



## Department Accomplishments and Priorities

### Riverside Public Utilities

Board of Public Utilities  
January 8, 2018

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## MISSION

### MISSION

Riverside Public Utilities is committed to the highest quality water and electric services at the lowest possible rates to benefit the community.

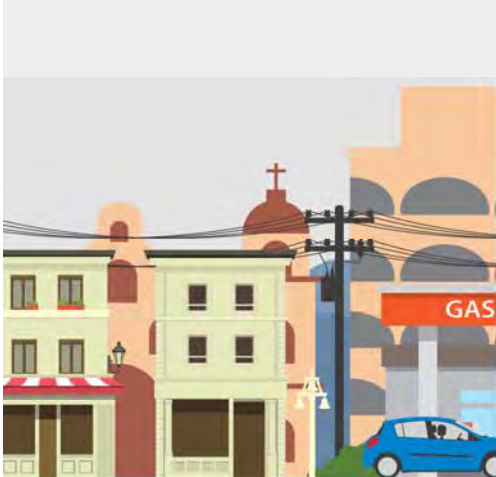
### VISION

Riverside Public Utilities will be recognized as a unique community asset with a global reputation for innovation, sustainability, and an enhanced quality of life.



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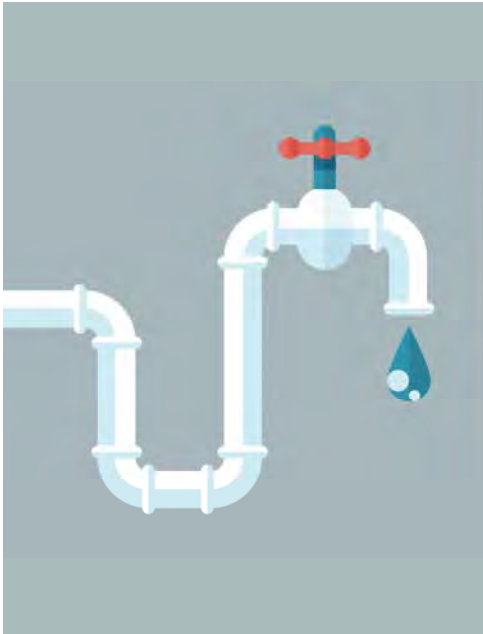
**656 Employees**  
(26% of the City Workforce)

**106,000 Metered**  
Electric Customers

**Over 64,000 Metered**  
Water Customers


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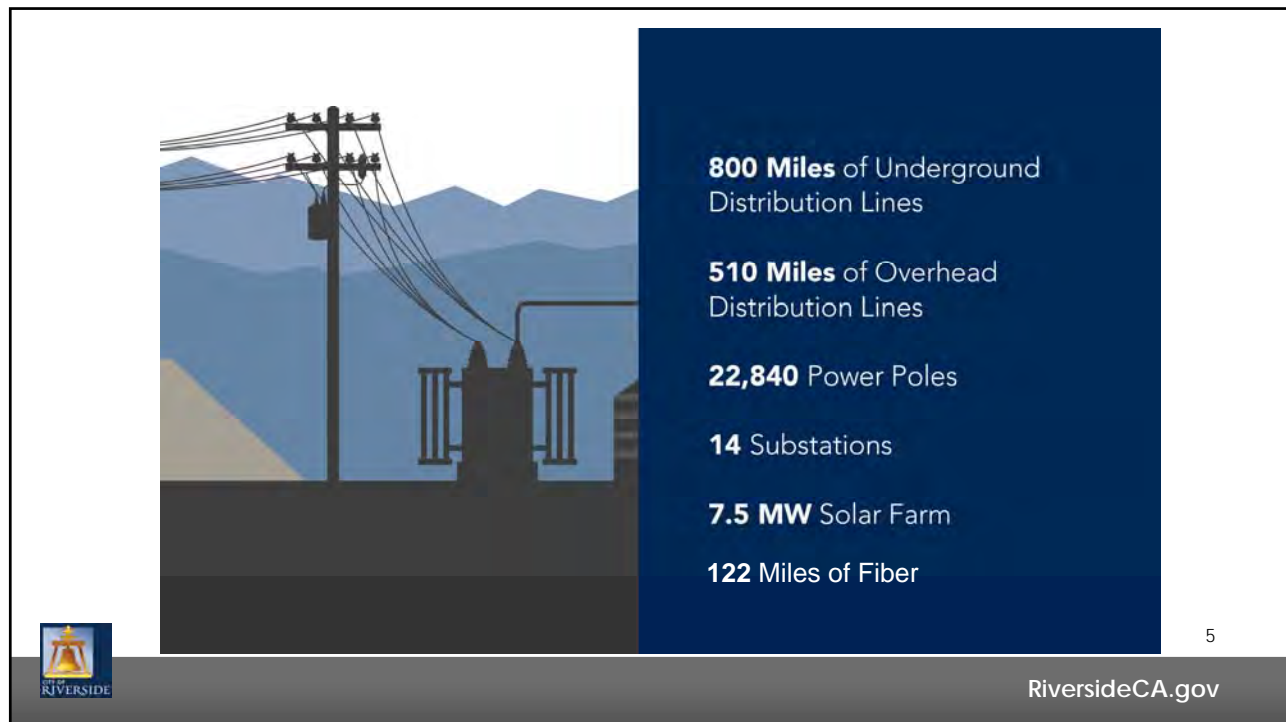


