



*City of Arts & Innovation*

# Inclusiveness, Community Engagement & Governmental Processes Committee

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**TO: INCLUSIVENESS, COMMUNITY ENGAGEMENT, AND GOVERNMENTAL PROCESSES COMMITTEE**      **DATE: SEPTEMBER 6, 2023**

**FROM: PUBLIC WORKS DEPARTMENT**

**WARDS: ALL**

**SUBJECT: CONSIDERATION OF POTENTIAL SOLID WASTE SHARE PROGRAM**

**ISSUE:**

Receive a report to consider a potential Solid Waste Sharing Households Assist Riverside's Energy (SHARE) program.

**RECOMMENDATION:**

That the Inclusiveness, Community Engagement and Governmental Processes Committee consider the establishment of a SHARE program to assist qualifying City of Riverside Solid Waste customers.

**BACKGROUND:**

On June 27, 2023, the City Council set a public hearing regarding a Solid Waste rate proposal. The hearing is scheduled for September 19, 2023. Information regarding the proposed rates may be found at: [riversideca.gov/proposed-rates](https://riversideca.gov/proposed-rates).

While discussing the proposed rates, the City Council requested that staff review options to develop and implement a low-income assistance program to aid qualifying residential Solid Waste customers. The Public Works Department has evaluated the potential financial impact of a financial assistance program like that offered by Riverside Public Utilities (RPU). RPU assists qualified low-income residential electric and water customer with their utility bills through the Sharing Households Assist Riverside's Energy (SHARE) program which RPU administers along with the Riverside County Community Action Partnership. The Public Works Department has developed preliminary costs for a potential Solid Waste SHARE program to assist qualifying low-income residents.

Residents can learn more about RPU's existing SHARE program by visiting: [RiversidePublicUtilities.com/Assistance](https://RiversidePublicUtilities.com/Assistance) or calling the 311 Call Center.

## **DISCUSSION:**

The City of Riverside Public Works Department has prepared a five-year rate solid waste rate proposal which is recommending a \$2.50 monthly increase per residential home for the five-year plan term. By adopting the SHARE program, the department aims to minimize the rate impact on qualifying low-income residential Solid Waste customers.

The Solid Waste division currently provides an extensive array of benefits to Riverside residents, including:

- Disabled resident pickup assistance
- Free “bulky item” pickup services
- Clean Up Riverside waste collection events
- Support for Beautify Riverside, Festival of Lights, and Keep Riverside Clean and Beautiful

The five-year rate plan is intended to address the impacts of inflation and State regulation on Riverside’s solid waste operations. Inflation and the rising cost of consumer goods has similarly impacted Riverside households, and the establishment of a SHARE program for solid waste customers would help to absorb a portion of the proposed rate increases for qualifying low-income residential Solid Waste customers.

The RPU SHARE program was established in 1989. Income qualification for the SHARE program is based on 250% of the Federal poverty income guideline and the number of people in the household. Public Works proposes to utilize the same income qualification criteria as RPU.

RPU Water customers currently receive a monthly SHARE credit of \$3.25, this amount is proposed to gradually increase as part of the separate RPU Water five-year rate plan. The SHARE credit amount is not set at a fixed percentage of water rates, but rather has evolved over the years in response to rate increases. For comparative purposes, Public Works staff have found that the current RPU Water SHARE credit corresponds to approximately 5.6% of the average residential monthly bill calculated at 21 CCF per month.

The Public Utilities customer service team estimates that approximately 3,679 existing SHARE customers have solid waste service. Using the current credit to average monthly bill ratio for RPU Water SHARE customers, a suggested starting solid waste SHARE credit can be calculated to correspond with the proposed November 2023 total monthly bill:

$$5.6\% * \$34.72 \text{ (Total Proposed Monthly Bill)} = \$1.94 \text{ Solid Waste Base SHARE Credit}$$

For the remainder of the proposed 5-year rate program, the incremental increases in solid waste SHARE credit were calculated as 50% of the proposed rate increase. For example:

$$\$1.94 \text{ (FY 23/24 SHARE Credit)} + \frac{\$2.60 \text{ (FY 24/25 Proposed Rate Increase)}}{2} = \$3.25 \text{ FY 24/25 SHARE Credit}$$

While the application of the SHARE credit to solid waste customers can be largely automated, staff anticipates that there may be approximately \$25,000 per year in administrative and marketing costs.

