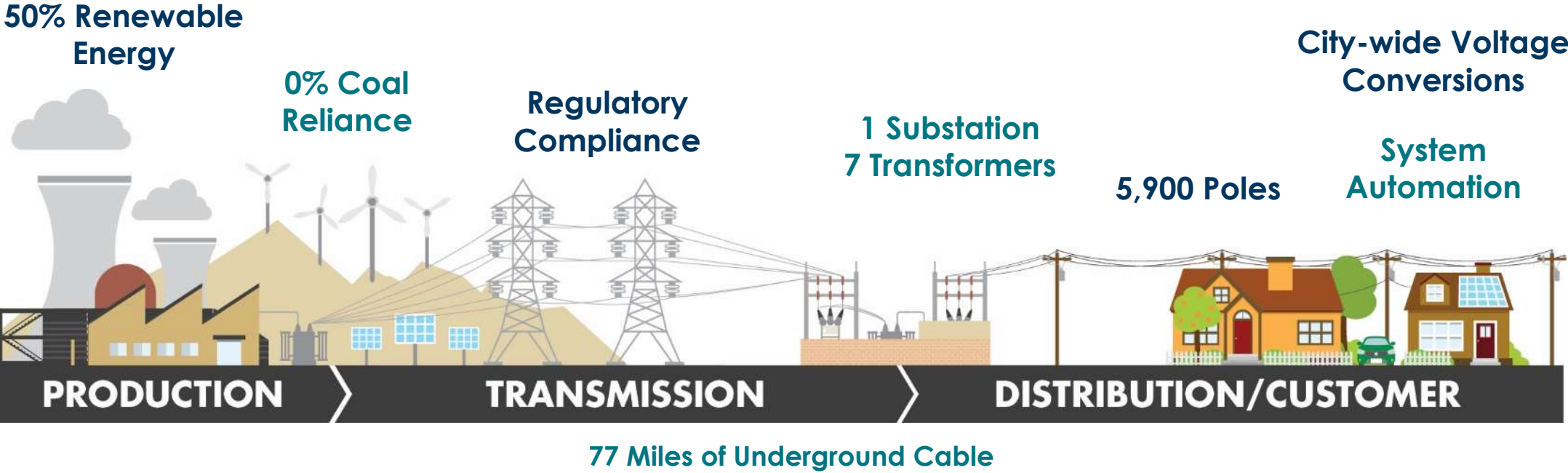
# NETFLIX



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

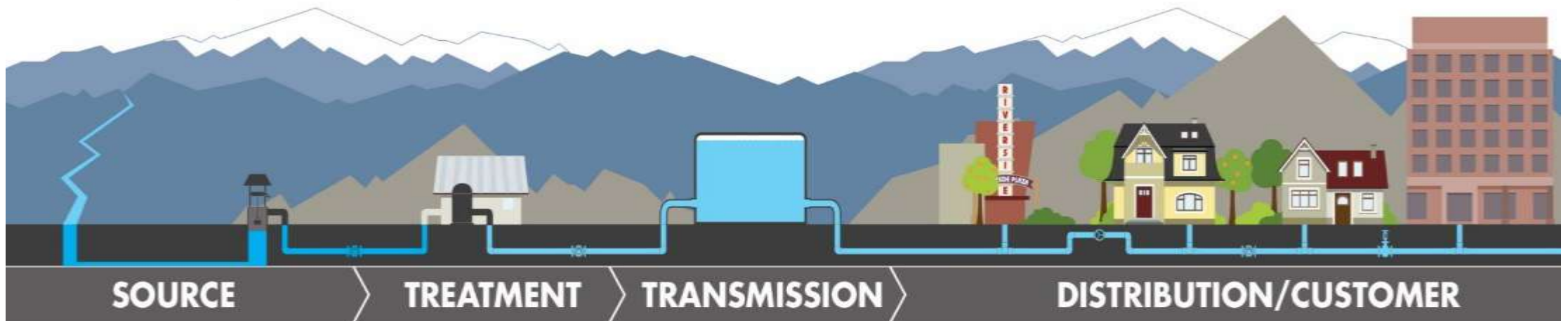


# Electric System – 10 Year Plan



# 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**

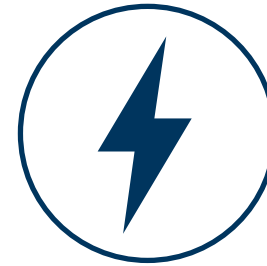


# 7 Years Without a Rate Increase



## 7 Years

since the last  
**water increase** (2010)