**100% Water Independent**

**Riverside's wells** produce more than **26 billion gallons** of water per year.

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## Economic Value - Riverside Public Utilities

- A. RPU contributes nearly half a billion dollars (\$.5B) economic impact to the community and region
  - 1. \$289 million in direct impacts
  - 2. \$191 million in secondary impacts
- B. Creates more than 3,500 jobs
- C. Millions in savings from rebates, strong reliability, good fiscal management, and lower rates of service



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# GOALS

## Customer Service

Provide world-class customer-centered service in every encounter, every day.

## Reliability & Resiliency

Renew, replace, upgrade, modernize and extend the water and electric system infrastructure to ensure reliability is maintained or improved and that resilience to extreme events is maintained or improved.

## Affordability

Keep water and electricity rates affordable and comply with Fiscal Policy.

## Sustainability

Meet all city goals and state and federal compliance target related to efficient use of water and electricity, renewable resources, and greenhouse gas emissions.

## Operational Excellence

Instill, maintain and grow a culture of learning, innovation and continuous improvement in all internal processes achieving excellence in all our operations.

## Strong Workforce

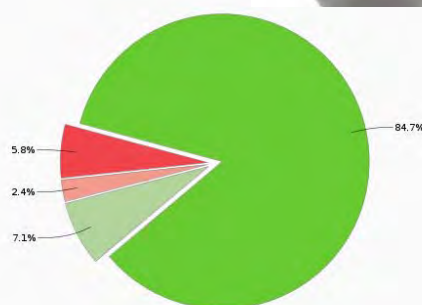
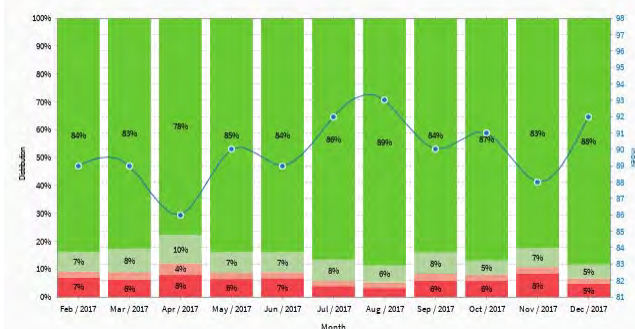
Attract, retain, train, educate and promote employees ensuring that a high level of employee performance, productivity and engagement is achieved.

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## CUSTOMER SERVICE Happy or Not at Orange Square



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## CUSTOMER SERVICE



"I want to say how much of a pleasure it has been to work with you and your team. I was onsite today and continued to be blown away by the level of effort the crews showed for making this project a success. I cannot say how refreshing it is to see that on every level of a city / utility provider..."

