


# WATER UTILITY FIVE-YEAR RATE PLAN PROPOSAL


## Public Utilities Department


City Council  
June 27, 2023

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### PROPOSED RESIDENTIAL 5 YEAR WATER RATE PLAN

 WATER: \$0.15 Per Day

 ELECTRIC: \$0.21 Per Day

 REFUSE: + \$0.09 Per Day

\$0.45 Per Day

**or**

\$13.50 Per Month



Average rate  
increase per year  
for 5 years



# PROPOSED RATES

In year 1, the rate increase will amount to an additional

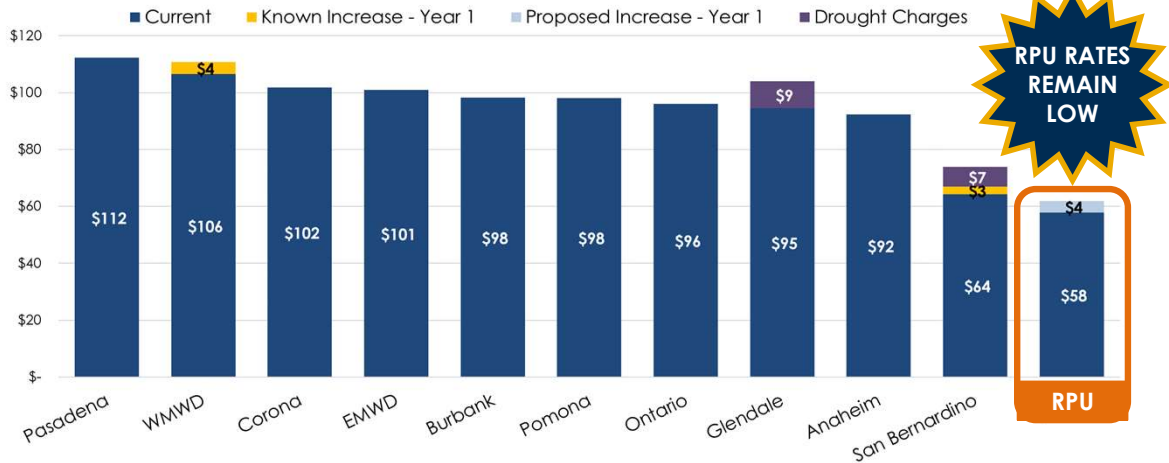
**\$4.07 per month for the average residential customer**

or the Price of  
**One and a Half Cups of Coffee**



# WATER RATE PLAN COMPARISON

Average Residential Monthly Bill at 21 CCF Per Month – Year One



RPU = 66K Service Connections

# OVERVIEW OF WATER

**Current Rate Plan Expires 6/30/2023**



Established  
**1913**



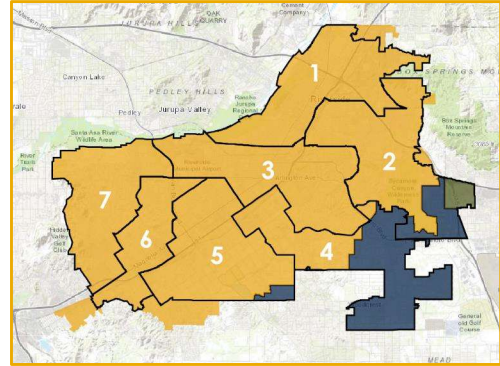
**66K**  
Service  
Connections



**100%**  
of the City's  
potable (drinking)  
water has been  
supplied from local  
groundwater  
sources since 2009



**Highest State  
operational  
classification  
rating** due to  
size and  
complexity



**Riverside Public Utilities**   **Western Municipal Water District**   **Eastern Municipal Water District**



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# OVERVIEW OF WATER

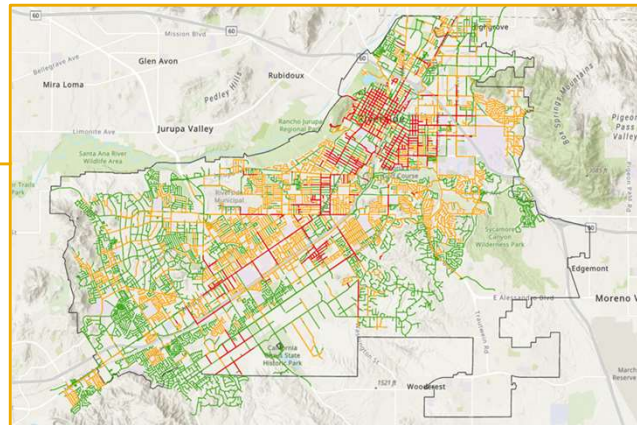


**Maintain  
826 Miles**  
Water Distribution Pipeline

Expected Useful Life: **35-40 years**

Average age of system: **47 years**

**35%** are over **50 years old**



**1-50 Years Old (57%)**   **50-80 Years Old (35%)**   **80+ Years Old (8%)**



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## WATER RELIABILITY



RPU responded to an average of **3.6 leaks per day** over the last ten years.

