



*Arts & Innovation*

## RIVERSIDE PUBLIC UTILITIES 2016 FINANCIAL REPORT

**Board of Public Utilities  
December 12, 2016**

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)

### Financial Highlights

June 30, 2016

#### Electric

1. Retail revenues remain relatively flat  
1.5% increase in retail sales
2. Purchased Mission Square Facility for \$38M
3. Received one-time revenues of \$22M  
Insurance settlements, recoveries of liquidated damages and donated land rights
4. Transferred \$38.4M to the General Fund
5. Maintained a Standard & Poor's & Fitch AA- rating

[RiversidePublicUtilities.com](http://RiversidePublicUtilities.com)



## Financial Highlights

June 30, 2016

### Water

1. \$50M Net Retail Revenues
  - a. 11.9% decrease due to customer conservation from drought mandates
  - b. Managed costs to address revenue reduction
2. Transferred \$6.4M to the General Fund
3. Received final payment of \$3.3M from the settlement agreement against the City
4. Maintained a Standard & Poor's AAA rating

RiversidePublicUtilities.com



## Financial Highlights

June 30, 2016

1. Independent Audit
  - a. Unmodified (clean) opinions
  - b. No management letter comments or findings
  - c. No audit adjustments proposed or passed
2. Fiscal Policy
  - a. New cash reserve policy adopted March 22, 2016
  - b. Revised fiscal policy adopted July 26, 2016

