

RPU FINANCIAL RESULTS

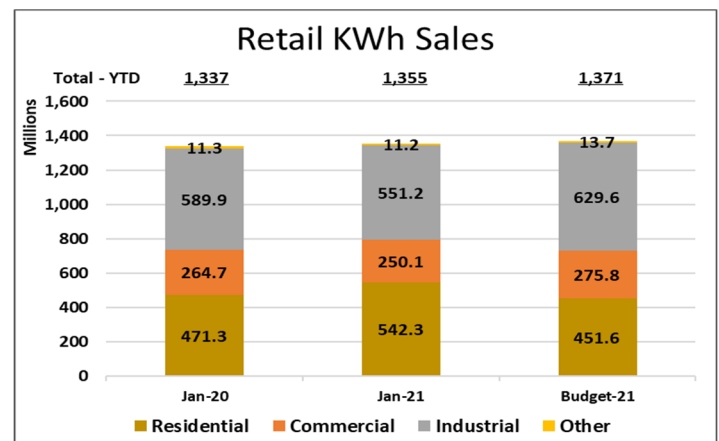
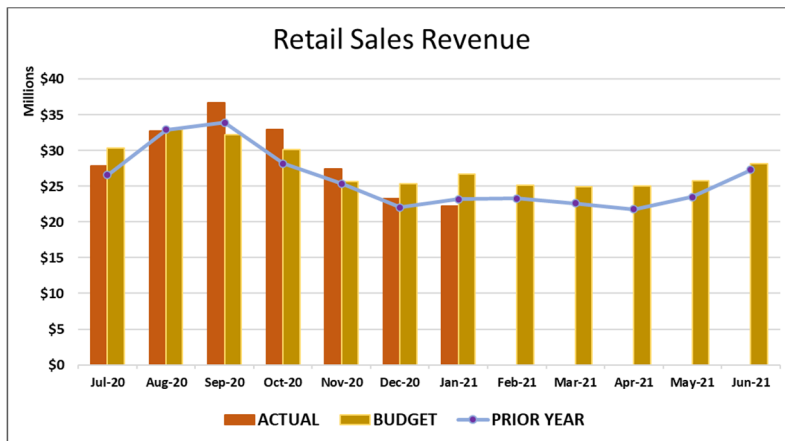
Unaudited FY 2020/21 through January 31, 2021

ELECTRIC

COVID-19 IMPACTS

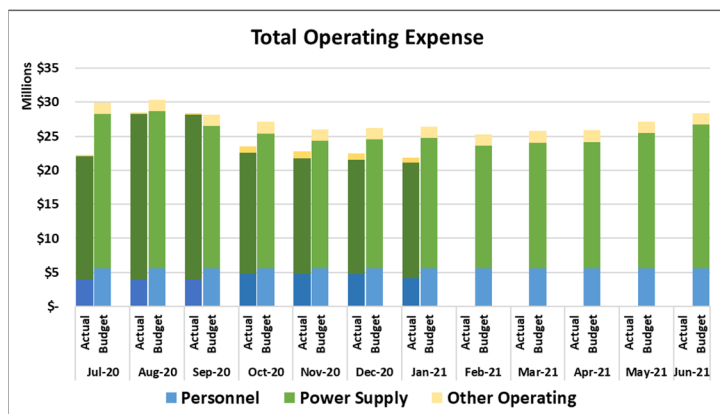
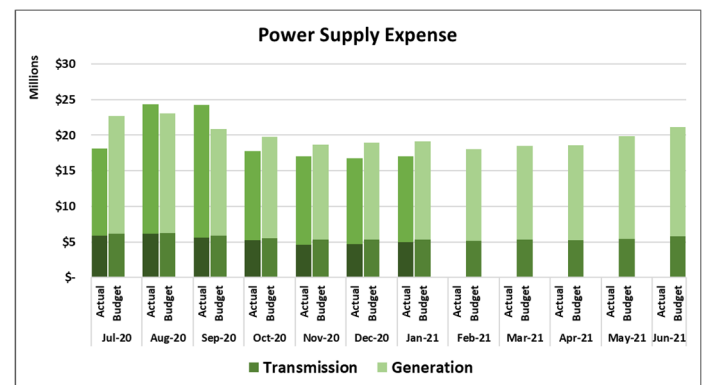
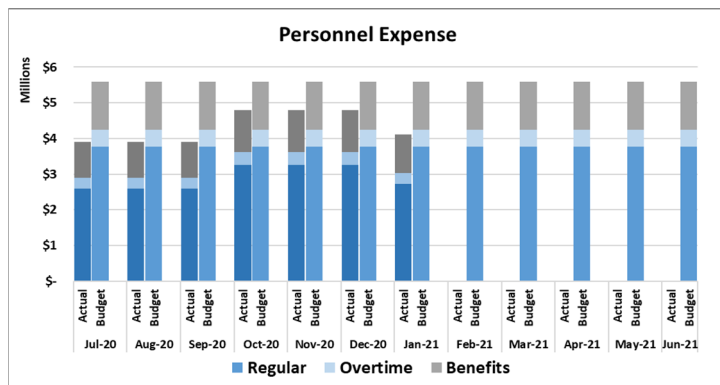
Due to the COVID-19 pandemic and the Governor's declaration of State of Emergency on March 4, 2020 and Stay at Home Order issued on March 19, 2020, RPU recognizes that there will be impacts to the financial results of the Electric Utility, which staff will continue to monitor. On January 5, 2021, the City Council delayed the implementation of the third year of the Electric Rate Plan through March 31, 2021, which is approximately one year from the date the City declared the state of emergency. On March 23, 2021, with the City still under a declared state of emergency, delayed the third year of the Electric Rate Plan with direction to the Board of Public Utilities to review the third year of the rate plan and make recommendations back to City Council. The fiscal impact of the delay to the third year of the Electric Rate Plan for the previously approved implementation date of January 1, 2021, to a potential extended to an implementation date of June 30, 2021, is estimated at a \$4.5M reduction to revenues.

