

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 10, 2022

SUBJECT: TREE POWER PROGRAM FISCAL YEAR 2021/22 IN THE AMOUNT OF \$463,750 WITH PARKVIEW NURSERY, 4377 CHICAGO AVENUE; PARKVIEW NURSERY, 3841 JACKSON STREET; AND LOUIE'S NURSERY, 18550 VAN BUREN BOULEVARD

ISSUE:

Authorize the Fiscal Year 2021/22 Tree Power Program Free Shade Tree Coupon Campaign in the collective amount of \$463,750.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Approve the Fiscal Year 2021/22 Tree Power Program Free Shade Tree Coupon Campaign in the amount of \$463,750;
2. Authorize the City Manager, or designee, to issue purchase orders and change orders to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard based on the variable product demand of each nursery for the Tree Power Program's Free Shade Tree Coupon Campaign, in a collective amount for \$463,750.

BACKGROUND:

The Riverside Public Utilities (RPU) is required by state law to establish energy efficiency goals and administer energy efficiency programs funded through the state-mandated Public Benefits Charge. The Tree Power Program was established 20 years ago and has been successful with facilitating over 247,000 trees being planted across the City. A conservative estimate is that each tree provides approximately 164 kilowatt hours (kWh) in energy savings over its expected life span, which contributes to RPU achieving its energy savings goals at minimal cost.

The Tree Power Program provides rebate incentives to RPU's electric customers who plant shade trees in locations adjacent to their homes or businesses to help conserve energy and save on summer cooling costs. While most trees are eligible for the program, due to the vulnerability of the City's citrus stock to Asian Citrus Psyllid and Huanglongbing (HLB), an agreement was made

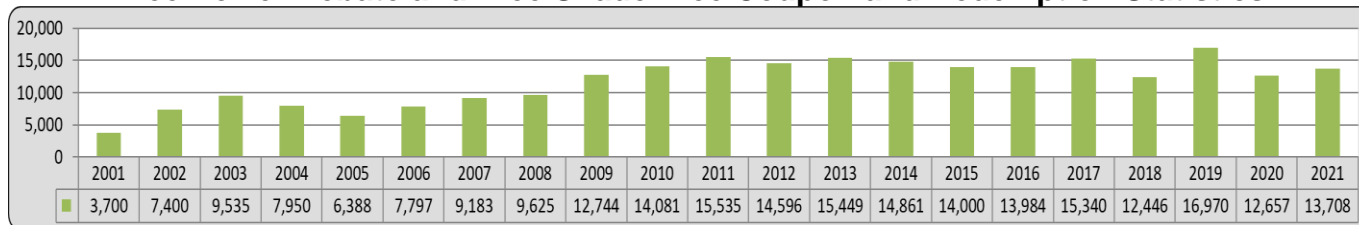
by RPU and the participating nurseries to remove any citrus trees from program participation. RPU customers can receive a maximum of six free or rebated trees annually. A dual marketing approach is used for the program: The Tree Power Rebate Program and the Tree Power Free Shade Tree Coupon Campaign.

The Tree Power Rebate Program allows RPU customers to participate by purchasing up to five qualified trees per year. Each qualified tree purchased is eligible to receive up to a \$35 rebate, which is credited to the customer's RPU electric account. Customers must apply for the rebate after they have purchased the trees.

The Tree Power Free Shade Tree Coupon Campaign was launched by RPU in 2001 and runs annually from March 1 to June 30. Each year, a coupon is printed on the back of the March utility bill. Customers redeem their coupon at a participating nursery for one free shade tree, valued at up to \$35, or an instant rebate of \$35 off a single, higher cost tree. The back of the bill strategy was created to ensure that a free tree coupon would reach all RPU electric customers as well as raise awareness for the regular ongoing Tree Power Rebate Program. Due to the increased online billing customers, RPU has also implemented direct coupon mailing to those customers that are billed electronically. This process serves to ensure that only one coupon is received per household.

