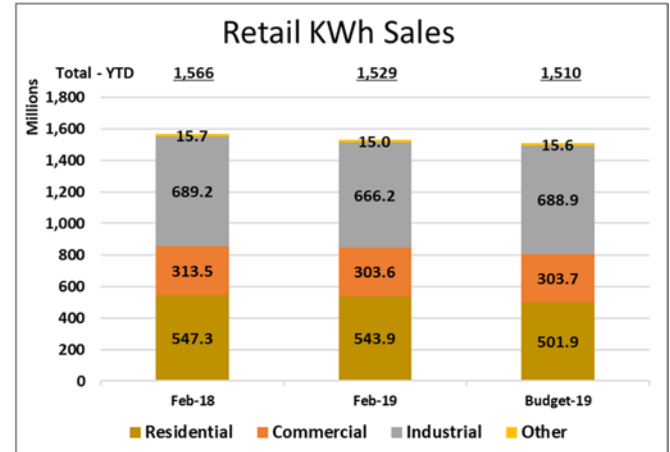
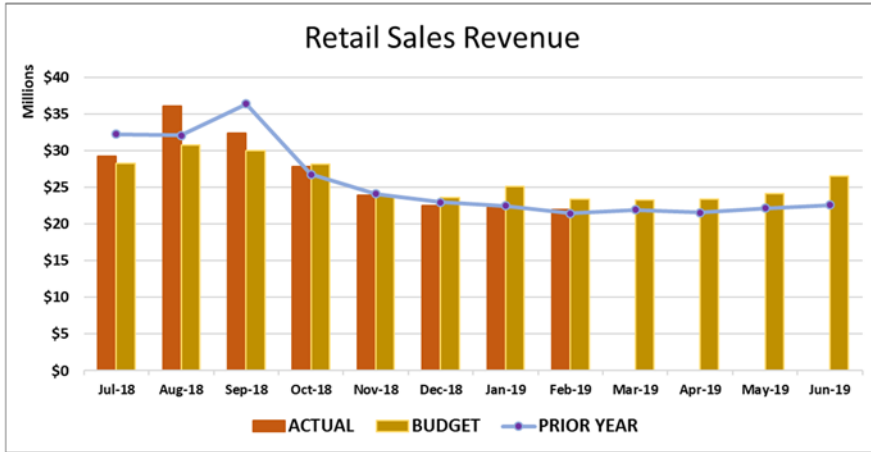


RPU FINANCIAL RESULTS

FY 2018/19 through February 28, 2019

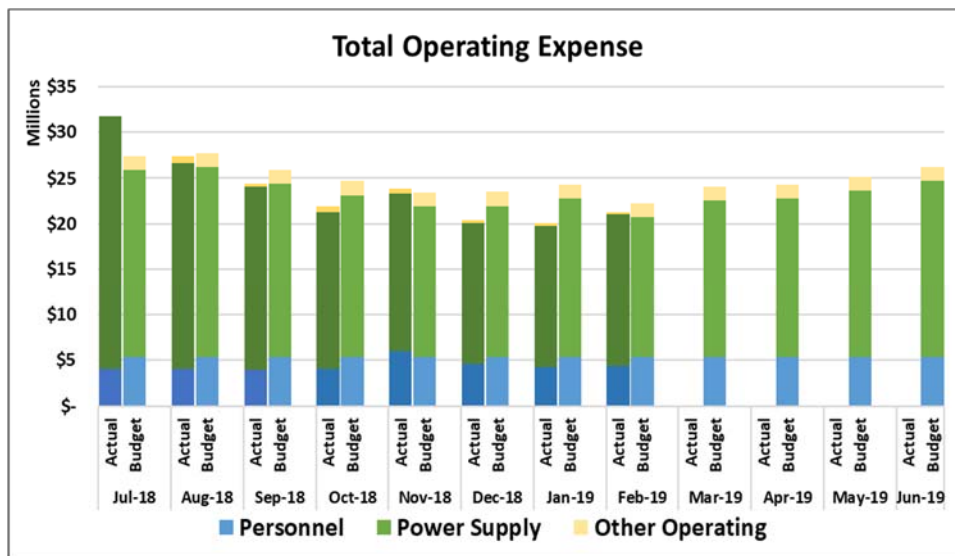
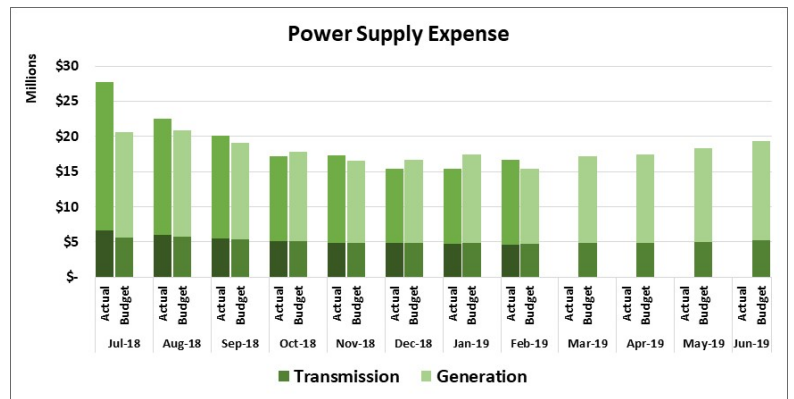
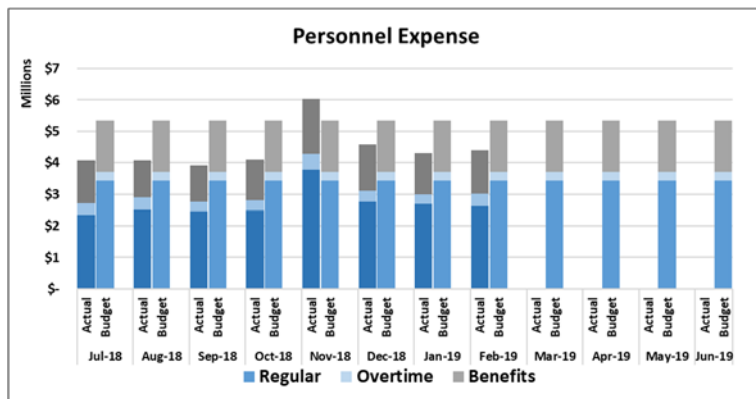
ELECTRIC

