

RPU FINANCIAL RESULTS

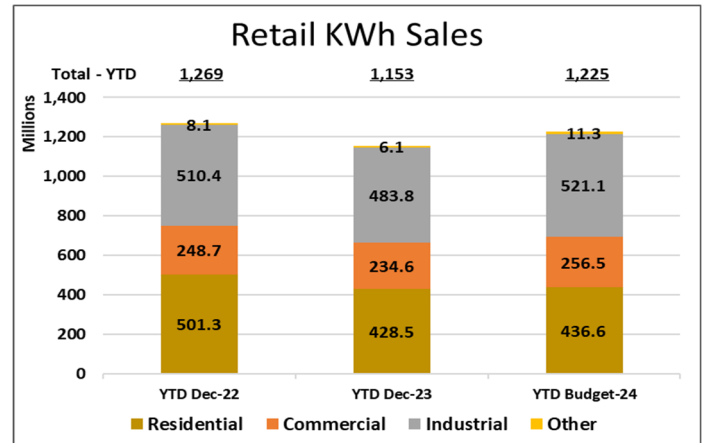
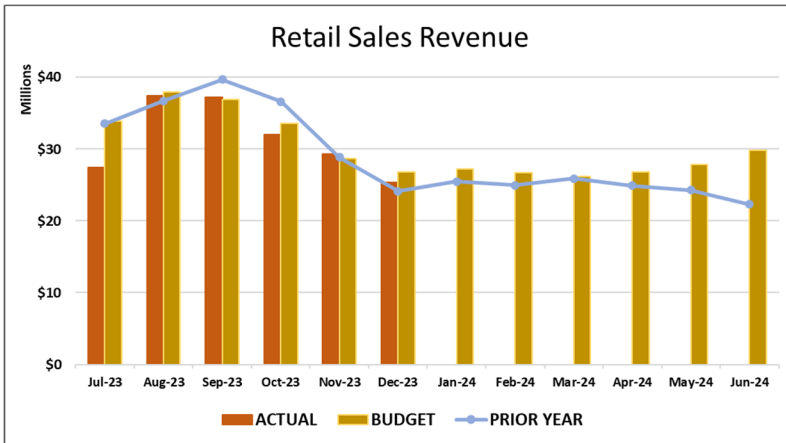
Unaudited FY 2023/24 through December 31, 2023

ELECTRIC

COVID-19 IMPACTS

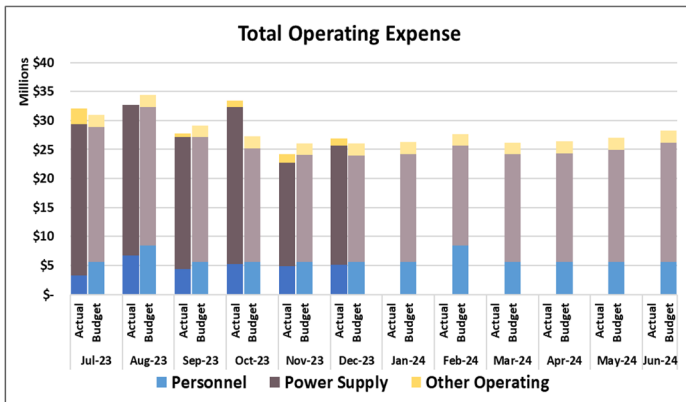
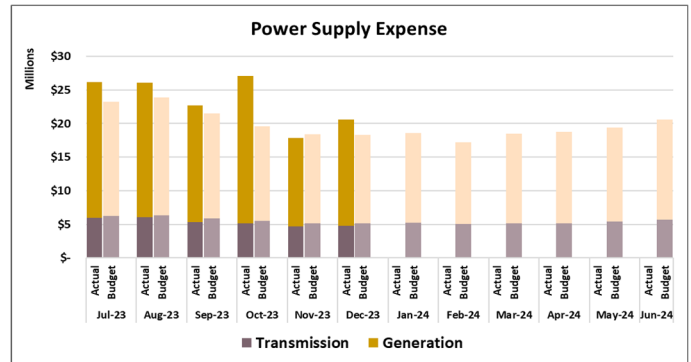
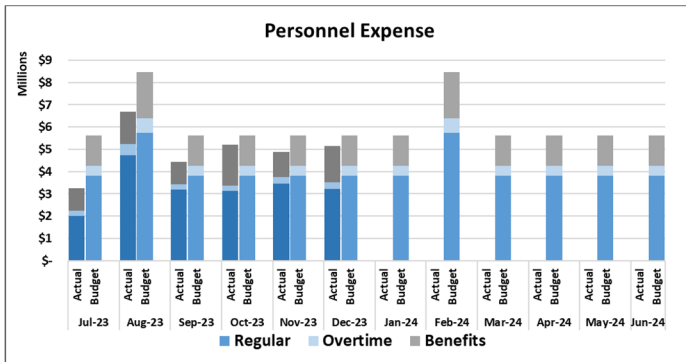
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California’s COVID-19 State of Emergency, which also ended the City of Riverside’s State of Emergency. RPU staff continue to monitor the financial impacts from COVID-19 to the Electric Utility.

