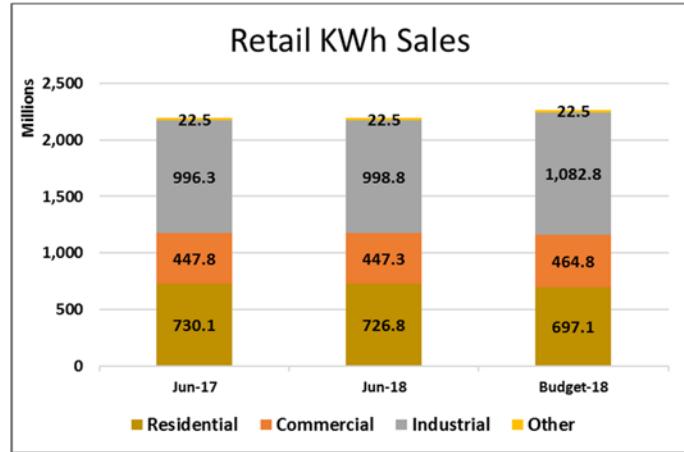
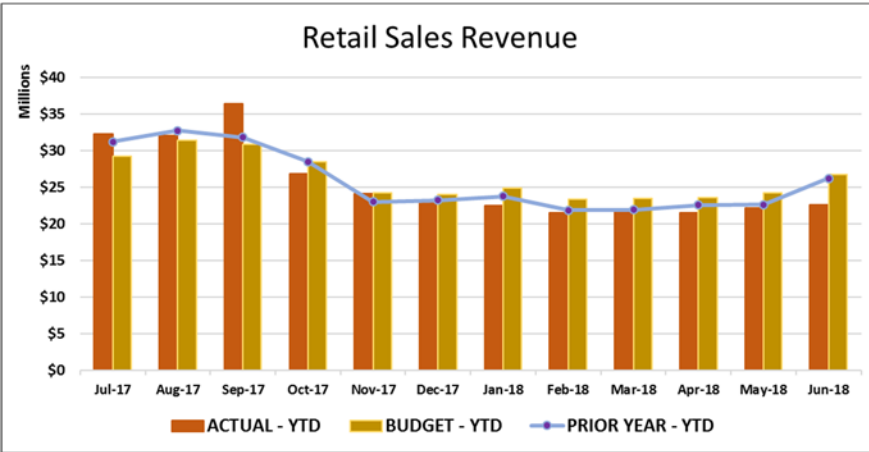


RPU FINANCIAL RESULTS

Preliminary FY 2017/18 through June 30, 2018 (Unaudited)