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# ELECTRIC UTILITY

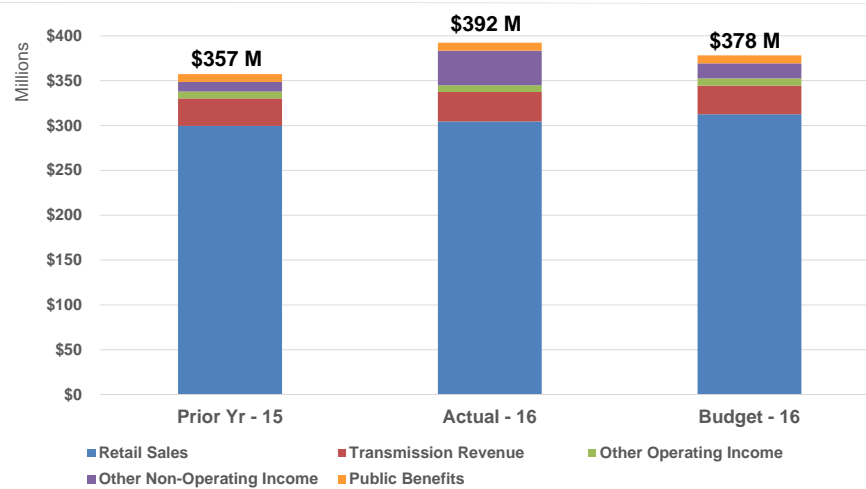
June 30, 2016



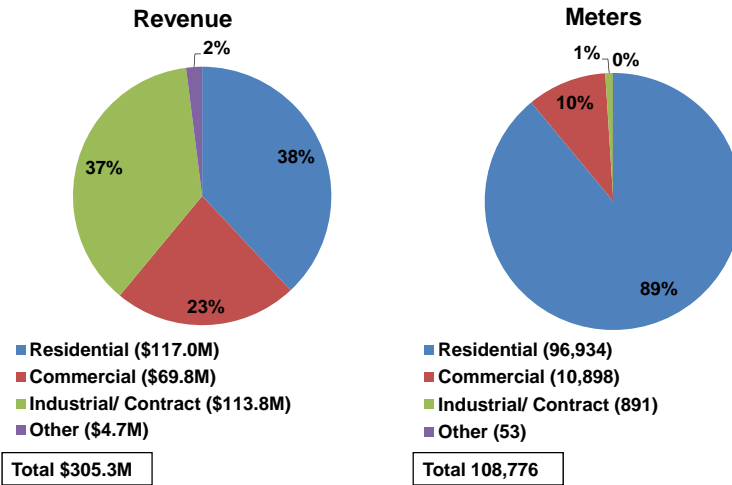
## ELECTRIC UTILITY

### Total Revenues Comparison

June 30, 2016

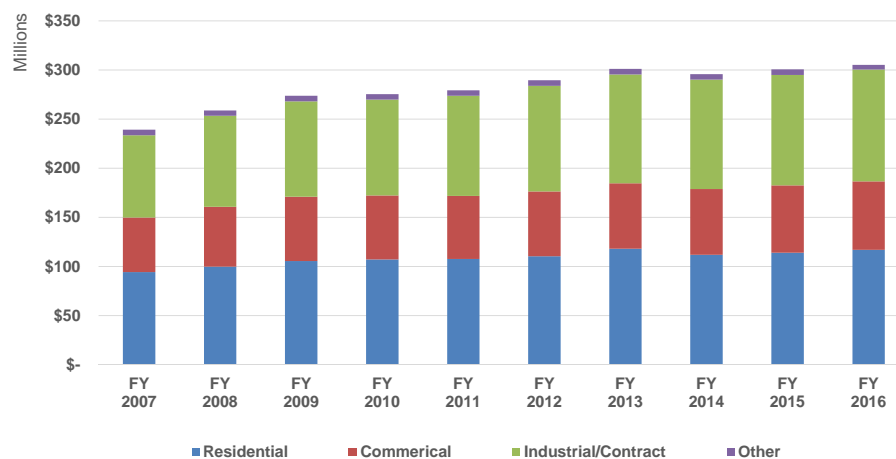


## ELECTRIC UTILITY Retail Sales June 30, 2016



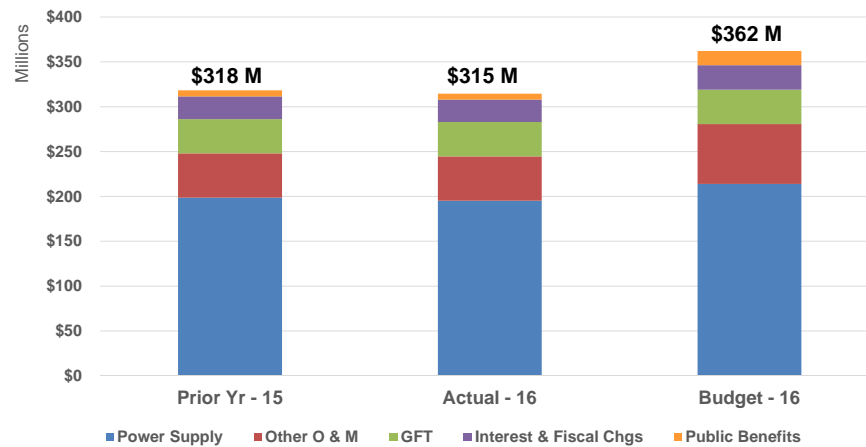
7

## ELECTRIC UTILITY Historical Retail Sales June 30, 2016



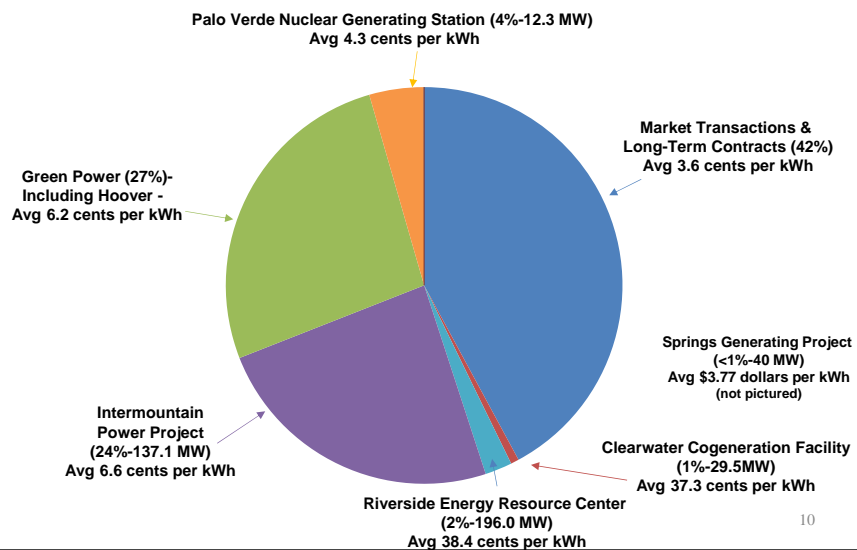
8

## ELECTRIC UTILITY Total Expenses Comparison June 30, 2016



9