## 7 Years

since the last  
**electric increase** (2010)

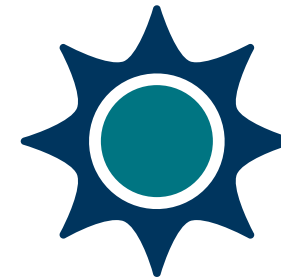


### Renewable Power Requirements

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)



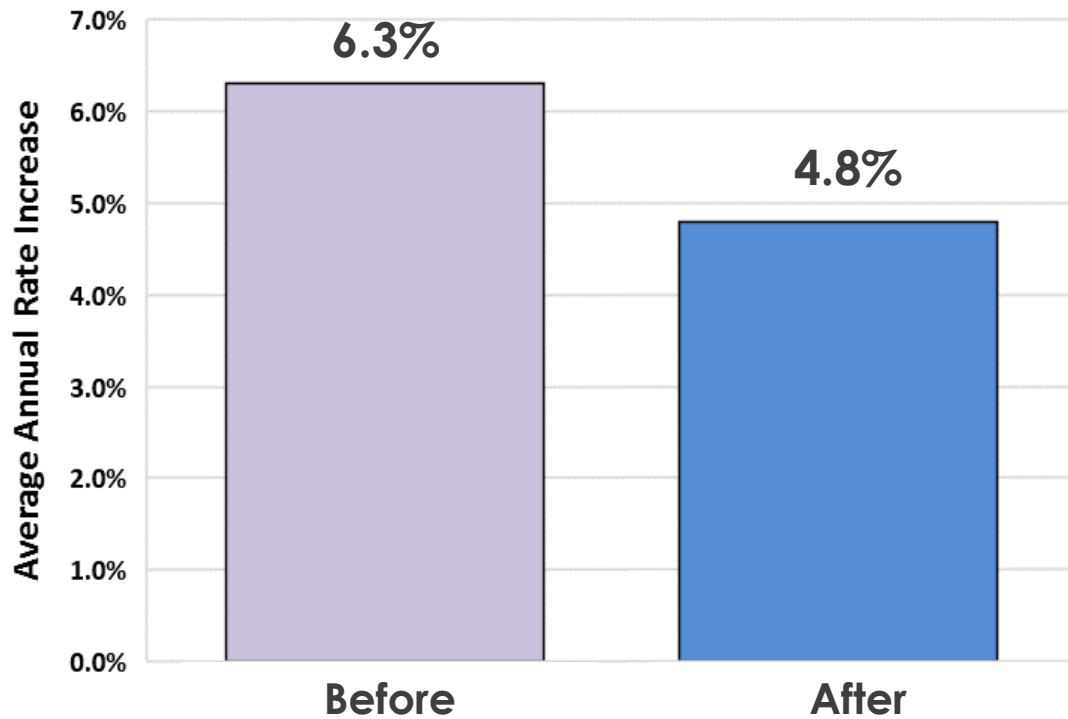
# Keeping Rates as Low as Possible

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

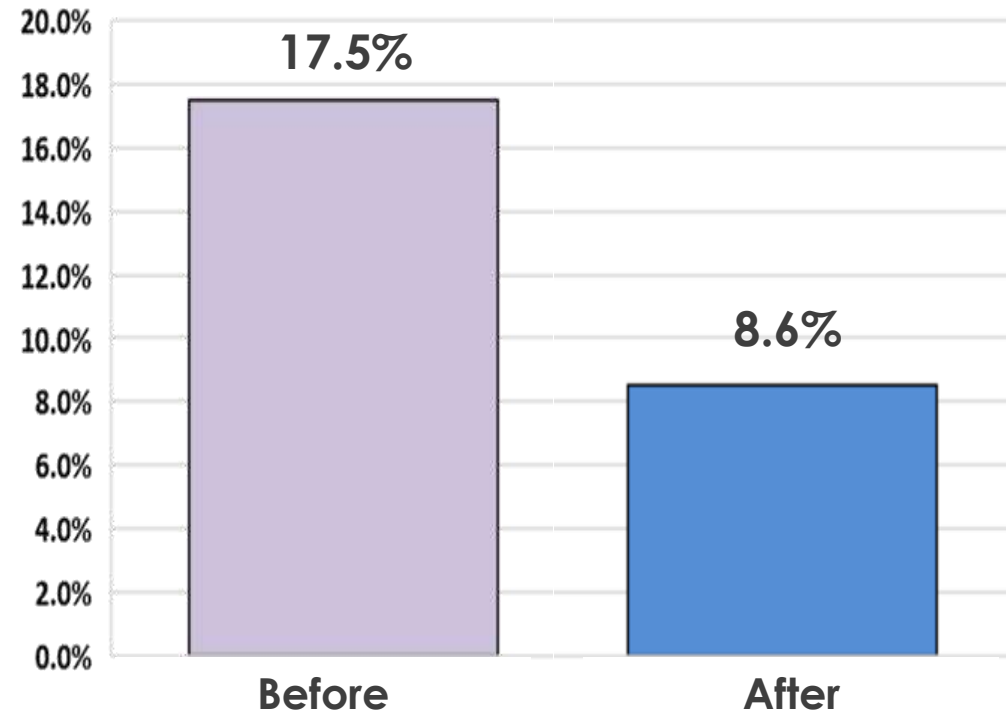