Types of Leaks	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Main Leaks</b>	122	112	96	114	125	107	116	131	81	126	102
<b>Service Leaks</b>	1,102	1,105	1,025	1,014	1,029	1,117	1,199	1,221	1,158	1,130	1,172



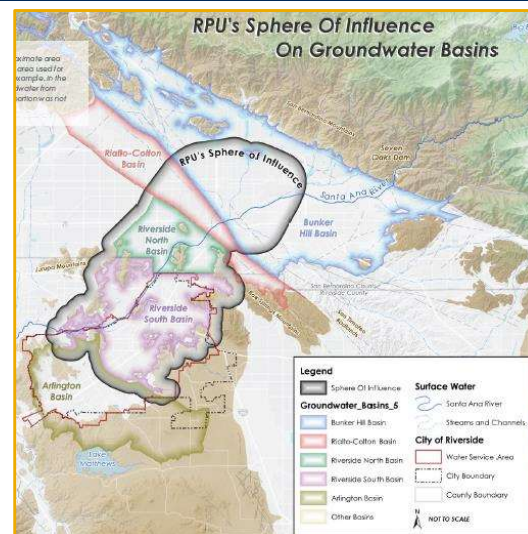
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## WATER SUPPLY-GROUNDWATER BASINS

RPU produces water from four groundwater basins adjacent to the Santa Ana River

- San Bernardino (Bunker Hill)
- Rialto-Colton
- Riverside North
- Riverside South



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# RPU: ALL DAY EVERY DAY



RPU team members work  
24/7 to keep the water flowing



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# WATER SUPPLY-FACILITIES



**50**  
Domestic  
Wells

**60**  
Pressure  
Stations

**6**  
Water Treatment  
Facilities

**16**  
Reservoirs



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# WATER SUPPLY-FACILITIES



System "Arteries"  
(16-72 inches)

**34 Miles**  
of Supply  
Pipeline

**98 Miles**  
of Transmission  
Pipeline

**826 Miles**  
of Distribution  
Pipeline



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# GROUND WATER SUPPLY CHALLENGES

## Sustainability Challenges to Riverside Requiring Vital Solutions



**Water Rights**



**Climate Change**



**2040 Potable & Recycled Water Demand**



**Groundwater Conditions**



**City of Riverside Growth**



**Water Quality Regulation Changes**



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## WHAT'S BEEN DONE TO KEEP RATES LOW

### Water Wheeling & Surplus Water Sales

- Sale of surplus water supply and delivery to neighboring water utilities
- \$4.5 to \$6.0 million in annual revenue

### Payments for Water Clean Up Costs

- Treatment plants and operational costs currently paid by Lockheed Martin Corporation



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## HISTORY OF WATER RATES

Water	Rate Increase
11/1/2009	10.00%
11/1/2010	10.00%
7/1/2011	0%
7/1/2012	0%
7/1/2013	0%
7/1/2014	0%
7/1/2015	0%
7/1/2016	0%
7/1/2017	0%