REVENUES



Year-to-date retail sales of \$188.8M are \$9.1M (4.6%) lower than budget due to lower than anticipated consumption. Current year actual retail sales are \$10.9M (5.5%) lower than prior year due to a decrease in consumption compared to the prior year. Retail kWh sales reflect 5.9% lower than budget due to lower than anticipated consumption and 9.1% lower than prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$29.6M are \$7.0M (19.2%) lower than budget due to various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$140.4M are \$15.4M (12.3%) higher than budget due to higher than expected energy costs.

Other Operating Expense: Year-to-date other operating expenses of \$7.1M are \$4.9M (40.8%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

CAPITAL/EQUIPMENT FUNDING (In Millions)	Dec-23	Dec-22
Capital Contributions	\$ 3.0	\$ 2.0
Bond Proceeds	-	-
Rates/Reserves	7.9	6.8
TOTAL	\$ 10.9	\$ 8.8

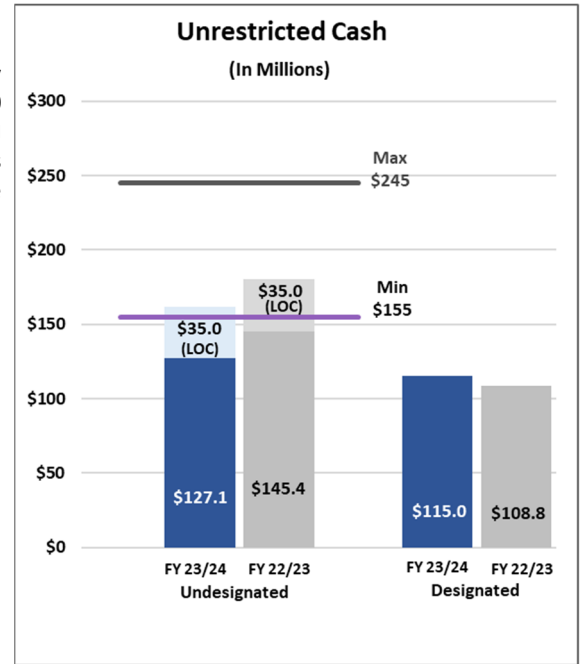
Current year capital expenses (projects and equipment) of \$10.9M are higher than prior year by \$2.1M reflecting increases of \$1.1M in rates and reserve funding and \$1.0M in capital contributions. Ongoing work in significant capital projects to date includes recurring, overhead and system automation 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 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 undesignated reserve of \$127.1M is \$18.3M lower than prior year primarily due to higher than expected energy costs and the use of reserves to fund capital projects since March 2022. The undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 12/31/23.

