



*City of Arts & Innovation*

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# City Council Memorandum

*City of Arts & Innovation*

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**TO:** HONORABLE MAYOR AND CITY COUNCIL **DATE:** AUGUST 3, 2021

**FROM:** PUBLIC UTILITIES DEPARTMENT **WARDS:** ALL

**SUBJECT:** INCREASE THE SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY PROGRAM'S ELECTRIC MONTHLY CREDIT TO \$15.50 AND WATER MONTHLY CREDIT TO \$3.00 TO ALIGN WITH YEARLY ELECTRIC AND WATER RATE INCREASE FOR FISCAL YEAR 2021/22

## **ISSUE:**

Approve an increase of the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit to \$15.50 and Water Monthly Credit to \$3.00 to align with electric and water rate increases for Fiscal Year 2021/22.

## **RECOMMENDATION:**

That the City Council approve an increase of the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$15.00 per month to \$15.50 and Water Monthly Credit from \$2.75 to \$3.00 to align with electric and water rate increases for Fiscal Year 2021/22.

## **BOARD RECOMMENDATION:**

On June 28, 2021, the Riverside Public Utilities Board voted to recommend to City Council to approve the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$15.00 per month to \$15.50 and Water Monthly Credit from \$2.75 to \$3.00.

## **LEGISLATIVE HISTORY:**

Assembly Bill (AB) 1890 was adopted in 1996, which required publicly owned utilities to collect and spend Public Benefits Charge funds for low-income assistance, energy efficiency and conservation programs, renewable energy, and research, development, and demonstration projects.

## **BACKGROUND:**

Riverside Public Utilities (RPU) established the Sharing Households Assist Riverside's Energy (SHARE) Program in 1989 to provide low-income residents with utility bill assistance. The SHARE Program was initially only supported with funding from direct customer contributions and

donations. In 1999, RPU expanded the program with the utilization of a portion of the Public Benefits Charge funds in order to assist more customers.

On May 22, 2018, the City Council approved changes to the SHARE Program to address the concerns that the then-proposed rate increases would impact low- and fixed income customers. The program enhancements included adjusting the income qualifications as well as instituting new monthly bill credits for both electric and water service. The expanded income limits changed from 150% of the Federal Poverty Level to 200% of the Federal Poverty Level. The new monthly bill credits included a credit of \$14 per month for income-eligible electric customers and \$2.25 per month for income-eligible water customers. These program changes were available to customers on July 1, 2018.

