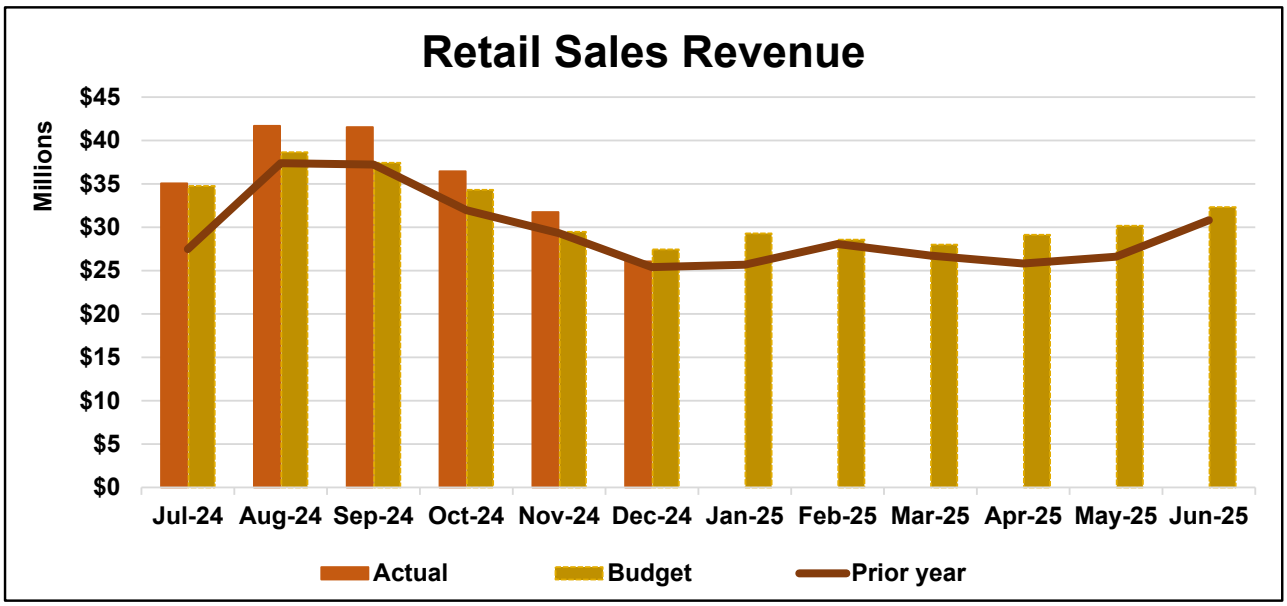
RPU Financial Results

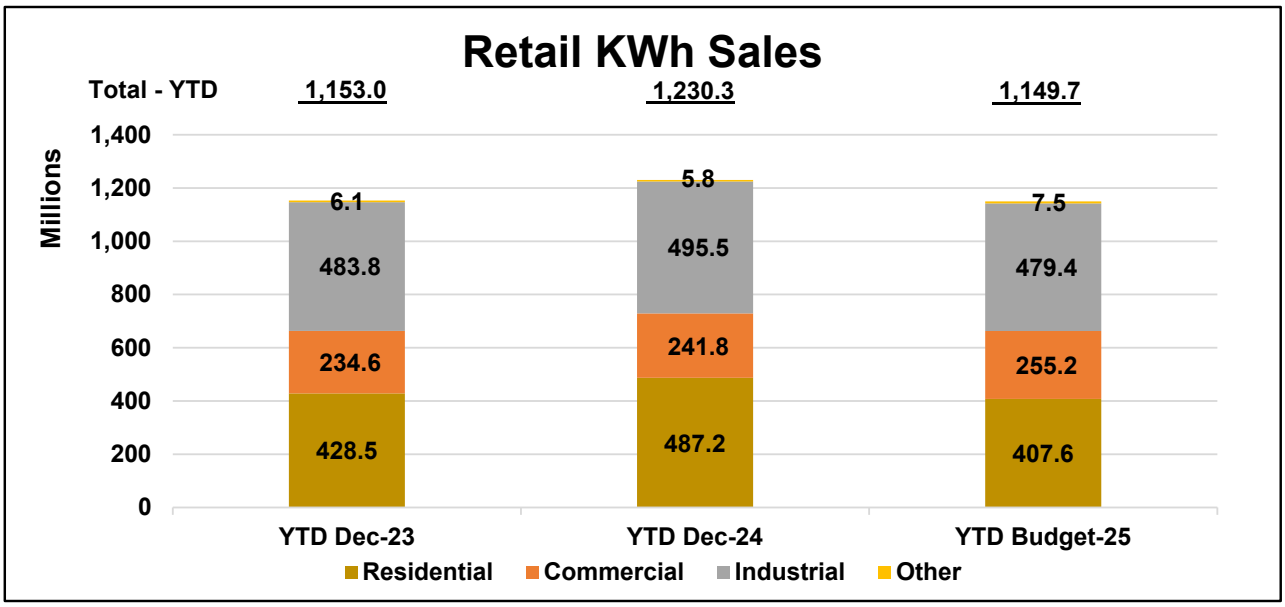
Unaudited FY 2024/25 through December 31, 2024

Electric

Revenues



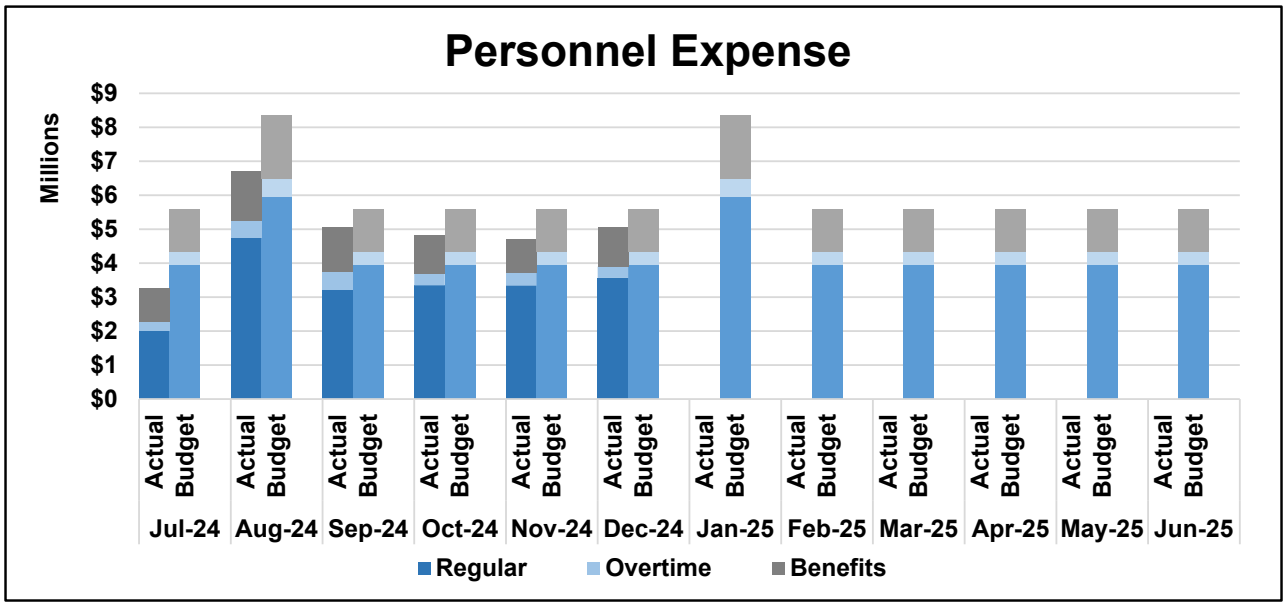
Retail Sales: Year-to-date retail sales of $212.6M are $10.5M (5.2%) higher than budget due to higher than anticipated consumption. Current year actual retail sales are $23.8M (12.6%) higher than prior year due to an increase in consumption compared to the prior year.