# Rates Lowered to Stay Affordable

## Electric



## Water



# Average Annual Rate Increase

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

# 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%)

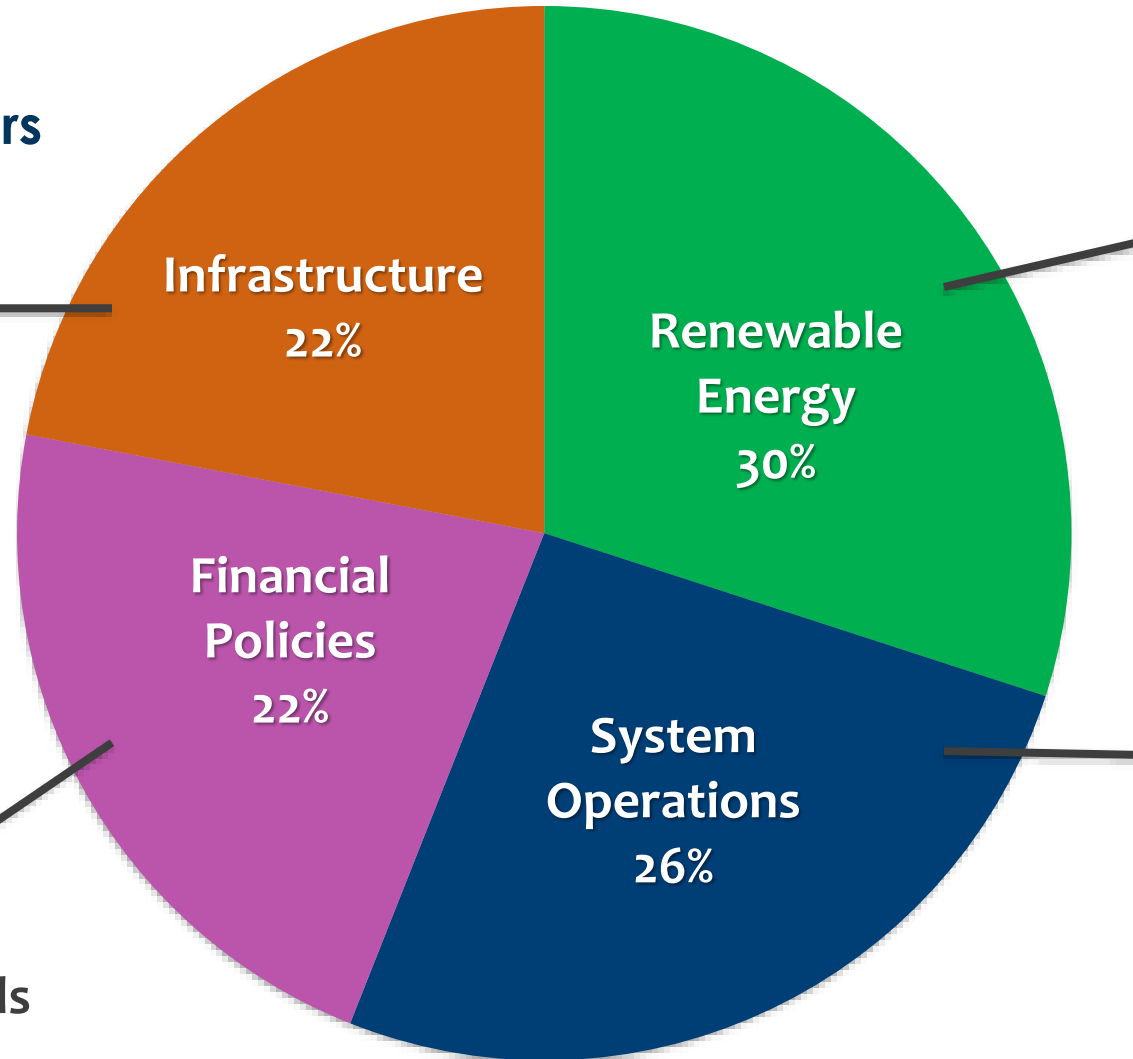
Includes Public Benefits Charge and Water Conservation Surcharge  
 kWh = kilowatt hour  
 CCF = one hundred cubic feet



