



## Rate Plan Community Meeting Summary | Wards 6 & 7 | Thursday, November 9, 2017

Riverside Public Utilities (RPU) staff made a presentation on RPU’s electric and water utility rate increase proposal. After being introduced by Jim Perry, Ward 6 City Council Member, and Steve Adams, Ward 7 City Council Member, RPU General Manager Girish Balachandran explained why additional revenues are needed to replace aging infrastructure in order to protect the public health and safety of Riverside’s homes and businesses.



Customer Welcome



Ward 6 City Council Member Jim Perry

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### Meeting Location

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

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### Number of Community Attendees

35

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### Organizations Represented

Castle Park

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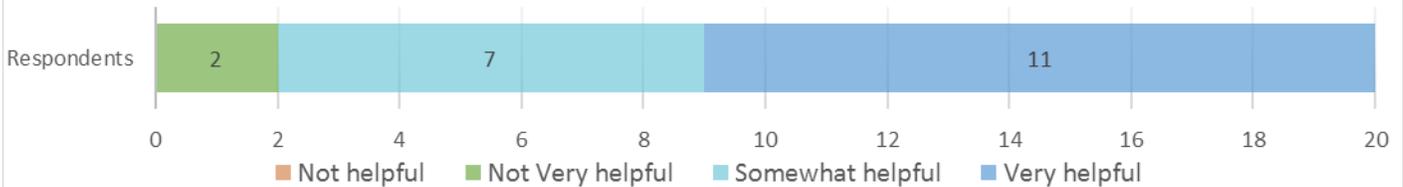
### Speakers

Jim Perry, Ward 6 City Council Member  
Steve Adams, Ward 7 City Council Member  
Girish Balachandran, RPU General Manager

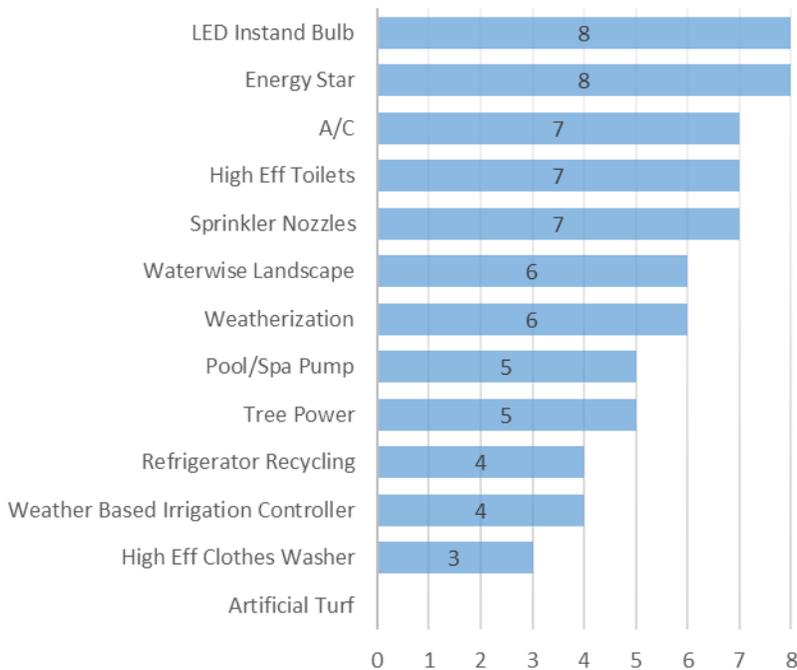
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## FEEDBACK CARD RESULTS - Wards 6 and 7 Community Meeting 11/9/2017

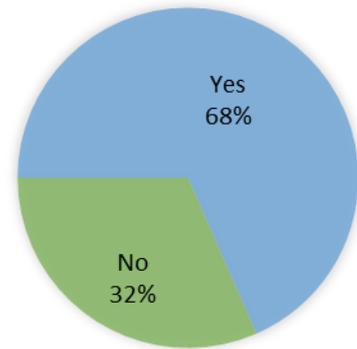
### DID THE INFORMATION PROVIDED AT THE MEETING HELP YOU UNDERSTAND RPU'S RATE PROPOSAL?