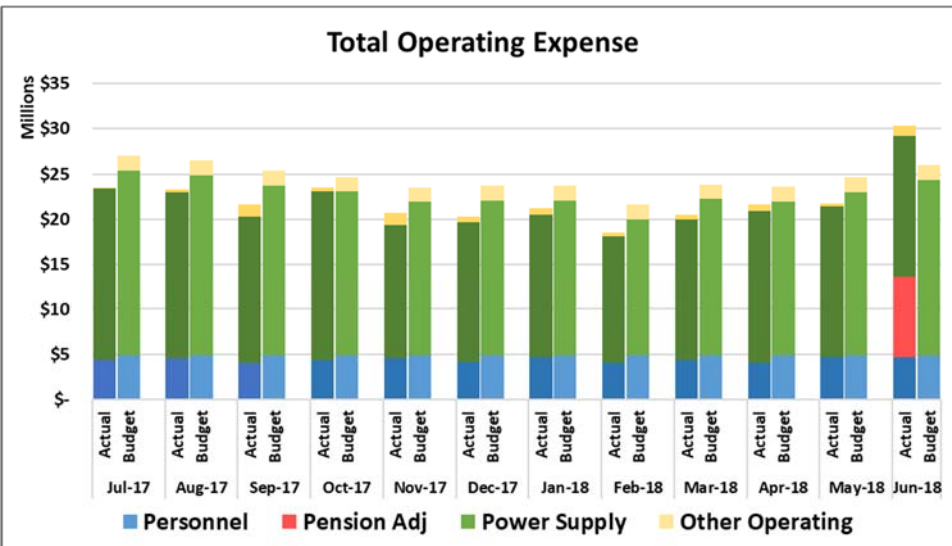
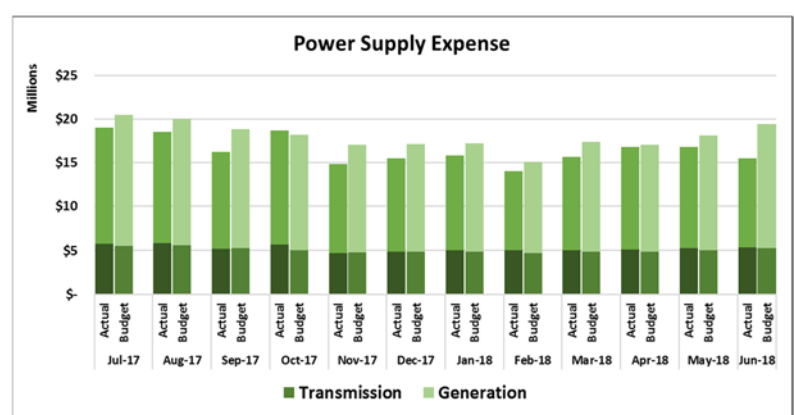
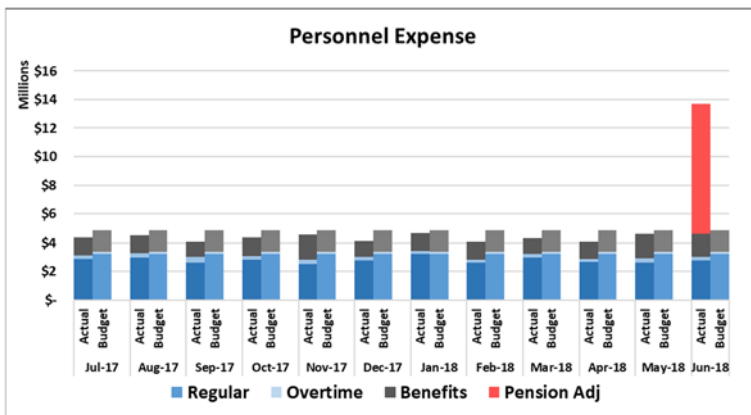
ELECTRIC

REVENUES



Year-to-date retail sales of \$306.7M are \$7.7M (2.4%) lower than budget due to lower than anticipated consumption and \$2.7M (0.9%) lower than prior year due to a decrease in consumption as a result of mild temperatures. Retail kWh sales reflect 3.2% lower than budget and is consistent with prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$61.5M are \$2.9M (5%) higher than budget due to required pension accounting standard adjustments of \$9.1M at year-end, reflecting changes in pension liability due to factors such as service cost, contributions, discount rate assumptions and plan investment earnings. The adjustments are offset by savings from various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$197.4M are \$18.6M (8.6%) below budget primarily due to lower than anticipated market prices.

Other Operating Expense: Year-to-date other operating expenses of \$8M are \$11.4M (58.8%) below budget of which \$4.4M is for projects that will be completed in fiscal year 2018/19. The balance is due to savings in professional services and other general operating expenses.

CAPITAL FUNDING

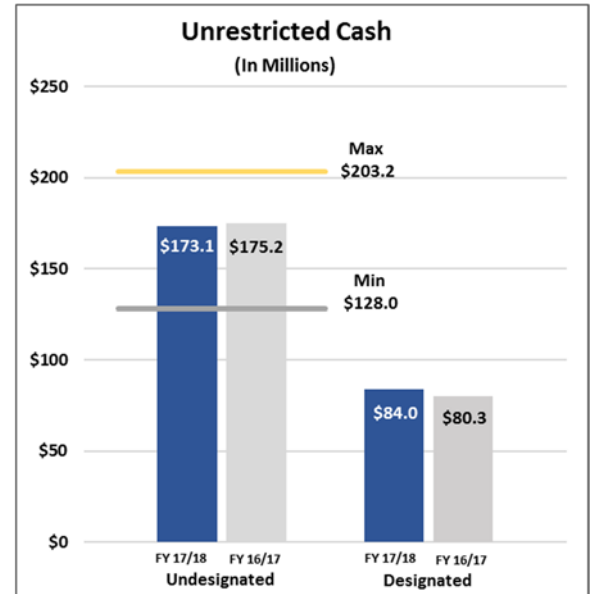
CAPITAL/EQUIPMENT FUNDING (In Millions)	Jun-18	Jun-17
Capital Contributions	\$ 3.2	\$ 2.4
Non-cash Contributions	17.0	17.3
Rates/Reserves	25.7	26.8
TOTAL	\$ 45.9	\$ 46.5

