



Rate Plan Community Meeting Summary | Ward 2 | Wednesday, October 11, 2017

Riverside Public Utilities (RPU) staff made a presentation on RPU’s electric and water utility rate increase proposal. After being introduced by Ninfa Delgado, President of the Riverside Latino Network, and Andy Melendrez, Ward 2 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.



Councilmember Andy Melendrez



RPU General Manager Girish Balachandran



Public Questions/Comments

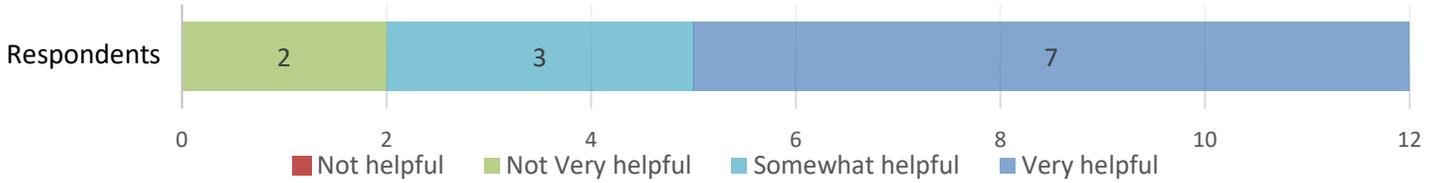


Infrastructure Displays

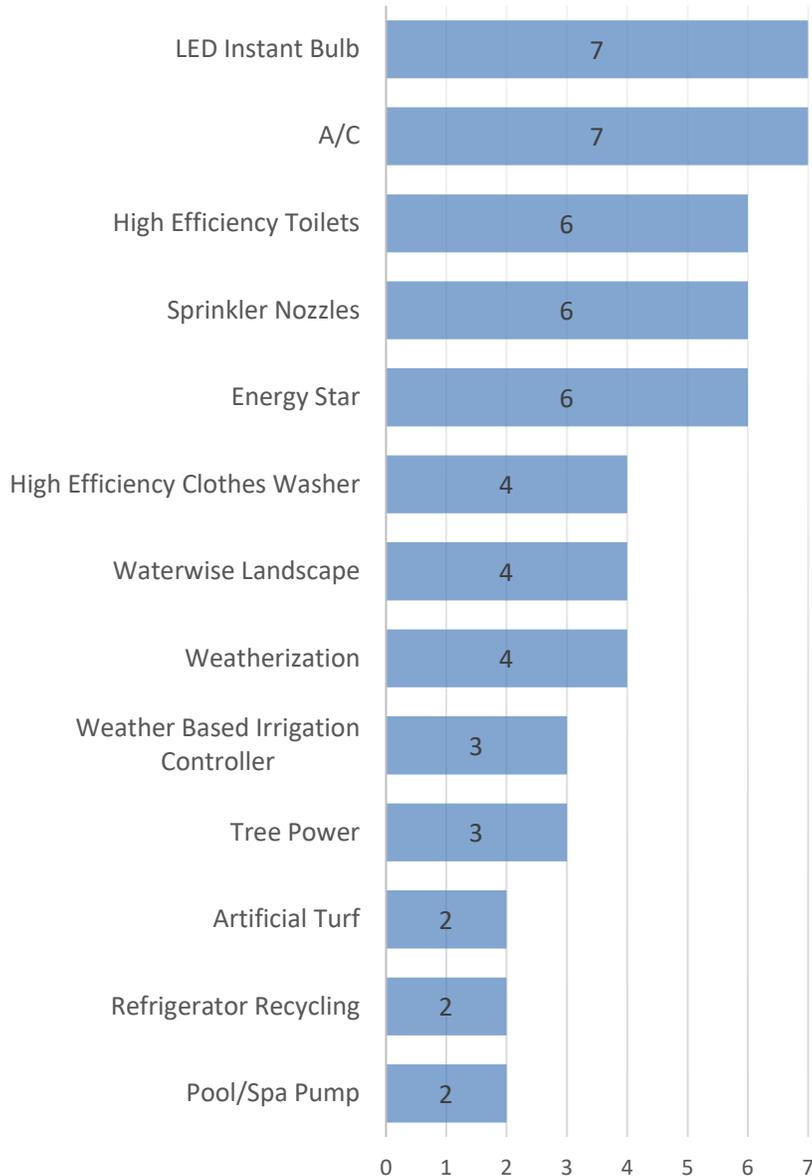
Meeting Location	Natifuentes Centro de Niños 2010 Martin Luther King Boulevard, Riverside 92507
Number of Community Attendees	20
Organizations Represented	Grid Alternatives Inland Empire The Group Riverside Latino Network Riverside Unified School District
Speakers	Ninfa Delgado, Riverside Latino Network Andy Melendrez, Ward 2 Council Member Gil Ocegueda, Member, Board of Public Utilities Girish Balachandran, RPU General Manager

FEEDBACK CARD RESULTS

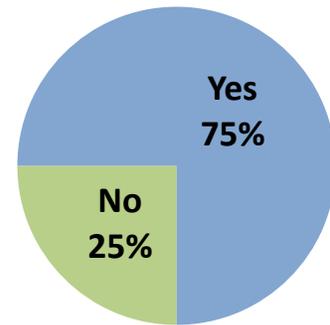
DID THE INFORMATION PROVIDED AT THE MEETING HELP YOU UNDERSTAND RPU'S RATE PROPOSAL?



