

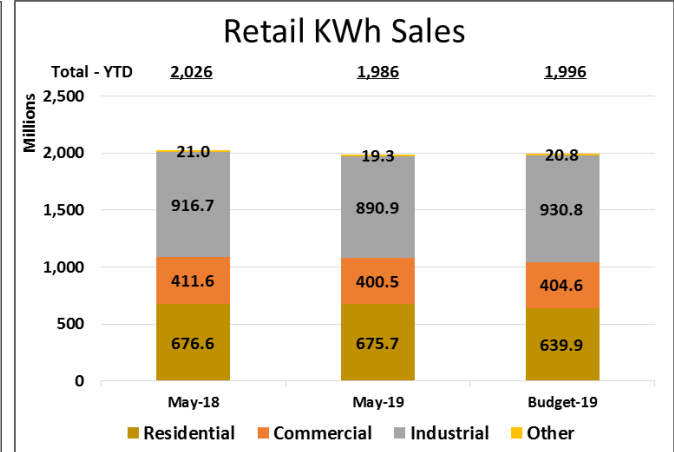
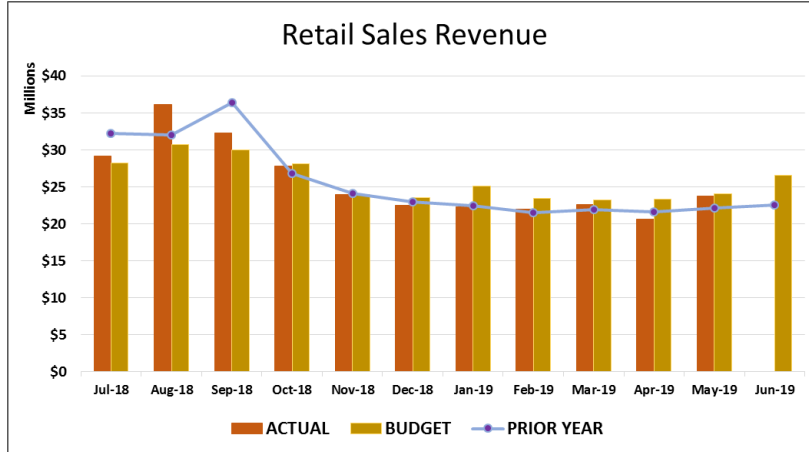