Current year capital expenses (projects and equipment) of \$45.9M are slightly lower than prior year. In fiscal year 2017/18, the Electric Utility received non-cash contributions of \$13.6M in donated easements for general access to electrical system assets, \$1.1M in donated street light equipment, and \$2.3M in donated underground conduit.

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 and are determined annually at 6/30 in conjunction with year-end financial results. The unrestricted, undesignated reserves of \$173.1M is \$2.1M lower than prior year primarily due to the funding of capital projects partially offset by positive operating results and is within target levels at fiscal year-end.

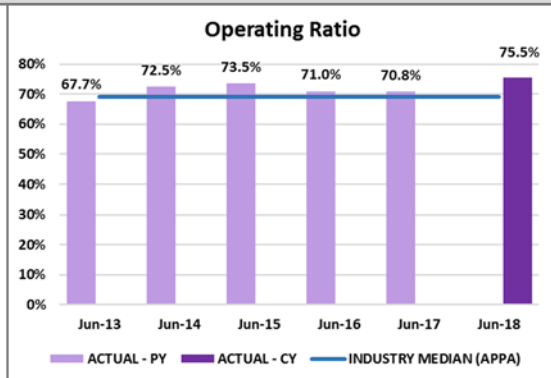
COMPONENTS OF CASH (In Millions)	6/30/2018	6/30/2017
Unrestricted Undesignated	\$ 173.1	\$ 175.2
Designated		
Electric Reliability	\$ 62.8	\$ 54.2
Additional Decommissioning Liability	8.2	6.6
Customer Deposits	4.6	4.4
Capital Repair/Replacement	4.9	3.1
Mission Square Improvement	1.2	0.7
Dark Fiber	2.3	-
Bond Defeasance	-	11.3
Total Designated	\$ 84.0	\$ 80.3
Legally Restricted	\$ 117.4	\$ 130.1



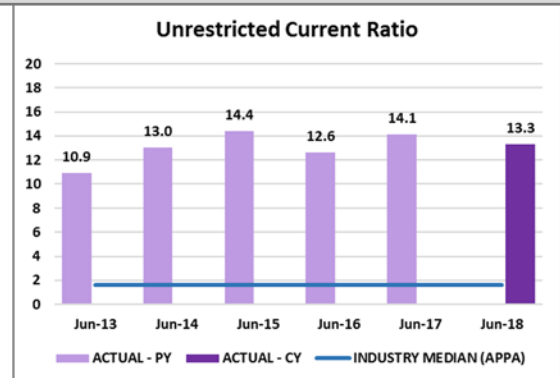
FINANCIAL RATIOS

The ratios for the last 5 fiscal years are provided for reference. Each ratio reflects a full year of activities and can be used as a comparison for fiscal year end June 2018 results. The Electric Utility financial metrics are stable and liquidity levels remain strong.

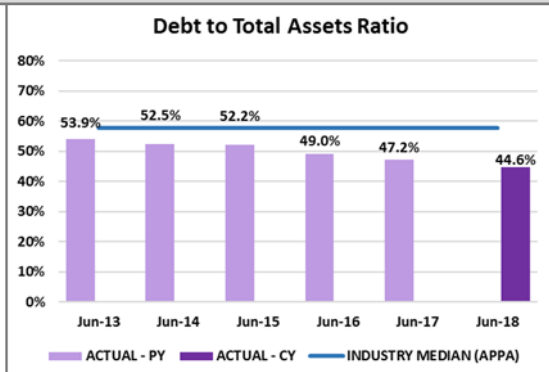
The Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