## ELECTRIC UTILITY Power Resources – Gross Purchases/Production June 30, 2016

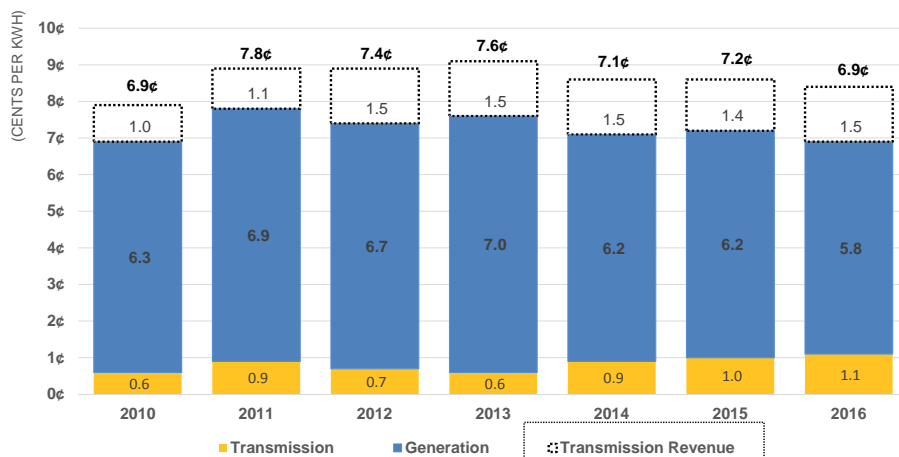


10

## ELECTRIC UTILITY

### Average Cost of Power, Net of Wholesale & Transmission Revenues

June 30, 2016

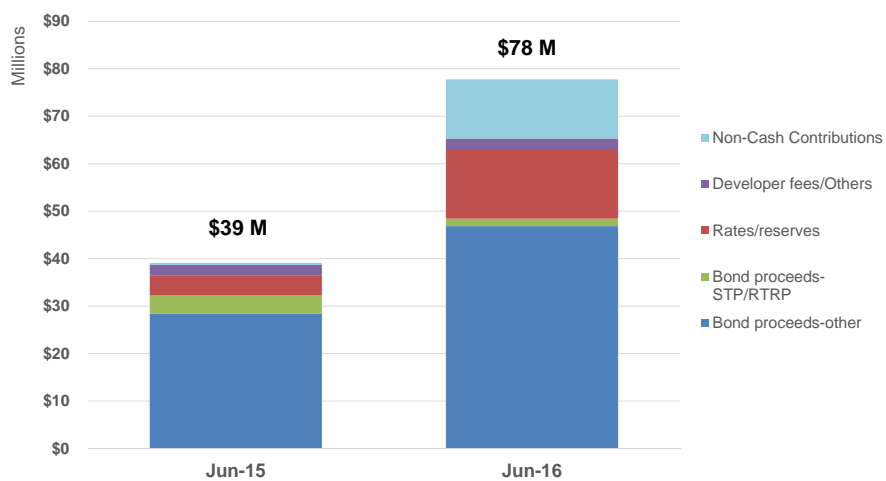


11

## ELECTRIC UTILITY

### Capital/Equipment Funding

June 30, 2016



12

## ELECTRIC UTILITY Capital Improvements

Plaza Substation

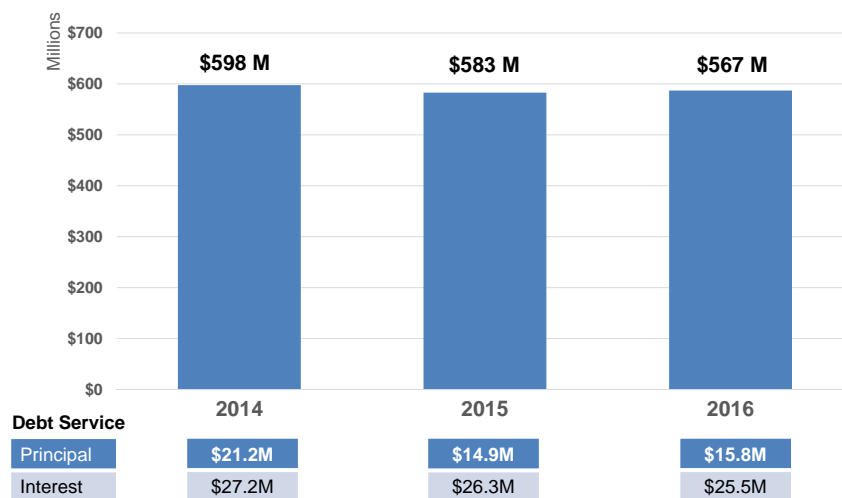


Infrastructure Replacement



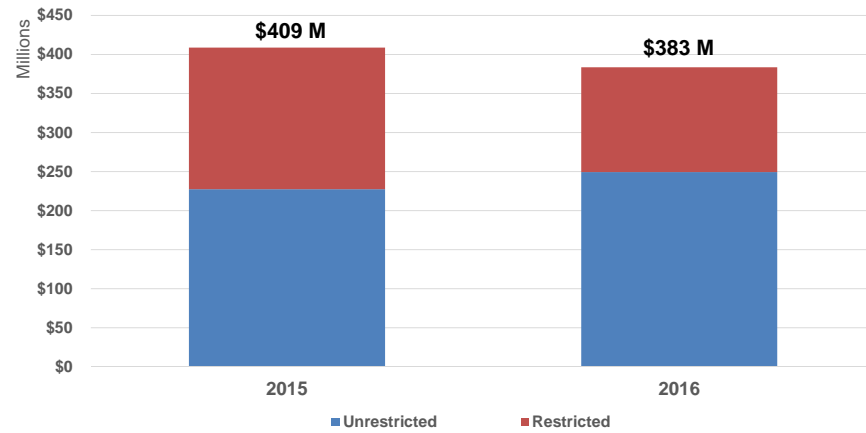
13

## ELECTRIC UTILITY Outstanding Revenue Bonds June 30, 2016



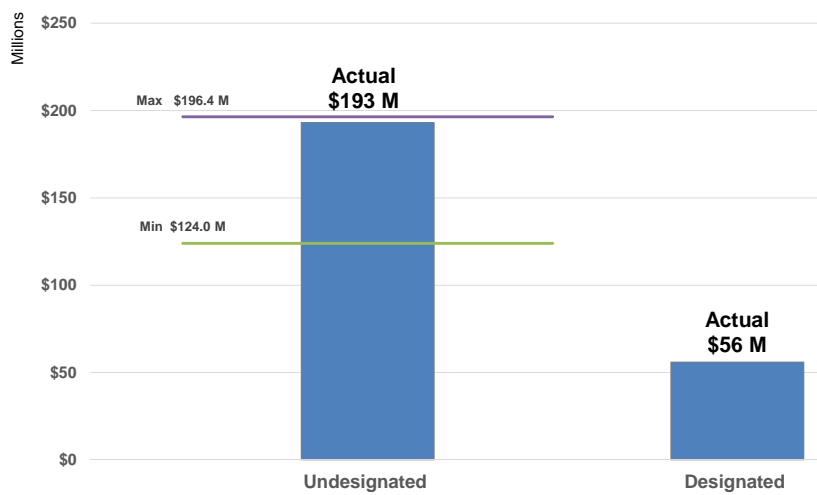