# 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

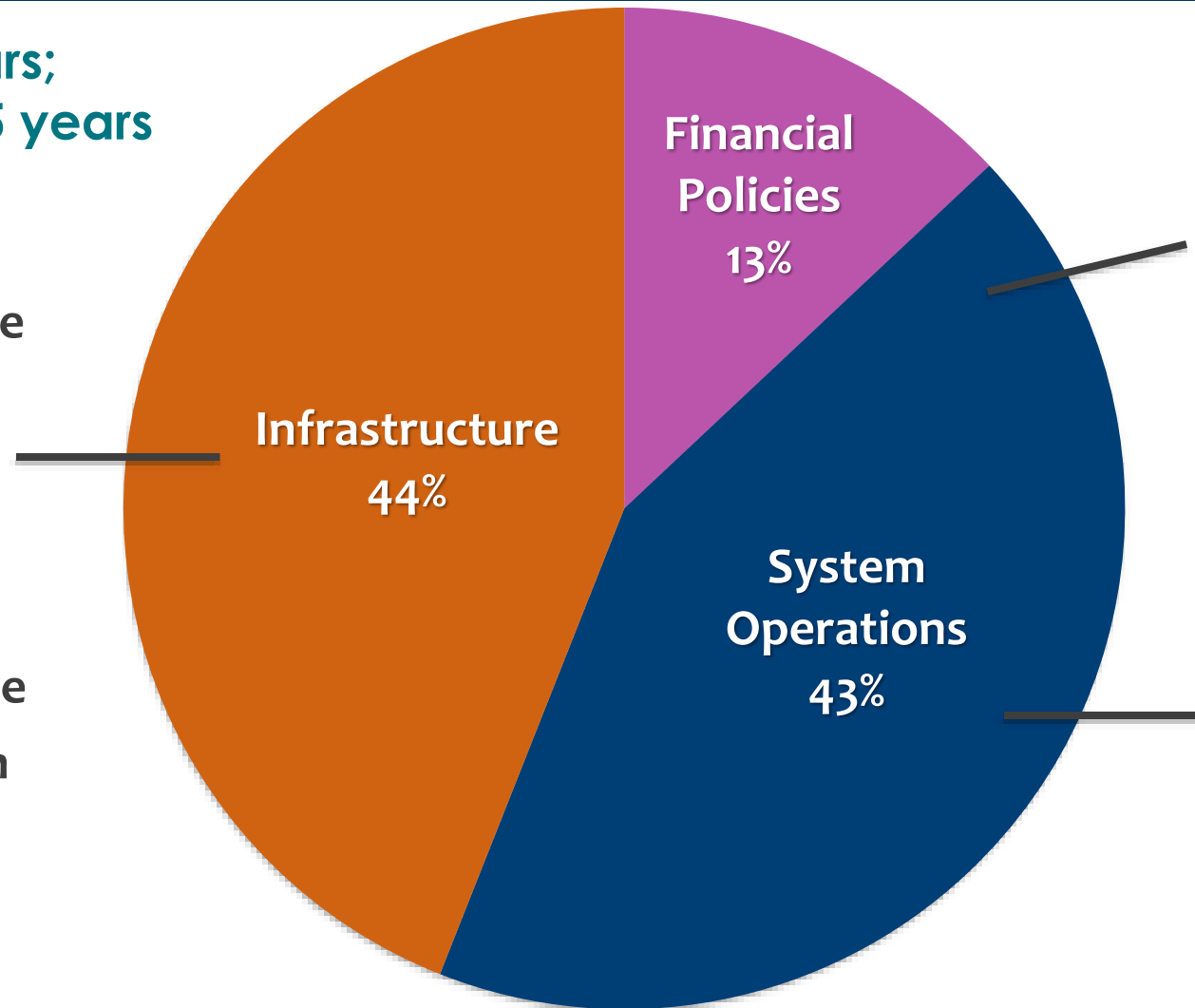


- 50% Renewable Energy
- 0% Coal
- System Maintenance
- Fleet & Fuel
- Labor

# 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

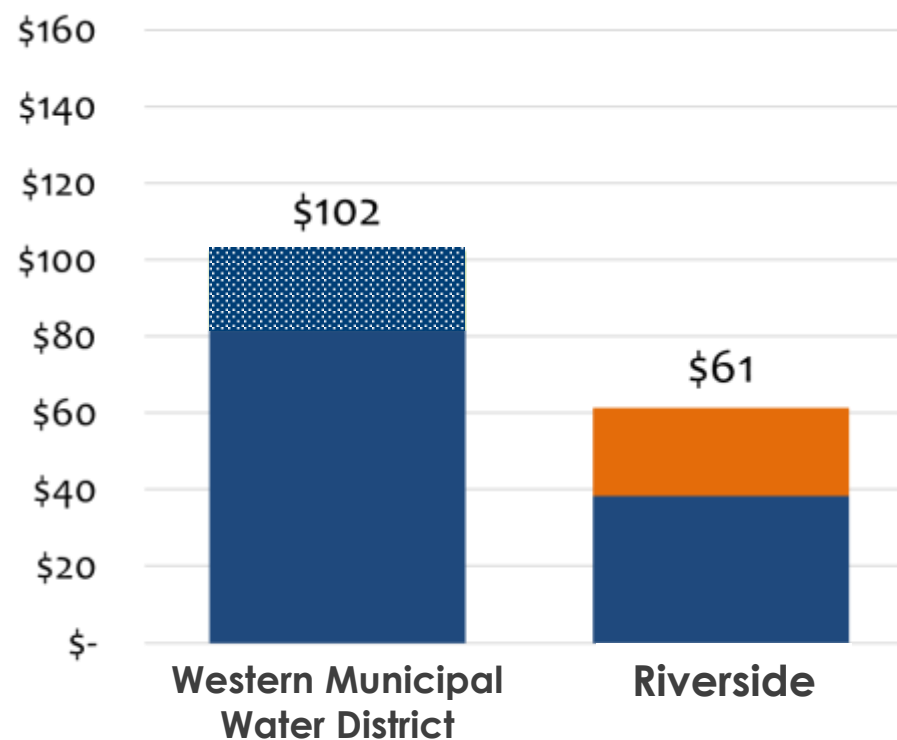