# RPU FINANCIAL RESULTS

FY 2018/19 through May 31, 2019

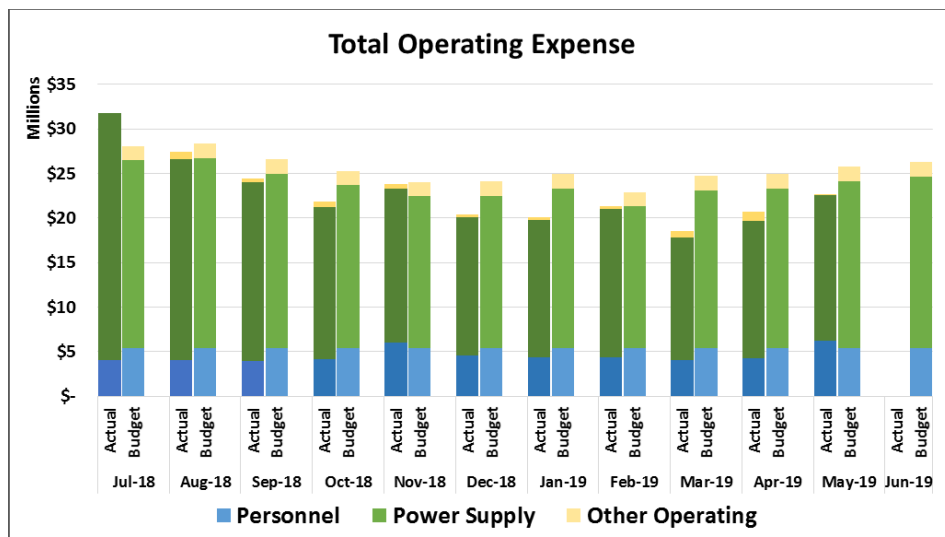
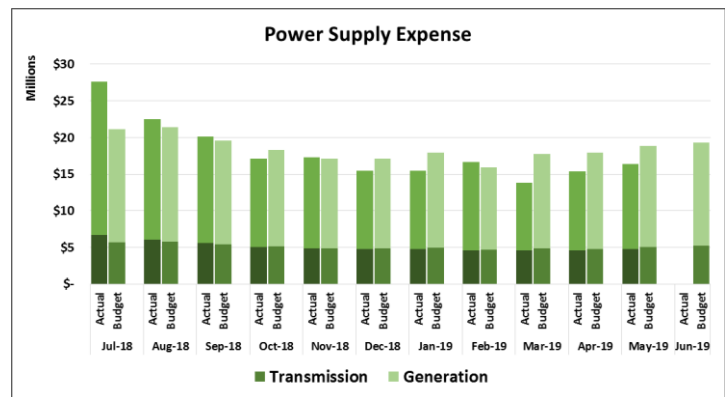
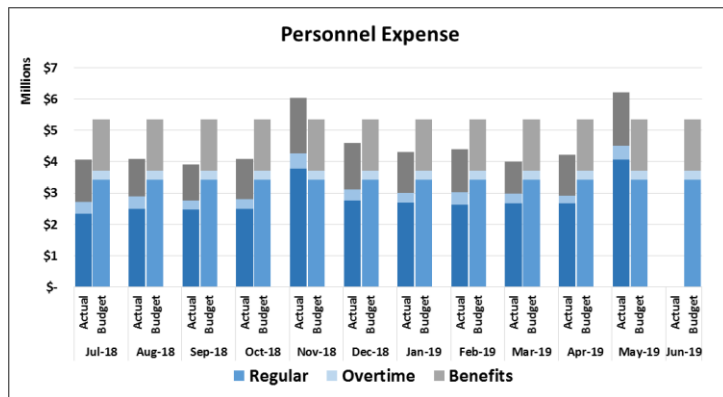
## ELECTRIC

### REVENUES



Year-to-date retail sales of \$283.1M are in line with budget. Current year actual retail sales are \$1.0M (0.4%) lower than prior year due to a decrease in consumption as a result of cooler temperatures, slightly offset by the effect of the rate plan effective January 1, 2019. Retail kWh sales reflect 0.5% lower than budget due to lower than anticipated consumption and 2.0% lower than prior year due to a decrease in consumption.

### OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$49.9M are \$8.8M (15.0%) 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 \$197.9M are \$5.2M (2.6%) lower than budget. Power supply costs were previously higher than budget due to higher than anticipated consumption during the summer months, higher market energy prices and natural gas prices. However, a supplemental appropriation of \$7M was approved by Board and City Council on April 22, 2019 and May 7, 2019, respectively, and added to the budget.

**Other Operating Expense:** Year-to-date other operating expenses of \$4.7M are \$13.0M (73.4%) below budget due to timing of expenses and savings in other general operating expenses.

## CAPITAL IMPROVEMENT PROGRAM

CAPITAL/EQUIPMENT FUNDING (In Millions)	May-19	May-18
Capital Contributions	\$ 2.1	\$ 2.3
Rates/Reserves	33.7	20.1
<b>TOTAL</b>	<b>\$ 35.8</b>	<b>\$ 22.4</b>