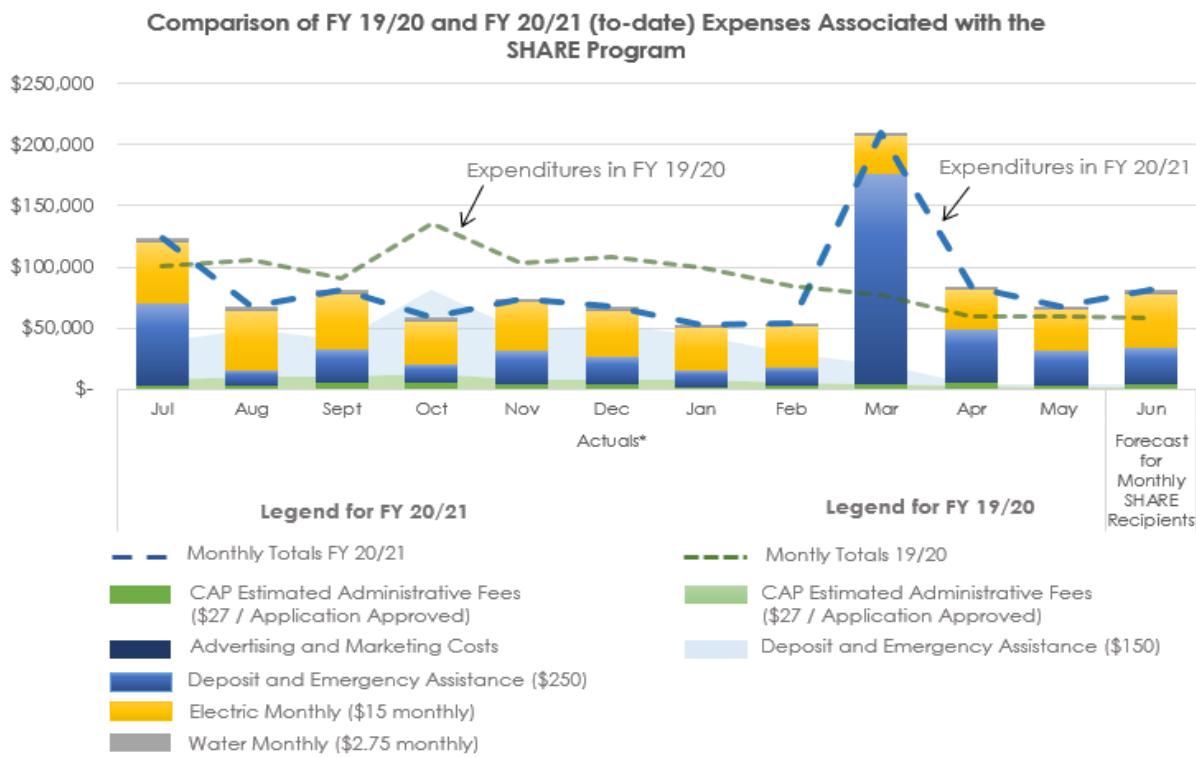
On July 2, 2019, the City Council approved the first increase to the SHARE electric monthly credit from \$14.00 to \$14.50 and the water monthly credit from \$2.25 to \$2.50 effective July 3, 2019.

On July 16, 2020, the RPU General Manager approved to temporarily update the SHARE program guidelines to allow for an urgent notice to qualify customers for the \$150 emergency assistance.

On July 21, 2020, the City Council approved the second increase to the SHARE electric monthly credit from \$14.50 to \$15.00 and the water monthly credit from \$2.50 to \$2.75 effective July 22, 2020.

On March 23, 2021 the City Council approved the first increase to the SHARE emergency/deposit credit from \$150 to \$250.

The following chart provides detail on the history and current progress of the SHARE program participants, expenditures, overhead costs and program goals.



\* CAP Administrative Fee for FY 20/21 is Estimated based on Approved Applications.

## **DISCUSSION:**

As part of the approved rate plan, RPU committed to increase the SHARE Program's monthly assistance coincident with ongoing rate increases. The next water rate increase was implemented on July 1, 2021, and the electric rate increase was approved by the City Council on June 15, 2021 to be implemented on July 1, 2021.

In order to alleviate the impact of the electric and water rate increases on RPU's low-income customers, RPU staff proposes to increase the SHARE electric monthly credit from \$15.00 to \$15.50 and the SHARE water monthly credit from \$2.75 to \$3.00 for Fiscal Year 2021/22. Future alignment of the SHARE Program monthly credit adjustments will be presented annually during the Board of Public Utilities' and City Council's review and consideration of utility rates.

Funding for both programs will remain the same as approved for the last fiscal year. Annual funding will be \$2.95 million per year. This includes \$2,550,000 for electric customer assistance and \$250,000 for the County's administration fee from the Public Benefits Charge funding. An additional \$150,000 from wholesale water sales revenue is allocated for the water customer assistance.

## **FISCAL IMPACT:**

The total fiscal impact for this recommendation is projected at \$2,950,000 per year. Sufficient funds are available in Electric Public Benefits Fund, Low Income Assistance Program Account number 6020100-456010 and Water Fund, Low Income Program Account number 6200000-456075.

Prepared by: Todd M. Corbin, Utilities General Manager

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Al Zelinka, FAICP, City Manager

Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Presentation
2. Public Utilities Board June 28, 2021 Meeting Minutes