



## Rate Plan Community Meeting Summary | Ward 4 | Wednesday, October 18, 2017

Riverside Public Utilities (RPU) staff made a presentation on RPU’s electric and water utility rate increase proposal. After being introduced by Chuck Conder, Ward 4 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



RPU General Manager Girish Balachandran

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### Meeting Location

Taft Elementary School  
959 Mission Grove Parkway N, Riverside, CA 92506

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### Number of Community Attendees

15

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### Organizations Represented

Riverside Unified School District

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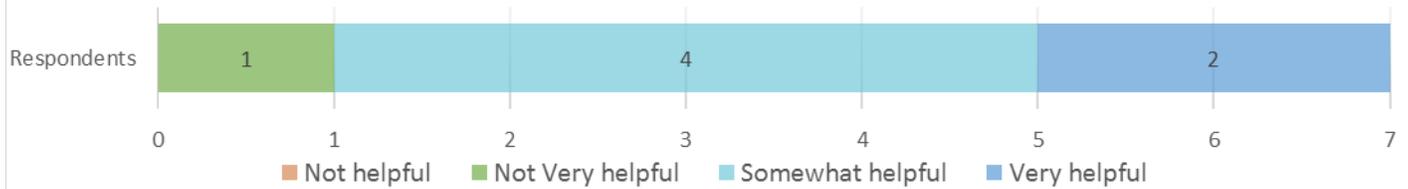
### Speakers

Chuck Conder, Ward 4 Council Member  
Girish Balachandran, RPU General Manager

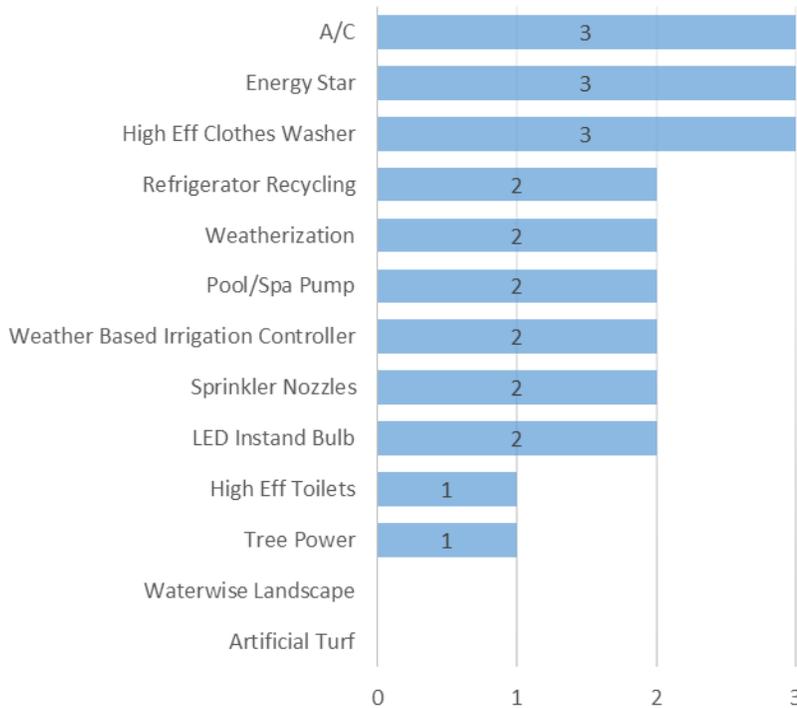
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## FEEDBACK CARD RESULTS - Ward 4 Community Meeting 10/18/2017

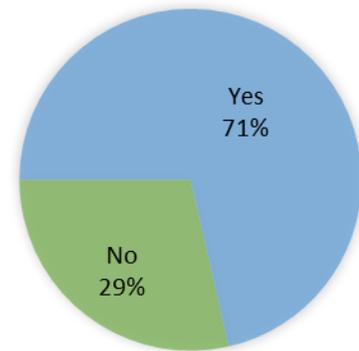
### DID THE INFORMATION PROVIDED AT THE MEETING HELP YOU UNDERSTAND RPU'S RATE PROPOSAL?



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



### 71% OF RESPONDENTS KNOW ABOUT RPU'S 40 REBATE PROGRAMS

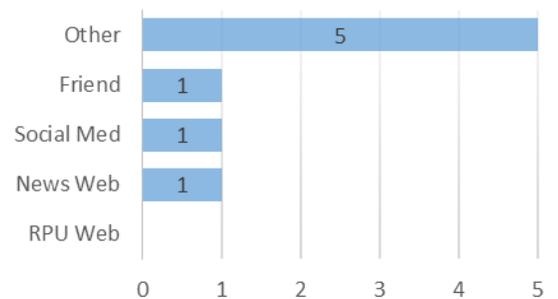


**75%** OF ATTENDEES WERE AWARE OF SHARE PROGRAM INCOME LIMITS

### COMMENTS RECEIVED FROM ATTENDEES

1. Please reduce your proposed rate increase by 25% because we are hit with Measure Z, gas tax, Measure O and others.
2. Do not like sprinkler nozzles program.
3. Think the increase is too steep, bad timing
4. Press for Option 2 - Compliance vs. Option 3. More consideration for customers using solar (lower fixed costs).
5. If you need money, repeal Measure A's 11.5% transfer of money from utilities to the general fund. Then fund what is important. Also, use the sales tax increase in the general fund.