No Rate Increases  
from 2011 - 2017

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# HISTORY OF WATER RATES

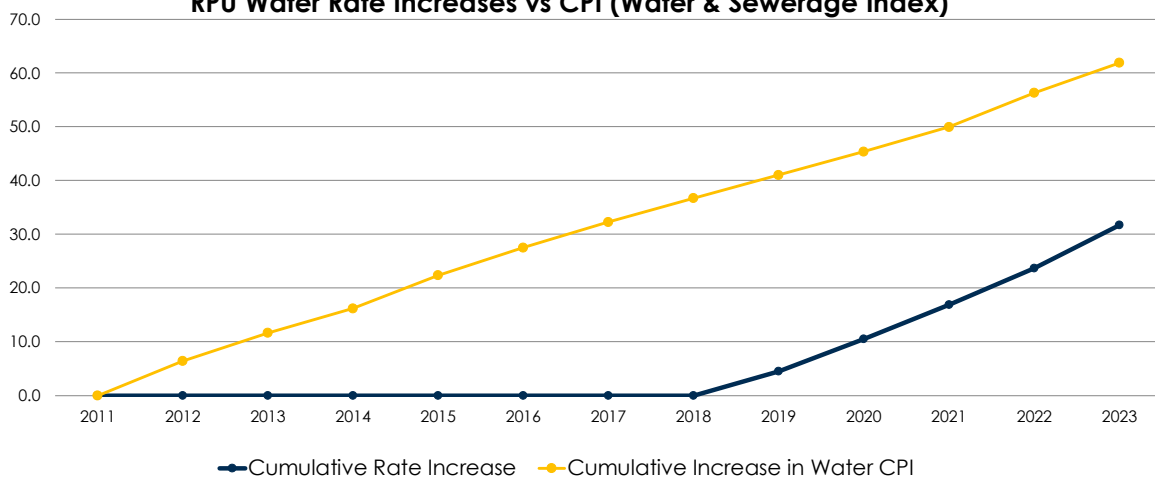
**Current Rate Plan Expires  
6/30/2023**

Water	Rate Increase
7/1/2018	4.50%
7/1/2019	5.75%
7/1/2020	5.75%
7/1/2021	5.75%
7/1/2022	6.50%



# THE WHY

**RPU Water Rate Increases vs CPI (Water & Sewerage Index)**





## THE WHY



Increased **construction/equipment costs**



The State of California drought messaging and increased Citywide water efficiency have decreased water revenue without decreasing operational costs



2011 – 2017 there were no rate increases resulting in a Water Fund Balance that **doesn't meet the minimum reserve levels** set by City Council without the line of credit.

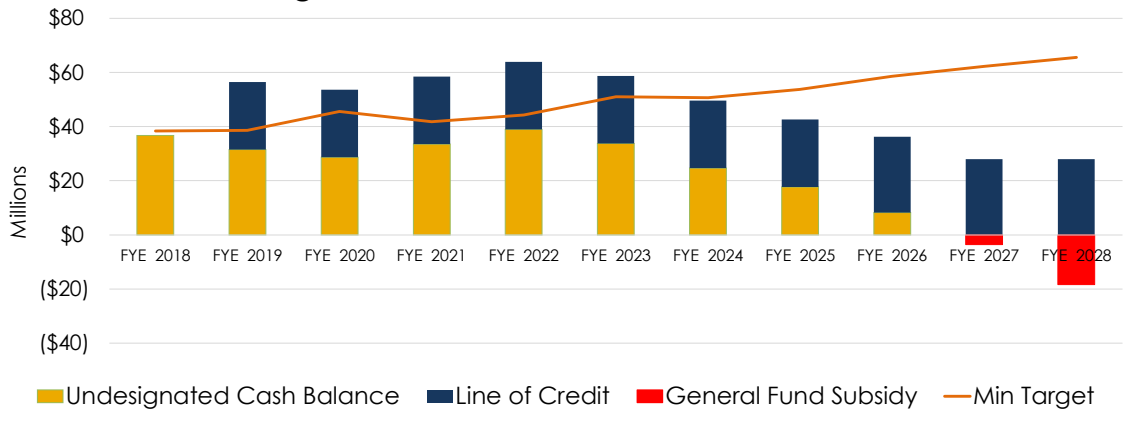


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## THE WHY

Undesignated Reserves **WITHOUT** Rate Increases

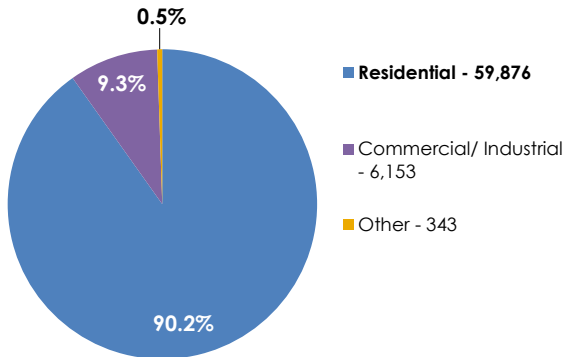


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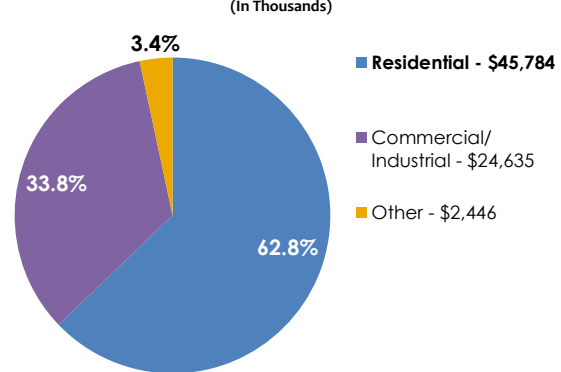
# WATER CUSTOMER STATISTICS