### NUMBER OF RESPONDENTS LIKELY TO USE AN RPU REBATE



### 68% OF RESPONDENTS KNOW ABOUT RPU'S 40 REBATE PROGRAMS

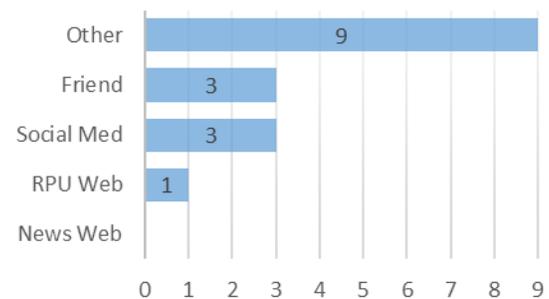


**70%** OF ATTENDEES WERE AWARE OF SHARE PROGRAM INCOME LIMITS

### COMMENTS RECEIVED FROM ATTENDEES

1. Please consider rainwater collection barrels program to continue rainwater sustainable (1000 gallon containers).
2. Is Riverside building energy generation stations instead of buying it [generation]?
3. I don't have questions. I appreciate RPU/Girish transparency.
4. Well presented.
5. Are rebate programs applicable to commercial?
6. What's wrong with this picture - the sewer/trash/etc. part of my bill is more than the water or electric.
7. Yes. I applied for this [SHARE program] and still have heard nothing back in terms of assistance.
8. Support on alternative underground route for RTRP? Do not destroy our wildlife corridor and recreational options near beautiful Santa Ana River!
9. Applied for SHARE; however, it is so difficult to apply, it's not worth it.
10. So difficult to apply for the SHARE program - its not worth the \$100. Please make it easy to apply.

### HOW PEOPLE HEARD ABOUT INFORMATIONAL MEETING



## Meeting Handouts/Presentation

Click on below links to download

- [Community Meeting Presentation](#)  
*Referenced in below questions*
- [Rate Proposal Flyer \(En Español\)](#)
- [Rate Proposal FAQs \(En Español\)](#)

## Meeting and Feedback Card Questions/Comments

Questions/Comments	Answers/Responses
<b>Infrastructure Replacement</b>	
<p><b>You showed us a map of infrastructure that needs to be replaced. The majority of this infrastructure is in Downtown Riverside. The majority of ours [on the west side of the city] is much newer. You're asking us to subsidize infrastructure for Downtown Riverside. That is not fair.</b></p>	<p>RPU is responsible for reliable electric and water service for their entire service area. Eventually all infrastructure needs to be replaced, regardless of where and when it was originally installed. RPU has a ten-year funding plan for needed capital replacements. Capital improvements will take place in all wards and will benefit all RPU customers.</p>
<p><b>The City put up Wi-Fi and then took it down. Where does that come in?</b></p>	<p>The City's Wi-Fi network is managed by the Innovation and Technology Department. In 2014, the City Council authorized the unwinding of the citywide Wi-Fi network and the creation of a Wi-Fi "hotspot" pilot program. Information on the City's Wi-Fi program can be found on the <a href="#">Innovation and Technology Department's Wi-Fi webpage</a>.</p>
<p><b>The City has spent millions of dollars redoing Tyler Street, including relocating power poles. Why didn't we bury them?</b></p>	<p>Installing and replacing underground electric distribution infrastructure is about five times more expensive than above-ground infrastructure. Also, undergrounding prolongs outages. That said, city policy requires all new developments to install underground electric distribution infrastructure. Currently, Riverside's electric distribution infrastructure is roughly 60% underground and 40% overhead.</p>