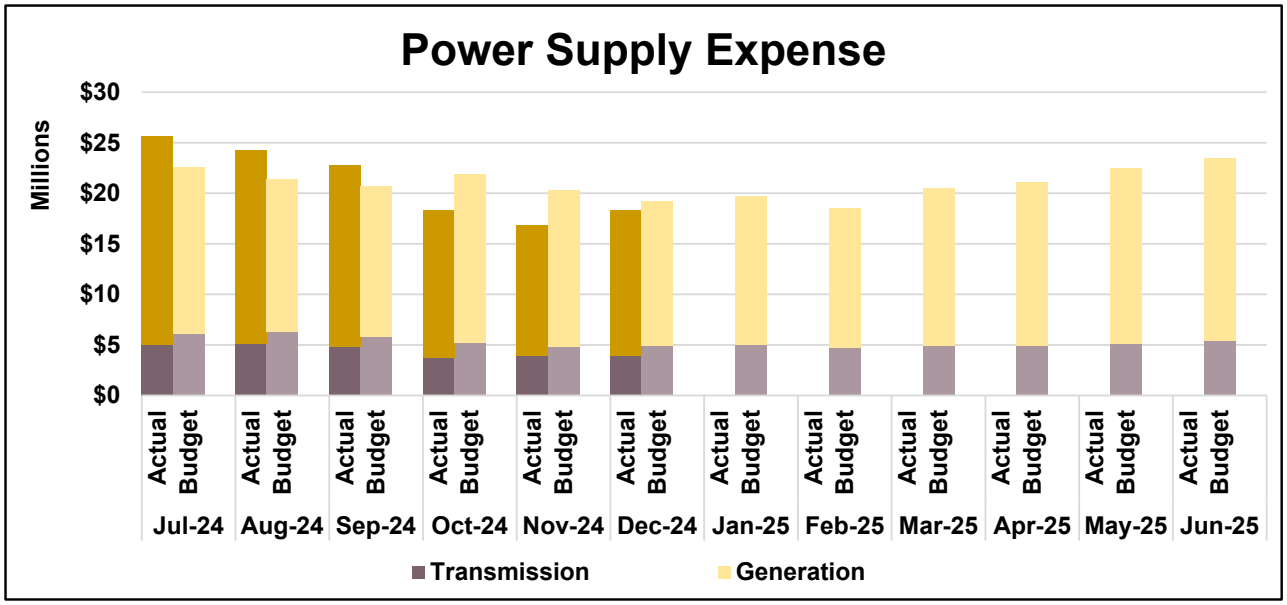
Retail KWh: Year-to-date retail KWh sales of 1,230.3M are 80.6M (7.0%) higher than budget due to higher than anticipated consumption, and 77.3M (6.7%) higher than prior year due to higher consumption compared to prior year.

Electric

Operating Expenditures



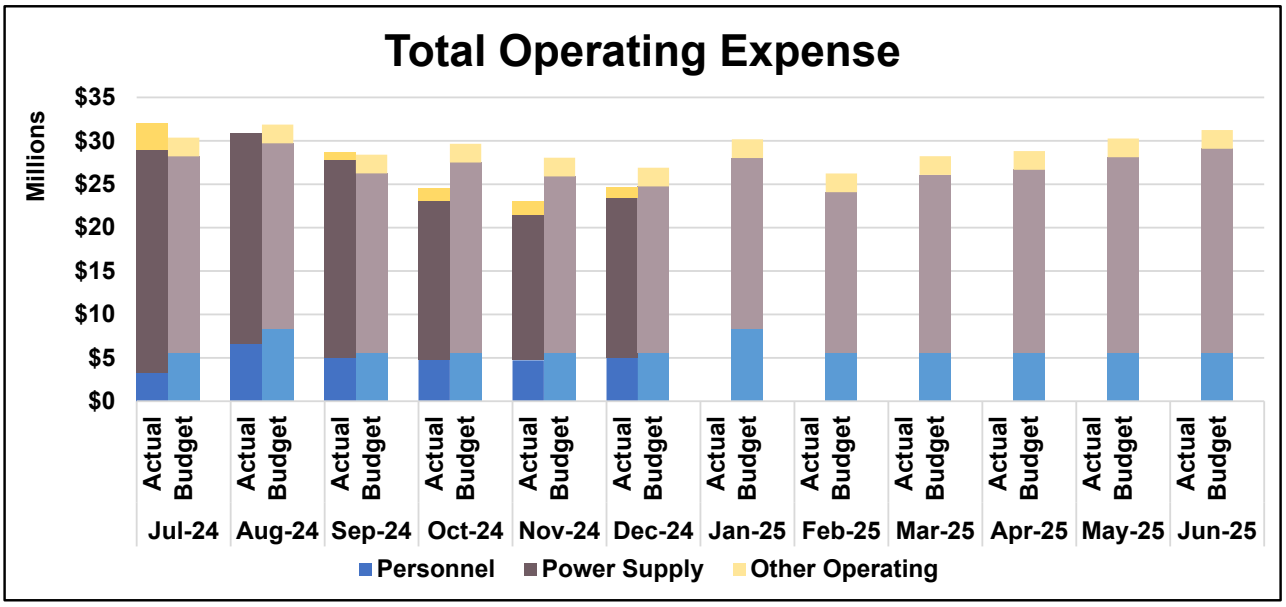
Personnel Expense: Year-to-date personnel costs of $29.6M are $6.7M (18.4%) lower than budget due to various vacancies and attrition.



Power Supply Expense: Year-to-date power supply costs of $126.2M are in line with budget.

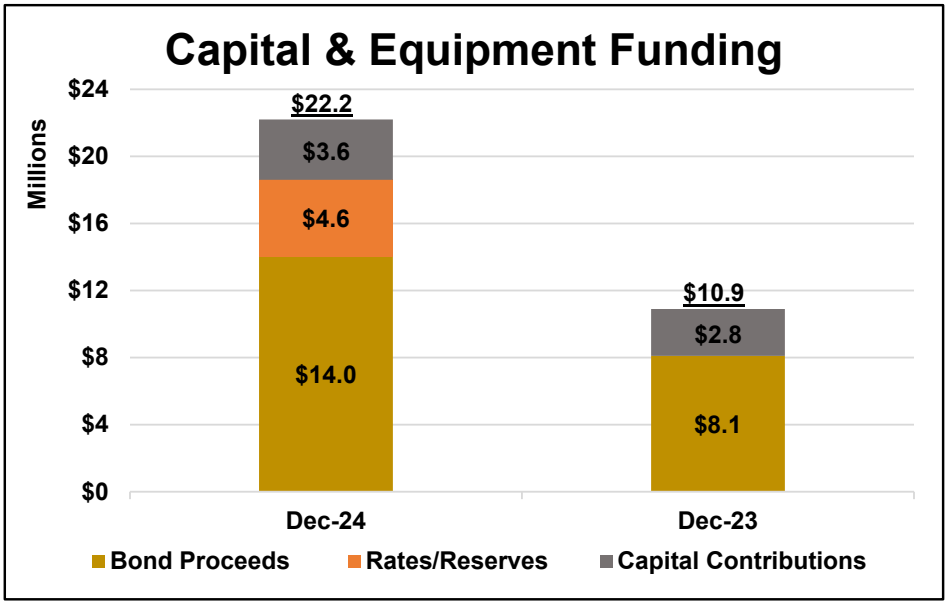
Electric

Operating Expenditures (continued)



Other Operating Expense: Year-to-date other operating expenses of $7.9M are $5.0M (38.6%) below budget due to timing of expenses and savings in other general operating expenses.

Capital Improvement Program



Capital Expense: Current year capital expenses (projects and equipment) of $22.2M are higher than prior year by $11.3M, reflecting increases of $5.9M in bond proceeds, $4.6M in rates and reserve funding, and $0.8M in capital contributions. Ongoing work in significant capital projects to date includes substation, recurring, and underground project expenditures.

