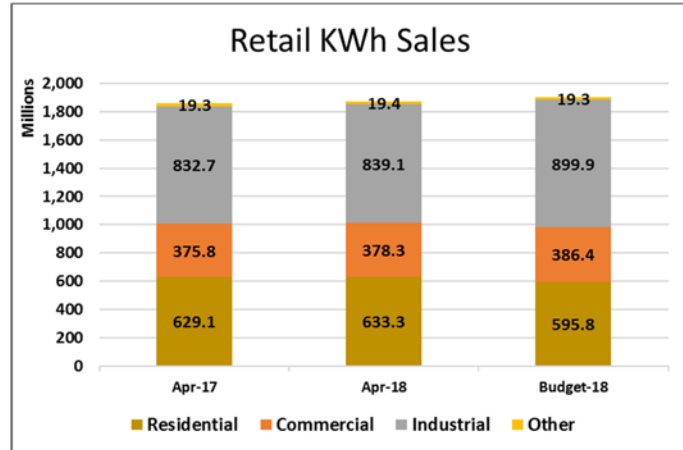
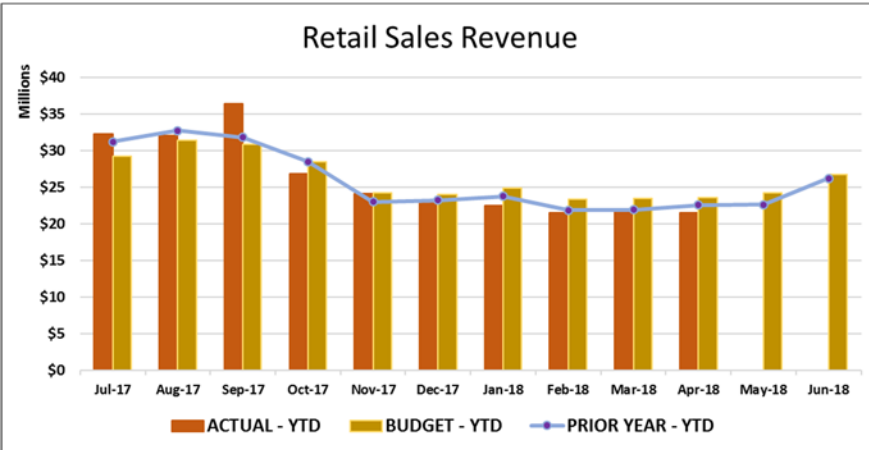