– Sincerely, **Chip Leigh** | **TESLA Construction Manager,**  
**Supercharger Deployment, December 2017**



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## RELIABILITY & RESILIENCY

- Water Independence
  - Recycled Water Jackson Street underway and to be completed by May 2018 (~\$9 Million project)
  - Filter replacement at J.W. North
- APPA RP3 Diamond awarded in 2017
  - One of ~75 utilities in the country, out of almost 2,000 public power utilities
- RTRP
  - RTRP Hybrid Option application was filed with the CPUC



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## Low Electric Outage Minutes – Last 5 years

SAIDI = Average Duration (minutes) of Outage

	SAIDIx	
	All Utilities 5-Year Average	IOUs 5-Year Average
3 <sup>rd</sup> Quartile	149.7	148.7
2 <sup>nd</sup> Quartile	106.8	109.4
1 <sup>st</sup> Quartile	76.6	83.4
Riverside Public Utilities (2016 SAIDIx)	48.35	
	1 <sup>st</sup> Quartile	1 <sup>st</sup> Quartile

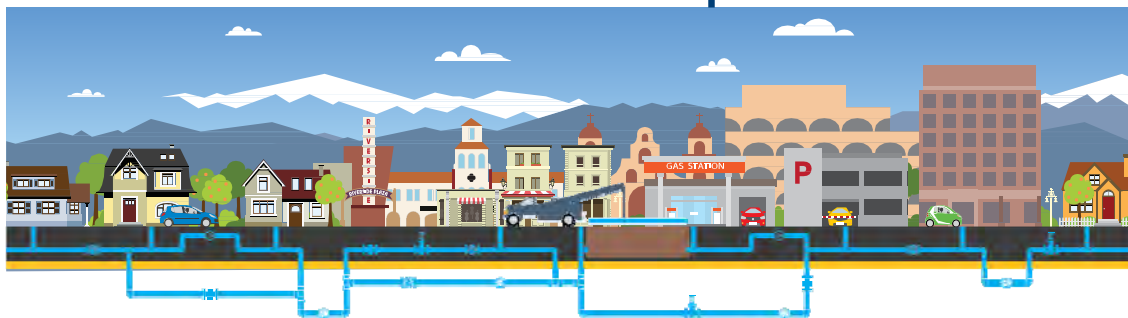
Note: All figures exclude major outage events

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## Long-Term Infrastructure Plan Developed



## Utility 2.0 – Planning For Our Future 10-Year Infrastructure Plan

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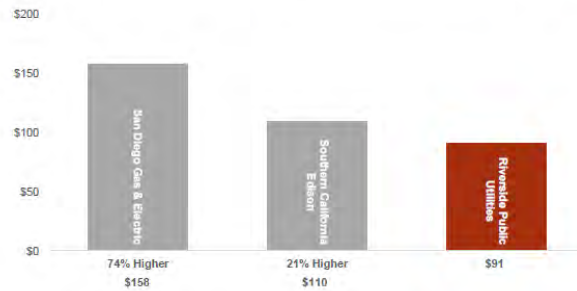


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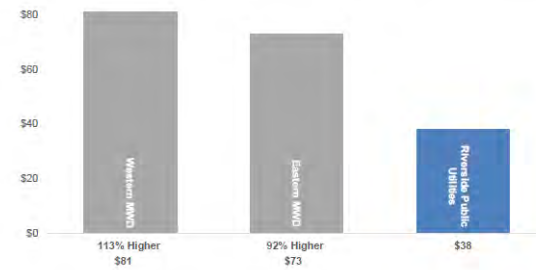
## AFFORDABILITY

### Low Electric and Water Rates

**ELECTRIC RATE COMPARISON - 592 KWH PER MONTH (AS OF JUNE 30, 2017)**



**RESIDENTIAL WATER RATE COMPARISON 19 CCF PER MONTH (AS OF JUNE 30, 2017)**



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## AFFORDABILITY

### High Bond Ratings Keep Rates Low

1. Bond Ratings Affirmed
  - Electric AA-, Water AAA
2. Fiscal Policies Updated after 15 years
  - Developed Electric and Water 10 Year Pro Forms
  - Completed Electric and Water Cost of Service Analysis and Rate Design Studies

**S&P Global**  
Ratings



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## AFFORDABILITY

### Third-party revenues keep rates low

1. Executed a 20 year agreement with WMWD for wheeling and surplus water sales which will generate approximately \$100 million in additional revenues
2. Started construction on the San Bernardino Wells Solar Project. This project will reduce our electric costs by ~\$18.5 Million (net present value savings over the 25 year term)



#### Specific benefits to Riverside Public Utilities' customers:

- Riverside will receive additional revenue from Western to offset the cost of providing the service, as well as revenues for future capital improvements to facilities.
- The estimated revenue to Riverside for wheeling (reflected) and surplus water to Western is \$100 million over the next 20 years.
- The increased revenue will help keep Riverside's rate increases lower.