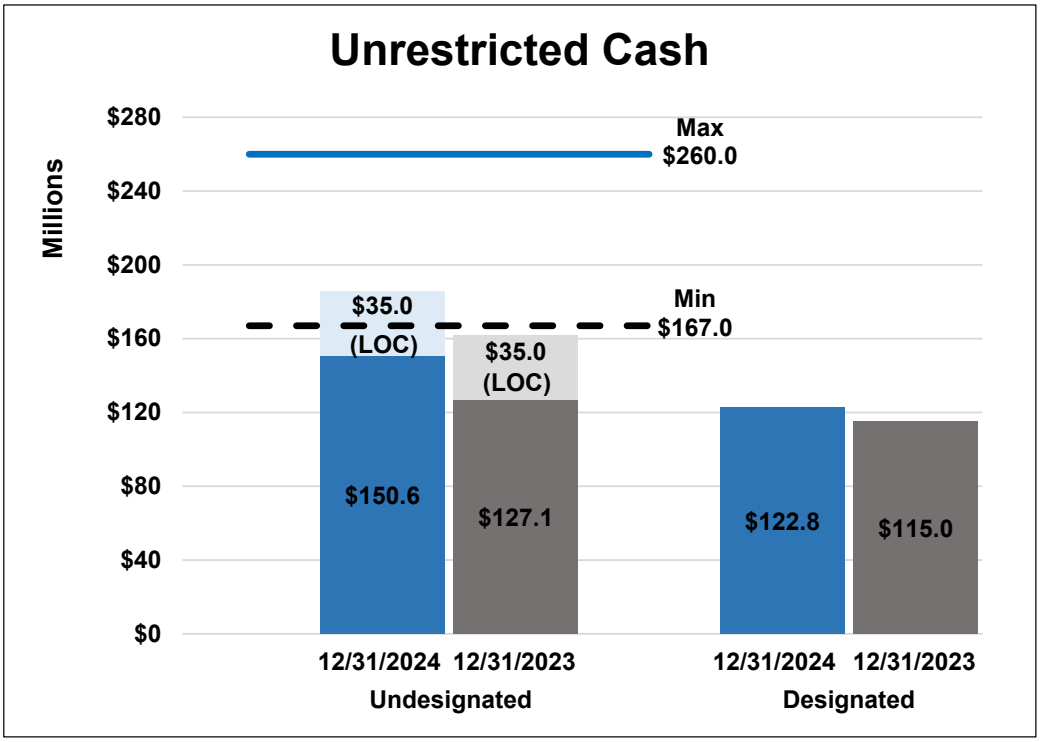
Electric

Cash Reserves

Reserves can be restricted by applicable laws and regulations or designated for specific purposes. Reserves that have not been restricted or designated are available to pay bills and provide cushion in the event of an emergency. The target levels for the undesignated reserve are established by City Council through reserve requirements for fiscal stability and are determined annually at 6/30 in conjunction with year-end financial results. The undesignated reserve of $150.6M is $23.5M higher than prior year primarily due to positive operating results. The undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 12/31/2024.

Components of Cash (In Millions)	12/31/2024	12/31/2023
Undesignated	**$ 150.6**	**$ 127.1**
Designated		
Electric Reliability	$ 95.6	$ 91.2
Additional Decommissioning Liability	11.5	9.7
Customer Deposits	5.0	4.9
Capital Repair/Replacement	2.3	2.3
Mission Square Improvement	2.8	2.1
Dark Fiber	5.6	4.8
Total Designated	**$ 122.8**	**$ 115.0**
Legally Restricted*	**$ 246.9**	**$ 136.3**
Available Line of Credit (LOC)	**$ 35.0**	**$ 35.0**

*Includes $116.8M of estimated Bond Construction Cash at 12/31/2024.

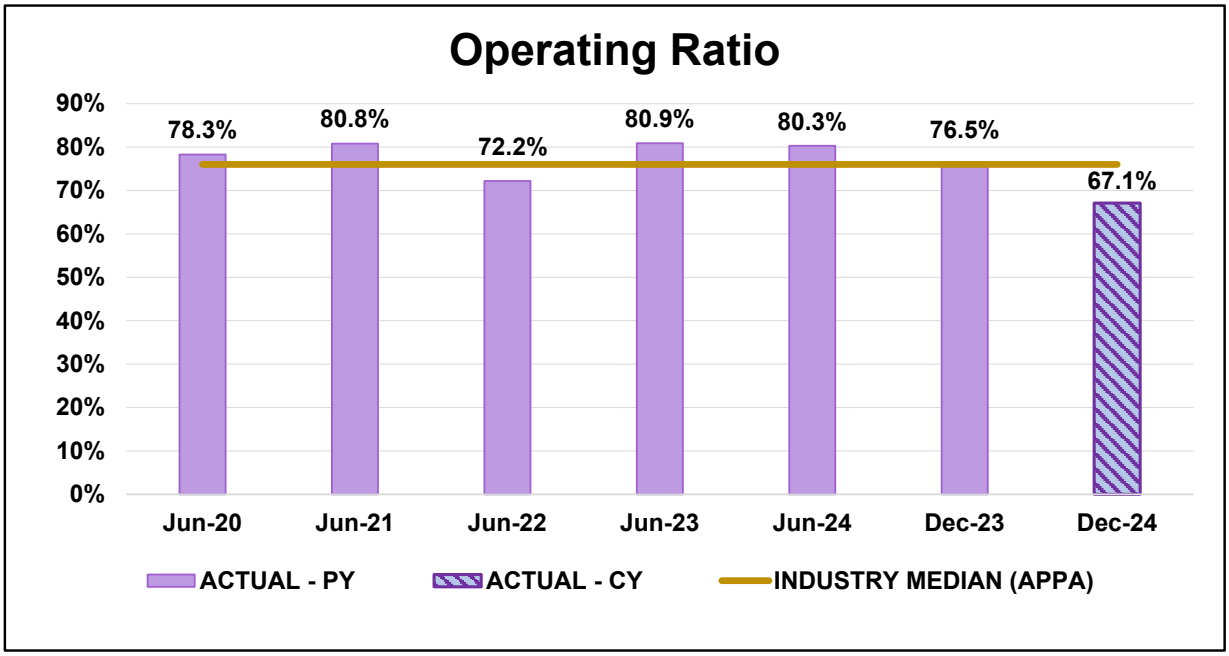


Electric

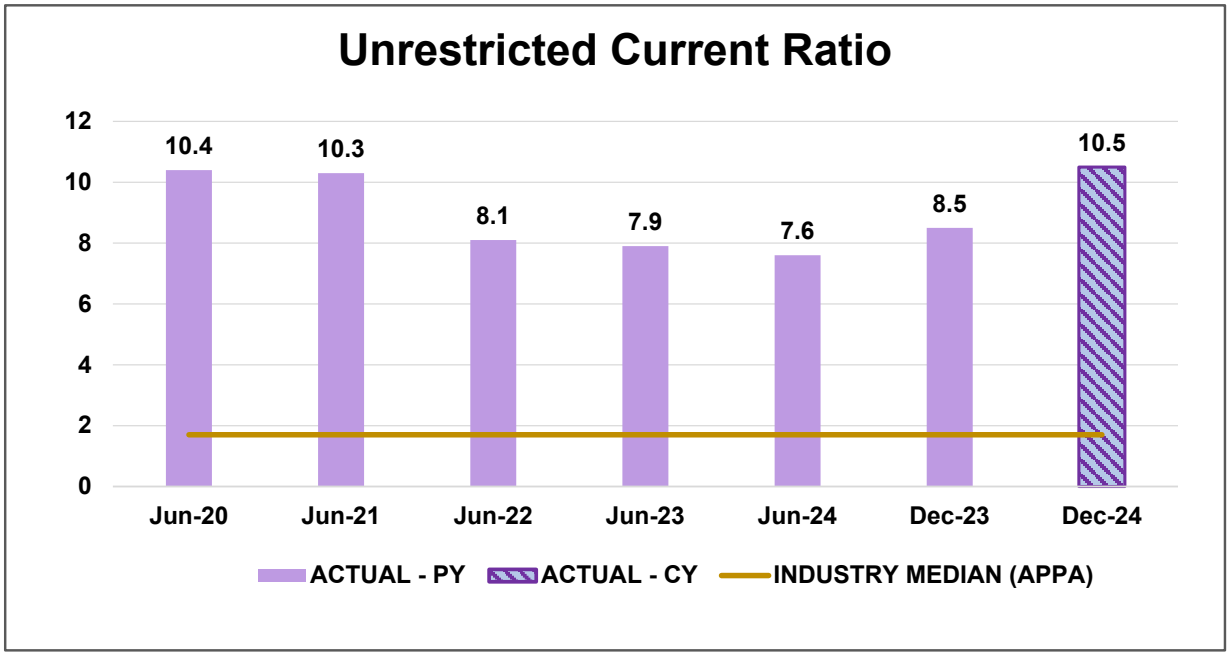
Financial Ratios

The ratios for the last five fiscal years are provided for reference. Each ratio reflects a full year of activities and may not be as comparable for quarterly result comparison. The June 2024 fiscal year-end ratios may be used to estimate the trends for the current fiscal year when reviewed together with prior year ratios.

Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



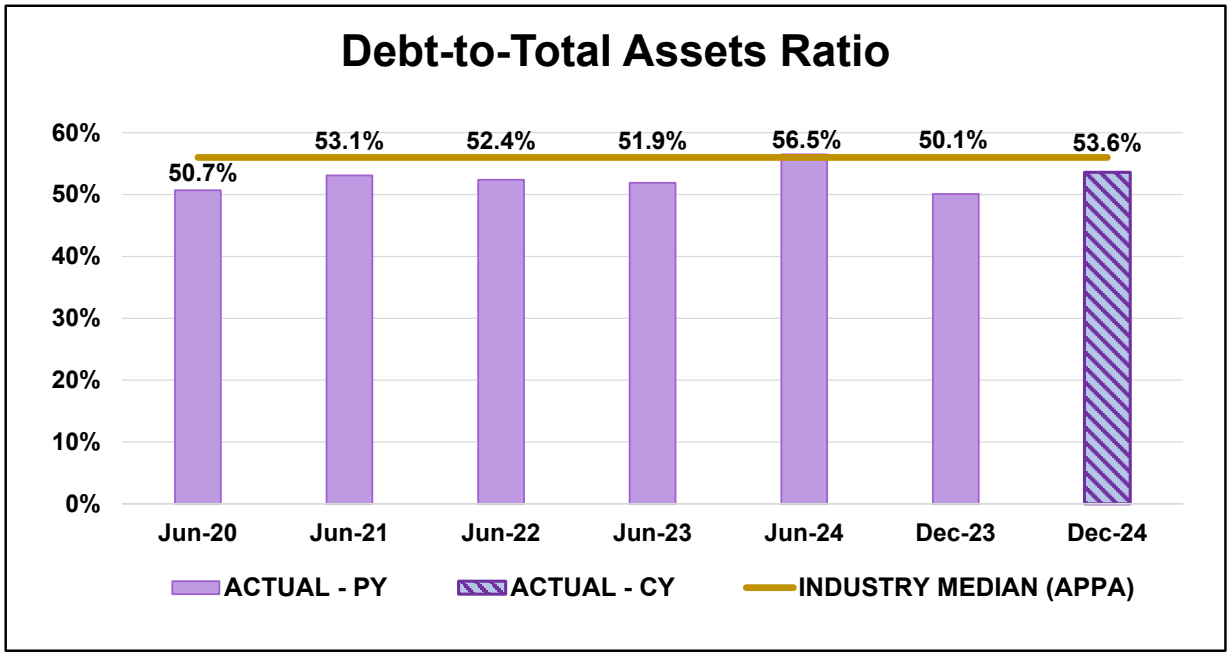
Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



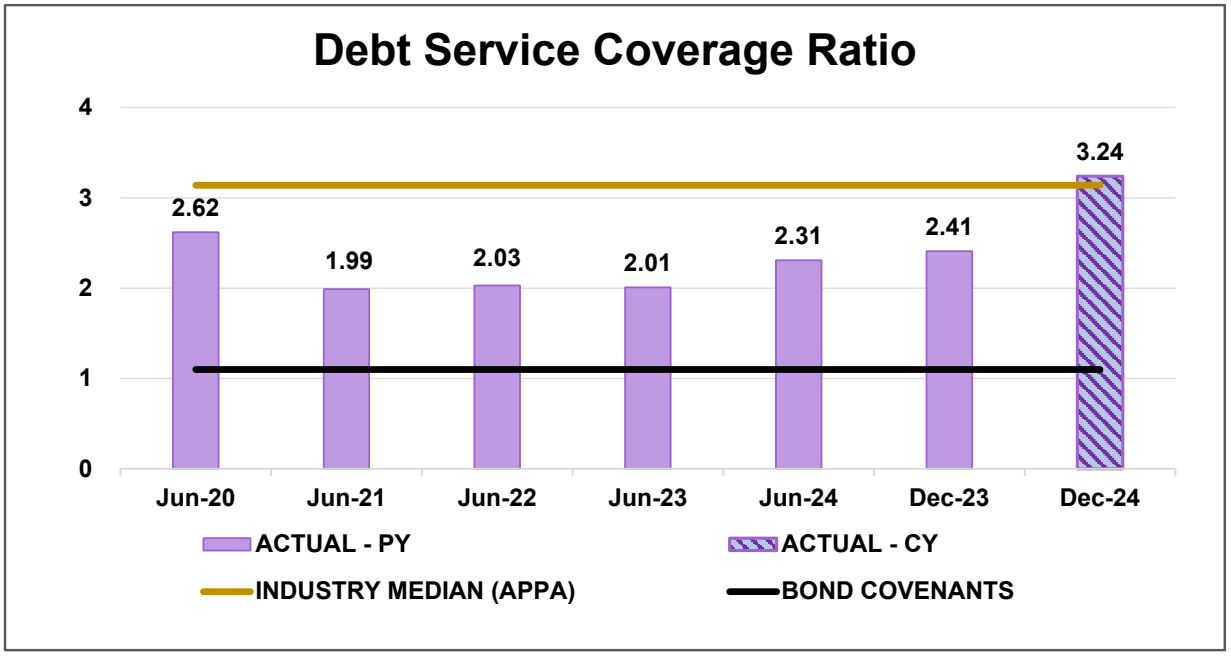
Electric

Financial Ratios (continued)

Debt-to-Assets Ratio indicates what proportion of debt the Utility has in relation to Utility assets. A lower ratio is more favorable.



Debt Service Coverage Ratio (DSC) measures the ability to produce enough cash to cover debt service. A higher ratio is more favorable.