14

# **ELECTRIC UTILITY** **Cash Balance** **June 30, 2016**



15

# **ELECTRIC UTILITY** **Unrestricted Reserves – Policy Guidelines** **June 30, 2016**

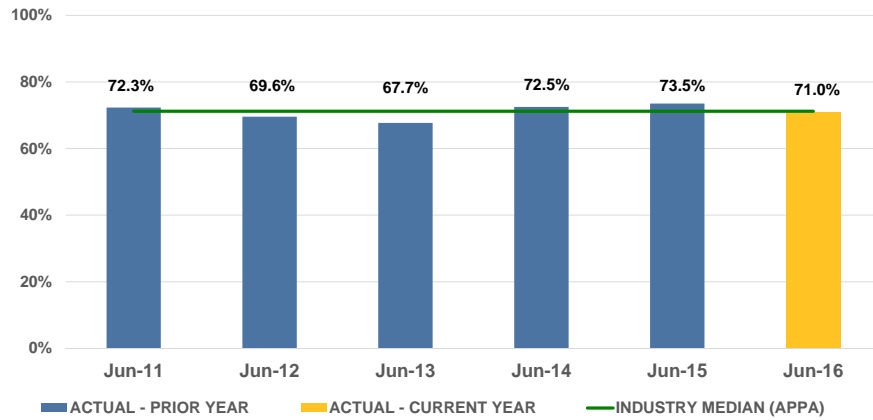


16



## ELECTRIC UTILITY Operating Ratio June 30, 2016

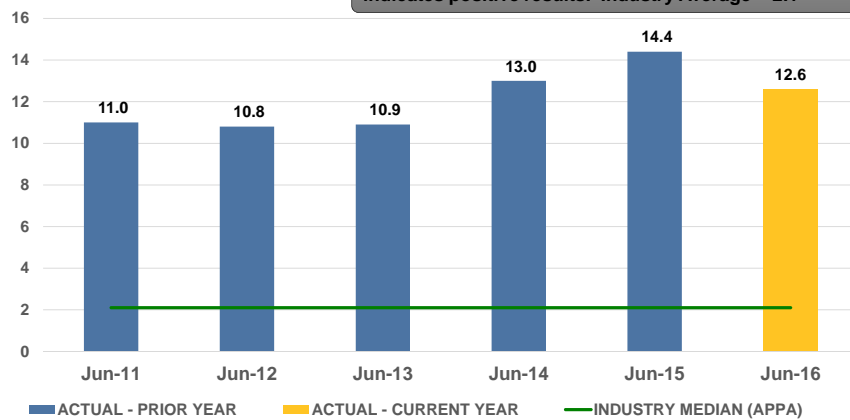
The operating ratio reflects the Utility's Operating and Maintenance Costs to operating revenues. A low ratio indicates positive results. Industry Average = 71.2%



17

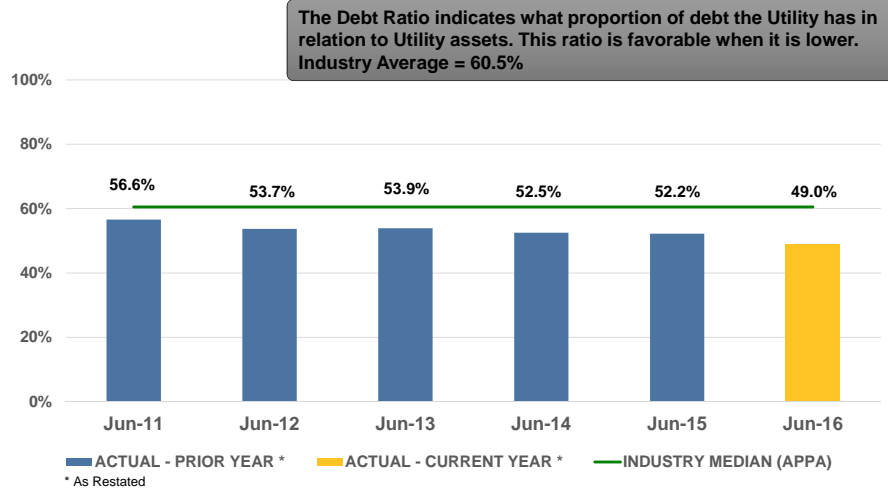
## ELECTRIC UTILITY Unrestricted Current Ratio June 30, 2016