### 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
<b>Infrastructure Replacement</b>	
<p><b>What parts of town are electric poles located that need to be replaced?</b></p>	<p>Riverside's electric distribution infrastructure is roughly 60% underground and 40% overhead. Older developments typically have overhead, while newer communities typically have underground electric distribution infrastructure. Ward 4 primarily has underground cables.</p>
<p><b>Is it more expensive to install/replace underground electric distribution infrastructure?</b></p>	<p>Yes, about five times more expensive. Based on city policy, all new developments have to install underground electric distribution infrastructure.</p>
<p><b>RPU's proposed infrastructure replacements seem more like a wish list than a needed investment. We just got hit by a Western Municipal Water District 5% rate increase, and we don't need poles replaced in this neighborhood. Also, those who did the right thing, such as installing solar, are now getting penalized. This rate proposal doesn't seem equitable, and the City Council should challenge it.</b></p>	<p>RPU appreciates these comments, which will be communicated to the City Council and posted on the RPU website. RPU took a year and a half to conduct a thorough assessment of its infrastructure replacement needs, and presented four options to the Board and Council. The Board and Council requested that RPU identify costs associated with Option 3. Option 4 represented the "wish list" approach, and it was rejected. RPU is working with the Board and Council on reviewing all cost assumptions and identifying opportunities for additional savings to reduce the proposed rate increase. For more information on the "Utility 2.0" infrastructure assessment process and results, please visit <a href="http://RiversidePublicUtilities.com/Utility20">RiversidePublicUtilities.com/Utility20</a>.</p>

Questions/Comments	Answers/Responses
<b>Renewable Energy</b>	
<b>Is RPU willing to reduce the proposed rate increase if the current U.S. presidential administration is successful in getting rid of regulations on the use of coal?</b>	The California Legislature, through Senate Bill 1368 (2006), has essentially banned the use of coal for the generation of electricity. RPU's contract with the Intermountain Power Plant in Utah expires in 2027.
<b>Are solar rebates still available?</b>	Yes, but they expire on December 31, 2017. Customers who apply for a solar rebate before then will have 18 months to install their solar panels.
<b>Agriculture</b>	
<b>How will the rate proposal affect agriculture?</b>	The rate plan proposes to gradually transition 197 RPU customers who are on Irrigation Metered Service (WA-3) and Grove Preservation Service (WA-9) rates to Single-Family Metered Service (WA-1) or General Metered Service (WA-6, for commercial customers) rates, as applicable, over five years. Customers who are on Greenbelt Irrigation Service (WA-8) rates as Gage Canal Company shareholders will not be impacted by the proposed rates. Both the WA-3 and WA-9 rates are considered subsidized water rates, in that the customers under these rates do not pay the full cost for providing water service to their properties, resulting in higher rates for all other RPU water customers. The proposed five-year transition attempts to moderate the immediate impact of WA-3 and WA-9 paying full cost of service.
<b>Why are changes to agricultural rates not shown in the presentation?</b>	The community meeting presentation is focused on general residential impacts associated with the proposed rate increase. Detailed information on the rate proposal, including a summary of all rate changes, can be found at <a href="http://RiversidePublicUtilities.com/rateplan">RiversidePublicUtilities.com/rateplan</a> . RPU is providing all current WA-3 and WA-9 customers with detailed information regarding changes to their individual rates, and will be hosting a community meeting specifically for these customers on October 30.
<b>Riverside's Greenbelt is important and will be decimated by this rate increase, becoming a dirt patch.</b>	Roughly 7% of RPU customers in the Greenbelt are on the WA-3 and WA-9 rates. RPU acknowledges the importance of the Greenbelt in providing economic, health, and water rights benefits to our local community. RPU is working with customers who live in the Greenbelt on alternative proposals and other opportunities to support our local agricultural community.