COMPONENTS OF CASH (In Millions)	12/31/2023	12/31/2022
Undesignated	\$ 127.1	\$ 145.4
Designated		
Electric Reliability	\$ 91.2	\$ 86.7
Additional Decommissioning Liability	9.7	7.6
Customer Deposits	4.9	5.6
Capital Repair/Replacement	2.3	2.5
Mission Square Improvement	2.1	1.5
Dark Fiber	4.8	4.9
Total Designated	\$ 115.0	\$ 108.8
Legally Restricted *	\$ 136.3	\$ 127.6
Available Line of Credit (LOC)	\$ 35.0	\$ 35.0

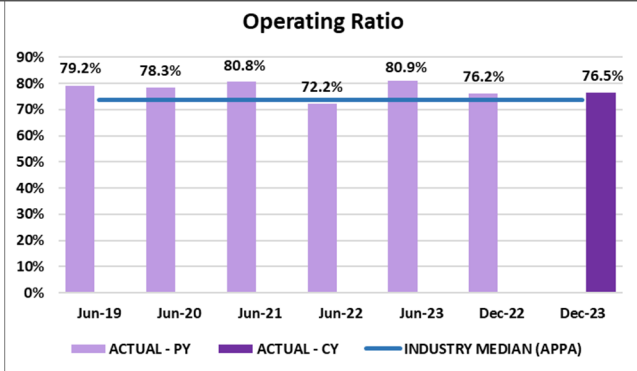
* Includes \$0 of Bond Construction Cash at 12/31/2023.



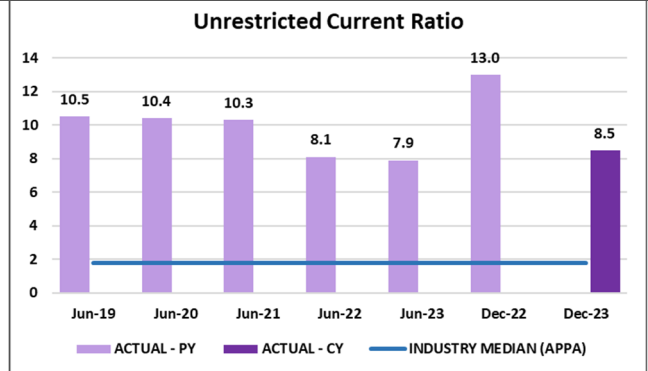
FINANCIAL RATIOS

The ratios for the last 5 fiscal years are provided for reference. Each ratio reflects a full year of activities and may not be as comparable for quarterly result comparison. The June 2023 fiscal year-end ratios may be used to estimate the trends for the current fiscal year when reviewed together with prior year ratios.

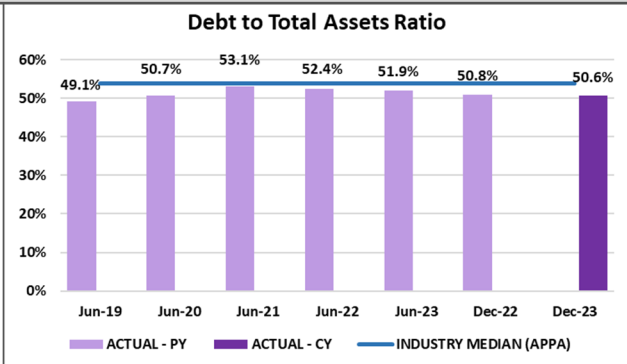
The Operating Ratio reflects the Utility's Operating and Maintenance costs to operating revenues. A lower ratio indicates positive results.