The Unrestricted Current Ratio indicates the Utility's ability to meet short term liabilities. A higher ratio indicates positive results. Industry Average = 2.1



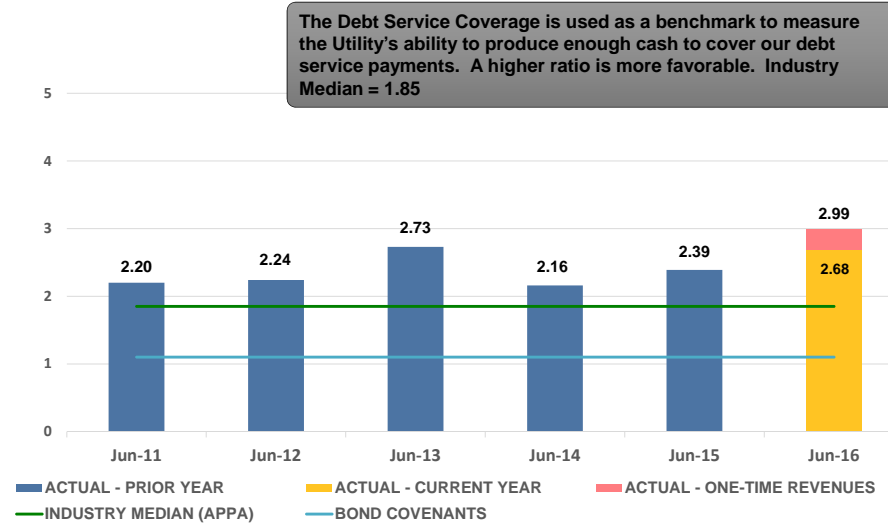
18

## ELECTRIC UTILITY Debt Ratio June 30, 2016



19

## ELECTRIC UTILITY Debt Service Coverage June 30, 2015



21

# WATER UTILITY

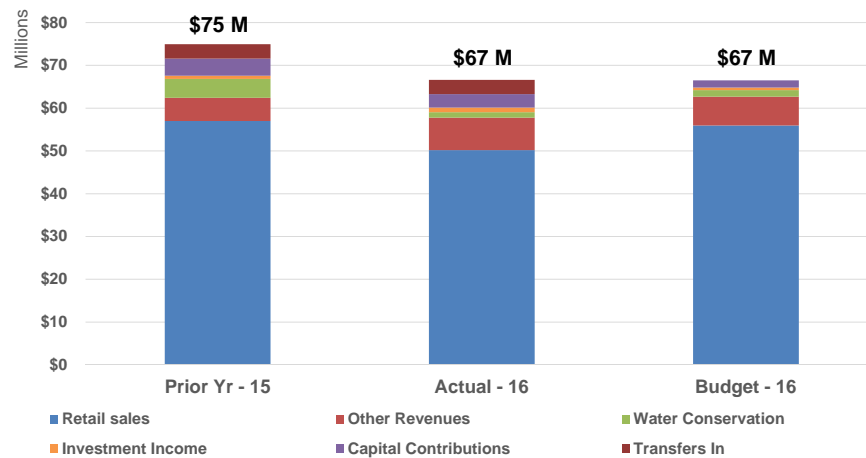
June 30, 2016



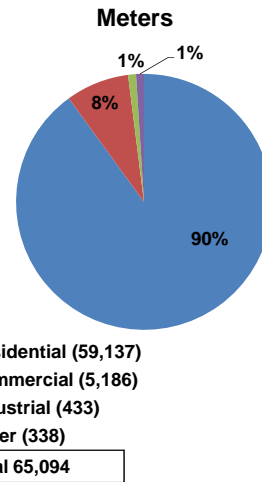
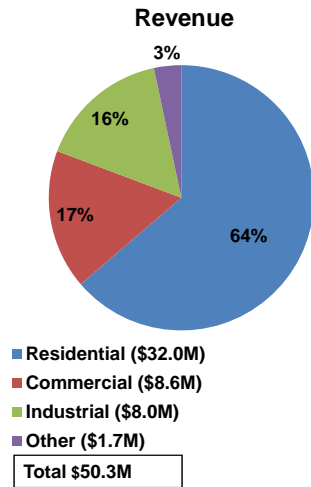
## WATER UTILITY