REVENUES



Year-to-date retail sales of \$216.1M are \$3.1M (1.4%) higher than budget due to higher than anticipated consumption due to warmer than anticipated summer weather. Current year actual retail sales are \$2.4M (1.1%) lower than prior year due to a decrease in consumption as a result of cooler temperatures in the summer months compared to very warm temperatures in the prior year. Retail kWh sales reflect 1.2% higher than budget due to higher than anticipated consumption and 2.4% lower than prior year due to a decrease in consumption.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$35.5M are \$7.2M (16.9%) lower than budget due to various vacancies and attrition. This is partially offset by overtime, which is currently trending higher than budget. Overtime expenses fluctuate from month to month due to season, weather, planned, and unplanned work. Overtime will continue to be monitored closely.

Power Supply Expense: Year-to-date power supply costs of \$152.3M are \$8.4M (5.8%) over budget primarily due to higher than anticipated consumption, higher market energy prices and natural gas prices. Power supply expenditures are projected to be higher than budget by the end of the fiscal year. A supplemental appropriation will be presented to Board and City Council in April/May 2019.

Other Operating Expense: Year-to-date other operating expenses of \$2.9M are \$9.4M (76.7%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

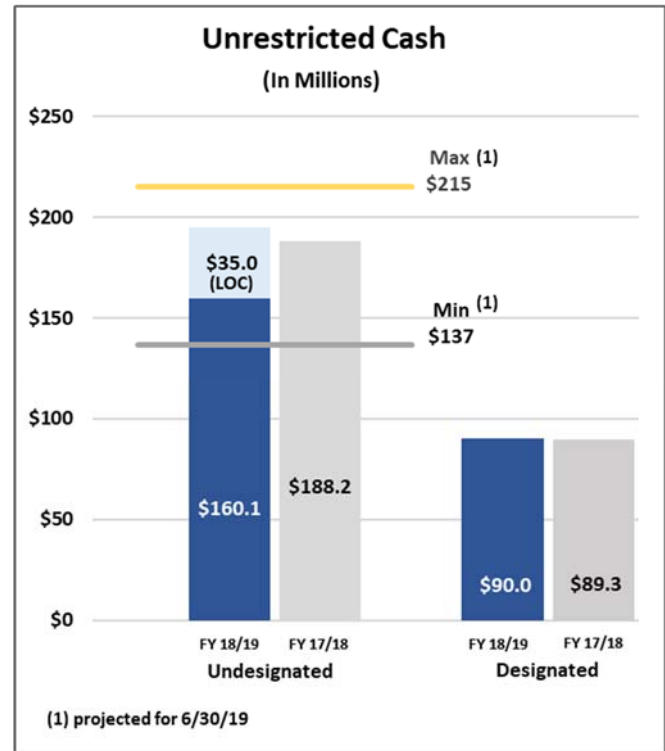
CAPITAL/EQUIPMENT FUNDING (In Millions)	Feb-19	Feb-18
Capital Contributions	\$ 1.3	\$ 1.9
Rates/Reserves	18.4	10.0
TOTAL	\$ 19.7	\$ 11.9

Current year capital expenses (projects and equipment) of \$19.7M are higher than prior year by \$7.8M primarily due to an increase in system upgrades expenditures.