Using these figures, Public Works has assembled a proposed monthly solid waste SHARE credit program to coincide with implementation of the proposed 5-year rate plan, shown in Table 1.

Table 1: Proposed Monthly Solid Waste SHARE Credit

Date	Proposed Rate Increase	Total Monthly Bill	Proposed Monthly SHARE Credit	Net Monthly Cost for SHARE Customers	Total Cost of Solid Waste SHARE Program
Current	-	\$33.78	-	-	-
November 2023	\$0.94	\$34.72	\$1.94	\$32.78	\$83,100 FY 23/24
July 2024	\$2.60	\$37.32	\$3.24	\$34.08	\$170,011 FY 24/25
July 2025	\$2.43	\$39.75	\$4.46	\$35.29	\$224,588 FY 25/26
July 2026	\$2.58	\$42.33	\$5.75	\$36.58	\$282,509 FY 26/27
July 2027	\$2.75	\$45.08	\$7.12	\$37.96	\$344,217 FY 27/28

Table 2 explores in additional detail the cumulative costs experienced by qualifying customers under the proposed SHARE program and 5-year rate increase.

Table 2: Anticipated costs for solid waste SHARE customers through FY 27/28

Date	Proposed Monthly Rate Increase	Cumulative Rate Increase	Proposed Monthly SHARE Credit	Cumulative Cost Increase for SHARE Customers
November 2023	\$0.94	\$0.94	\$1.94	-\$1.00
July 2024	\$2.60	\$3.54	\$3.24	\$0.30
July 2025	\$2.43	\$5.97	\$4.46	\$1.51
July 2026	\$2.58	\$8.55	\$5.75	\$2.80
July 2027	\$2.75	\$11.30	\$7.12	\$4.18

Revenues generated by customer refuse rates can only be used for expenditures benefitting all customer categories and therefore cannot be used to fund low-income assistance programs for residential customers. Therefore, the SHARE program may not be funded through the solid waste rates, and instead must be funded through alternative means such as non-rate revenue including recycling fees, curbside material, street sweeping fines collected by the Parking Fund on behalf of the Refuse Fund; a General Fund subsidy; or other external sources such as temporary funding from the American Rescue Plan Act.

### **STRATEGIC PLAN ALIGNMENT:**

Staff's recommendation contributes to **Strategic Priority 3 - Economic Opportunity**, by championing a thriving, enduring economy that provides opportunities for all.

The program would also align with each of the five Cross Cutting Threads as discussed below:

1. **Community Trust** – The Public Works Department is responsive to community requests, and the proposed SHARE program is a result of feedback received both by the City Council and community members during recent neighborhood meetings.
2. **Equity** – By advancing a credit program for qualifying low-income customers, the City can minimize the impact of the proposed 5-year solid waste rate program to residents in need of financial assistance.

3. **Fiscal Responsibility** – The proposed program balances impacts to the City while offering an equitable solution for qualifying low-income customers.
4. **Innovation** – The proposed solid waste SHARE program would leverage existing programs to minimize operating costs of the new program.
5. **Sustainability and Resiliency** – The proposed solid waste rates will help the City to meet compliance standards related to the reduction of greenhouse gases and adoption of zero emission vehicles.

### **FISCAL IMPACT:**

The total estimated fiscal impact of implementing the modeled solid waste SHARE program through Fiscal Year 2027/28 to coincide with the proposed 5-year rate plan is estimated to be \$1,104,425. Alternative and less costly models for a SHARE program may also be developed for consideration at the request of the Committee.

The Refuse Fund has limited non-rate revenues to fund a SHARE program of approximately \$700,000 annually. Redirecting non-rate revenue to cover SHARE program costs is likely to pose a financial hardship to the Refuse Fund which is already facing challenges associated with inflation, increased costs associated with the state-mandated food diversion requirements, and high equipment costs.

A General Fund subsidy would be required if the Refuse Fund is unable to support itself; alternatively, a subsidy could be programmed to directly fund the SHARE program. The implication to the General Fund of a subsidy tied directly to the SHARE program would be the permanent absorption of an ongoing, escalating cost and a reduction of resources for competing needs such as deferred maintenance, technological investments, and other rising costs.

External funding sources such as the American Rescue Plan Act may be considered, but those funds are not available on a permanent basis.

Prepared by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment:	Presentation
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