### Total Revenues Comparison

June 30, 2016

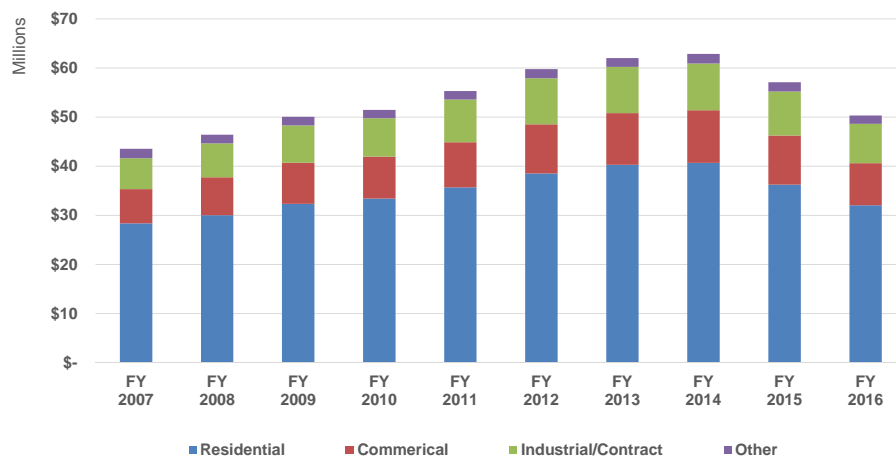


## WATER UTILITY Retail Sales June 30, 2016



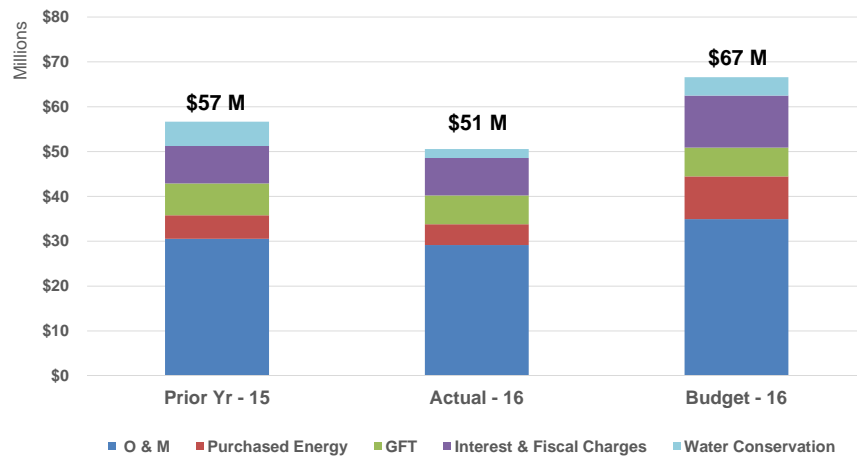
23

## WATER UTILITY Historical Retail Sales June 30, 2016



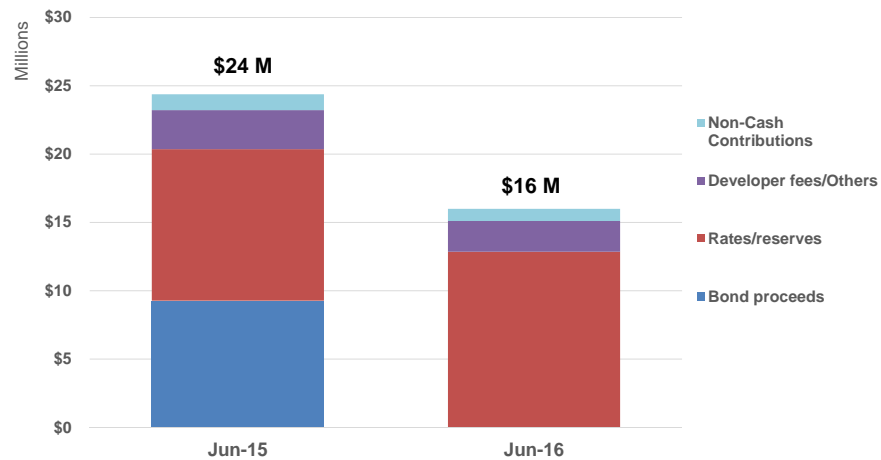
24

## WATER UTILITY Total Expenses Comparison June 30, 2016



25

## WATER UTILITY Capital/Equipment Funding June 30, 2016



26