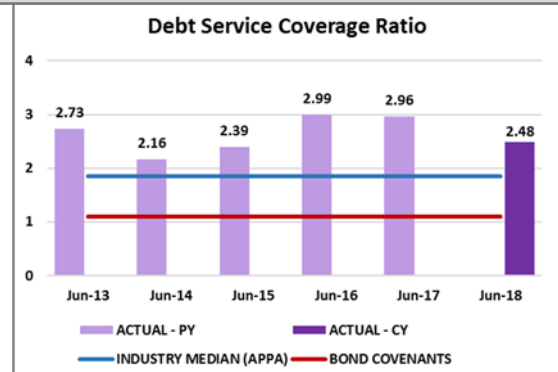
The Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



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



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

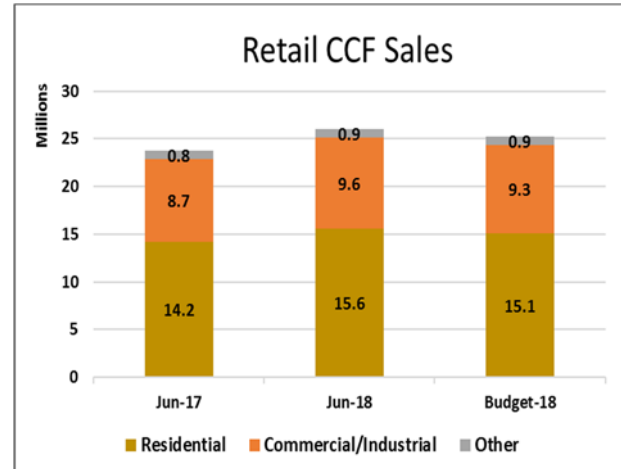
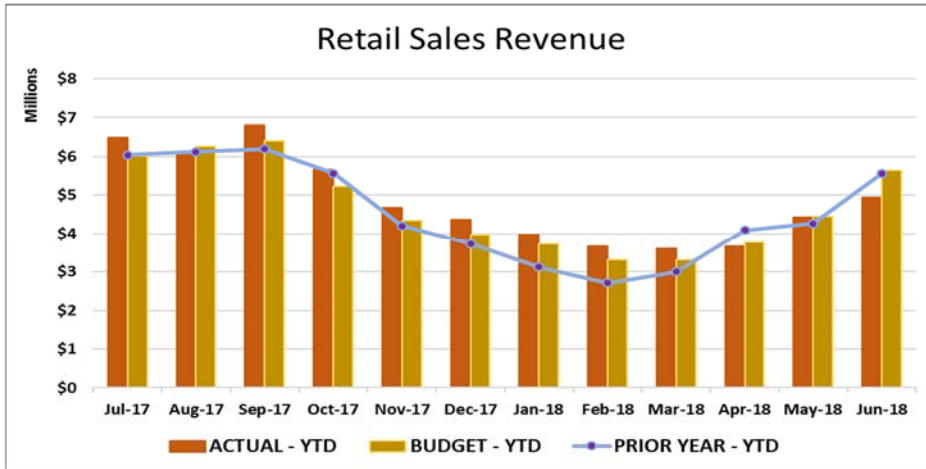


RPU FINANCIAL RESULTS

Preliminary FY 2017/18 through June 30, 2018 (Unaudited)