# RPU FINANCIAL RESULTS

FY 2017/18 through April 30, 2018

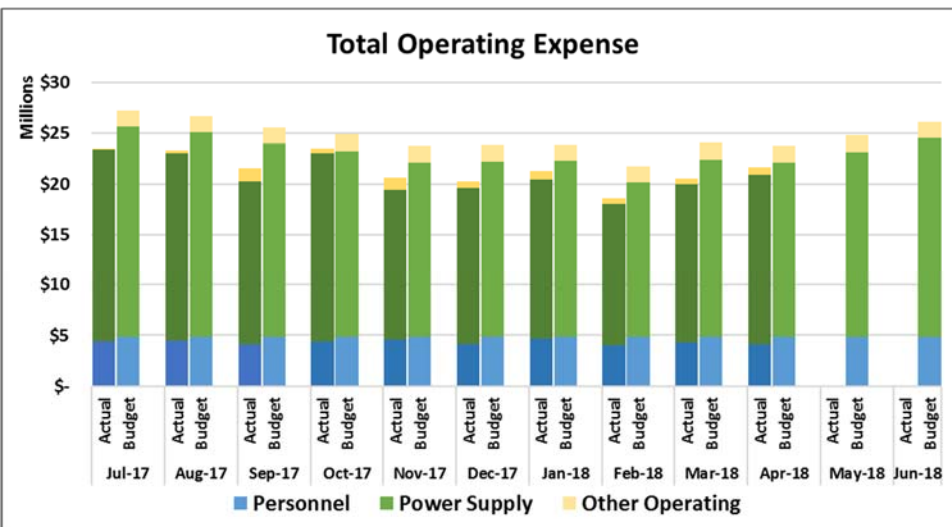
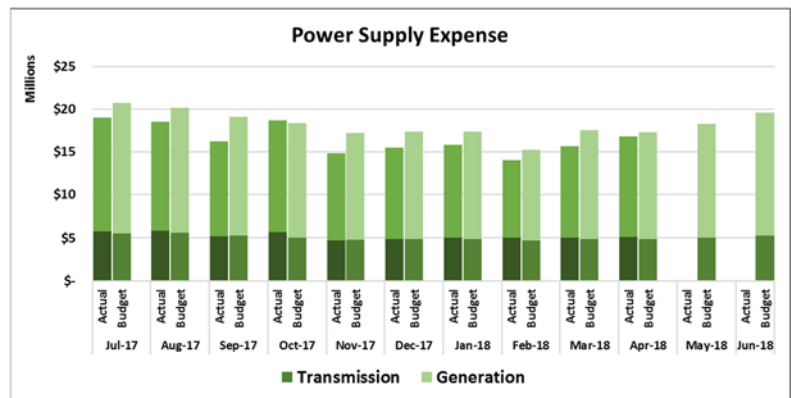
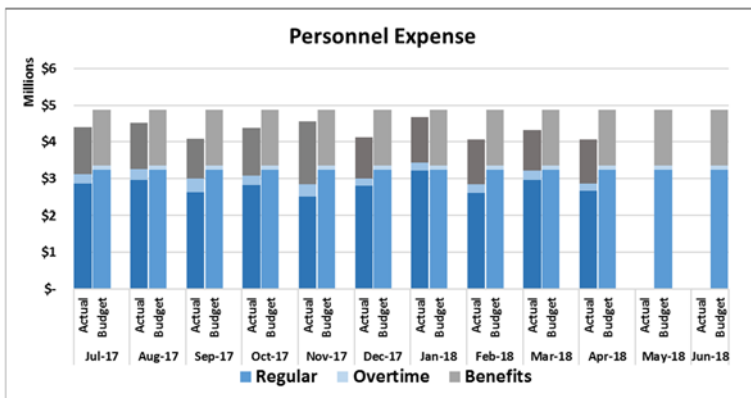
## ELECTRIC

### REVENUES



Year-to-date retail sales of \$261.9M are \$1.4M (0.5%) lower than budget due to lower than anticipated consumption and \$1.5M (0.6%) higher than prior year due to an increase in consumption as a result of warmer weather during the summer season. Retail kWh sales reflects 1.7% lower than budget and 0.7% higher than prior year.

### OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$43.2M are \$5.5M (11.3%) below budget due to various vacancies and attrition, offset by higher than budgeted overtime. Current budgeted overtime is understated and has been properly adjusted in the proposed two-year budget.

**Power Supply Expense:** Year-to-date power supply costs of \$165.1M are \$15.4M (8.5%) below budget due to lower than anticipated market prices.

**Other Operating Expense:** Year-to-date other operating expenses of \$6.5M are \$9.7M (59.7%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

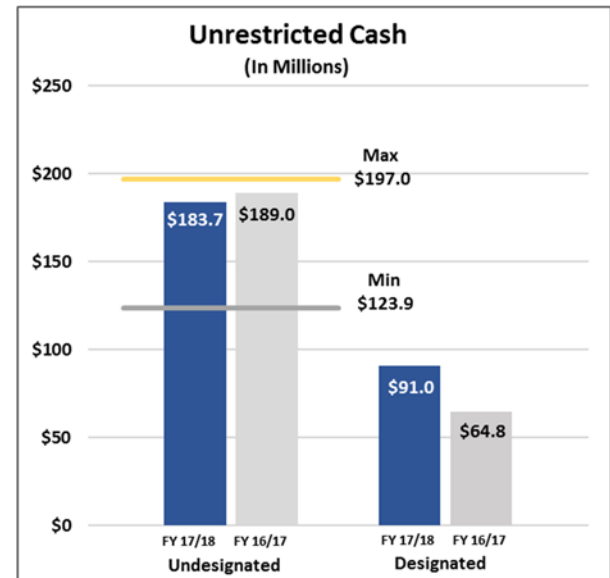
CAPITAL/EQUIPMENT FUNDING (In Millions)	Apr-18	Apr-17
Capital Contributions	\$ 2.3	\$ 1.6
Rates/Reserves	17.2	19.6
<b>TOTAL</b>	<b>\$ 19.5</b>	<b>\$ 21.2</b>

Current year capital expenses (projects and equipment) of \$19.5M are \$1.7M lower than prior year primarily due to timing of expenditures related to various capital projects.

