

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 14, 2019
GENERAL MANAGER'S REPORT
ITEM NO:

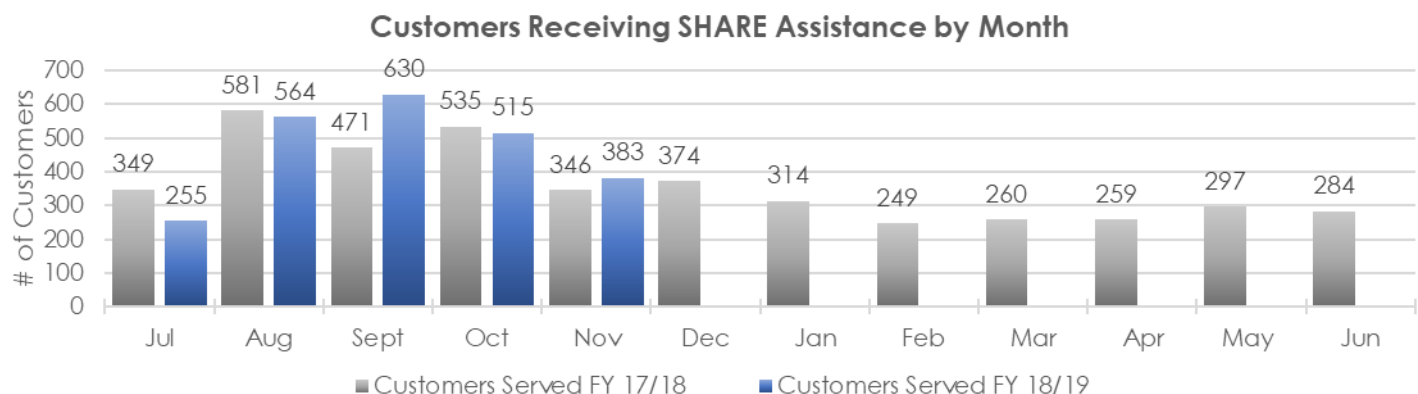
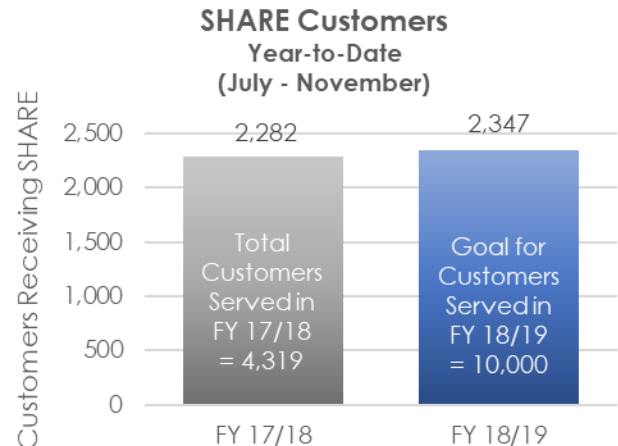
General Manager's report on SHARE program participation July through November 2018

Concurrent with the adoption of the rate plan earlier this year, the City also approved enhancements to the SHARE program as well as increasing the amount budgeted for the program from about \$1.7 million per year in FY 17/18 to \$2.8 million for FY 18/19. The SHARE program provide financial assistance to qualified low-income customers. Enhancements for this year included changing the income eligibility for customers from 150% of the Federal Poverty Level to 200% of the Federal Poverty Level, which will allow more customers to qualify.

The primary enhancement to the SHARE program was the addition of two monthly on-bill rebates for customers. Qualified low-income customers can receive \$14 per month from their electric bill and \$2.25 from their water bill. The SHARE program maintained the once-annual \$150 assistance to customers but has limited it to either deposit assistance or emergency assistance for customers that have receive a disconnection notice but are unable to pay. In prior years, customers did not need to demonstrate an emergency to receive the once-annual assistance.

Over the first five months, through November 2018, of the enhanced SHARE Program, the total number of customers that have received SHARE assistance on their utility bill is 2,347. This represents a year-over-year increase of 3% when compared to 2,282 customers served between July and November 2017. November 2018 also realized an 11% increase in monthly participation over November 2017, as shown in the table below. These participation numbers are consistent with the soft-launch of the new program beginning in July 2018 and as shown, below, reflect consist monthly participation numbers.