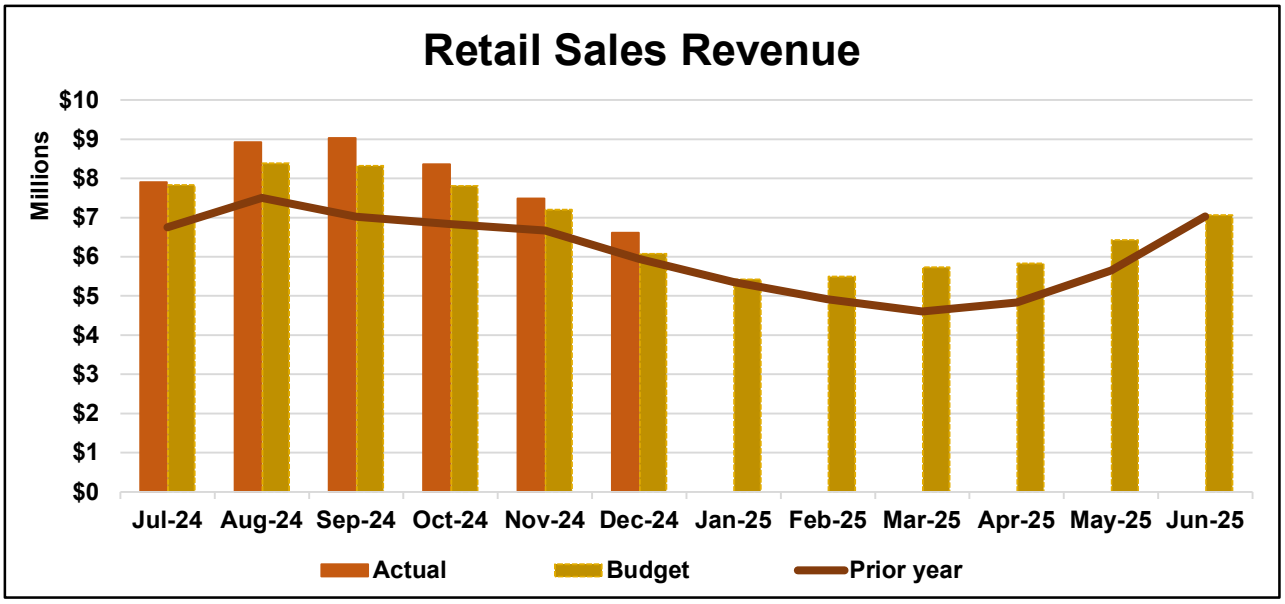


RPU Financial Results

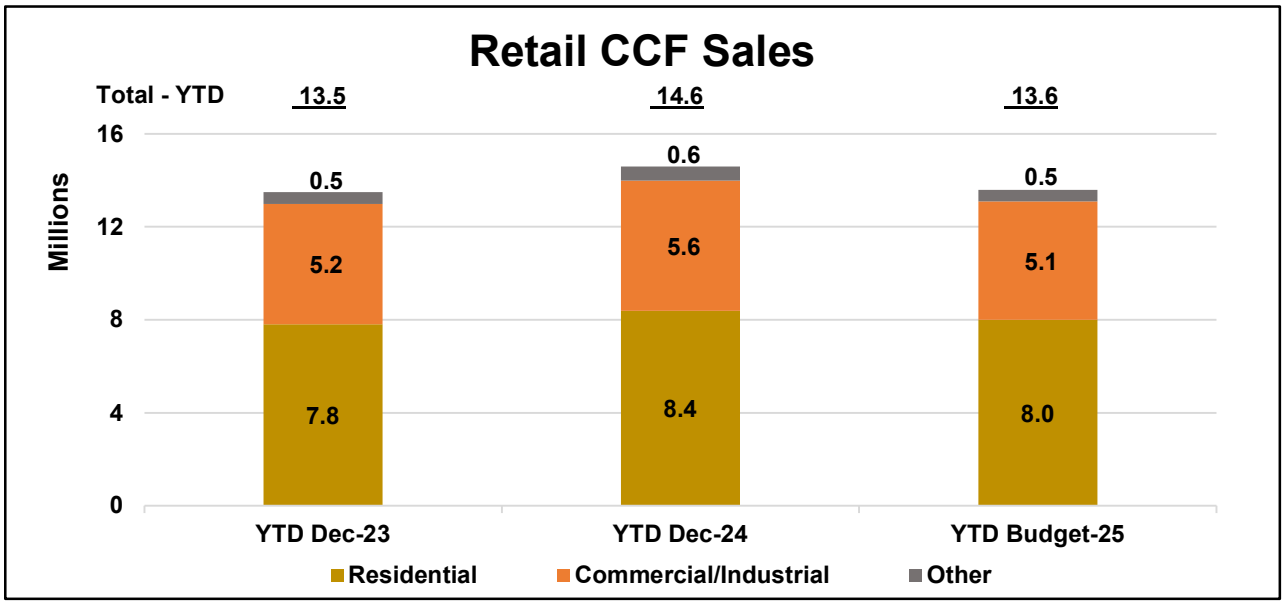
Unaudited FY 2024/25 through December 31, 2024

Water

Revenues



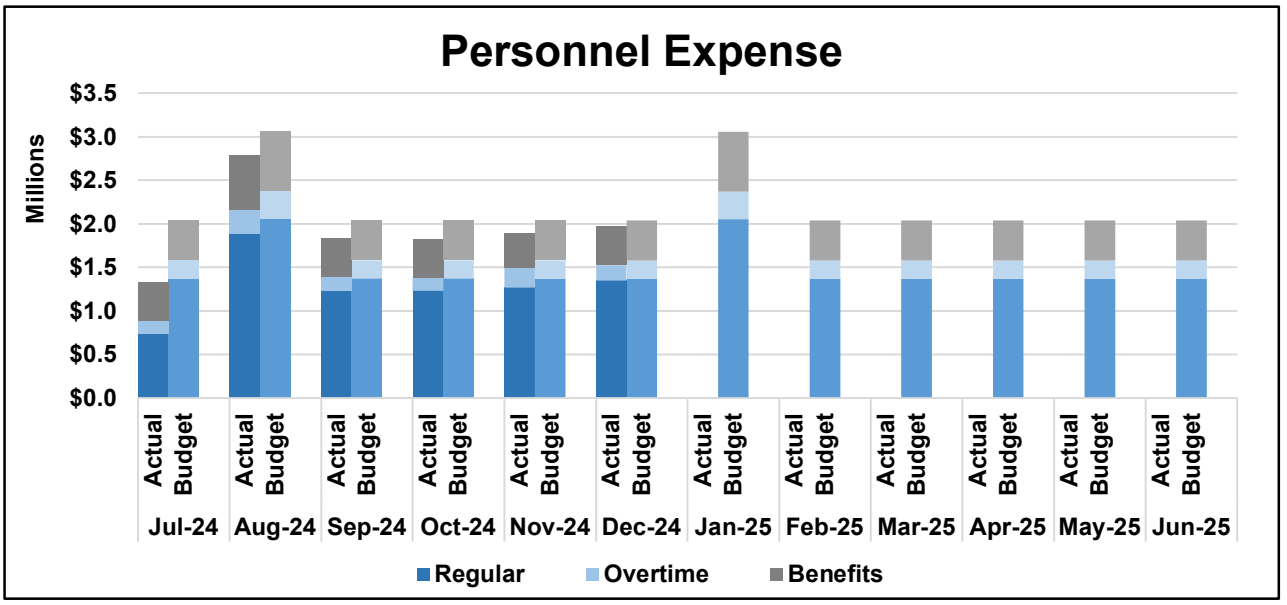
Retail Sales: Year-to-date retail sales of $48.3M are $2.7M (5.9%) higher than budget and $7.6M (18.7%) higher than prior year primarily due to rate plan increases and increased consumption.



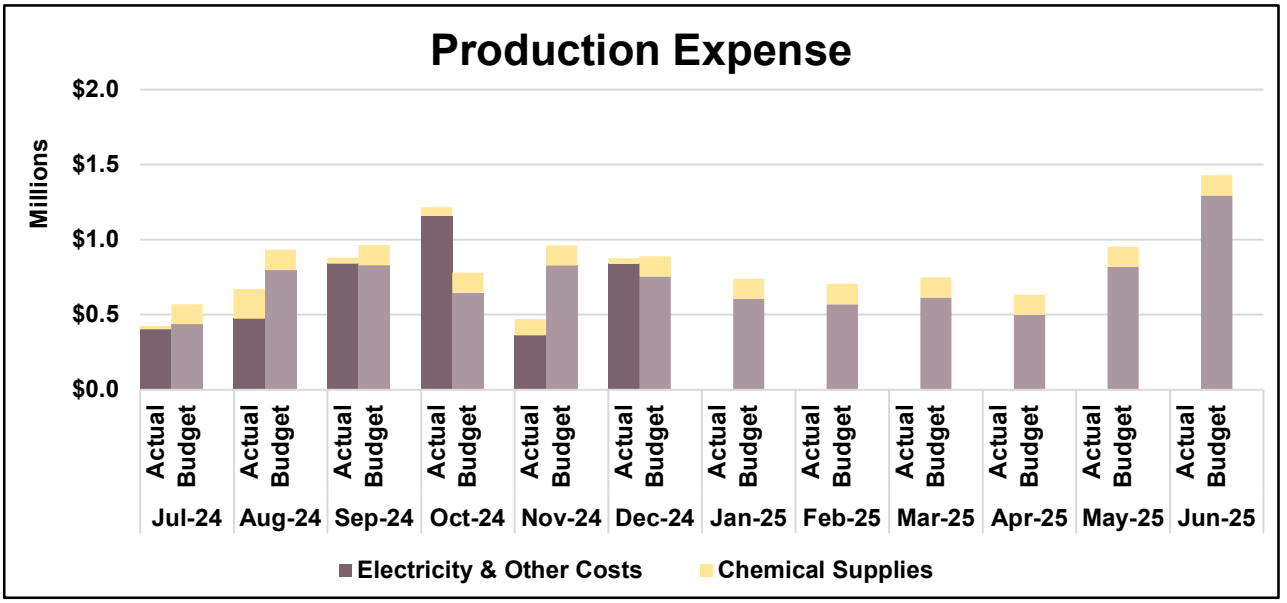
Retail CCF: Year-to-date retail CCF sales of 14.6M are 1.0M (7.4%) higher than budget due to higher-than-anticipated consumption, and 1.1M (8.1%) higher than prior year due to higher consumption compared to prior year.