## 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 unrestricted, undesignated reserve are established by City Council through reserve requirements for fiscal stability. The unrestricted, undesignated reserve balance of \$183.7M is within target levels and lower than prior year due to the funding of capital projects.

COMPONENTS OF CASH (In Millions)	4/30/2018	4/30/2017
<b>Unrestricted Undesignated</b>	<b>\$ 183.7</b>	<b>\$ 189.0</b>
<b>Designated</b>		
Electric Reliability	\$ 61.8	\$ 52.5
Additional Decommissioning Liability	8.0	6.3
Customer Deposits	4.4	3.8
Capital Repair/Replacement	3.1	2.0
Mission Square Improvement	0.7	0.2
Dark Fiber	1.8	-
Bond Defeasance	11.2	-
<b>Total Designated</b>	<b>\$ 91.0</b>	<b>\$ 64.8</b>
<b>Legally Restricted</b>	<b>\$ 124.1</b>	<b>\$ 133.4</b>

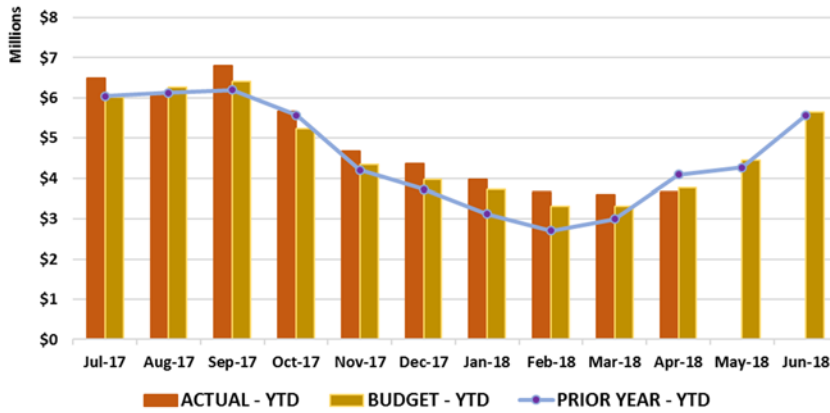


# RPU FINANCIAL RESULTS

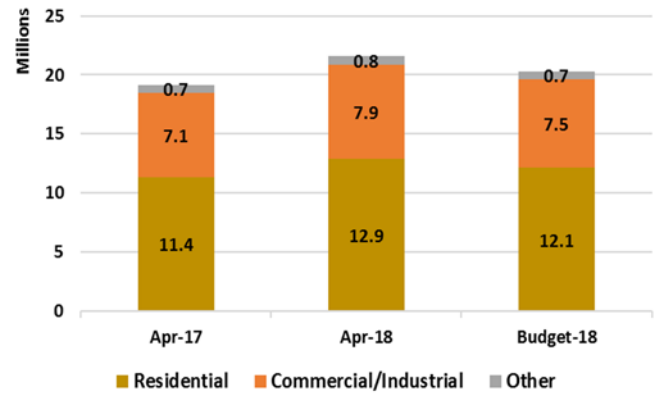
FY 2017/18 through April 30, 2018

## WATER REVENUES

Retail Sales Revenue



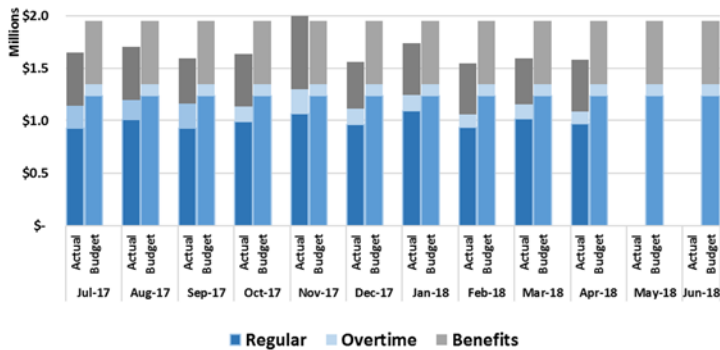
Retail CCF Sales



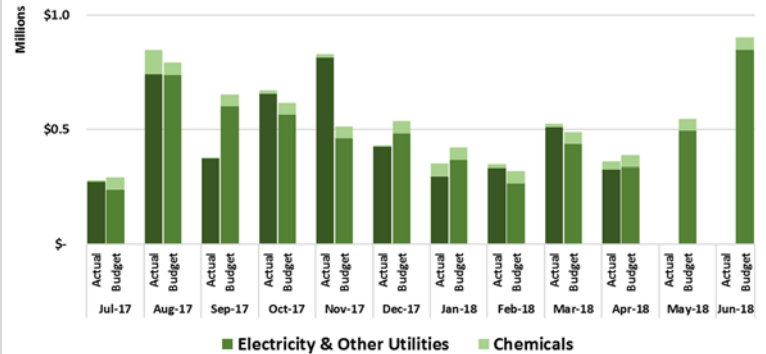
Year-to-date retail sales of \$49.0M are \$2.6M (5.7%) higher than budget and \$4.2M (9.3%) higher than prior year due to an increase in consumption as a result of the lifting of water restriction mandates and warmer than anticipated weather. CCF sales reflect a 6.5% higher than budget and 12.3% higher than prior year due to higher than anticipated consumption.

## OPERATING EXPENDITURES

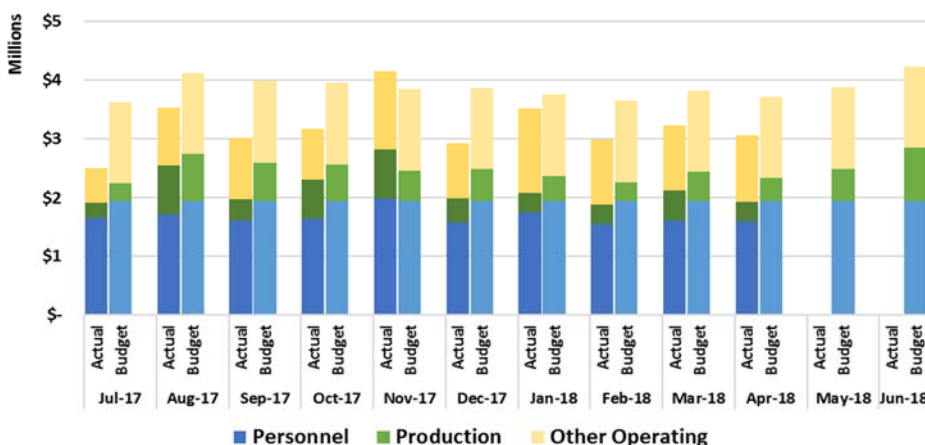
Personnel Expense



Production Expense



Total Operating Expense