As the upcoming electric rate increase takes effect January 1, 2019, and with additional outreach efforts proposed, staff anticipates further increases in customer participation in the SHARE program.

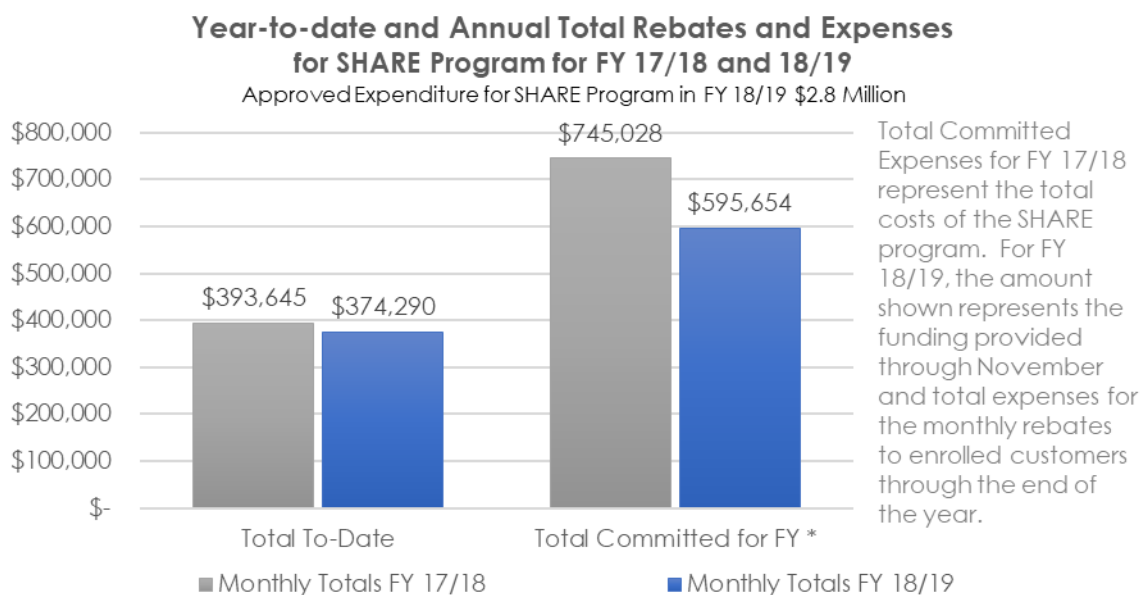


Note: The number of customers served in FY 17/18 in February through June have been updated to reflect actual data. Prior month's data were estimates based on previous years.

Now that the soft launch has concluded, outreach efforts will increase. Recent and future outreach efforts include:

- 1) Staff will dedicate 10 hours minimum per month to participating in outreach events;
- 2) Increased marketing campaign via direct mail, billboards, digital and social media;
- 3) Provide customer surveys to receive feedback on program and application process;
- 4) Increased partnership opportunities with community groups, community organizations and vendors including Community Action Partnership, Synergy, SoCal Gas Company, Parks and Recreation Department; and
- 5) Assess program efficiency through process audit and reviews.

In regards to the funding for the program, SHARE program expensing in FY 18/19 are trending similar to FY 17/18 for costs for the same time period. This was anticipated by staff as the program soft launched and the rebate provided to customers transitioned to fewer receiving the once-annual lump-sum \$150 emergency or deposit assistance. All customers that have enrolled in the program or sought assistance now receive monthly assistance of \$14 for electric customers and \$2.25 for water customers. As customers enroll in the program for the monthly assistance, the costs will increase throughout the year.