NUMBER OF RESPONDENTS LIKELY TO USE AN RPU REBATE

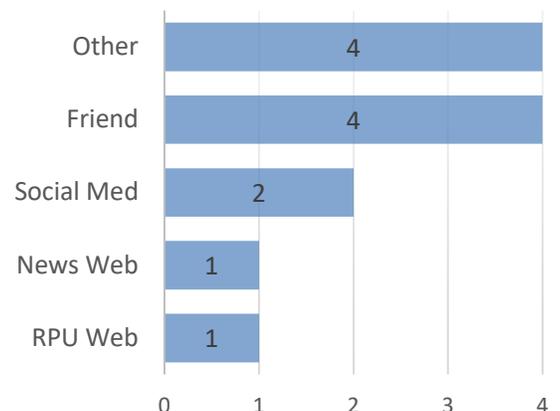


75% OF RESPONDENTS KNOW ABOUT RPU'S 40 REBATE PROGRAMS



90% OF ATTENDEES WERE AWARE OF SHARE PROGRAM INCOME LIMITS

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 Questions/Comments

Questions/Comments	Answers/Responses
Does RPU have a policy about maintaining sufficient reserves to stay ahead of aging infrastructure?	RPU maintains an active capital improvement program and asset management program. For long-term investments such as infrastructure replacement, RPU issues bonds which are paid back over a long period of time. This is similar to taking out a loan in order to purchase a house.
Why doesn't RPU fund 100% of infrastructure replacement costs with bonds? Isn't a rate increase plus bond funding a form of double taxation?	RPU has a financial policy that requires a minimum reserve level in order to meet bond requirements and keep interest rates low, thus saving ratepayers millions over the lifetime of the bond. The proposed rate increase will support maintaining reserves and allow RPU to issue bonds for infrastructure replacement. This is not double taxation because the rate increase includes the costs associated with paying back the bonds.
In reference to additional revenues on slide 17, why don't these additional revenues generated by RPU pay for the rate increase?	Additional revenues help to reduce the amount of the proposed rate increase. On average, the additional revenues reduce the amount of the proposed electric rate increase from 6.3% to 4.8%, and reduce the amount of the proposed water rate increase from 17.5% to 8.6%.
At one time, RPU had roughly \$300 million in reserves. After using reserves to offset financial impacts associated with the drought and for capital projects, what is the current balance?	Current reserve balances are roughly \$175 million for electric and \$35 million for water.
The City and RPU have not been effective in reaching out to local residents. Community meetings need to be scheduled to better facilitate participation. For example, 5:30pm is too early for those who work, and Wednesday evening meetings conflict with religious services.	RPU agrees and is committed to doing a better job with community outreach.

<p>Many Ward 2 (Eastside) families did not take advantage of recent solar and turf replacement rebate programs because they are bilingual and/or fear losing their homes. Additionally, the turf rebate should have been organized better because most of the funding was taken up by large corporations; funding should have been separated for residential and commercial customers.</p>	<p>RPU appreciates this feedback and is committed to improving our program outreach and services to serve all customers equitably. RPU continues to offer a turf rebate which is limited to 3,000 square feet for residential customers and 25,000 square feet for commercial customers.</p>
<p>Did RPU receive any funding from Measure Z?</p>	<p>No.</p>
<p>Does RPU's rate proposal impact or affect water discharges [sewer fees]?</p>	<p>No.</p>
<p>Will funding from the proposed rate increase be tracked separately?</p>	<p>No. However, RPU tracks and reports on all rate-funded expenditures to the Board of Public Utilities and the City Council through annual updates to its two-year budgets and five-year financial plans. RPU also provides the Board with monthly, quarterly, and annual financial reports which are available through EngageRiverside.com.</p>
<p>What is the "Charter Transfer to the General Fund" (slides 21-22)? Are there any proposed changes to this transfer?</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.</p>
<p>There has been recent negative press coverage concerning a huge overtime payout to an RPU dispatcher. RPU's executive salaries are also very high. Does RPU conduct strategic planning to review salaries and control administrative costs?</p>	<p>RPU management accepts full responsibility for recent large overtime payments and has fixed the problem so it will never happen again. The rate proposal is based on a ten-year strategic plan. RPU salaries are benchmarked against similar positions in other public utilities. Total labor costs are 16% for electric and 24% water. In comparison, total labor costs for the City General Fund are close to 90%. Most RPU costs are non-labor costs.</p>
<p>Regarding priorities, what will you be addressing first? Do you have a list? Will all wards see improvements? How will RPU be reporting?</p>	<p>RPU has a ten-year funding plan for needed capital replacements. RPU will report progress on implementing this plan annually to the Board of Public Utilities and City Council as part of its two-year budget and five-year finance plan. Capital improvements will take place in all wards and will benefit all RPU customers. RPU recognizes and is committed to increasing our communications with the public on the value of their publicly owned utilities.</p>
<p>Recently the Wood Streets were torn up because of multiple water leaks, but residents never received any personal outreach or information about the area being susceptible to leaks due to aging pipes. RPU needs to communicate better, like neighbors, using neighborhood groups when these local issues arise.</p>	<p>RPU agrees and is committed to communicating better with local residents and businesses, especially during construction. RPU is changing its communication strategy and plans to work more closely with neighborhood groups.</p>