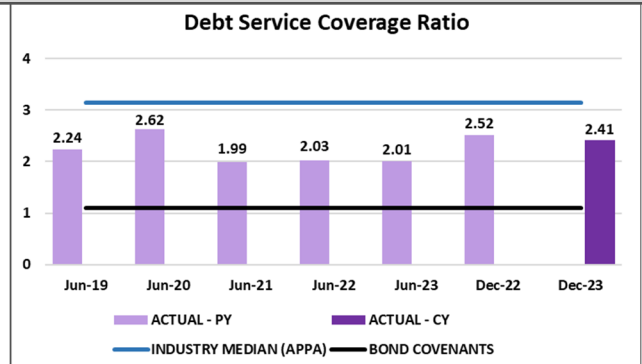
The Unrestricted Current Ratio indicates the Utility's ability to meet short-term liabilities. A higher ratio indicates positive results.



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

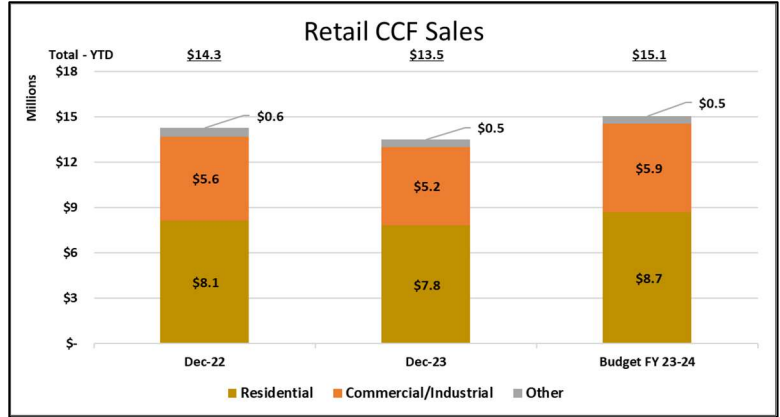
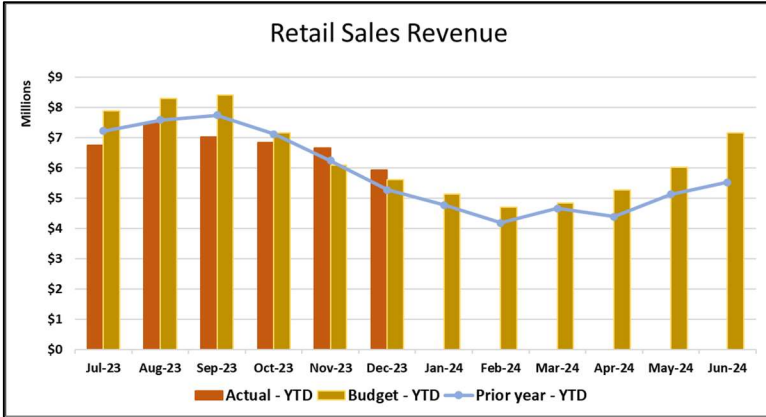
Unaudited FY 2023/24 through December 31, 2023