Questions/Comments	Answers/Responses
<p><b>We understand that we need improvements with our infrastructure. It is frustrating that we have to play catch-up. Will it continue? What happens after five years?</b></p> <p><b>We're trying to play catch-up and don't want to be like L.A. Can you promise that, by looking at our infrastructure annually, we won't need 10% rate increases again?</b></p>	<p>The current rate proposal will put us ahead of most other utilities, in terms of both infrastructure replacement and rate-setting. RPU is proposing to provide the Board of Public Utilities and City Council with annual updates to its financial forecasts and infrastructure replacement rates, including new rate projections for the next five years which the City Council can either accept or refine. This will ensure that the Board and City Council are presented with the latest forecasts each year, thereby eliminating unnecessary stair-step increases as we have had in the past due to delays in implementing rate plans.</p>
<b>Renewable Energy</b>	
<p><b>What is renewable power?</b></p>	<p>Renewable or "clean" power typically is defined as energy that is generated through naturally replenished resources without a negative impact on the environment, such as greenhouse gas emissions.</p>
<p><b>What is RPU doing to support renewable energy?</b></p>	<p>Solar rebates are set to expire on December 31, 2017. However, the rate proposal includes two new time-of-use rates for electric vehicle owners. RPU is also working to develop a 100% "green" rate, community solar programs, and early technology roll-outs to assist low-income and fixed income customers.</p>
<p><b>Why is renewable energy more expensive?</b></p>	<p>Most renewable energy is based on new technologies, like solar panels, large wind turbines, and geothermal wells. New technologies typically cost more when they first reach the market before gradually coming down in price. Additionally, new utility-scale solar plants, wind farms, and geothermal stations are built in remote locations and require new transmission lines. Solar and wind may also require quick-start natural gas plants or large batteries to balance their energy deliveries when the sun goes behind a cloud or the wind dies suddenly. Likewise, geothermal power requires specialized technology to drill for the underground heat source and capture its energy. The good news is that the cost of renewable energy has come down and is projected to become competitive with other power supplies.</p>
<p><b>What is the upkeep cost for solar? Do you have to maintain the cleanliness of optics on the solar panels?</b></p>	<p>The upkeep cost for solar panels is minimal, but they do require periodic cleaning.</p>

Questions/Comments	Answers/Responses
<b>Are more solar panels going to be installed in Riverside and in Nevada?</b>	Both. It is cheaper to develop large-scale solar generation stations in the desert and ship the power back to Riverside than to install panels on Riverside's roofs. But rooftop solar continues to grow. RPU has also developed solar installations on the Tequesquite Landfill and on utility-owned properties in San Bernardino.
<b>Is the City using money right now to build renewable energy generation?</b>	RPU spends \$190 million annually on power supply, and roughly 30% of this supply is from renewable sources of energy. The state currently requires RPU to increase renewable power to 50% by 2030, which will cost the utility more than \$200 million over the next decade. Legislation has been introduced to push California's energy mandate to 100% by 2045.
<b>Is Riverside building [its own] energy generating station instead of buying it?</b>	RPU does not have current plans to build or buy an energy generating station. In the past, RPU has both built and purchased energy generation facilities. Examples of built facilities include the Riverside Energy Resource Center and the Tequesquite Landfill Solar Project. An example of a purchased facility is the Clearwater Power Plant in Corona.

### Water Supply

<b>What is happening to the Tilden Hills Canal? Is it being removed?</b>	There are some old canals in the city that can no longer be maintained. There are only a few people getting water from the canals, and the cost to maintain these canals is too much.
<b>What is Riverside doing to collect rainwater to put back into ground, especially on this end of the city [western Riverside]?</b>	The original rate plan includes four stormwater capture and recharge projects to augment natural surface water recharge to the underlying groundwater basins. As part of the revised rate plan, RPU will propose that some of these projects be removed and brought back at a later time. To date, RPU has focused on recharge projects located upgradient of our existing well fields (i.e., where groundwater extraction occurs) because these provide the greatest value to our customers. RPU has provided support to Western Municipal Water District's efforts to capture and recharge stormwater near the western end of the City. Stormwater recharge west of Adams Street recharges the Arlington Groundwater Basin from which Western is the largest groundwater producer.