<p>Oftentimes it is the perception that kills the process. Some people are not opposed to a rate increase, but they perceive RPU is providing other city departments and policymakers with whatever they want in order to engender support. Part of this process needs to be changing this perception.</p>	<p>RPU understands and will attempt to address this perception as part of its outreach effort. RPU is committed to working with community stakeholders on changing these and other negative perceptions.</p>
<p>Riverside Unified School District (RUSD) is reviewing the proposed rate increase and its financial impact on the district. RUSD encourages everyone to be involved in the rate setting process, and complements RPU on its responsiveness to listening to customers. Many of RUSD's concerns have been addressed by RPU.</p>	<p>RPU appreciates RUSD's ongoing and active participation in this rate setting process.</p>
<p>The City Council did not include the additional General Fund Transfer and Utility User Tax revenues associated with this rate increase in their most recent two-year budget and five-year financial plan. Is it appropriate for RPU to include the full 11.5% General Fund Transfer in its proposed rate increase?</p>	<p>Under the City Charter, the decision on whether to include the full 11.5% General Fund Transfer rests with the City Council. RPU will communicate all questions and comments associated with the General Fund Transfer to the Council.</p>
<p>Will the new LED streetlights stay the same color as the existing streetlights? Research has shown that a bluer light has a calming effect and may reduce crime.</p>	<p>RPU is currently testing different colors for the new LED streetlights and welcomes community input.</p>
<p>Regarding the list of proposed capital projects (slides 12-13, 21-22), has RPU considered the fact that costs will not be the same six years from now? Has RPU analyzed potential cost savings by purchasing materials now for later installation?</p>	<p>RPU conducts an annual accounting of projected versus annual capital costs as part of its financial reporting to the Board of Public Utilities and City Council. RPU does enter into long-term contracts for future power supply purchases, but does not currently make advanced purchases for infrastructure replacement. RPU will review this option for future purchases.</p>
<p>The flyer shows different levels of rate increases for low, middle, and high-use residential customers. Are these the same as tiers? How do customers figure out which usage level they are in?</p>	<p>No, the flyer shows total average rate increases for customers who use different amounts of electricity and water. Tiers are the amount of electricity or water usage allocated at a particular price per unit of usage; if a customer uses more than the amount allocated for one tier, then the next unit of usage is charged at the next tier's price. 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. Customers can review their past bills to see which usage level they fall into. Customers can also use the electricity and water rate calculators on the RPU website to calculate their specific bills under the proposed rate increase; please visit RiversidePublicUtilities.com/rateplan.</p>

If RPU is in need of additional funds for maintenance repair in the future, could it reduce the General Fund Transfer?	See above responses concerning the General Fund Transfer.
RPU needs to provide information that specifically addresses the needs of its senior customers. For example, seniors are getting information from the gas company about the need for insurance for gas lines on their property. Seniors need help understanding this information.	RPU agrees and is committed to providing this information to its senior customers.
In reference to RPU's renewable energy costs (slide 21), why can't RPU reduce its use of renewable energy?	RPU is mandated by California state law to increase its use of renewable energy and reduce its greenhouse gas emissions.

Response Card Questions/Comments

Questions/Comments	Answers/Responses
Good information - I particularly like new outreach plan.	Thank you for this feedback.
Good start - More community outreaches.	Thank you for this feedback. RPU is committed to increasing its community outreach efforts.
Great job. I'm a commercial user.	Thank you.
Simplified rate increase table is misleading. Sounds like there will be tier structure charges plus increased fixed charges.	The rate increase table attempts to show customers how the proposed rate increase might impact their bill, depending on their typical level of usage per month. The rate proposal includes modifications to both volumetric tiered rates and fixed charges. For specific information associated with all proposed rate changes, please visit the documentation section of the rate plan webpage: RiversidePublicUtilities.com/rateplan .
Were all of these staff people here tonight on overtime?	Most staff members who attended tonight's meeting are managers and do not qualify for overtime.
How often will renewable energy need repairs?	RPU contracts with renewable energy providers to receive renewable energy at fixed prices. Under these contracts, it is the responsibility of the energy provider to maintain their own infrastructure.
Info needs to be provided in small bites. More visible in the community, establish higher credibility. Set a date for community update.	Thank you for this feedback. RPU is committed to increasing its community outreach efforts. Future community updates will be scheduled and promoted to facilitate maximum participation.