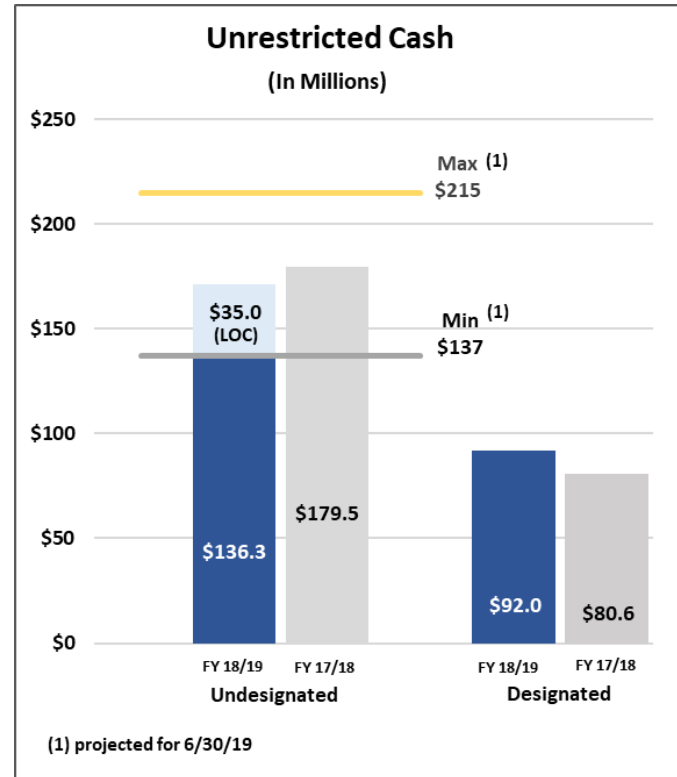
Current year capital expenses (projects and equipment) of \$35.8M are higher than prior year by \$13.4M primarily due to an increase in system upgrades expenditures.

## 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 \$136.3M is \$43.2M lower than prior year primarily due to the funding of capital projects. The unrestricted, undesignated reserve will be replenished with bond proceeds, utilized for capital projects, by June 30, 2019.

COMPONENTS OF CASH (In Millions)	5/31/2019	5/31/2018
<b>Unrestricted Undesignated</b>	<b>\$ 136.3</b>	<b>\$ 179.5</b>
<b>Designated</b>		
Electric Reliability	\$ 69.2	\$ 62.5
Additional Decommissioning Liability	9.8	8.1
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	-	-
<b>Total Designated</b>	<b>\$ 92.0</b>	<b>\$ 80.6</b>
<b>Legally Restricted *</b>	<b>\$ 219.4</b>	<b>\$ 122.7</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 35.0</b>	

\* Includes \$103M of Bond Construction Cash

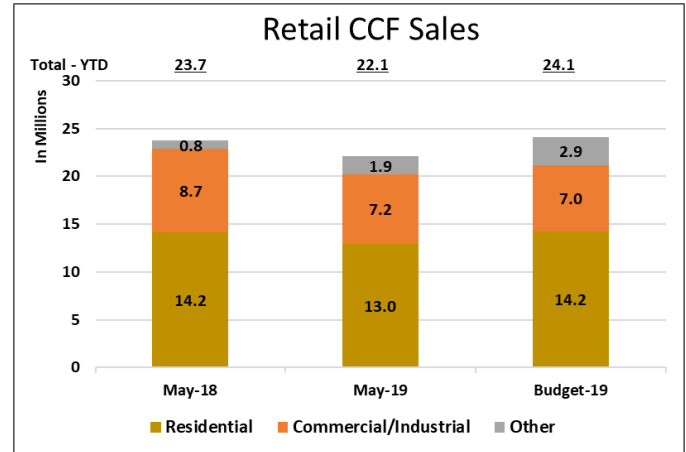
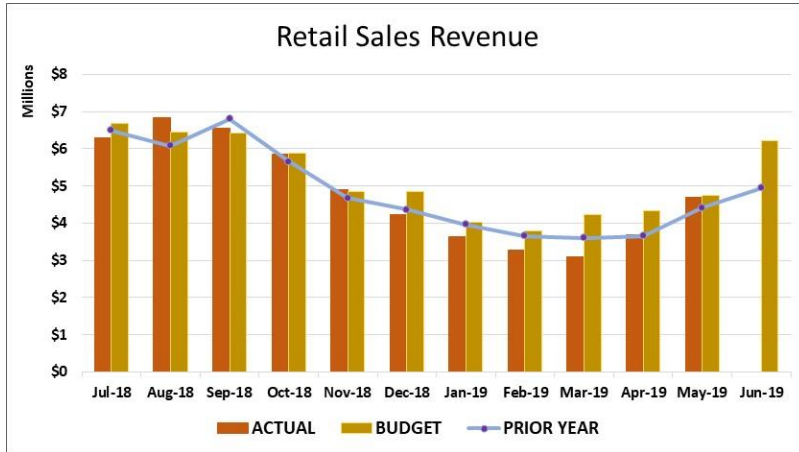