WATER

COVID-19 IMPACTS

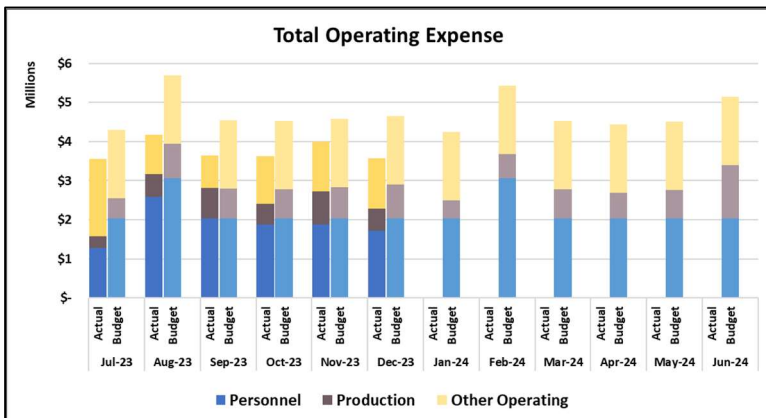
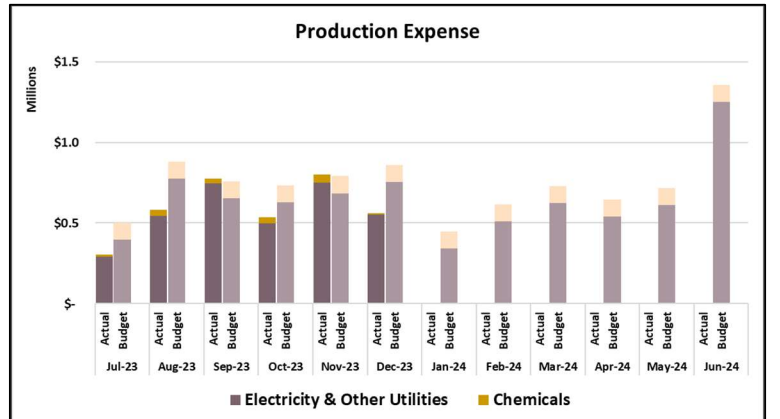
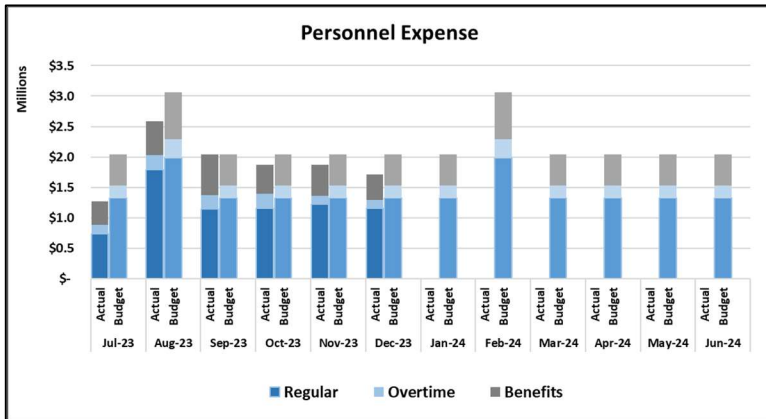
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California's COVID-19 State of Emergency, which also ended the City of Riverside's State of Emergency. RPU staff will continue to monitor the financial impacts from COVID-19 to the Water Utility.

REVENUES



Year-to-date retail sales of \$40.7M are \$2.8M (6.4%) lower than budget and are \$0.5M (1.2%) lower than the prior year due to lower consumption. Current-year retail CCF sales are 10.6% lower than budget and 5.6% lower than prior year. The cause of the lower retail CCF sales is primarily attributed to milder than anticipated weather.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$11.4M are \$1.9M (14.4%) below budget due to various vacancies and attrition.

Production Expense: Year-to-date production costs of \$3.6M are \$1.0M (21.4%) below budget due to lower-than-anticipated chemical and electricity costs for water production.

Other Operating Expense: Other operating expenses of \$7.6M are \$2.9M (27.4%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Dec-23	Dec-22
Capital Contributions	1.0	1.8
Bond Proceeds	8.3	3.1
Rates/Reserves	2.6	2.2
TOTAL	11.9	7.1

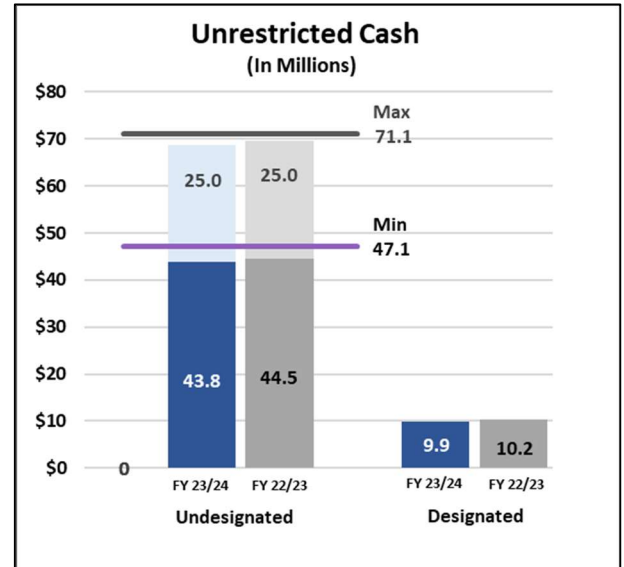
Current-year capital expenses (projects and equipment) of \$11.9M are higher than prior year by \$4.8M, reflecting increases of \$5.2M in bond proceeds and \$0.4M in reserves, offset by a decrease of \$0.8M in capital contributions. Ongoing work in significant capital projects to date is in water supply, distribution pipelines, and distribution facilities.