Questions/Comments	Answers/Responses
<b>Finance</b>	
<b>What is the minimum reserve level needed by RPU?</b>	<a href="#">RPU Fiscal Policies</a> , updated in 2016 and approved by the City Council, require a minimum reserve level in order to meet bond requirements and keep interest rates low, thus saving ratepayers millions over the lifetime of the bonds. The proposed rate increase will support maintaining reserves and allow RPU to issue bonds for infrastructure replacement.
<p><b>RPU has a lot of money that they overcharged everybody. Can you use that money instead?</b></p> <p><b>RPU collected \$325 million in reserves in a slush fund that the Council didn't know was there through overcharged utilities.</b></p>	These statements are inaccurate. RPU's current reserve balances are \$175 million for electric and \$35 million for water. In the past, RPU was able to increase reserves within Council-approved policy guidelines due to selling water and leasing utility-owned property. Also, RPU has not hired as many employees as budgeted, resulting in labor cost savings that add to higher reserves. Over the last two years, RPU has used these reserves to pay for infrastructure replacements. Without a rate increase, reserves will soon be below the minimum level established by City Council policy.
<b>Do the proposed rate increases include fees?</b>	Yes.
<p><b>With more and more solar being used, infrastructure still needs to be built and maintained. What will happen with rates when fewer people are being charged?</b></p>	This is a major issue for all utilities. RPU incurs fixed costs for infrastructure maintenance, labor, and debt payments regardless of how much electricity or water we sell. Approximately 60% of RPU's electric costs and 90% of RPU's water costs are fixed. RPU is addressing this issue by raising fixed charges and keeping costs down. The new Network Access Charge will assist in recovering fixed costs more equitably from all customers who rely on the electric distribution system. RPU is keeping costs down by generating revenues through use of existing assets and using contract labor rather than hiring new employees.
<b>Do you have to pay prevailing wage?</b>	Cities are required by law to pay prevailing wage.
<b>It's undisputed that 20% of this rate increase is going to new taxes.</b>	This statement is inaccurate. As referenced on <a href="#">slides 21 and 22 of the meeting presentation</a> , 22% of the electric rate increase and 13% of the water rate increase will be used to meet Council-approved financial policies for the utilities. These include maintaining the existing General Fund Transfer (see below) and maintaining minimum reserve levels, consistent with <a href="#">RPU Fiscal Policies</a> .

Questions/Comments	Answers/Responses
<p><b>I read in the newspaper that RPU is required to give money back to the City. Could RPU use that money to build infrastructure instead?</b></p> <p><b>Would the City Council consider making the proposed rate increase revenue neutral for the General Fund Transfer and the Utility User Tax?</b></p>	<p>Riverside's City Charter provides for a transfer of up to 11.5% of RPU's gross revenues to the City's General Fund. This transfer helps fund public safety, emergency services, parks and recreation, and other community benefits. There are no proposed changes to this transfer. The Utility User Tax is not funded through RPU revenues and, therefore, is not part of the proposed rate plan.</p>
<p><b>I've learned a lot. One comment on Measure Z: it was voted on by the voters and cannot be changed. Thank you to the City Council for using it for what it was passed for.</b></p>	<p>RPU understands and appreciates these comments, which will be reflected to the City Council and Board of Public Utilities. RPU does not receive any funding from Measure Z.</p>

### Rate Design

<p><b>What is the Network Access Charge?</b></p>	<p>The Network Access Charge is a new charge designed to recover part of the costs for maintaining RPU's electric distribution system. The electric distribution system has been built to serve all RPU customers and is a fixed cost to RPU. These costs have historically been included in the energy charge which is based on usage (i.e., variable, not fixed). The Network Access Charge is designed to be a more fair and transparent way to recover these fixed costs.</p>
<p><b>What is the Reliability Charge? Isn't \$10 per month excessive?</b></p> <p><b>In regard to the Reliability Charge, will the 10-year rate plan show how the 30-year debt is being paid off?</b></p>	<p>The Reliability Charge recovers RPU's costs associated with building a second point of interconnection to the state electrical grid and internal natural gas generation plants to meet summer peak energy needs. Riverside is a large, growing city and a regional center, yet it only has one connection to the state electric grid. Our current demand for electricity exceeds the capacity of that connection, requiring internal power generation. A second connection to the grid will ensure reliability and avoid future blackouts. The Reliability Charge is currently paying off a \$200 million debt for building four natural gas power plants over 30 years, as well as costs associated with establishing the second interconnection. The rate plan will not change how the Reliability Charge is used. Residential customers and most commercial customers will not see any change to their Reliability Charge. Commercial time-of-use customers will be switched from a flat Reliability Charge to one that is tiered based on demand.</p>