Water

Operating Expenditures



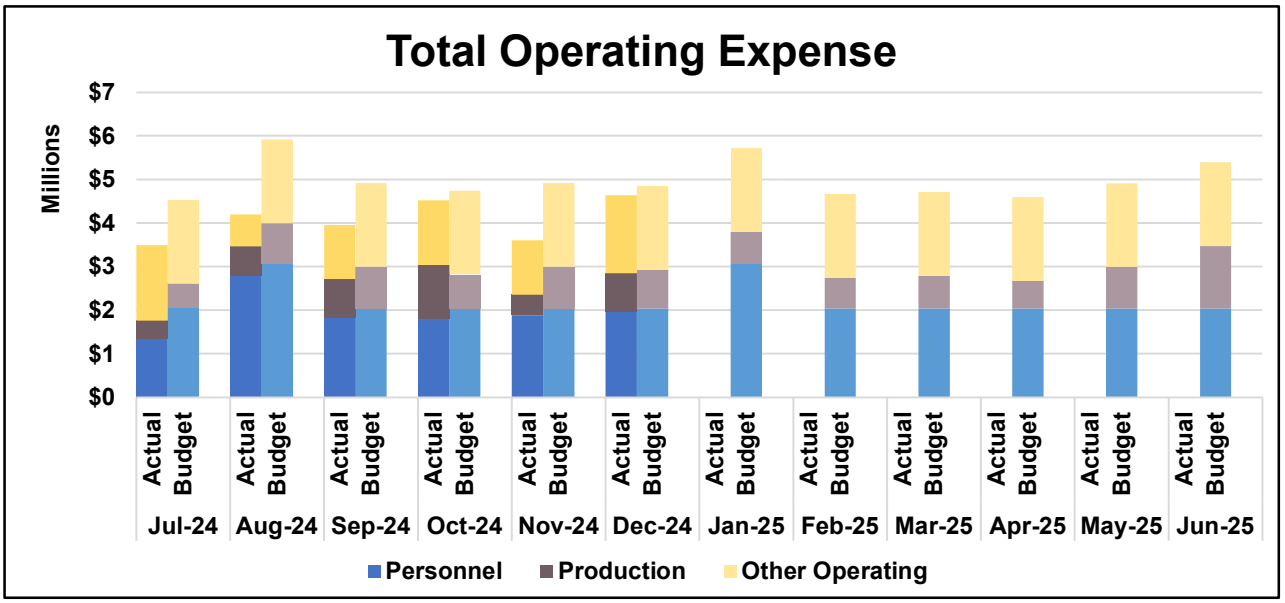
Personnel Expense: Year-to-date personnel costs of $11.6M are $1.7M (12.8%) below budget due to various vacancies and attrition.



Production Expense: Year-to-date production costs of $4.5M are $0.6M (11.8%) below budget due to lower-than-anticipated chemical and electricity costs for water production.

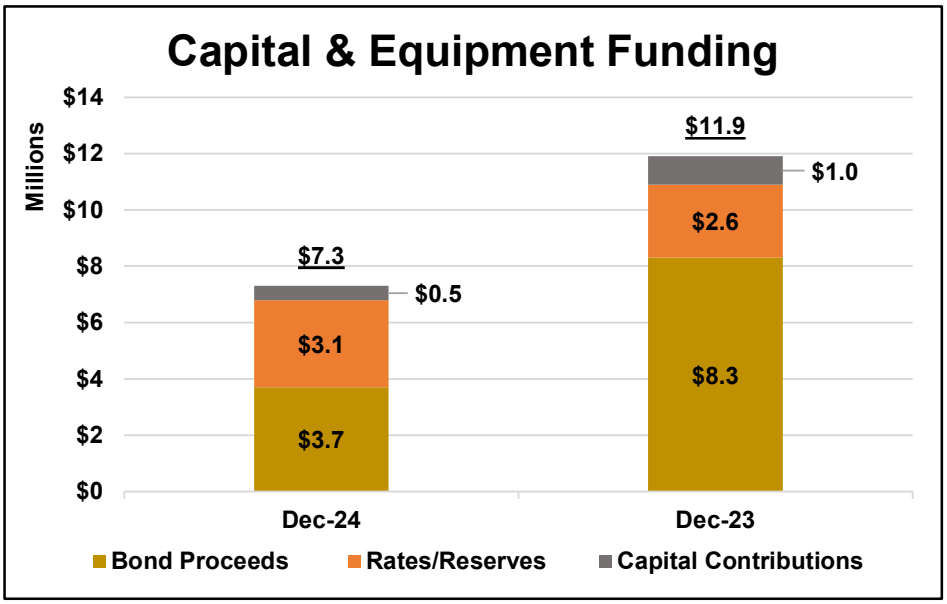
Water

Operating Expenditures (continued)



Other Operating Expense: Other operating expenses of $8.2M are $3.3M (28.7%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

Capital Improvement Program



Capital Expense: Current-year capital expenses (projects and equipment) of $7.3M are $4.6M (38.7%) lower than prior year, reflecting decreases of $4.6M in bond proceeds and $0.5M in capital contributions, offset by an increase of $0.5M in reserves. Ongoing work in significant capital projects to date is in distribution pipelines, transmission pipelines, and distribution facilities.

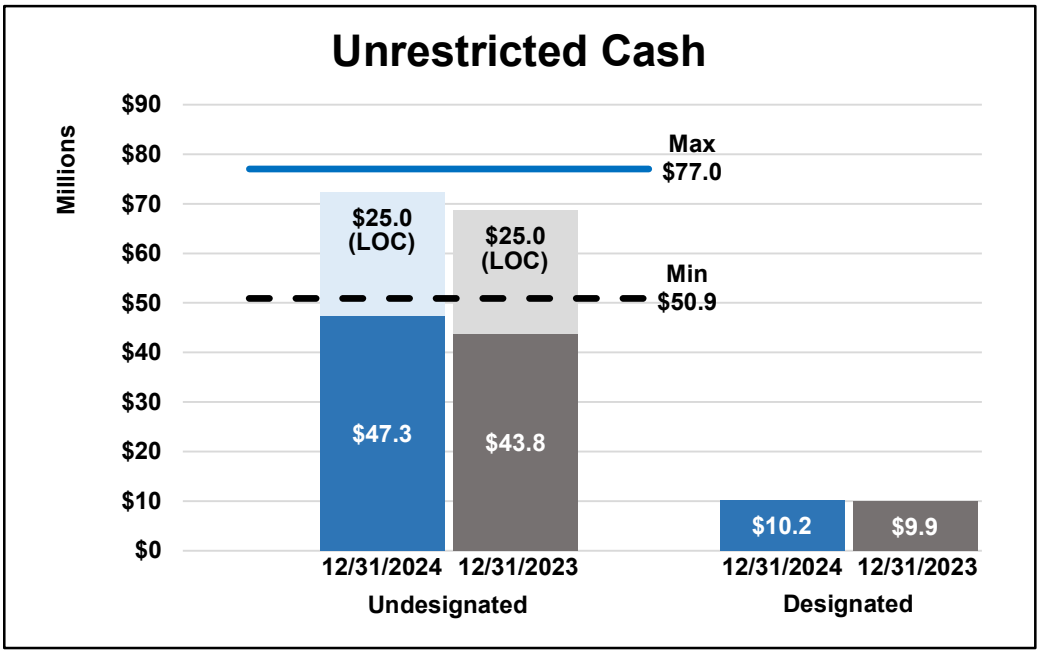
Water

Cash Reserves

Reserves can be restricted by applicable laws and regulations or designated for specific purposes. Reserves that have not been restricted or designated are available to pay bills and provide cushion in the event of an emergency. The target levels for the undesignated reserve are established by City Council through reserve requirements for fiscal stability and are determined annually at 6/30 in conjunction with year-end financial results. The undesignated reserve of $47.3M is higher than prior year by $3.5M due to positive operating results and lower investment losses. The Water Utility's undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 12/31/2024.