REVENUES



Year-to-date retail sales of \$203.1M are in line with budget. Current year actual retail sales are \$10.9M (5.7%) higher than prior year, due to an increase in consumption as a result of warmer temperatures compared to the prior year. Retail kWh sales reflect 1.2% lower than budget due to slightly lower than anticipated consumption and 1.3% higher than prior year due to an increase in consumption.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$30.2M are \$9.0M (22.9%) lower than budget due to various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$135.1M are \$8.0M (5.6%) lower than budget due to lower than anticipated costs related to capacity projects and RPU's firm transmission service contracts.

Other Operating Expense: Year-to-date other operating expenses of \$4.2M are \$7.6M (64.4%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

| CAPITAL/EQUIPMENT FUNDING (In Millions) | Jan-21 | Jan-20 |
|--|----------------|----------------|
| Capital Contributions | \$ 1.5 | \$ 2.0 |
| Bond Proceeds | 12.2 | 10.3 |
| Rates/Reserves | 7.3 | 6.0 |
| TOTAL | \$ 21.0 | \$ 18.3 |

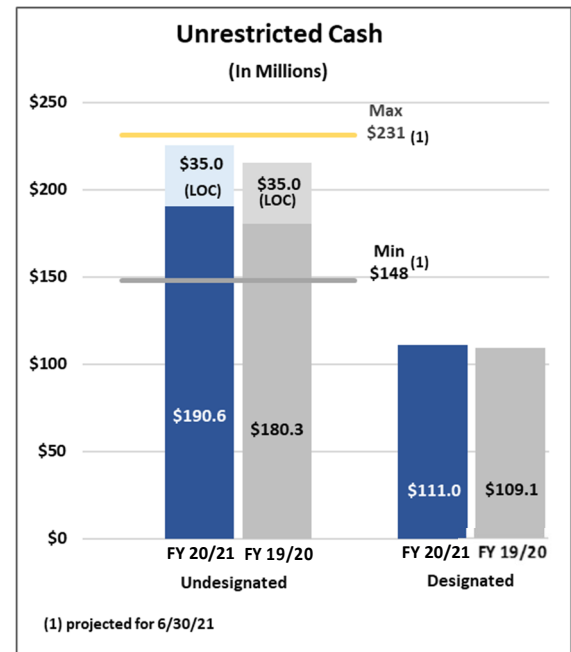
Current year capital expenses (projects and equipment) of \$21.0M are higher than prior year by \$2.7M reflecting increases of \$1.9M in bond proceeds and \$1.3M in rates and reserve funding, offset by a decrease of \$0.5M in capital contributions. Ongoing work in significant capital projects to date includes system automation and recurring project 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 \$190.6M is \$10.3M higher than prior year primarily due to positive operating results and use of bond construction cash to fund capital projects and is within the minimum and maximum levels at 1/31/21.

| COMPONENTS OF CASH (In Millions) | 1/31/2021 | 1/31/2020 |
|---------------------------------------|-----------------|-----------------|
| Unrestricted Undesignated | \$ 190.6 | \$ 180.3 |
| Designated | | |
| Electric Reliability | \$ 82.2 | \$ 83.2 |
| Additional Decommissioning Liability | 13.0 | 10.9 |
| Customer Deposits | 4.8 | 4.6 |
| Capital Repair/Replacement | 5.6 | 6.0 |
| Mission Square Improvement | 1.8 | 1.5 |
| Dark Fiber | 3.6 | 2.9 |
| Total Designated | \$ 111.0 | \$ 109.1 |
| Legally Restricted * | \$ 140.2 | \$ 165.8 |
| Available Line of Credit (LOC) | \$ 35.0 | \$ 35.0 |

* Includes \$20.5M of Bond Construction Cash at 1/31/2021.