Questions/Comments	Answers/Responses
<b>My property abuts the Gage Canal - can I get Gage Canal Company shares?</b>	Under a stipulated judgment, the Gage Canal Company froze the number of its shares. Shares owned by the City of Riverside cannot be offered to RPU customers. However, RPU can provide Greenbelt customers with access to Gage Canal water (equal to two shares/acre) at the Greenbelt Irrigation Service (WA-8) rate, which is the same as the cost of water to shareholders plus a small (\$9.92) monthly billing service fee.
<b>Is Riverside selling Gage Canal water to Western Municipal Water District?</b>	No.
<b>Finance</b>	
<b>Does the charter transfer to the General Fund function in the same way as a normal business's profit, in that the city can use this money however they want?</b>	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.
<b>Are there records of how funds generated by the existing Reliability Charge have been used to make infrastructure replacements?</b>	The Reliability Charge was implemented in 2007 in order to repay bonds for the construction of four natural gas-fired power plants and a second interconnection to the statewide electric grid. Records have been kept on all expenditures funded by the Reliability Charge. The current rate proposal will not change the Reliability Charge.
<b>Did RPU receive any funding from Measure Z?</b>	No.
<b>The presentation states that RPU is getting additional revenue from Scheduling Services. Is RPU contemplating increasing its charges for scheduling services?</b>	RPU believes it charges a fair rate and is adequately compensated for the scheduling services provided to the cities of Banning and Rancho Cucamonga. RPU is currently proposing to provide scheduling services for additional Southern California municipal utilities.
<b>Should Riversiders use more water in order to offset the impact of the drought on RPU's finances?</b>	RPU encourages the beneficial use of its water supply. If more water is used than is forecasted, the rates will go down. However, RPU's rates are currently unbalanced, in that most of our costs are fixed but most of our revenue is based on use. In comparison, wireless carriers charge the same regardless of the number of calls made, because mobile phone providers still have to pay for their wireless networks (e.g., cell phone towers) regardless of how often they are used. The rate plan proposes to generate more revenue from fixed charges in order to start rebalancing RPU's revenues and expenses.

Questions/Comments	Answers/Responses
<b>What is RPU doing to address excessive overtime?</b>	RPU accepts responsibility for large overtime payments in the past, and has taken proactive steps to fix the problem. Specifically, RPU was short three electric dispatchers. These positions have now been filled as of the end of September. Overtime will continue to be high in 2017 but will be lower than in 2016; by 2018 this will no longer be an issue. Additionally, RPU managers have changed various protocols related to requesting and approving overtime, which will lead to a reduction in overtime use.
<b>Are RPU employees paying their fair share of CalPERS?</b>	Under state law, all new hires must pay their full employee share of CalPERS. The City Manager has implemented a new strategy for existing employees. Starting this year, all existing employees will start paying a portion of their employee share, which will ramp up to paying their full share in four years.
<b>What are the average salary increases this year?</b>	Annual salary increases are based on negotiations with the various union groups. The City completed all union negotiations by the end of 2016. RPU employees represented by the International Brotherhood of Electric Workers (IBEW) will receive a 4% cost of living adjustment (COLA) effective November 1, 2017. RPU employees represented by the Service Employees International Union (SEIU) and unrepresented employees will receive a 4% COLA effective January 1, 2018. Offset against these increases, CalPERS Tier 1 (Traditional) employees will begin a CalPERS giveback contributing 1.5-2% of their pay depending on their bargaining unit. Within these agreements, employees will be paying their share of CalPERS retirement by the end of the current contract term. All other RPU employees hired after June 7, 2011 have been paying their share upon hire.
<b>Is it true that RPU did not need to increase rates over the last few years because of its reserves?</b>	Yes, RPU was able to increase reserves in the past 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 been using these reserves to pay for infrastructure replacements. However, reserves will soon decrease below the minimum level established by City Council policy.
<b>Does RPU receive any revenues from property taxes?</b>	No. RPU's primary source of revenues are rates. RPU also generates revenues through selling/leasing land and water, providing services to other parties, and through regional and state programs.

Questions/Comments	Answers/Responses
<b>Affordability</b>	
<b>I understand the need for this rate increase, it's just the amount combined with other increases. Seems like real bad timing, though it couldn't be helped due to the seven years without an increase.</b>	RPU understands and appreciates this comment.
<b>Governance</b>	
<b>Will the inflation-based rate increases in years 6-10 include the opportunity for public review and comment?</b>	Yes.
<b>Is the City of Riverside planning on taking over Western Municipal Water District?</b>	No.
<b>Does this rate proposal still have to be approved by City Council?</b>	Yes. Riverside's City Charter gives the Board of Public Utilities the authority to propose utility rates, which are then either adopted or rejected by the City Council.
<b>Are there more opportunities to address the Board of Public Utilities about the rate proposal?</b>	The Board of Public Utilities meets on the 2nd and 4th Mondays of the month at 6:30pm in the City Council chambers. The public is welcome and invited to attend these public meetings and address the Board on all topics that relate to Riverside's electric and water utilities.
<b>Outreach</b>	
<b>The feedback card distributed during the meeting does not provide sufficient room for feedback.</b>	RPU is documenting all questions and comments provided during the rate plan community meetings, and will post them on the website and distribute to the meeting attendees directly.
<b>Is RPU meeting with commercial customers?</b>	RPU is meeting regularly with the Greater Riverside Chambers of Commerce and each of the city's area business councils to address questions and concerns from Riverside's business community.
<b>Why are the rate plan community meetings held at 5:30pm? It is difficult for commuting customers to attend meetings held this early in the evening.</b>	RPU will take a look at whether future meetings can be moved to later in the evening.