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 reserve of \$160.1M is \$28.1M lower than prior year primarily due to the funding of capital projects and is within the minimum and maximum levels at 02/28/19. On February 26, 2019, the 2019A Refunding Electric Revenue Bonds closed which established the \$103M Bond Construction Cash, which will be used to fund capital projects and is included as part of Legally Restricted Cash. In addition, the Electric Fund entered into a line of credit (LOC) of \$35M to provide flexibility and operating liquidity similar to cash reserves, which allows cash levels to reduce while maintaining compliance with RPU Cash Reserve Policy and supporting strong bond ratings.

COMPONENTS OF CASH (In Millions)	2/28/2019	2/28/2018
Unrestricted Undesignated	\$ 160.1	\$ 188.2
Designated		
Electric Reliability	\$ 67.6	\$ 60.3
Additional Decommissioning Liability	9.4	7.7
Customer Deposits	4.6	4.4
Capital Repair/Replacement	4.9	3.1
Mission Square Improvement	1.2	0.7
Dark Fiber	2.3	1.8
Bond Defeasance	-	11.3
Total Designated	\$ 90.0	\$ 89.3
Legally Restricted	\$ 215.8	\$ 130.8
Available Line of Credit (LOC)	\$ 35.0	



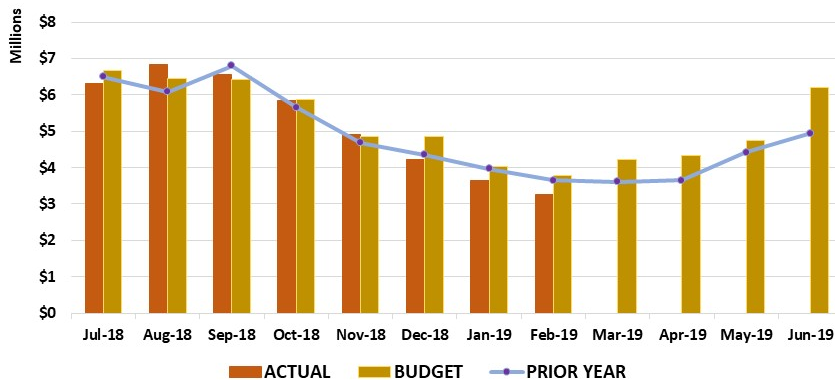
RPU FINANCIAL RESULTS

FY 2018/19 through February 28, 2019

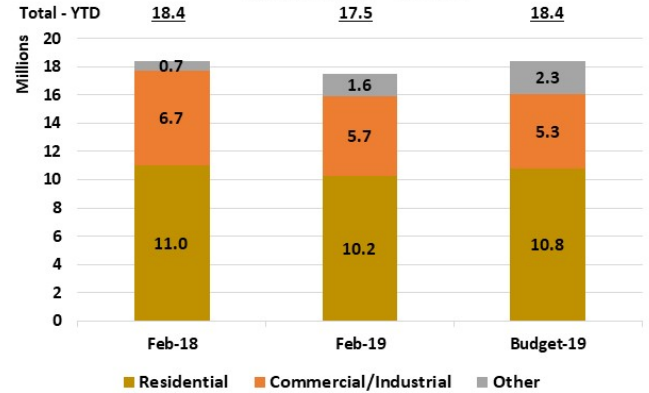
WATER

REVENUES

Retail Sales Revenue



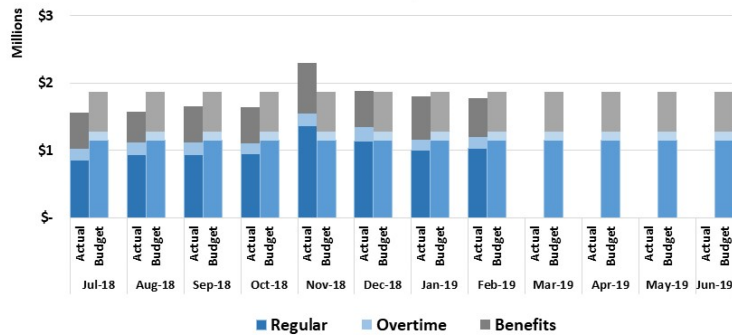
Retail CCF Sales



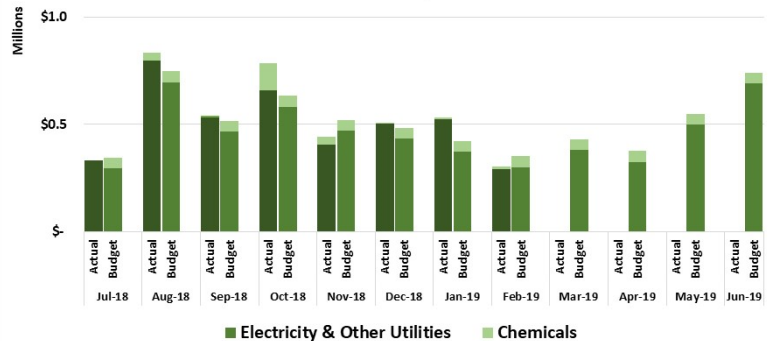
Year-to-date retail sales of \$41.6M are \$1.4M (3.2%) lower than budget due to higher than anticipated rainfall. Current year retail sales are consistent with prior year, comprising of a decrease in consumption offset by the effect of the rate plan effective July 1, 2018. CCF sales are 4.8% lower than budget and 5% lower than prior year due to a decrease in consumption.

OPERATING EXPENDITURES

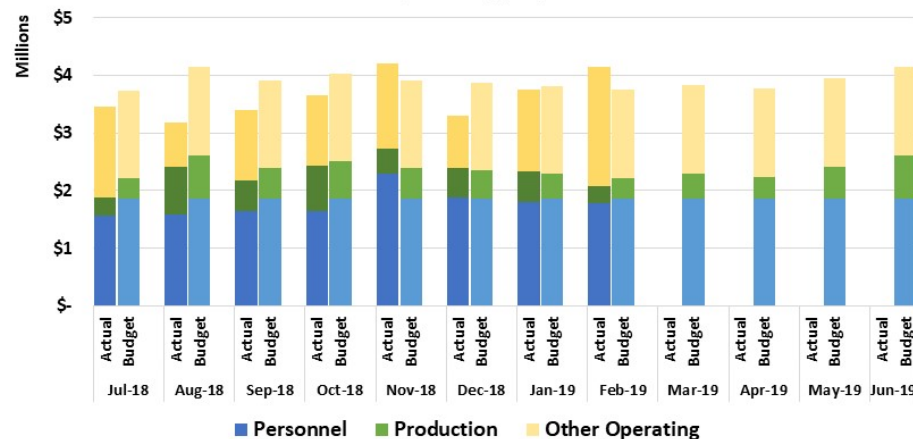
Personnel Expense



Production Expense



Total Operating Expense