## WATER CUSTOMER COUNTS



Total Customer Count - 66,372

## WATER YTD ACTUAL REVENUES



Total Water Revenues - \$72,865



Note: As of June 30, 2022; Commercial includes Landscape and City Interruptible. Other includes Agriculture, Recycled, Hydrants, Fire and Temp.

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# PROPOSED WATER 5-YEAR RATE PLAN

Customer Class	Customers	Year 1 % Increase	Year 2 % Increase	Year 3 % Increase	Year 4 % Increase	Year 5 % Increase
Single Family Residential (3 tiers per class)	58,731	5.7%	6.6%	6.6%	6.7%	6.6%
Multi Family Residential (2 tiers per class)	1,145	4.6%	6.6%	6.6%	6.7%	6.6%
Commercial/ Industrial	5,137	8.6%	6.0%	6.1%	6.3%	6.0%
Landscape	500	13.6%	5.9%	5.8%	6.1%	5.8%
City Interruptible/ Recycled	530	5.8%	6.3%	6.0%	5.8%	6.3%
Agriculture (up to 3 tiers per class)	224	1.8%	6.4%	6.5%	6.4%	6.5%
Riverside Water Co. Irrigators (3 tiers per class)	24	19.3%	7.1%	7.0%	7.2%	6.9%
Temporary Service	72	12.0%	7.0%	6.9%	7.1%	7.0%



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## PROPOSED WATER 5-YEAR RATE PLAN

Single Family Customer Class Examples	Avg CCF Usage (Tier 1 and Tier 2)	Year 1 % Increase	Average Years 2-5 % Increase
Residential - Low User	10	3.8%	6.7%
Residential – Typical	21	7.0%	6.6%
Residential - High User	26	7.1%	6.6%



**\$4.07**

Average Monthly increase year 1 at 21 CCF

**\$0.15**

Average Cost Per Day over 5 years at 21 CCF



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## PROPOSED WATER 5-YEAR RATE PLAN

Customer Class	Avg CCF Usage (Tier 1)	Year 1 % Increase	Average Years 2-5 % Increase
Commercial/ Industrial Example	37	8.5%	6.1%