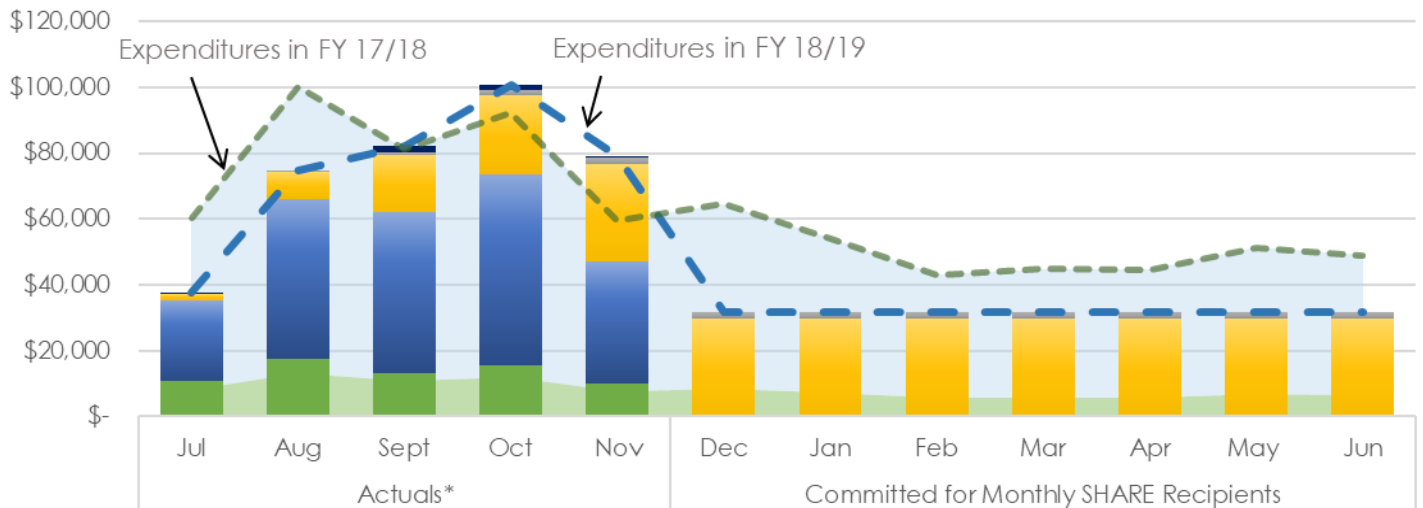


As noted above, in FY 17/18, the rebate offered to customers was only a once annual rebate of \$150 that was either for emergency assistance or to offset deposits when they opened an account. CAP, as the program administrator received a flat \$22.50 per application - hence the \$172.50 per customer. These were the only expenses attributed to the SHARE program that year.

With the SHARE program enhancements for the current year, the expenses associated with the rebates per customer will now be spread throughout the year as customer receive their monthly rebates. The amount expended per customer as of November 2018 was \$159.48; however, through the end of the fiscal year, these expenses will be \$253.79 per customer enrolled as of November 2018 (the amount includes monthly payments for enrolled customers through the end of the fiscal year). Until the SHARE program has been running for a full 12 months, the monthly average per customer will increase as more customers enroll in the monthly rebate programs.

Additionally, for FY 18/19, we are including the increased CAP administration cost of \$27 per approved application as well as marketing expenses. The chart on the following page provides detail on the history and current progress of the SHARE program participants, expenditures, overhead costs and program goals. CAP administrative expenses are shown in green with the lighter color representing FY 17/18. While the largest monthly expense each month continues to be the \$150 emergency and deposit assistance (shown as light blue for FY 17/18 and darker blue for FY 18/19), monthly payments (shown in yellow) are increasing as participation increases throughout the year.

Comparison of FY 17/18 and FY 18/19 (to-date) Expenses Associated with the SHARE Program



Legend for FY 18/19

- Monthly Totals FY 18/19
- CAP Estimated Administrative Fees (\$27 / Application Approved)
- Advertising and Marketing Costs
- Deposit and Emergency Assistance (\$150)
- Electric Monthly (\$14/month)
- Water Monthly (\$2.25/month)

Legend for FY 17/18

- Monthly Totals FY 17/18
- CAP Administrative Fees (\$22.50 / Application Approved)
- Deposit and Emergency Assistance (\$150)

* CAP Administrative Fee for FY 18/19 is Estimated based on Approved Applications.