RPU FINANCIAL RESULTS

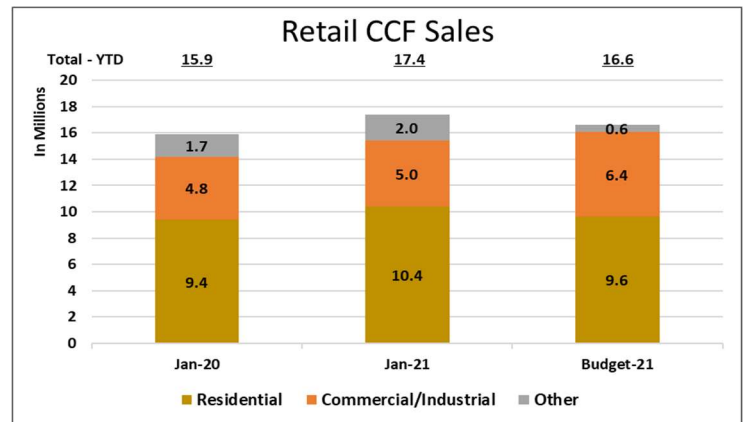
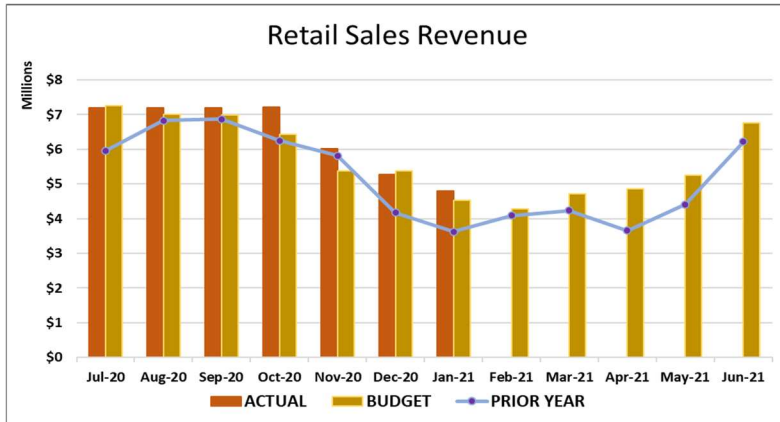
Unaudited FY 2020/21 through January 31, 2021