#### Specific benefits to Western's customers:

- The purchase price for both Western's leased water and Riverside's surplus water will be less expensive than Western's other main source of water, which is imported water from Northern California.
- The estimated savings for the purchase of local supplies instead of imported water is \$45 million over the next 20 years.
- This partnership will increase Western's local water supply reliability, reducing dependence on imported water, which is critical in a time where regulation and climate change raise concerns of imported water reliability.
- The less expensive local water helps keep Western's rate increases lower.

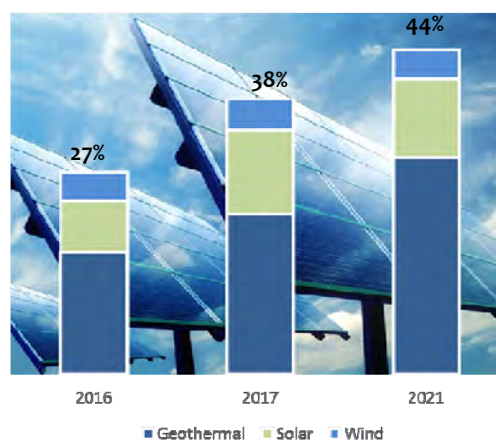


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## SUSTAINABILITY

- Renewable Portfolio exceeds goals
- Energy Efficiency
- Water Conservation
- Adopted Energy Storage Procurement Target to achieve 6MW of energy storage by end of 2020

### RPS Milestones



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## SUSTAINABILITY –Renewables & Synchrophasors

### RPU is only municipal utility partner

#### 2014 & 2015

- Partnership with Lawrence Livermore, Lawrence Berkeley and UC Berkeley
- First highly advanced distribution synchrophasor sensor network at a utility in the US

#### 2016 & 2017, LLNL and UCR

- improving integration of high penetration Distributed Energy Resources (DER)
- Utilization of green & clean generating resources in black start restoration



*"... two projects for improving integration of high penetration of DER – with a goal of safely and reliably enabling very high penetrations, while also ensuring affordable power for customers. These projects are transformational for the utility industry.... RPU is providing a clear leading example of where utilities without the same broad research and development resources can participate in large projects and provide significant benefit in meeting state and country sustainable development goals."*

*"The final project recently funded is looking at the utilization of green and clean generating resources in black start and restoration methodologies with both UC Riverside and RPU. As this \$5M project kicks off the team will be integrating more novel technologies and controls enabling a leap frog for DER in a new role at the utility. It is only with RPU's forward thinking staff and management we can make these collaborations work."*



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## OPERATIONAL EXCELLENCE

1. Tesla – 12 Chargers on Mission Square Garage
2. Energy Storage – 6 MW target
3. Coordinated with Contracts to consign and sell 597,431 allowances for 2017 generating \$7,572,731
4. Reduced RERC gas turbine exhaust emissions during start-up by 30%
5. Saved \$6.4M in loss emissions credits by removing 9 gas turbines off the "shave" list
6. Completed External Lighting and Parking Garage Retrofit at Mission Square
7. 6-mile fiber backbone construction along Market and Magnolia underway and to be completed April 2018



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## OPERATIONAL EXCELLENCE - Technology

1. Implemented Year 1 of Operational Data Management System (ODMS).
2. Implemented Phase 1 of the Water Asset Management System.
3. Initiated Advanced Metering Infrastructure evaluation & project management
4. Deployed new, state of the art land-mobile radio system in electric and water
5. Made customer-focused enhancements to 311 app

Work and Asset Management



"ODMS"  
OPERATIONAL DATA  
MANAGEMENT SYSTEM



Advanced  
Metering  
Infrastructure

Land Mobile  
Radio



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## OPERATIONAL EXCELLENCE – One Stop Shop – Partnership with Multiple Departments