# RPU FINANCIAL RESULTS

FY 2018/19 through May 31, 2019

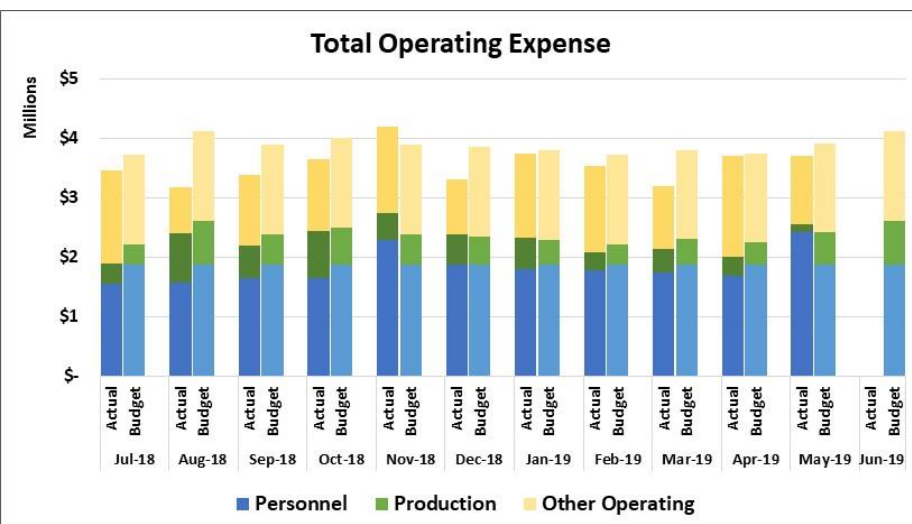
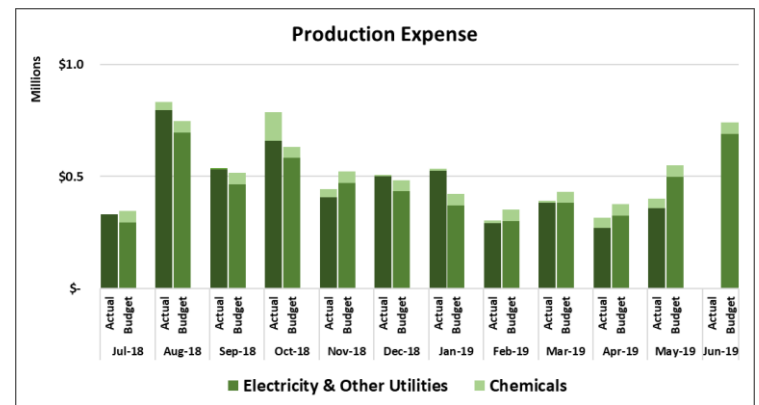
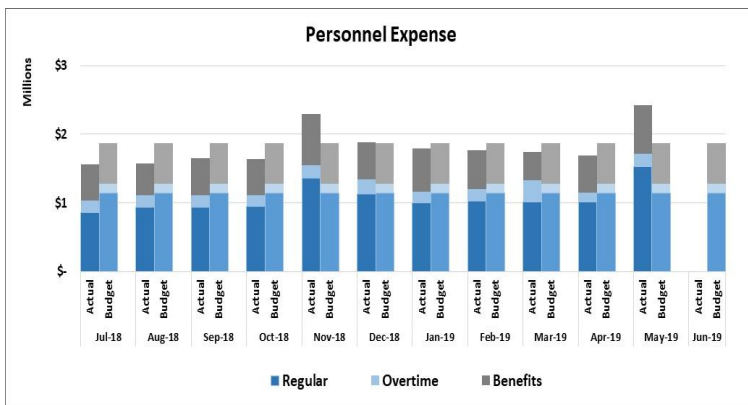
## WATER