**\$9.02**

Average monthly increase year 1

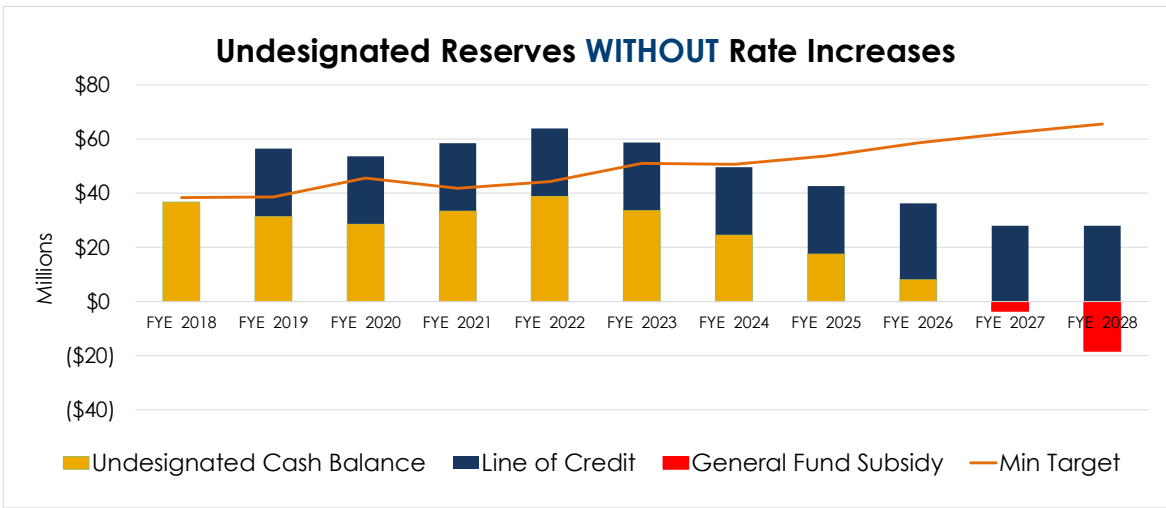
**\$0.26**

Average Cost Per Day over 5 years



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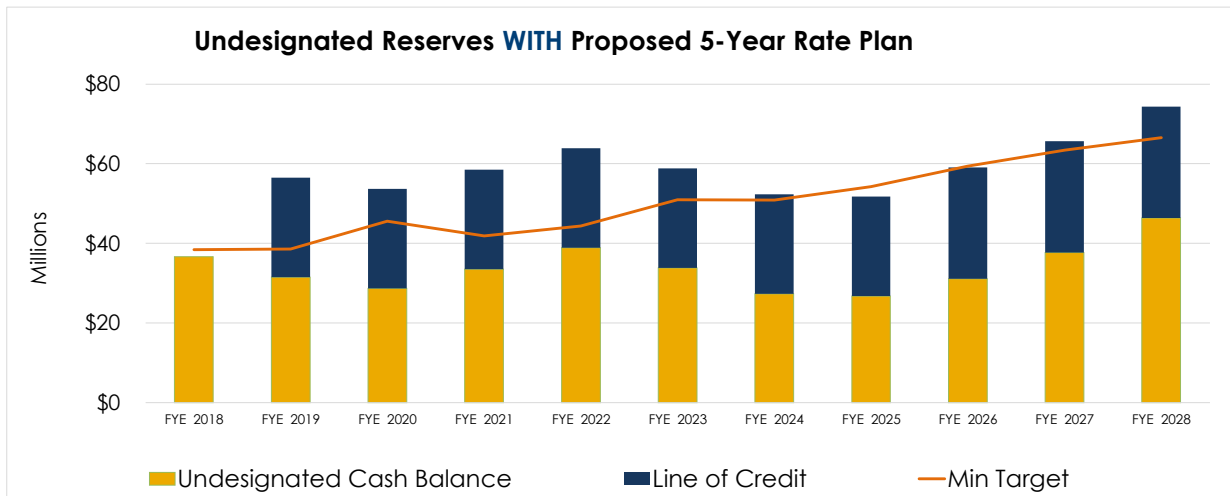
# THE WHY



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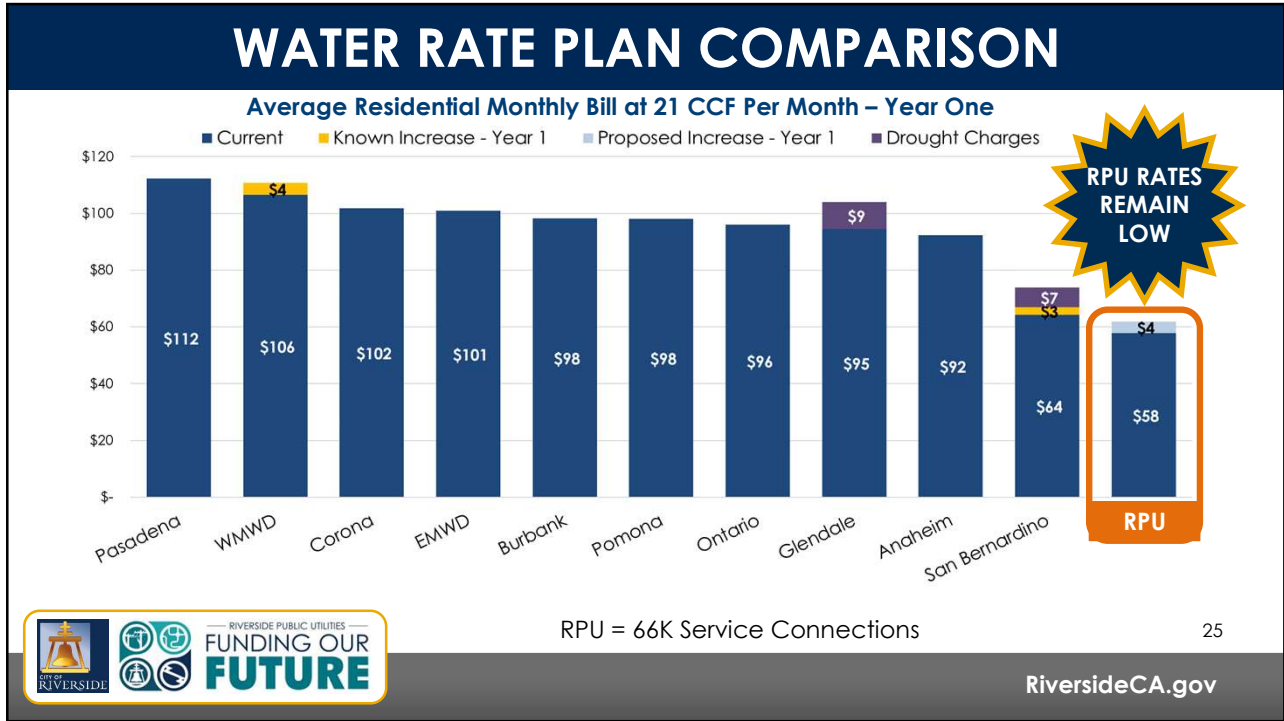
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# THE WHY



