



# ANNUAL UTILITY RATE PLAN UPDATE FOR THE RESULTS OF FY 2020-21

Finance Division

Board of Public Utilities  
December 13, 2021

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1

## BACKGROUND

May 22, 2018 City Council approved the electric and water five-year rate plans and directed staff to provide annual review of adopted rates

Years 1-5		
Electric	January 2019	2.95%
	January 2020	3.0%
	January 2021	3.0%
	January 2022	3.0%
	January 2023	3.0%
Water	July 2018	4.50%
	July 2019	5.75%
	July 2020	5.75%
	July 2021	5.75%
	July 2022	6.50%

Implementation of the Third Year of the Electric Rate Plan was delayed six months and implemented July 1, 2021.

Based on system average, rate increases vary by customer class and consumption levels.

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2

## RESULTS OF FISCAL YEAR 2020-21

1. Local Emergency due to COVID-19 in March 2020
2. Resulted in:
  - A. Emergency Budget for FY 2020-21
  - B. Local Emergency continued throughout FY 2020-21
  - C. Third year of electric rate plan delayed 6 months until July 1, 2021- **\$4.4M of reduced revenue**
3. Final FY 2020-21 financial information will be included with the 2021 Financial Report in January 2022

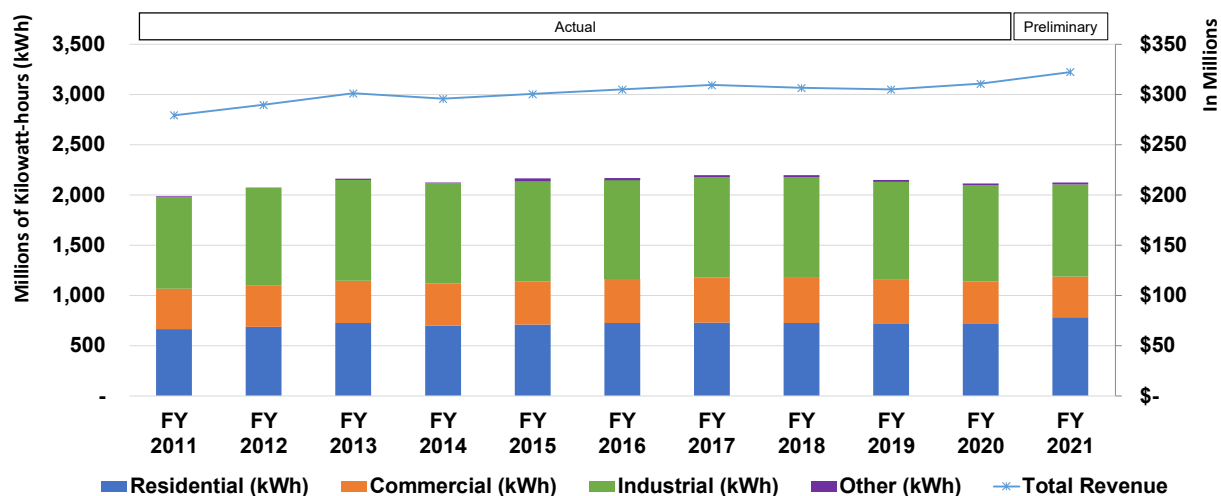


3

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### Electric Utility - June 30, 2021