### REVENUES



Year-to-date retail sales of \$53.1M are \$3.2M (5.7%) 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. Retail CCF sales are 8.4% lower than budget and 6.8% lower than prior year due to a decrease in consumption as a result of higher than average rainfall.

### OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$20.0M are \$0.5M (2.6%) 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 \$5.4M are consistent with budget.

**Other Operating Expense:** Other operating expenses of \$13.9M are \$2.6M (15.8%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	May-19	May-18
Capital Contributions	\$ 2.2	\$ 2.9
Rates/Reserves	19.3	21.2
<b>TOTAL</b>	<b>\$ 21.5</b>	<b>\$ 24.1</b>

Current year capital expenses (projects and equipment) of \$21.5M are \$2.6M lower than prior year primarily due to a decrease in recycled water projects.

## CASH RESERVES

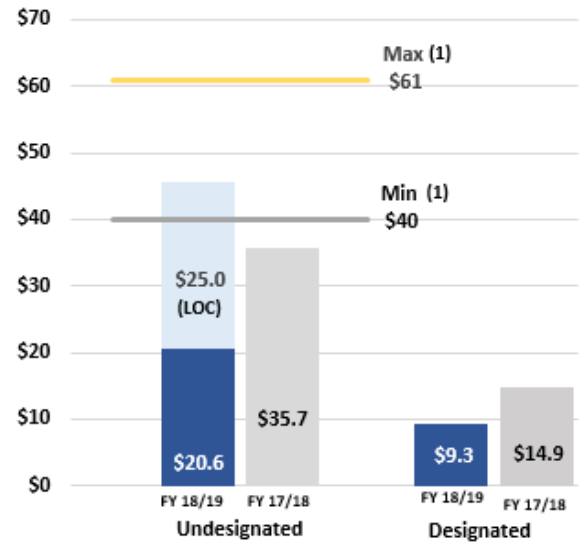
Reserves can be restricted by applicable laws and regulations or designated for specific purposes. Reserves that have not been restricted or designated are available to pay bills and provide cushion in the event of an emergency. The target levels for the unrestricted, undesignated reserve are established 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 \$20.6M is \$15.1M lower than prior year primarily due to funding of capital projects. The unrestricted, undesignated reserve will be replenished with bond proceeds, utilized for capital projects, by June 30, 2019.

COMPONENTS OF CASH (In Millions)	5/31/2019	5/31/2018
<b>Unrestricted Undesignated</b>	<b>\$ 20.6</b>	<b>\$ 35.7</b>
<b>Designated</b>		
Property	\$ 5.0	\$ 7.3
Recycled Water	1.5	5.5
Customer Deposits	0.6	0.6
Capital Repair/Replacement	2.2	1.5
<b>Total Designated</b>	<b>\$ 9.3</b>	<b>\$ 14.9</b>
<b>Legally Restricted *</b>	<b>\$ 61.0</b>	<b>\$ 9.8</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 25.0</b>	

\* Includes \$52.4M of Bond Construction Cash

### Unrestricted Cash

(In Millions)



(1) projected for 6/30/19