Questions/Comments	Answers/Responses
<p><b>On my electric bill I have two fixed charges. Will this change? Why aren't these fixed charges just built into the usage charge?</b></p>	<p>Fixed charges equitably recover fixed costs incurred regardless of how much electricity is used. Approximately 60% of RPU's electric costs are fixed. The Reliability Charge and Customer Charge will remain on your bill, and a new Network Access Charge (see above) is being added. Together with a Demand Charge for larger commercial and industrial customers, these charges are designed to recover 31% of RPU's fixed costs by the fifth year of the rate plan (currently, fixed charges recover only 23% of RPU's fixed costs). For an explanation of all utility bill charges, please visit our <a href="#">Understanding Your Bill webpage</a>.</p>
<p><b>We've got all these different [electric] charges. Is there anyone not getting charged any one of these charges? Why can't we have just one charge?</b></p>	<p>RPU has and will continue to consider the structure of its electric charges to ensure they are assessed fairly and equitably across all customer classes and usage levels. The Customer Charge is flat and the Reliability Charge is based on the size of the customer's electrical panel. The new Network Access Charge has three tiers based on demand, with higher users paying more. Someday RPU may propose combining all of these charges into one fixed charge, similar to telecommunication utilities, but we are not proposing this in the current rate plan.</p>
<p><b>If RPU moves to remote meter reading, will the [water] meter charge go away?</b></p>	<p>The water meter charge helps recover a portion of the fixed costs of operating the water system. Approximately 90% of RPU's electric costs are fixed. One fixed cost is installing advanced meters that allow for remote meter reading and better water management. RPU plans to roll out advanced meters first to low-income customers, then to other customers as funding allows. In addition to reducing RPU's meter reading costs, advanced meters help reduce customer water bills by catching leaks.</p>
<p><b>Why is RPU changing both its water rates and reducing the allocation for each tier?</b></p>	<p>The rate plan proposes reducing from four to three tiers for residential water customers, and to reduce the allocation in the first tier, to better align with RPU's water cost of service and state efficiency standards.</p>
<p><b>How can I be charged \$2.50 for water used in a month yet have a \$42 sewer charge? Don't some cities base sewer charges on water use?</b></p>	<p>The sewer charge is not part of the current rate proposal, which only covers electricity and drinking water services. Riverside's wastewater collection and treatment system is managed by the Public Works Department. Information on the sewer system, including sewer service monthly rates and the 2014 Capital Improvement Program and Rate Development Study, can be found on the <a href="#">Public Works Department's Sewer Service webpage</a>.</p>

Questions/Comments	Answers/Responses
<b>Affordability</b>	
<p><b>When I had six people in my family, I paid a certain rate. Now I have three people in my home and I pay the same amount. My water costs appear to be much higher.</b></p> <p><b>I am on a fixed income and am currently getting a 2-3% raise through social security. Your proposed rates appear to raise water and electricity costs by 50% or more. What's going on?</b></p>	<p>RPU understands and appreciates these comments, which will be reflected to the City Council and Board of Public Utilities. The cumulative average proposed rate increase is 25% for electric and 45% for water for the first five years. RPU is doing everything possible to keep rates low. RPU has over 40 rebates and other programs to assist customers in reducing their bills and use water as efficiently as possible, including programs specifically for low-income and fixed income customers. RPU is also developing expanded programs to assist low-income and fixed income customers. Finally, RPU is considering the introduction of budget-based tiered water rates in the coming years, which provide an opportunity to base water charges on customers' individualized water "budgets."</p>
<p><b>Look on Google Earth and compare our community to Irvine and how green it is. You want us to cut back by charging based on tiers, but there is a value in being a green community. We're going to turn into a brown community because no one is going to water their landscapes. We have heat islands everywhere, and we need to make water affordable and encourage people to create shade by planting more trees. This won't happen if water rates are too high.</b></p>	<p>RPU understands and appreciates these comments, which will be reflected to the City Council and Board of Public Utilities. RPU's water rates are and will continue to be lower than most other communities in the region, even after the proposed increase. Under the rate plan, RPU's typical residential customer's water rate will be 40% less than Western Municipal Water District. RPU plans to propose the formation of a task force to assist RPU in identifying opportunities to support agriculture consistent with state law.</p>
<p><b>How are these rates going to affect commercial customers and small businesses?</b></p>	<p>General impacts to commercial customers, from large industries to small businesses, can be found on the reverse side of the <a href="#">rate plan flyer distributed during the meeting</a>. For water, commercial customers and small businesses will be affected similarly to residential customers. However, commercial customers represent a larger share of RPU's electricity demand, providing roughly 65% of electric revenues. RPU has been working closely with the Greater Riverside Chambers of Commerce and has been in constant communication with its key accounts and with business councils across the City.</p>