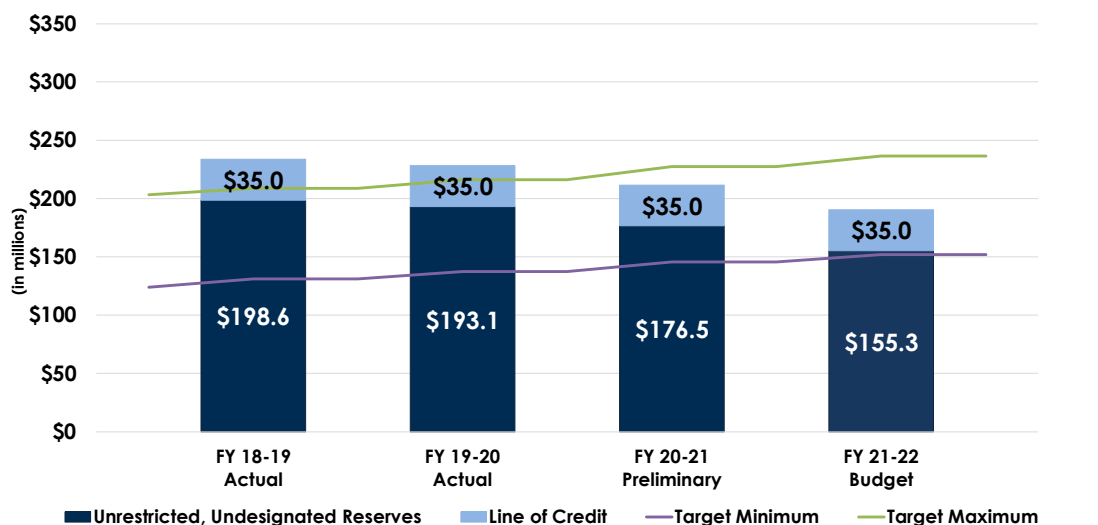
## HISTORICAL RETAIL SALES



4

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## ELECTRIC UNDESIGNATED CASH RESERVES