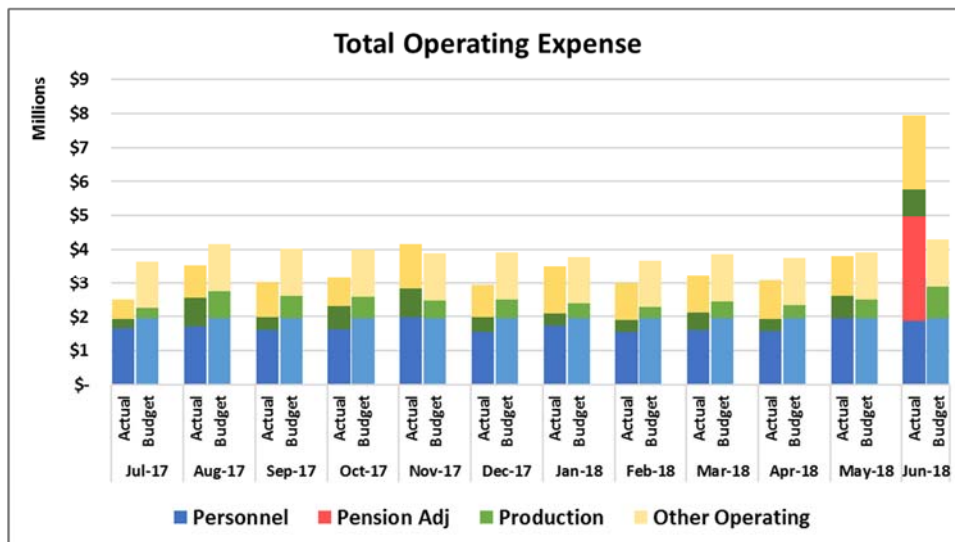
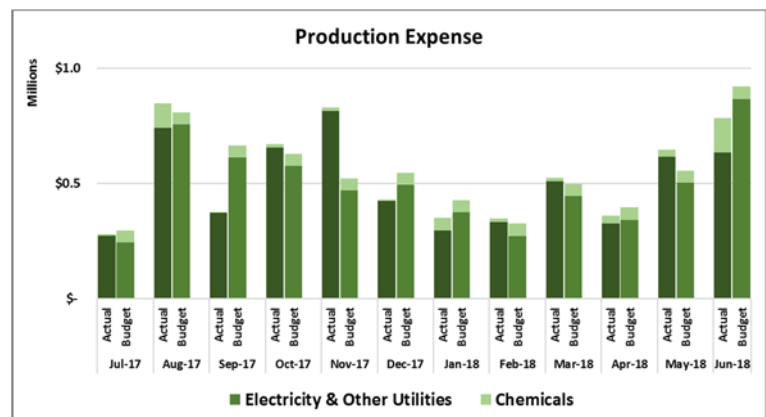
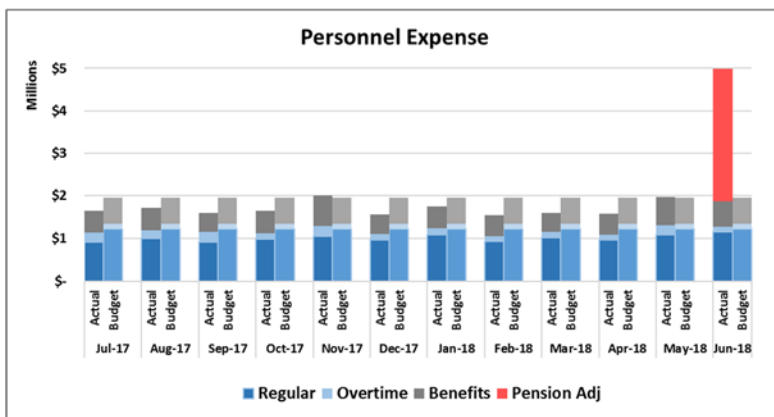
WATER

REVENUES



Year-to-date retail sales of \$58.3M are \$1.9M (3.4%) higher than budget and \$3.7M (6.8%) 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 3.4% higher than budget and 9.7% higher than prior year due to higher than anticipated consumption.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$23.5M are consistent with budget and include the required pension accounting standard adjustments of \$3.1M at year-end, reflecting changes in pension liability due to factors such as service cost, contributions, discount rate assumptions and plan investment earnings. The adjustments are offset by savings from various vacancies and attrition.

Production Expense: Year-to-date production costs of \$6.4M are consistent with budget.

Other Operating Expense: Other operating expenses of \$13.9M are \$3.0M (17.5%) below budget of which \$1.6M is for projects that will be completed in fiscal year 2018/19. The balance is due to savings in other general operating expenses.