Questions/Comments	Answers/Responses
<b>Customer Service</b>	
<b>Are rebate programs applicable to commercial?</b>	Yes, RPU offers 20 commercial rebates and incentive programs. Please visit <a href="#">RPU's Business Rebates page for more information</a> .
<b>It's nice to have a community who wants to know what's going on. Things are happening and we're not always aware of what's going on. The community needs to be more involved and informed.</b>	RPU understands and appreciates these comments, which will be reflected to the City Council and Board of Public Utilities.
<b>Some Riverside homes are installing bioswales and barrels to collect, store and use rainwater to water their plants. These could help offset water costs.</b>	RPU understands and appreciates this comment, which will be reflected to the City Council and Board of Public Utilities. RPU is revamping its energy and water efficiency programs, as well as looking at the wide variety of new technologies and conservation concepts, to focus more closely on customer needs and innovations. RPU has also hired two new "integration managers" to develop products and incorporate services that help facilitate water-efficient landscapes and rainwater capture, electric vehicles, energy storage, zero-net-energy homes, and other products and services that our customer-owners want.
<b>There seems to be a problem with RPU's customer billing system and how it was implemented. What is RPU doing to improve and streamline this system?</b>	RPU has been experiencing problems with its new Customer Information System. The company that provided the system, enQuesta, has changed its management and is now providing improved services. That said, RPU is withholding final payment and is working with the company on improving the system they delivered.
<b>I represent Castle Park. Does RPU provide assistance for replacing lights?</b>	RPU's Account Management Division will be in contact to assist Castle Park in receiving the maximum rebates available for light replacements.
<b>RPU's reviews on Yelp are not good. Does this reflect on RPU's customer service?</b>	RPU's customer service is overall very good. Social media ratings tend to reflect specific incidences where we could have done better. RPU and the City have implemented a customer service rating system where customers and constituents rate RPU and City services after each call, online visit, or in-person visit to customer service centers and other locations. The results of these ratings get published every week. Currently, 92% of our customers say they are happy with the customer service they receive from RPU.

Questions/Comments	Answers/Responses
<p><b>I applied for the SHARE program and still have heard nothing back in terms of assistance.</b></p> <p><b>Applied for SHARE; however, it is so difficult to apply, it's not worth it.</b></p> <p><b>So difficult to apply for the SHARE program - it's not worth the \$100. Please make it easy to apply.</b></p>	<p>RPU's Account Management Division will be in contact to assist with your Sharing Households Assist Riverside's Energy (SHARE) program applications. We apologize for the difficulty in applying. SHARE provides qualified low-income residential customers (less than \$36,900 per year for a family of four) with \$150 in annual assistance on their electric utility bills. RPU is proposing to significantly enhance SHARE and other low-income and fixed income assistance programs. This will include roughly doubling the SHARE program's benefits and participation, and making it easier for customers to sign up for the program. For more information, <a href="#">visit the RPU SHARE program webpage</a>.</p>
<p><b>I have lived in Riverside for 30 years. RPU has always provided excellent services. I have owned houses in other places, and their services are not the same. I have much fewer problems with RPU, and your rates are much lower than other utilities. You are doing a heck of a good job.</b></p>	<p>RPU understands and appreciates these comments, which will be reflected to the City Council and Board of Public Utilities.</p>