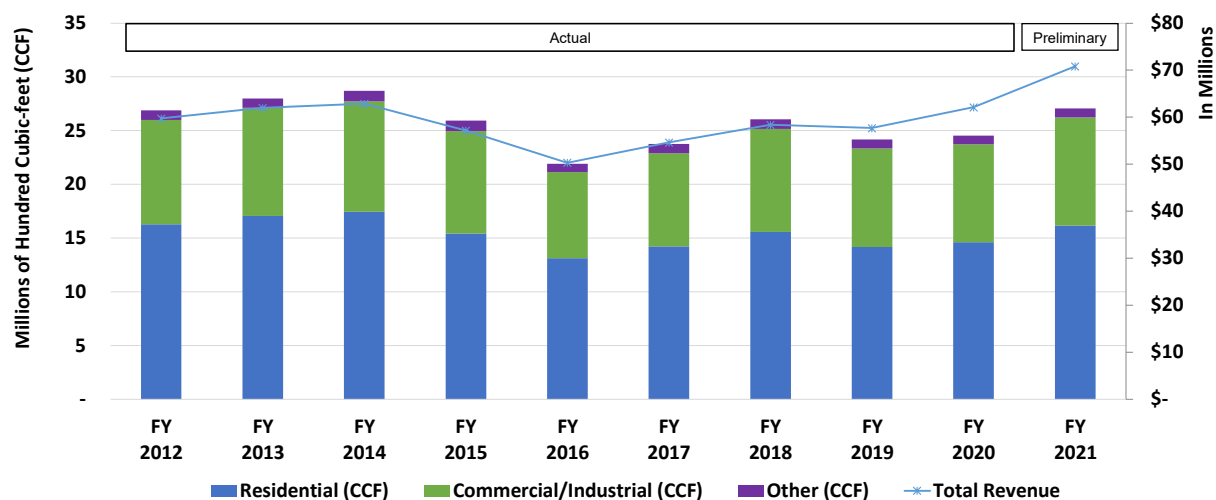


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5

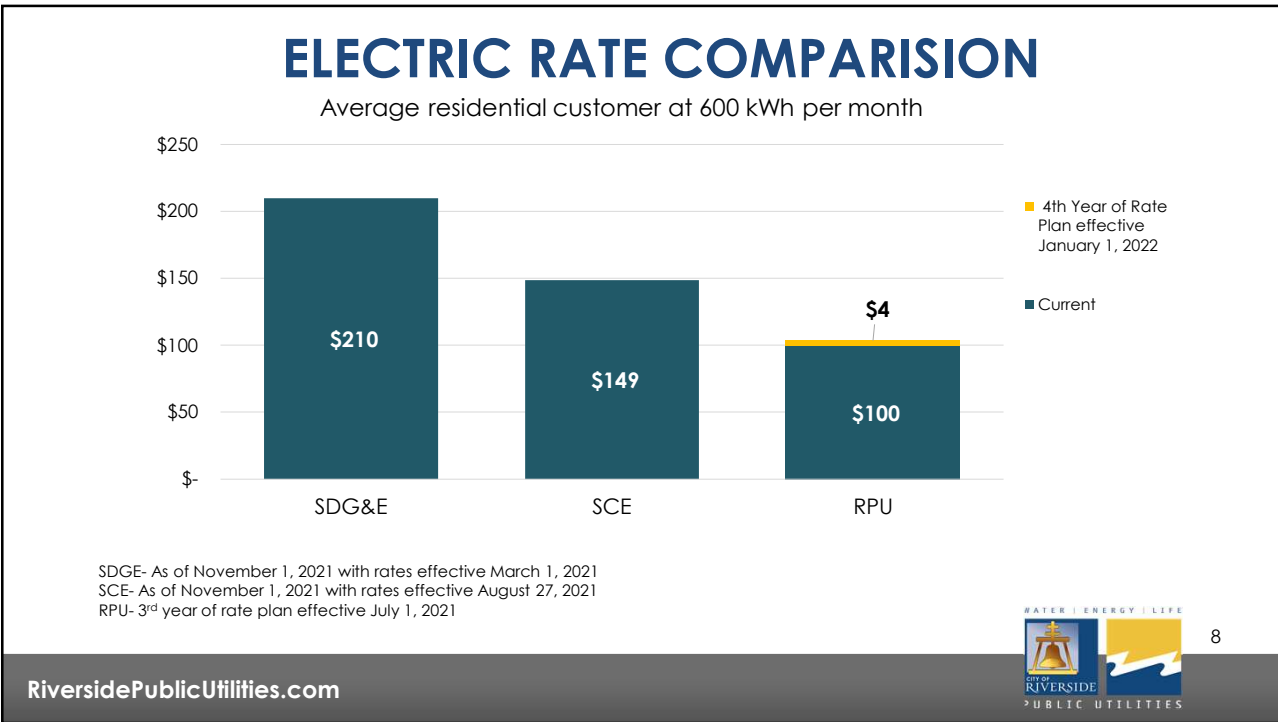
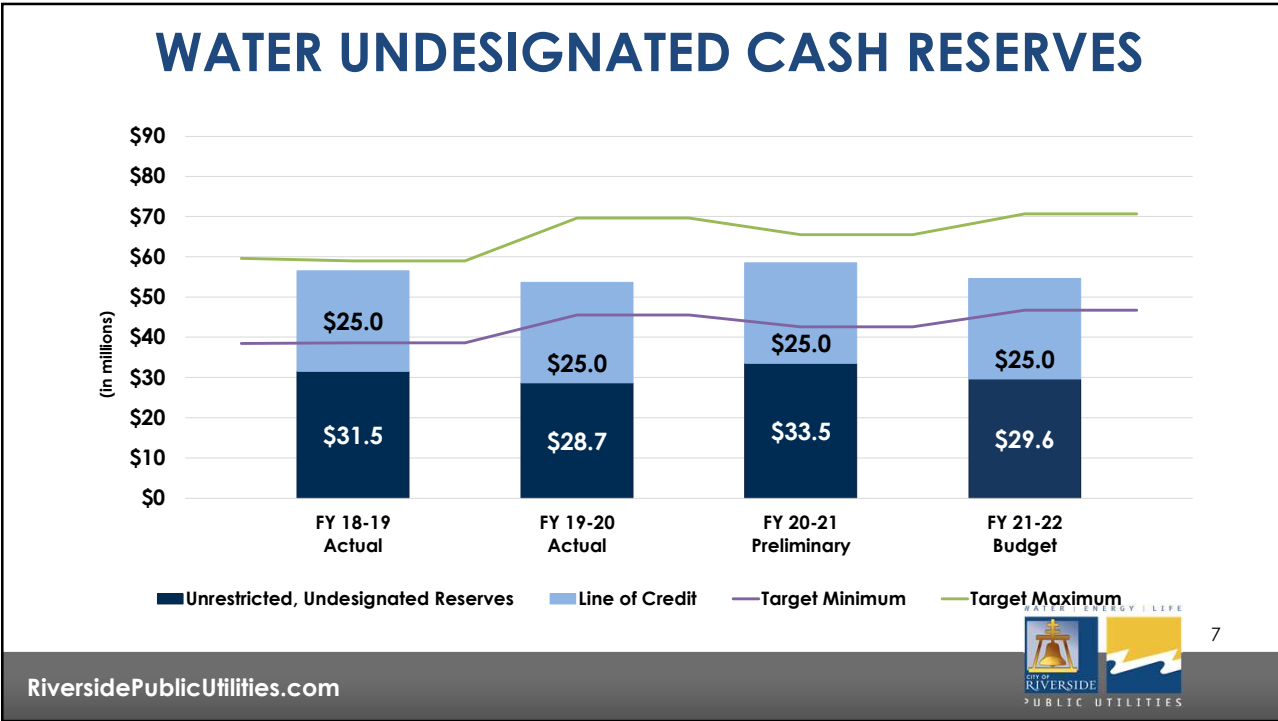
## Water Utility - June 30, 2021 HISTORICAL RETAIL SALES