## WATER UTILITY Capital Improvements June 30, 2016

Magnolia Techite Replacement



Brunton 1R Well

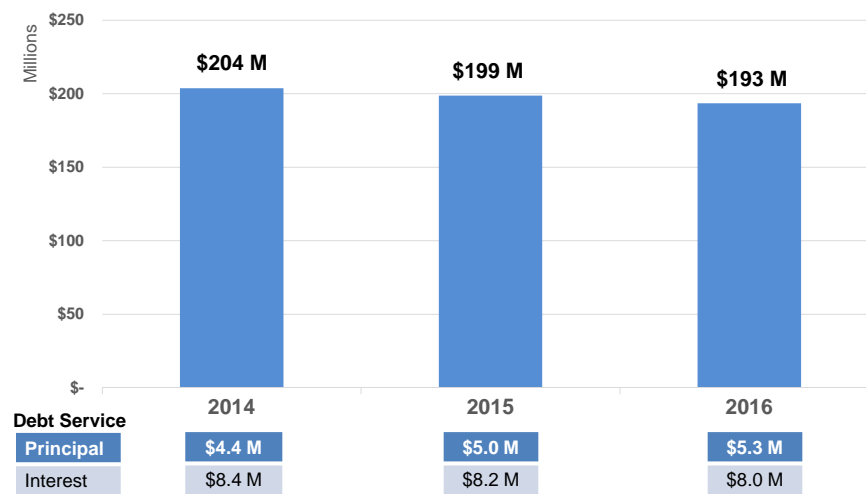


Gratton Booster Station



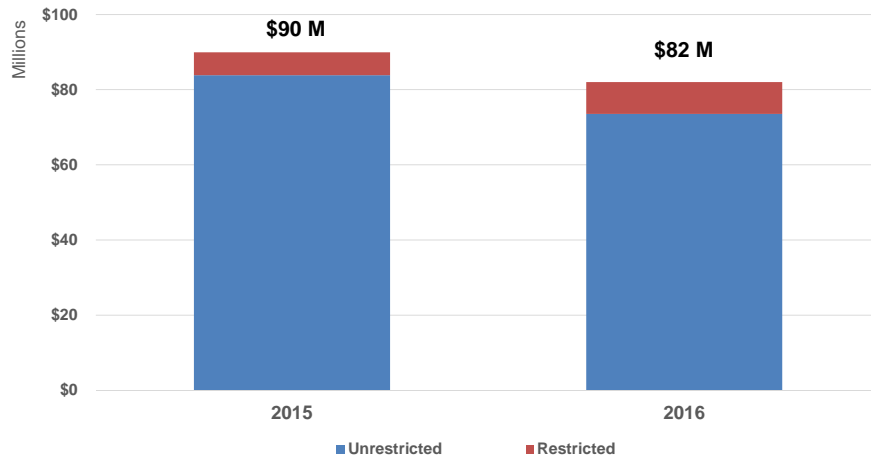
27

## WATER UTILITY Outstanding Revenue Bonds June 30, 2016



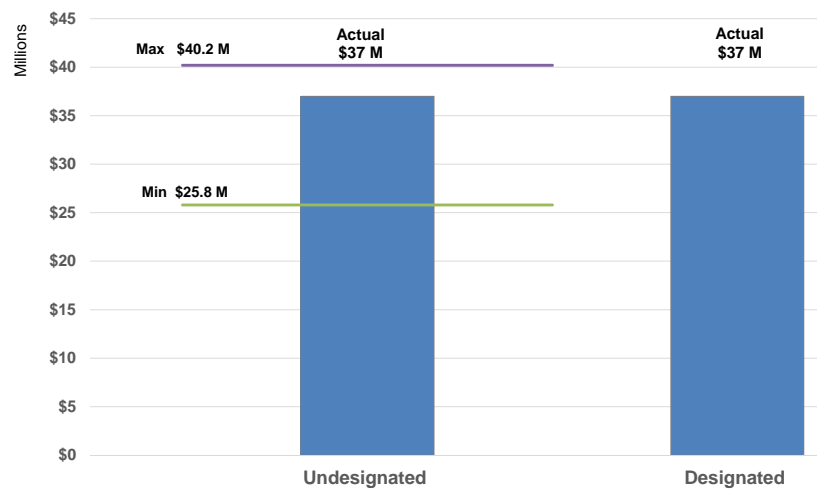
28

## WATER UTILITY Cash Balance June 30, 2016



29

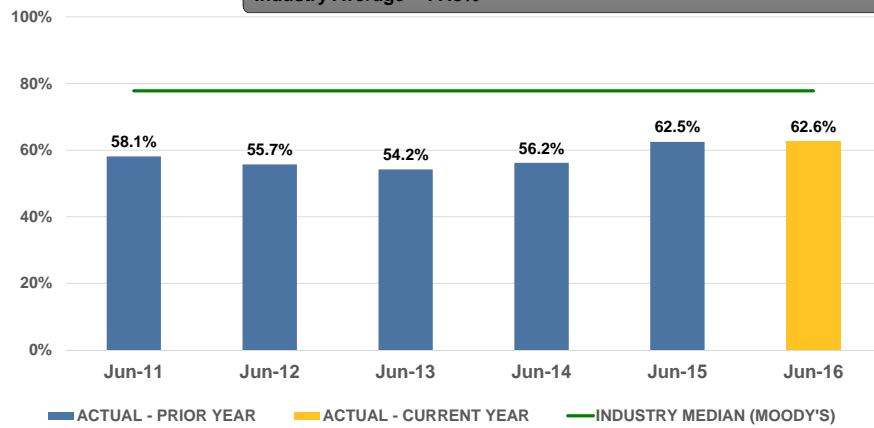
## WATER UTILITY Unrestricted Reserves – Policy Guidelines June 30, 2016



