



2026 ANNUAL INTEREST RATE PAID ON CUSTOMER DEPOSITS

Riverside Public Utilities

Board of Public Utilities
February 23, 2026

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BACKGROUND

1. Deposits are collected from customers who do not have a good credit history, or who have been disconnected and want service to be reconnected
2. Approximately 14% of RPU's customers
3. Combined deposits total over \$7.2 million
4. Minimum deposit:
 - Residential: \$200 for electric and \$40 for water service
 - Commercial: Twice the estimated average monthly bill



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BACKGROUND CONT.

5. Interest is applied monthly to the deposits received
6. Deposits are held until discontinuance of service or until the customer has maintained good standing for one year
7. If in good standing for one year, the deposit, including interest, is applied to the customer's account to offset any outstanding balance or refunded to the customer if no balance is due
8. Electric and Water Rules 4 requires the Board of Public Utilities to annually establish the interest rate for the held deposits



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DISCUSSION

1. Methodology to determine monthly customer deposit interest rate is based on the average of the 1-year Daily Treasury Yield rates for the last calendar year.
2. 1-year Treasury Yield rates average is the same type of short-term security the City of Riverside acquires for use in the Citywide investment portfolio.
3. 1-year rates are obtained from the U.S. Department of the Treasury.
4. The rate calculated for 2026 is 3.91%.



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RECOMMENDATION

That the Board of Public Utilities approve the annual interest rate on customer deposits for the calendar year 2026 at the rate of 3.91% per annum, as provided by Riverside Public Utilities' Electric and Water Rules.