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## LOW INCOME PROGRAMS - WATER

### Sharing Households Assist Riverside's Energy (SHARE) Program

Established

# 1989

# 2,144

Residential Water Customers Assisted (01/2023)


# \$3.25

Current Monthly Water SHARE Credit


# \$4.25

Projected future Monthly Water SHARE Credit

Income qualification based on 250% of the Federal poverty income guideline and the number of people in the household.





¿NECESITA AYUDA PARA PAGAR SU FACTURA DE SERVICIOS PÚBLICOS?



**SHARE**  
Sharing Households Assist Riverside's Energy

[RiversidePublicUtilities.com/Assistance](https://RiversidePublicUtilities.com/Assistance)

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## WATER EFFICIENCY PROGRAMS



Turf Replacement



Rotating Sprinkler  
Nozzles



High Efficiency  
Clothes Washers



Weather Based  
Irrigation Controllers



Premium High  
Efficiency Toilets

**Additional Information on Programs & Rebates available at:**  
[RiversidePublicUtilities.com/Rebates](https://RiversidePublicUtilities.com/Rebates)



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## EXPAND WATER SUPPLY PORTFOLIO

### Seven Oaks Dam Enhanced Recharge



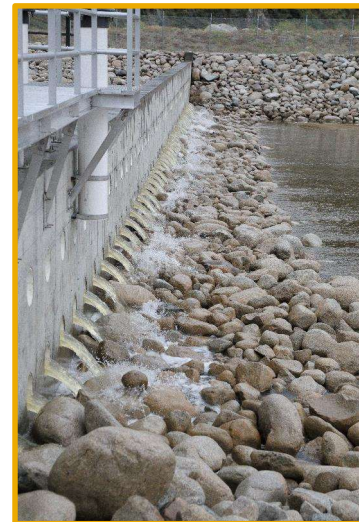
\$15.5M (\$8.5 existing appropriation,  
\$7.0 additional appropriation)



Diversifies **Riverside's water supply portfolio**  
options while securing additional  
perpetual water rights.



Ensures **water supply reliability** for current  
and future demand. Future Proofing



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# EXPANDED WATER SUPPLY PORTFOLIO

## Riverside Habitat Parks & Water Project West Branch



\$12M Project



Creates a regional recycled water pipeline to deliver recycled water to irrigation customers and improves select tributaries



## Habitat Conservation Plan Tributaries Restoration



\$0.75M Project



Adds resiliency to local water supplies through sustainable and environmentally ethical efforts, working to revitalize the Santa Ana River.



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# WHAT'S NEXT

**Board of Public Utilities**  
June 12, 2023

**Mail Notice of Public Hearing**  
July 2023

**City Council Public Hearing and Rate Consideration**  
September 19, 2023



**City Council**  
June 27, 2023

**Board of Public Utilities Public Hearing and Rate Consideration**  
August 14 or 28, 2023



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## RECOMMENDATIONS

### That the City Council: \_\_\_\_\_

1. Conceptually approve the water utility five-year rate plan proposal; and
2. Direct the City Manager to prepare all documents necessary for public noticing of the rate proposal, to update proposed rate schedules to reflect changes due to the rate proposal, and to update any other documents necessary for the public hearing to be held before the City Council on September 19, 2023, with new rates effective October 1, 2023.



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