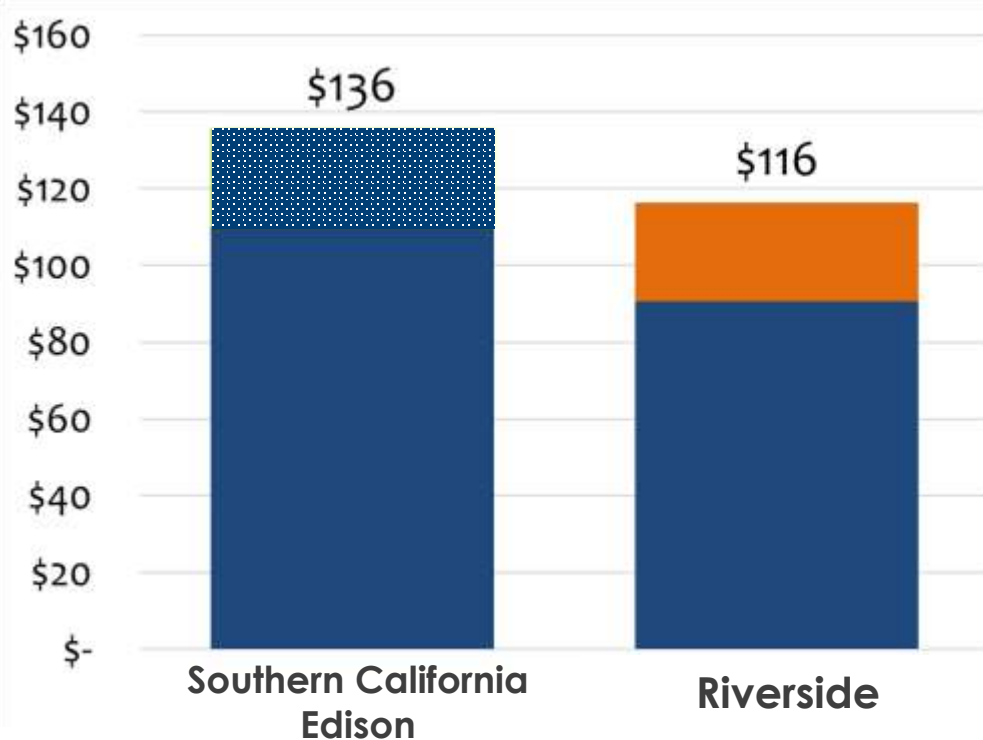
# Rates Remain Lower Than Other Agencies

## Electric

## Water

**\$61 lower per month**

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



Electric based on 592 kWh per month

Water based on 19 CCF per month

# Low-Income Assistance

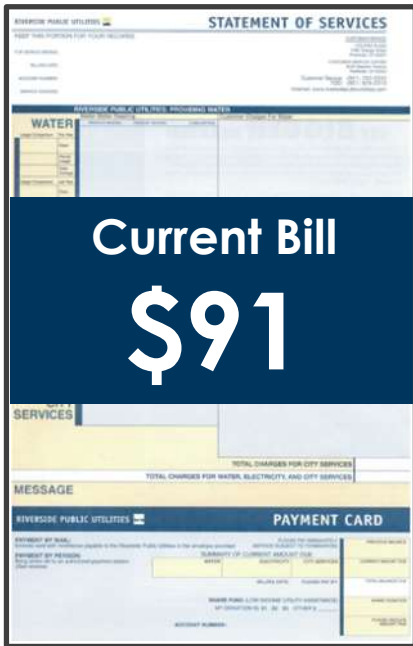
1. SHARE Program
2. Energy Savings Assistance Program
3. Energy/Water Efficiency Rebates
4. Affordable Solar Energy for Riverside
5. Water Rate Assistance
6. Increased Outreach