Since 2001, both participation and popularity of this program have grown. The original issuance of the coupon back in 2001 resulted in 3,700 planted trees; last year's coupon yielded 11,887 trees. To date, 210,290 have been planted by RPU customers because of the Free Shade Tree Coupon Campaign. Additionally, 35,922 trees have been planted by customers who elected to participate in the Rebate Program. In total, the Tree Power Program is responsible for 247,949 planted trees in the City of Riverside. The energy saved from the planted trees is enough to power over 6,000 average single-family homes for a year.

Tree Power Rebate and Free Shade Tree Coupon and Redemption Statistics



DISCUSSION:

RPU works with all qualified nursery vendors located throughout the City that accept the free tree coupons. To be considered as a participating vendor, a nursery must have a location that permits retail sales. The current list of qualified vendors that have agreed to work with RPU on the program includes Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard.

Due to a significant variance in coupon redemption at the three participating nurseries, the purchase orders issued to the participating nurseries will vary in amount based on the average number of coupons redeemed at each location over the last two years of coupon program.

	2 Year Average	Estimated Program Year 2021/22		
Nursery	Coupons	Coupons	Funding	Purchase Order
Louie's	2,315	2,500	\$ 87,500	\$ 87,500
Parkview Chicago	3,284	3,750	\$ 131,250	\$ 131,250
Parkview Jackson	6,149	7,000	\$ 245,000	\$ 245,000
Total	12,177	13,250	\$ 463,750	\$ 463,750

Participating nurseries will be paid based on actual coupons redeemed at a rate of \$35 per tree. The nurseries are responsible for any other costs associated with coupon redemption and program administration.

Purchasing Resolution No. 23812, Section 602(p) states that “When approved by the Purchasing Manager, competitive procurements shall not be required when the City requires goods not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Purchasing Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions deemed by the Purchasing Manager to be in the best interest of the City, and in doing so may utilize the informal procurement or negotiated procurement process”.

The Purchasing Manager concurs that the recommended action is in compliance with Purchasing Resolution No. 23812.

STRATEGIC PLAN ALIGNMENT:

The Tree Power Program aligns with Strategic Priority No. 4 *Environmental Stewardship*. Program deliverables will assist the City in providing proactive and equitable climate solutions based in science to ensure clean air and a vibrant natural world. The Tree Power Program contributes to Goal No. 4.1 by helping to decrease Riverside’s carbon footprint and Goal No. 4.3 by implementing local and support regional proactive policies and inclusive decision-making processes to deliver environmental justice and ensure that all residents breath healthy and clean air with the goal of having zero days of unhealthy air quality per the South Coast Air Quality District’s Air Quality Index (AQI).

1. **Community Trust** – The Tree Power Program allows any RPU electric customer to obtain up to 6 shade trees per year to plant at their home or business. These planted trees benefit the City’s population, as they support the greater public good by reducing electric consumption, improving carbon sequestration and community beautification.
2. **Equity** – The Tree Power Program is available to any RPU electric customer in the service territory. By planting the trees available from this program, not only do the program participants enjoy benefit, the whole community benefits from improvements to the City’s natural environment.
3. **Fiscal Responsibility** – The Tree Power Program is an energy efficiency program paid for the Public Benefit Fund. The cost of the kWh saved from this program is \$0.21 by comparison, the average cost of a kWh saved for all RPU programs is \$0.42. In addition,

the low cost of the program, coupled with the achieved energy savings proves that it is a fiscally prudent way of meeting energy efficiency goals reasonably.

4. **Innovation** – Although RPU has been offering the Tree Power Program for 20 years, RPU staff are contacted on a regular basis by other municipalities for advice on establishing their own tree program. RPU is investigating new technology options to support the program.
5. **Sustainability & Resiliency** – The Tree Power Program encourages a reduction in energy required for cooling during the summer. The program also promotes carbon sequestration and a reduction in the heat island affect, which supports sustainability and resiliency efforts.

FISCAL IMPACT:

The total fiscal impact is \$463,750. Sufficient funds are available in the Public Benefits Residential Tree Power Program Account No. 6020100-456038.

Prepared by:	Carlie Myers, Utilities Assistant General Manager/Business and Customer Services
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

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