



RIVERSIDE PUBLIC UTILITIES

Customer Relations/Finance Committee

CUSTOMER RELATIONS/FINANCE COMMITTEE

DATE: JULY 19, 2021

SUBJECT: MONTHLY FINANCIAL REPORT

ISSUE:

Receive an update on the Riverside Public Utilities Monthly Financial Results Report and provide feedback to staff.

RECOMMENDATION:

That the Customer Relations/Finance Committee receive an update on the Riverside Public Utilities Monthly Financial Results Report and provide feedback to staff.

BACKGROUND:

The monthly financial results of the electric and water utility are presented to the Board of Public Utilities as part of the General Manager's Report as required by the Riverside Public Utilities Fiscal Policies and Section 1202 of the City Charter.

DISCUSSION:

On a monthly basis the electric and water utility Monthly Financial Results Report is presented to the Board of Public Utilities. The Monthly Financial Results Report includes retail sales as compared to budget and prior year, operating expenditures as compared to budget, capital improvement program spending as compared to the prior year, and cash reserve levels. The different metrics included in these monthly financial result reports are listed below.

Retail Sales Revenue is displayed by month, and the trends of actual as compared to budget and prior year are highlighted. Retail KWh sales is displayed year to date (YTD), and the trends of actual as compared to budget and prior year are highlighted. The various revenue categories are broken down by the Residential, Commercial, Industrial, and Other customer classes.

Personnel Expense is displayed by month with the trends of actual as compared to the budget being highlighted. The expense categories are broken down by Regular Salaries, Overtime, and Benefits costs.

Power Supply Expense is displayed by month with the trends of actual as compared to the budget being highlighted. The expense categories are broken down by Transmission and Generation costs.

Production Expense is displayed by month with the trends of actual as compared to the budget being highlighted. The expense categories are broken down by Electricity & Other Utilities and Chemicals.

Total Operating Expenditures is displayed by month with the trends of actual as compared to the budget highlighted. The expense categories are broken down by Personnel, Power Supply, Production, and Other Operating costs.

Capital Improvement Programs display the YTD trends of actual as compared to the prior year. The categories are broken down by funding source, including Capital Contributions, Bond Proceeds, and Rates/Reserves.

The Utilities Cash 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 a contingency in the event of an emergency. The target levels for the unrestricted, undesignated reserves are established by City Council through reserve requirements for fiscal stability and are determined annually on June 30th in conjunction with year-end financial results.

Financial ratios are included in the quarterly financial reports.

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.

A new addition to the report as of March 31, 2021

Due to the impacts of the COVID-19 Local Emergency, customer accounts receivable and delinquency information was added to the Monthly Financial Results Report. The Accounts Receivable charts include Electric, Water, Sewer, and Refuse services. The Delinquent Account Balance includes active & inactive accounts. The Delinquency charts display the number of active customers and the average total unpaid utility account balance based on the oldest unpaid utility bill for Electric, Water, Sewer, and Refuse services.

FISCAL IMPACT:

There is no fiscal impact for the update and discussion on the Riverside Public Utilities Monthly Financial Results Report.

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Attachments: 1. Q3 Report
2. April Monthly Report
3. Presentation