# What Can I Do?

Typical Residential Monthly Electric Bill:

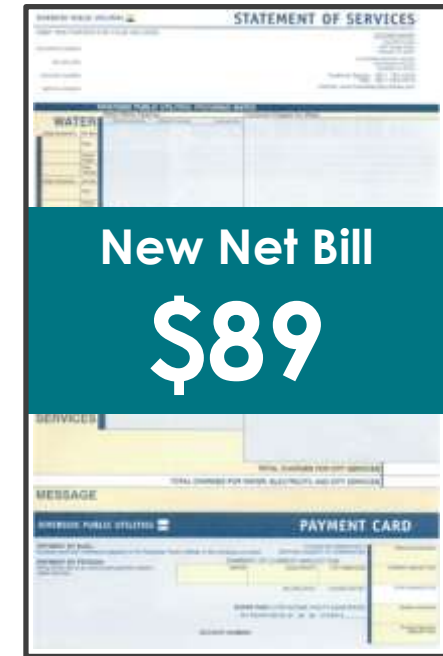


Proposed Bill Increase



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:

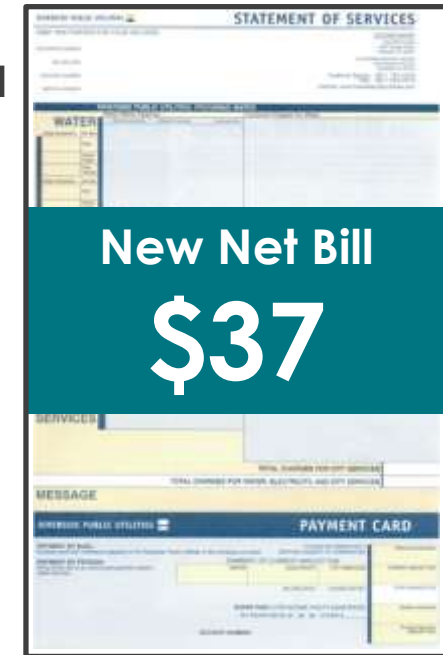


Proposed Bill Increase

**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

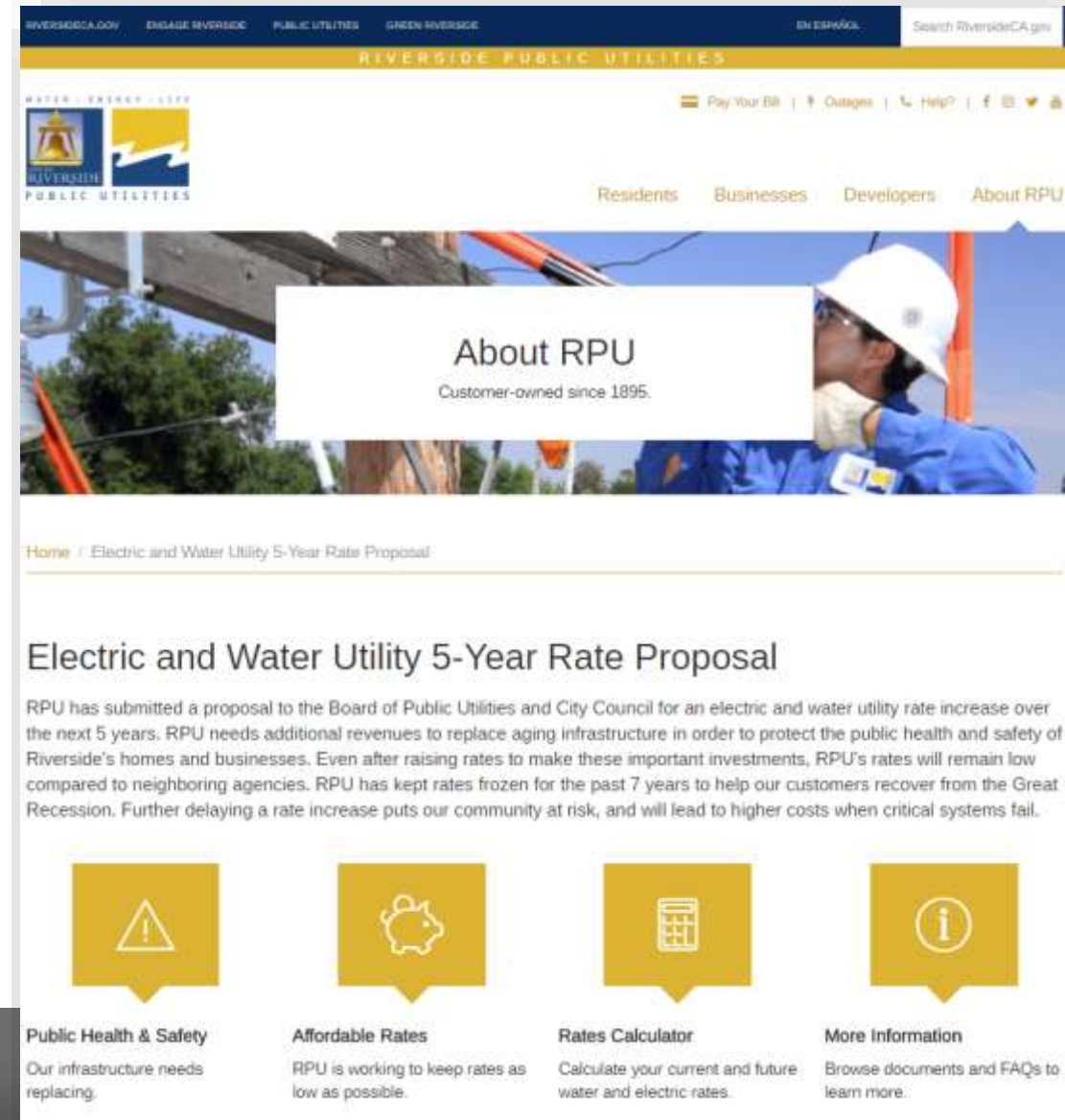
## Water

- 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. **Upcoming Community Meetings**



The screenshot shows the Riverside Public Utilities website. The header includes navigation links for 'RIVERSIDECA.GOV', 'ENGAGE RIVERSIDE', 'PUBLIC UTILITIES', 'GREEN RIVERSIDE', and 'EN ESPAÑOL'. The main navigation bar features 'RIVERSIDE PUBLIC UTILITIES' and links for 'Residents', 'Businesses', 'Developers', and 'About RPU'. A banner image shows a utility worker in a hard hat and safety vest. A white box over the banner reads 'About RPU' and 'Customer-owned since 1895.' Below the banner, the breadcrumb trail is '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

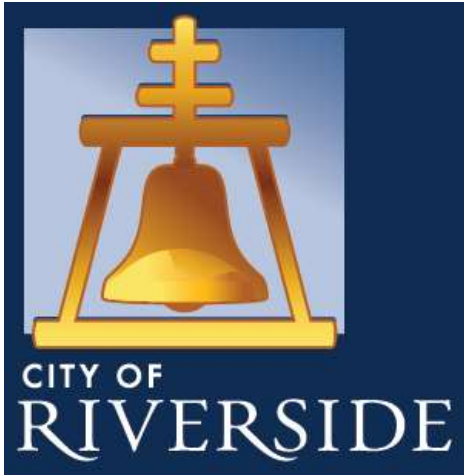
April 2, 2018

## 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

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## Questions/Comments