Personnel Expense: Year-to-date personnel costs of \$14.2M are \$0.8M (5.3%) below budget due to various vacancies and attrition. This is partially offset by overtime, which is currently trending higher than budget. Overtime expenses fluctuate from month to month due to season, weather, planned and unplanned work. Overtime will continue to be monitored closely.

Production Expense: Year-to-date production costs of \$4.3M are \$0.3M (6.6%) higher than budget primarily due to higher than anticipated electric costs for water production.

Other Operating Expense: Other operating expenses of \$10.6M are \$1.6M (12.8%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Feb-19	Feb-18
Capital Contributions	\$ 1.5	\$ 2.2
Rates/Reserves	13.7	13.7
TOTAL	\$ 15.2	\$ 15.9

Current year capital expenses (projects and equipment) of \$15.2M are \$0.7M lower than prior year primarily due to a decrease in main replacement 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 and are determined annually at 6/30 in conjunction with year-end financial results. The unrestricted, undesignated reserve of \$31.8M is \$4.7M lower than prior year primarily due to funding of capital projects. Combined with the \$25M line of credit (LOC) established in February 2019, unrestricted, undesignated reserve is within the minimum and maximum levels at 2/28/19. The LOC provides flexibility and operating liquidity similar to cash reserve allowing the Water Fund to maintain compliance with RPU Cash Reserve Policy, supporting strong bond ratings. On February 26, 2019, the 2019A Refunding Water Revenue Bonds closed which established the \$52.2M Bond Construction Cash which will be used to fund capital projects and is included as part of Legally Restricted Cash.

COMPONENTS OF CASH (In Millions)	2/28/2019	2/28/2018
Unrestricted Undesignated	\$ 31.8	\$ 36.5
Designated		
Property	\$ 5.0	\$ 12.7
Recycled Water	1.6	8.3
Customer Deposits	0.6	0.6
Capital Repair/Replacement	2.3	1.5
Total Designated	\$ 9.5	\$ 23.1
Legally Restricted	\$ 58.8	\$ 10.2
Available Line of Credit (LOC)	\$ 25.0	