30

## WATER UTILITY Operating Ratio June 30, 2016

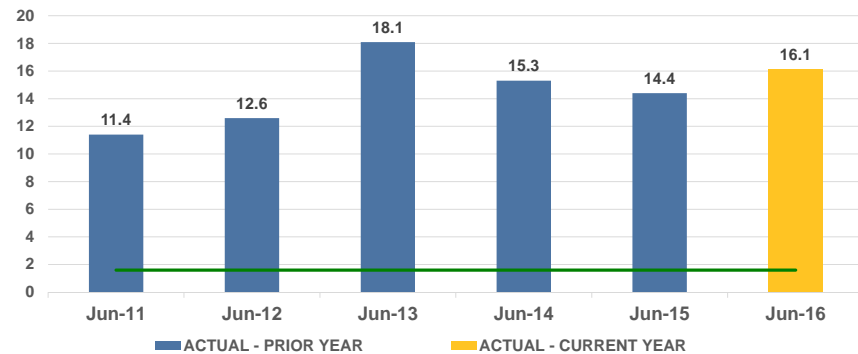
The operating ratio reflects the Utility's Operating and Maintenance Costs to operating revenues. A low ratio indicates positive results. Industry Average = 77.8%



31

## WATER UTILITY Unrestricted Current Ratio June 30, 2016

The Unrestricted Current Ratio indicates the Utility's ability to meet short term liabilities. A higher ratio indicates positive results. Industry Average = 1.6

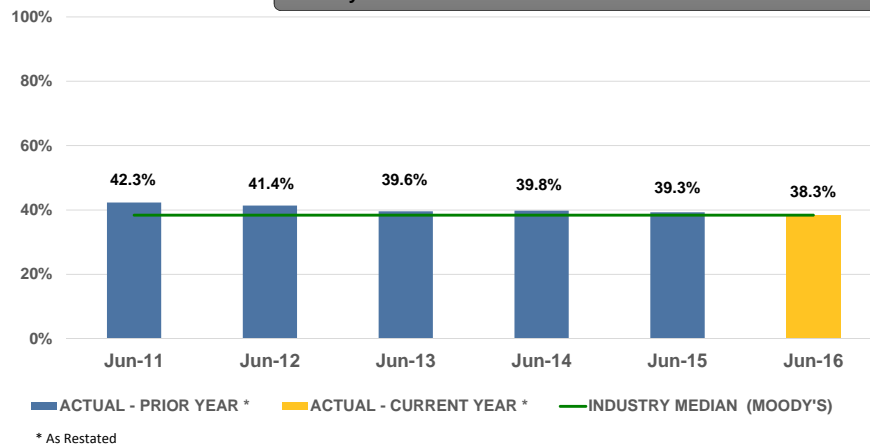


32



## WATER UTILITY Debt Ratio June 30, 2016

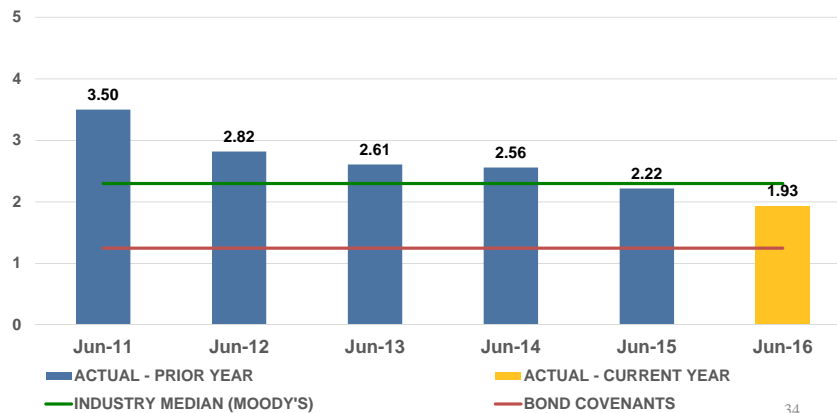
The Debt Ratio indicates what proportion of debt the Utility has in relation to Utility assets. This ratio is favorable when it is lower. Industry Median = 38.4%



33

## WATER UTILITY Debt Service Coverage June 30, 2016

The Debt Service Coverage Ratio is used as a benchmark to measure the Utility's ability to produce enough cash to cover our debt service payments. A higher ratio is more favorable. Industry Median = 2.30



34

## MORE TO COME

### Utility 2.0 Strategic Plan

- Accelerated infrastructure replacement
  - Focus on poles, wires, and pipes put in service during post-World War II
- New technology projects
  - Grid modernization and advanced metering

### 10 Year Pro-Forma

### Rate Setting

- Water and Electric Cost of Service Analysis
- Develop Rate Structures and Multi-year Rate Plans

35

## Recommendation

That the Board of Public Utilities  
Receive and File this report



RiversidePublicUtilities.com