**Personnel Expense:** Year-to-date personnel costs of \$16.6M are \$2.9M (15.0%) below budget due to various vacancies and attrition, offset by higher than budgeted overtime. Current budgeted overtime is understated and has been properly adjusted in the proposed two-year budget.

**Production Expense:** Year-to-date production costs of \$5.0M are consistent with budget.

**Other Operating Expense:** Other operating expenses of \$10.5M are \$3.3M (23.8%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Apr-18	Apr-17
Capital Contributions	\$ 2.6	\$ 2.0
Rates/Reserves	20.4	9.8
<b>TOTAL</b>	<b>\$ 23.0</b>	<b>\$ 11.8</b>

Current year capital expenses (projects and equipment) of \$23.0M are \$11.2M higher than prior year primarily due to an increase in the construction in progress on the recycled water project, main replacement, and facility rehabilitation.

## 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 unrestricted, undesignated reserve are established by City Council through reserve requirements for fiscal stability. The unrestricted, undesignated reserve balance of \$36.0M is within target levels and higher than prior year due to positive operating results and the use of designated reserves for capital projects as approved in the two-year budget.

COMPONENTS OF CASH (In Millions)	4/30/2018	4/30/2017
<b>Unrestricted Undesignated</b>	<b>\$ 36.0</b>	<b>\$ 33.4</b>
<b>Designated</b>		
Property	\$ 8.4	\$ 26.0
Recycled Water	5.6	9.8
Customer Deposits	0.6	0.4
Capital Repair/Replacement	1.5	0.8
<b>Total Designated</b>	<b>\$ 16.1</b>	<b>\$ 37.0</b>
<b>Legally Restricted</b>	<b>\$ 8.7</b>	<b>\$ 8.8</b>