Components of Cash (In Millions)	12/31/2024	12/31/2023
Undesignated	**$ 47.3**	**$ 43.8**
Designated		
Property	$ 6.1	$ 5.9
Recycled Water	0.8	0.8
Customer Deposits	0.9	0.8
Capital Repair/Replacement	2.4	2.4
Total Designated	**$ 10.2**	**$ 9.9**
Legally Restricted*	**$ 45.1**	**$ 56.6**
Available Line of Credit (LOC)	**$ 25.0**	**$ 25.0**

*Includes $30.4M of estimated Bond Construction Cash at 12/31/2024.



Water

Financial Ratios

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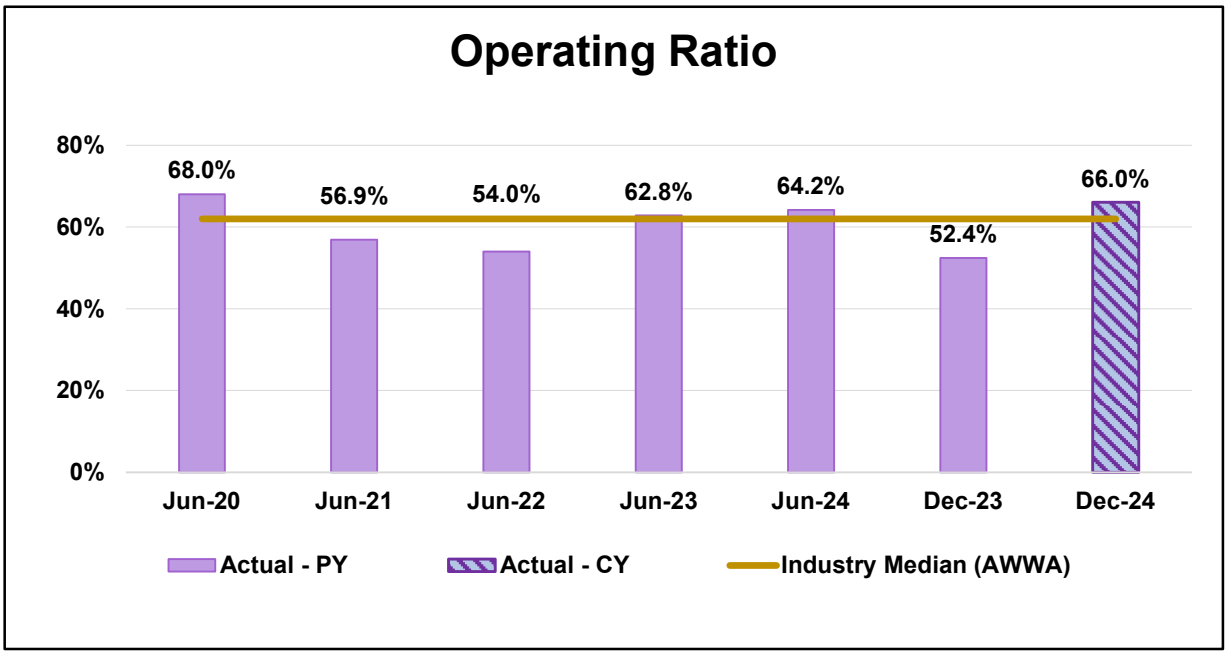
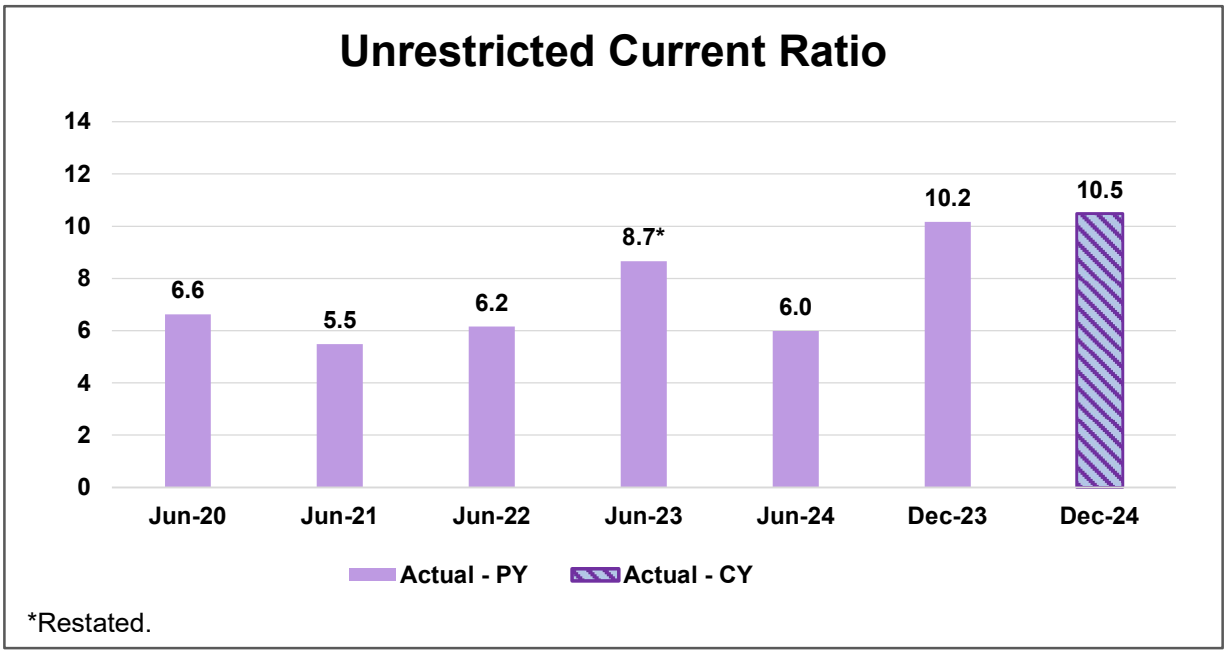


Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



*Restated.

Water

Financial Ratios (continued)

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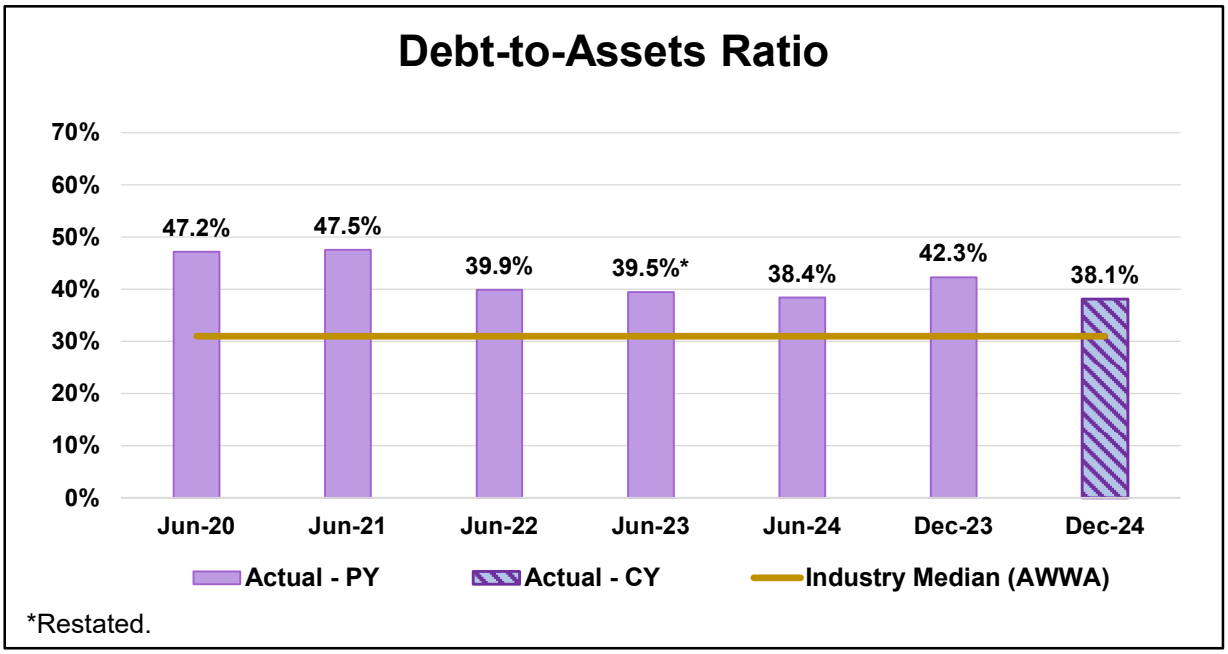