WATER

COVID-19 IMPACTS

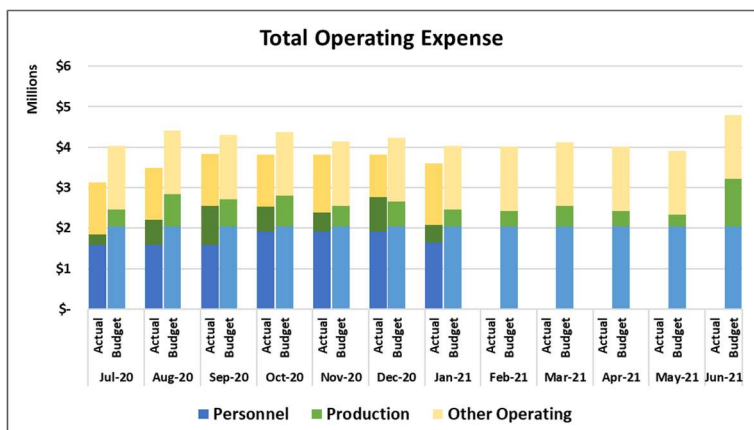
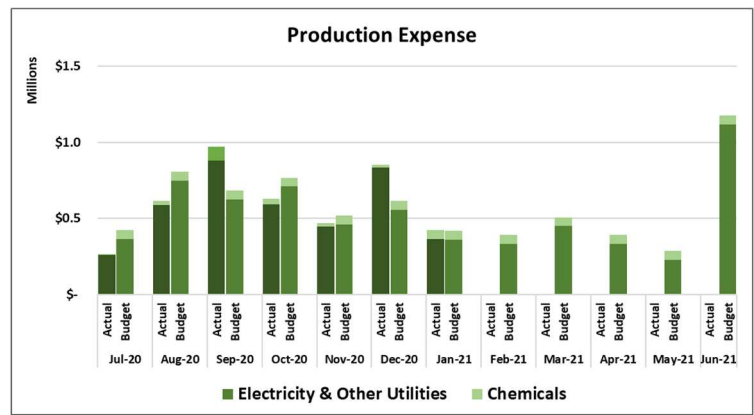
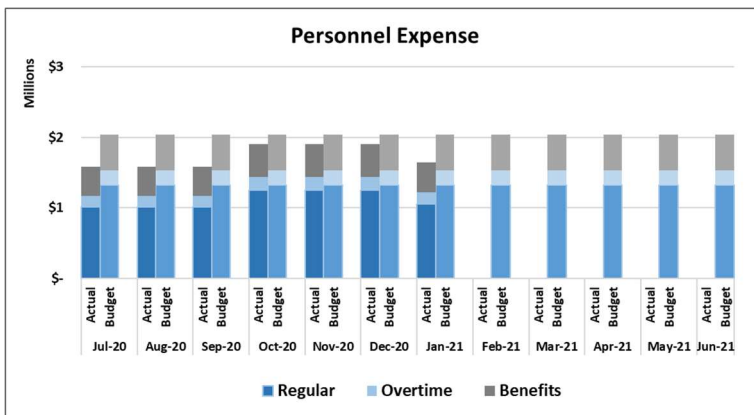
Due to the COVID-19 pandemic and the Governor's declaration of State of Emergency on March 4, 2020 and Stay at Home Order issued on March 19, 2020, RPU recognizes that there will be impacts to the financial results of the Water Utility, of which staff will continue to monitor.

REVENUES



Year-to-date retail sales of \$44.9M are \$1.9M (4.4%) higher than budget due to the higher than projected consumption. Current year retail sales are \$5.3M (13.5%) higher than prior year due to higher consumption compared to prior year and rate plan increases. Year-to-date retail CCF sales are 4.4% higher than budget and 9.3% higher than prior year due to higher than projected ETo (evapotranspiration), which requires more irrigation. The impact of the aforementioned information coupled with the impact of Covid-19 has led to an increase in Residential usage and a decrease in Commercial/ Industrial usage and alongside the higher than projected temperatures, has led to a slight increase in water usage.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$12.1M are \$2.1M (15.1%) below budget due to various vacancies and attrition.

Production Expense: Year-to-date production costs of \$4.2M are consistent with budget.

Other Operating Expense: Other operating expenses of \$9.2M are \$1.9M (16.9%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

| CAPITAL/EQUIPMENT FUNDING (In Millions) | Jan-21 | Jan-20 |
|--|---------------|---------------|
| Capital Contributions | \$ 1.9 | \$ 1.1 |
| Bond Proceeds | 2.9 | 3.9 |
| Rates/Reserves | 1.9 | 3.3 |
| TOTAL | \$ 6.7 | \$ 8.3 |

Current year capital expenses (projects and equipment) of \$6.7M are lower than prior year by \$1.6M, reflecting decreases of \$1.4M in rates and reserve funding and \$1M in bond proceeds, offset by an increase of \$0.8M in capital contributions. Ongoing work in significant capital projects to date is in distribution pipelines.

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 \$36.4M is \$1.8M higher than prior year primarily due to positive operating results. Water Fund's unrestricted, undesignated reserve balance combined with the line of credit (LOC) is in compliance with RPU Cash Reserve Policy at 1/31/2021, which is above target minimum and is consistent with projections provided during the current budget and rate plan proposal processes.

| COMPONENTS OF CASH (In Millions) | 1/31/2021 | 1/31/2020 |
|---------------------------------------|----------------|----------------|
| Unrestricted Undesignated | \$ 36.4 | \$ 34.6 |
| Designated | | |
| Property | \$ 5.2 | \$ 5.1 |
| Recycled Water | 1.1 | 1.1 |
| Customer Deposits | 0.7 | 0.6 |
| Capital Repair/Replacement | 2.3 | 2.3 |
| Total Designated | \$ 9.3 | \$ 9.1 |
| Legally Restricted * | \$ 34.2 | \$ 45.2 |
| Available Line of Credit (LOC) | \$ 25.0 | \$ 25.0 |

* Includes \$25.8M of Bond Construction Cash at 1/31/2021.