CAPITAL FUNDING

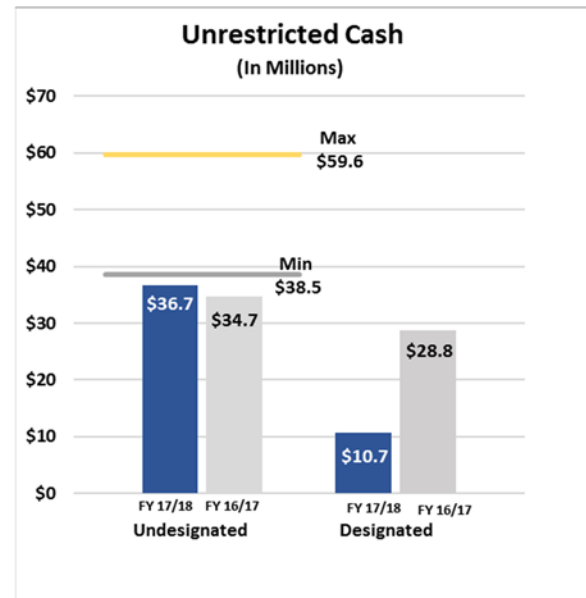
CAPITAL/EQUIPMENT FUNDING (In Millions)	Jun-18	Jun-17
Capital Contributions	\$ 3.3	\$ 3.5
Non-cash Contributions	0.9	0.2
Rates/Reserves	24.8	15.2
TOTAL	\$ 29.0	\$ 18.9

Current year capital expenses (projects and equipment) of \$29.0M are \$10.1M higher than prior year primarily due to an increase in the construction in progress on the recycled water project, facility rehabilitation and enhanced recharge of Seven Oaks Dam Conservation project. In fiscal year 2017/18, Water Utility also received \$0.9M in donated contributions.

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 and are determined annually at 6/30 in conjunction with year-end financial results. The unrestricted, undesignated reserves of \$36.7M is \$2M higher than prior year primarily due to positive operating results and is slightly below target minimum level which is consistent with projections provided during the biennial budget process. \$18M in designated reserves were used for capital projects as approved in the two-year budget.

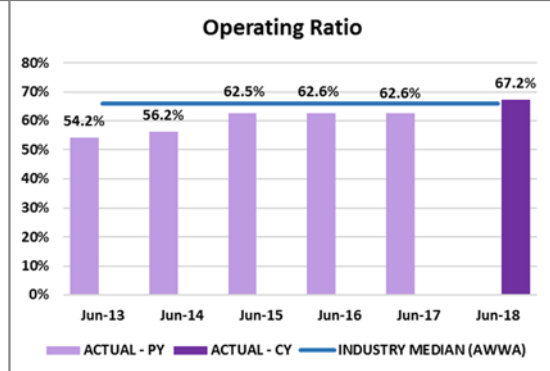
COMPONENTS OF CASH (In Millions)	6/30/2018	6/30/2017
Unrestricted Undesignated	\$ 36.7	\$ 34.7
Designated		
Property	\$ 5.0	\$ 17.3
Recycled Water	2.9	9.4
Customer Deposits	0.6	0.6
Capital Repair/Replacement	2.2	1.5
Total Designated	\$ 10.7	\$ 28.8
Legally Restricted	\$ 10.8	\$ 10.7



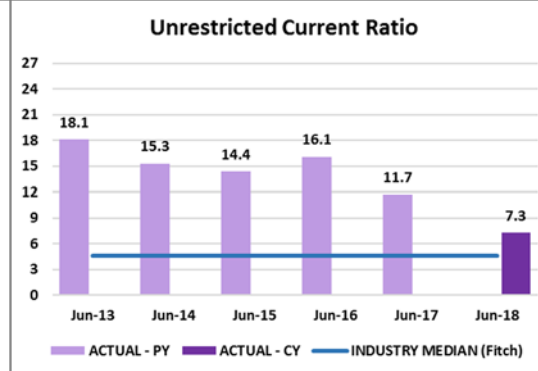
FINANCIAL RATIO

The ratios for the last 5 fiscal years are provided for reference. Each ratio reflects a full year of activities and can be used as a comparison for fiscal year end June 2018 results. The Water Utility financial metrics are stable and liquidity levels remain strong.

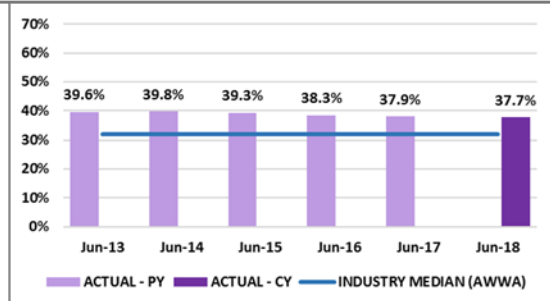
The Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



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



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



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