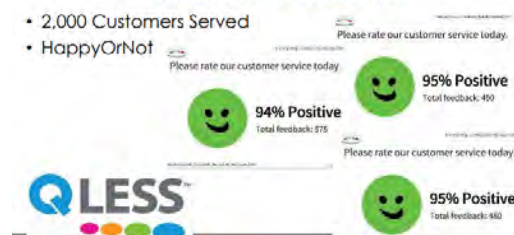
### One Stop Shop Objectives

1. Business Friendly Environment
2. Customer Focused
3. Greater Departmental Collaboration
4. Development Process Efficiencies



### Customer Satisfaction

- 2,000 Customers Served
- HappyOrNot



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## STRONG WORKFORCE – Team RPU



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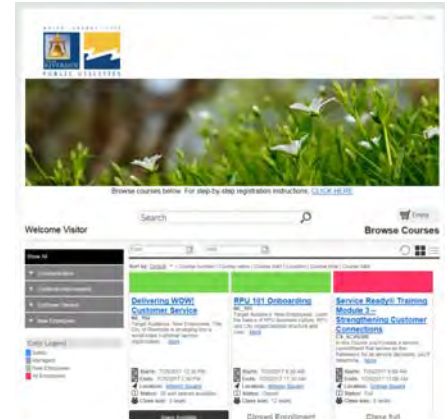
## EXECUTIVE MANAGEMENT





## WORKFORCE – Training & Onboarding

1. Launched “Go Sign Me Up” Employee Development Training Portal.
2. RPU has defined seven Core Competency focus areas with which all employees will need to be proficient to move toward Utility 2.0.
3. Developed new employee on-boarding, career ladders, individual employee professional development plans.

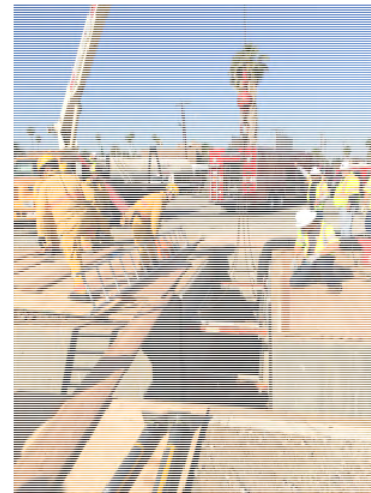


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## WORKFORCE - Safety

1. 79 classes were offered.
2. Conducted trench rescue demonstration with Riverside Fire Department- This will save lives!



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## WORKFORCE - Safety Fair 2017



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## WORKFORCE - Recognition



Justin Bruins-  
Water Troubleshooter



Jim King-  
Substation Test Supervisor

Employees of the Year



Peer-to-peer  
recognition



Employee Safety  
BBQ



Employee Holiday  
Breakfast

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## Uncertainties – Large Impact

1. TCP & Perchlorate – New Water Treatment Plant
2. Modifications to water rights – Sustainable Yield
3. RTRP Decision
4. Carbon Allowance reduction
5. Carbon-free or 100% Renewable Portfolio
6. Regionalization of the Western Grid
7. Cyber Security
8. Bond Rating

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## Priorities

### A. Strategic Plan – Achieving Our Vision

1. Getting to Utility 2.0 will require sustained adaptation to market changes and local conditions
2. Refresh plan at least annually

### B. Workforce – the Ingredient for Success

1. New General Manager & managing change
2. Competitiveness for talent & local pressures

### C. Rate Plan to fund Utility 2.0 – Get What You Pay For

1. 10-year plan comprehensively fixes past issues, sets up RPU to manage future risk and opportunities
2. Acceptance & implementation slower than ideal

### D. RTP – Powering Our Future

1. Low-voltage study; 2018 is key year
2. Amplify local advocacy

“ACTION  
EXPRESSES  
PRIORITIES.”

—MOHANDAS GANDHI—



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## EXECUTIVE MANAGEMENT - FUTURE

After January 19, 2018



Todd Jorgenson  
Interim Utilities General Manager



Laura Nomura  
AGM – Finance/Admin

George Hanson  
AGM – Energy Delivery

Michael Plinski  
Interim AGM - Water

Daniel E. Garcia  
AGM – Power Resources

Mujib Lodhi  
AGM – Operational Technology

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