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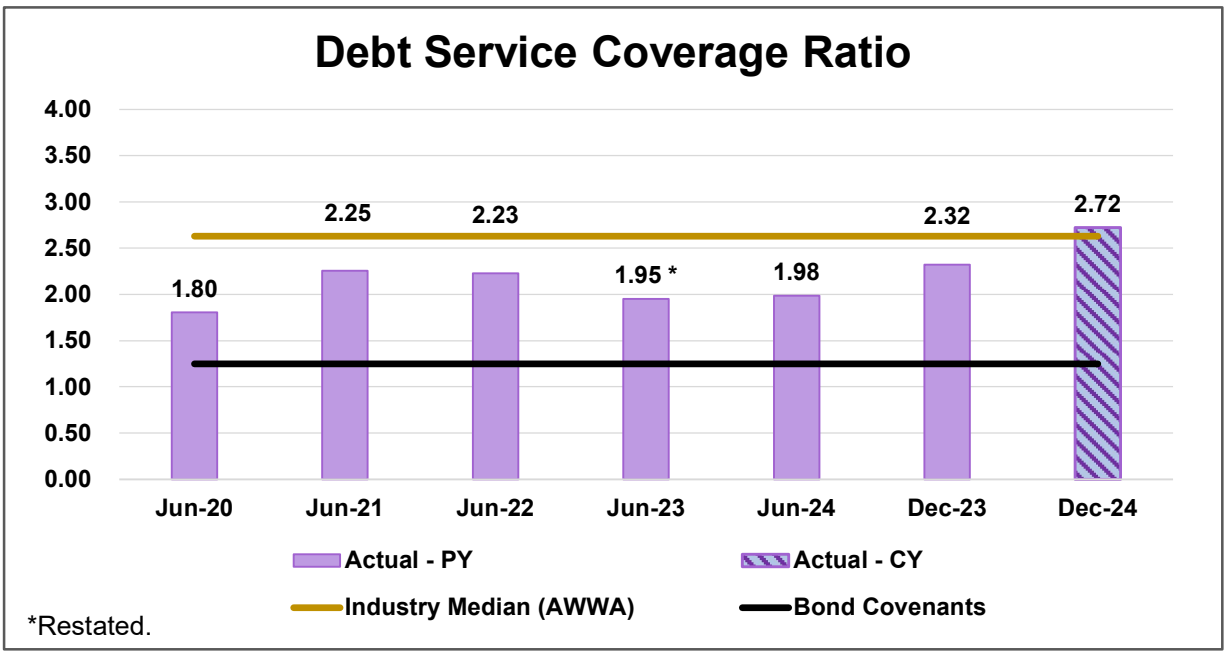


*Restated.

Accounts Receivable & Delinquencies

As of March 31, 2025

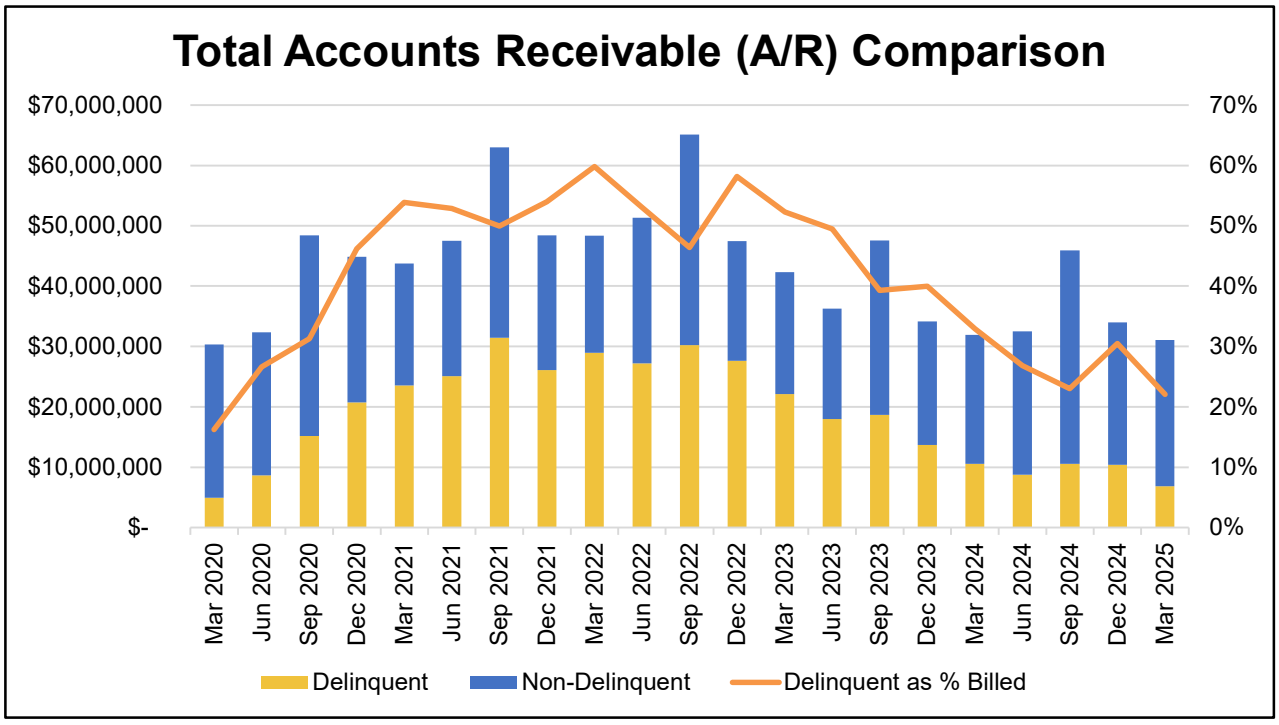
Electric & Water

Accounts Receivable

Since the COVID-19 Local Emergency Declaration, the City has experienced significant increases in utility customer accounts receivable. This includes increases in delinquent account balances and the number of utility accounts that had become delinquent. These balances have steadily reduced since September 2022.

The chart below includes account information through March 31, 2025. Accounts receivable for all services including electric, water, sewer, and refuse have increased by 2% or $0.8 million from $30.3 million in March 2020 to $31.1 million on March 31, 2025. During the same period, delinquent accounts receivable has increased 39% or $1.9 million from $4.9 million in March 2020 to $6.8 million on March 31, 2025.

The City received and applied $15.3 million to customer accounts from state funding offering financial assistance for past-due electric, water and wastewater customer debts incurred from March 4, 2020 to June 15, 2021. In December 2021, the City applied credits to customer accounts for the California Arrearages Payment Program for electric utility arrearages in the amount of $11.1 million and the California Water and Wastewater Arrearages Payment Program for drinking water utility arrearages in the amount of $1.9 million. In May 2022, the City applied credits to customer accounts for the California Water and Wastewater Arrearages Payment Program for wastewater utility arrearages in the amount of $2.3 million. In January 2023, the City applied $18.6 million in credits to electric customer accounts as part of the General Fund Transfer Settlement.



Notes: 1. Delinquent Account Balance includes active & inactive accounts.
2. Updated through March 31, 2025 for electric, water, sewer, and refuse.

Collections

As of March 31, 2025, inactive accounts receivable totals were $1.3 million for all services. Residential was $1.1million or 86% of the total and commercial was $0.2 million or 14% of the total. In March 2025, approximately 318 electric, water, sewer and refuse accounts totaling $0.2 million were sent to the collection agency for unpaid and delinquent utility bills.