



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 2, 2019**

FROM: PUBLIC UTILITIES DEPARTMENT **WARD: ALL**

SUBJECT: SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY PROGRAM'S ELECTRIC MONTHLY CREDIT INCREASE TO \$14.50 AND WATER MONTHLY CREDIT INCREASE TO \$2.50 TO ALIGN WITH YEARLY ELECTRIC AND WATER RATE INCREASES FOR FISCAL YEAR 2019/20

ISSUE:

Approve an increase in the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$14.00 to \$14.50 and Water Monthly Credit from \$2.25 to \$2.50 to align with electric and water rate increases for Fiscal Year 2019/20.

RECOMMENDATION:

That the City Council approve an increase of the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$14.00 to \$14.50 and Water Monthly Credit from \$2.25 to \$2.50 to align with electric and water rate increases for Fiscal Year 2019/20.

BOARD RECOMMENDATION:

On June 10, 2019, the Board of Public Utilities, with 6 members present, unanimously recommended that the City Council approve the increase in the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$14.00 to \$14.50 and Water Monthly Credit from \$2.25 to \$2.50 to align with electric and water rate increases for Fiscal Year 2019/20.

LEGISLATIVE HISTORY:

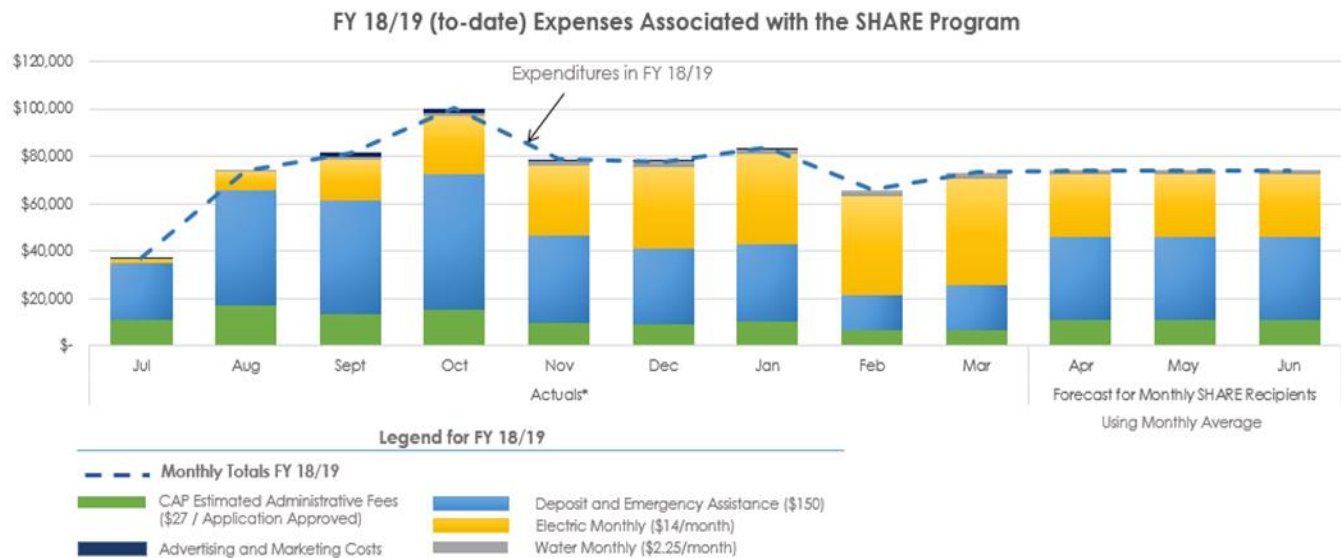
Assembly Bill (AB) 1890 was adopted in 1996, which required publicly owned utilities to collect and spend Public Benefits Charge funds for low-income assistance, energy efficiency and conservation programs, renewable energy, and research, development and demonstration projects.

BACKGROUND:

Riverside Public Utilities (RPU) established the Sharing Households Assist Riverside's Energy (SHARE) Program in 1989 to provide low-income residents with utility bill assistance. The SHARE

Program was initially only supported with funding from direct customer contributions and donations. In 1999, RPU expanded the program with the utilization of a portion of the Public Benefits Charge funds in order to assist more customers.

On May 22, 2018, the City Council approved changes to the SHARE Program to address the concerns that the then-proposed rate increases would impact low and fixed income customers. The program enhancements included adjusting the income qualifications as well as instituting new monthly bill credits for both electric and water service. The expanded income limits changed from 150% of the Federal Poverty Level to 200% Federal Poverty Level. The new monthly bill credits included a credit of \$14 per month for income-eligible electric customers and \$2.25 per month for income-eligible water customers. These program changes were available to customers on July 1, 2018.



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

DISCUSSION:

As part of the approved rate plan, RPU committed to increase the SHARE Program's monthly assistance coincident with ongoing rate increases. The next water rate increase is scheduled for July 1, 2019, and the next electric rate increase is scheduled for January 1, 2020.

In order to alleviate the impact of the electric and water rate increases on RPU's low-income customers, RPU staff proposes to increase the SHARE electric monthly credit from \$14.00 to \$14.50 and the SHARE water monthly credit from \$2.25 to \$2.50 for Fiscal Year 2019/20. Future alignment of the SHARE Program monthly credit adjustments will be presented annually during the Board of Public Utilities' and City Council's review and consideration of utility rates.

To align the SHARE Program with other assistance program guidelines as well as to simplify the application process for our customers, the SHARE Program eligibility guidelines will be expanded to allow customers to provide either of the following:

- Income documentation that the total household income is at 200% of the Federal Poverty Level; or
- Proof of benefits from public assistance programs, including:

- Bureau of Indian Affairs General Assistance
- CalFresh/Supplemental Nutrition Assistance Program (SNAP-Food Stamps)
- CalWorks – Temporary Assistance for Needy Families (TANF)/Tribal TANF
- Head Start Income Eligible (Tribal Only)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Medi-Cal/Medicaid
- Medi-Cal for Families (Healthy Families A&B)
- National School Lunch Program (NSLP)
- Supplemental Security Income (SSI)
- Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

These Federal assistance programs require that recipients demonstrate that their household income is below the 200% Federal Poverty Level; therefore, those agencies have already determined that the household is eligible. Additionally, staff will continue to monitor the available assistance programs provided by State and Federal agencies to determine if the income guidelines align with the SHARE Program.

Funding for both programs will remain the same as approved for the last fiscal year. Annual funding will be \$2.95 million per year. This includes \$2,550,000 for electric customer assistance and \$250,000 for the County's administration fee from the Public Benefits Charge funding. An additional \$150,000 from wholesale water sales revenue is allocated for the water customer assistance.

FISCAL IMPACT:

The total fiscal impact is \$2,950,000. Sufficient funds are available in Public Utilities Account Nos. 6020100-456010 (electric) and 6200000-456075 (water).

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Revised SHARE program application and program guidelines
2. Presentation