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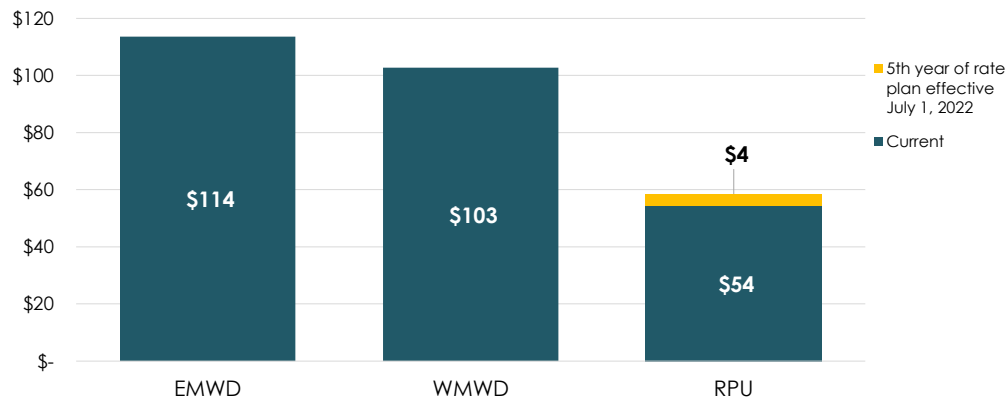


6



## WATER RATE COMPARISON

Average residential customer at 21CCF per month



WMWD- As of November 1, 2021 with rates effective July 1, 2021  
 EMWD- As of November 1, 2021 with rates effective January 1, 2021  
 RPU- 4<sup>th</sup> year of rate plan effective July 1, 2021

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9

## WHAT'S AHEAD?

Implement Fourth Year of Electric Rates effective January 1, 2022

Fiscal Year 2020/21 Annual Audit Report and Financial Results

Proposed Budget for Fiscal Year 2021/22

Implement Fifth Year of Water Rates effective July 1, 2022

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10

## STRATEGIC PLAN ALIGNMENT

This item contributes to Strategic Priority No. 6 Infrastructure, Mobility & Connectivity and Goal No. 6.2. - Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

## STRATEGIC PLAN ALIGNMENT

### Cross-Cutting Threads:

1. Community Trust – The utility rate plans are transparent and developed with our customers' and the community's wellbeing as a top priority.
2. Equity – The utility rate plans include an equitable allocation of costs among customer classes.
3. Fiscal Responsibility – The utility rate plans incorporate a forecasted revenue requirement that includes operating and capital expenditures funded by the prudent use of rate revenue, bond proceeds, and reserves in accordance with RPU's Fiscal Policies.
4. Innovation – The utility rate plans fund operating and capital expenditures to meet the current and future needs of its customers.
5. Sustainability & Resiliency – The utility rate plans equitably recover costs while maintaining the long-term financial health of RPU and ensures the utility is resilient to future challenges.

## RECOMMENDATION

That Board of Public Utilities receive the annual electric and water utility rate plan update for the results of Fiscal Year 2020/21.