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 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 undesignated reserve of \$43.8M is slightly lower than prior year by \$0.7M, primarily due to investment losses from the prior fiscal year. Water Fund's undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 12/31/23.

COMPONENTS OF CASH (In Millions)	12/31/2023	12/31/2022
Undesignated	\$ 43.8	\$ 44.5
Designated		
Property	\$ 5.9	\$ 5.8
Recycled Water	0.8	1.2
Customer Deposits	0.8	0.8
Capital Repair/Replacement	2.4	2.4
Total Designated	\$ 9.9	\$ 10.2
Legally Restricted*	\$ 56.6	\$ 72.6
Available Line of Credit (LOC)	\$ 25.0	\$ 25.0

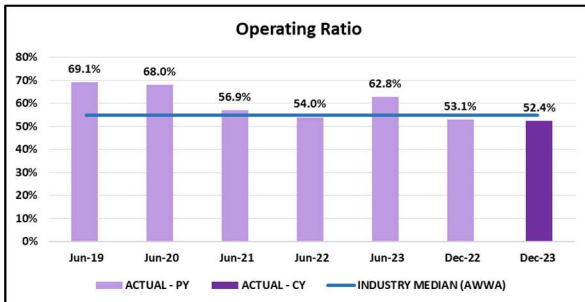
*Includes \$48.0M of estimated Bond Construction Cash at 12/31/2023.



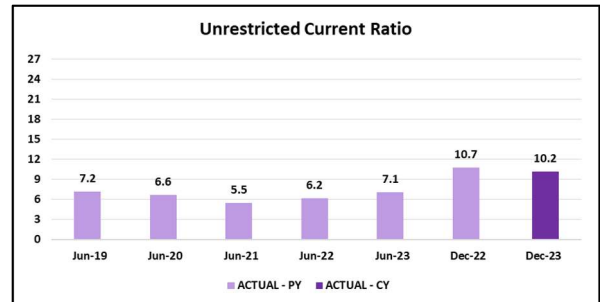
FINANCIAL RATIO

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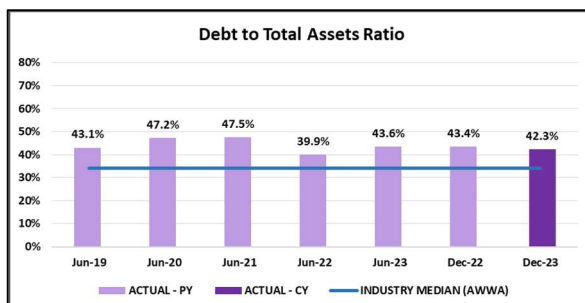
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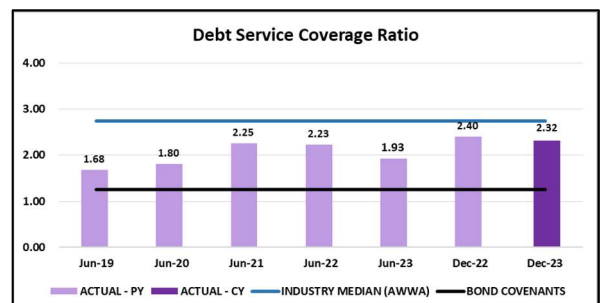
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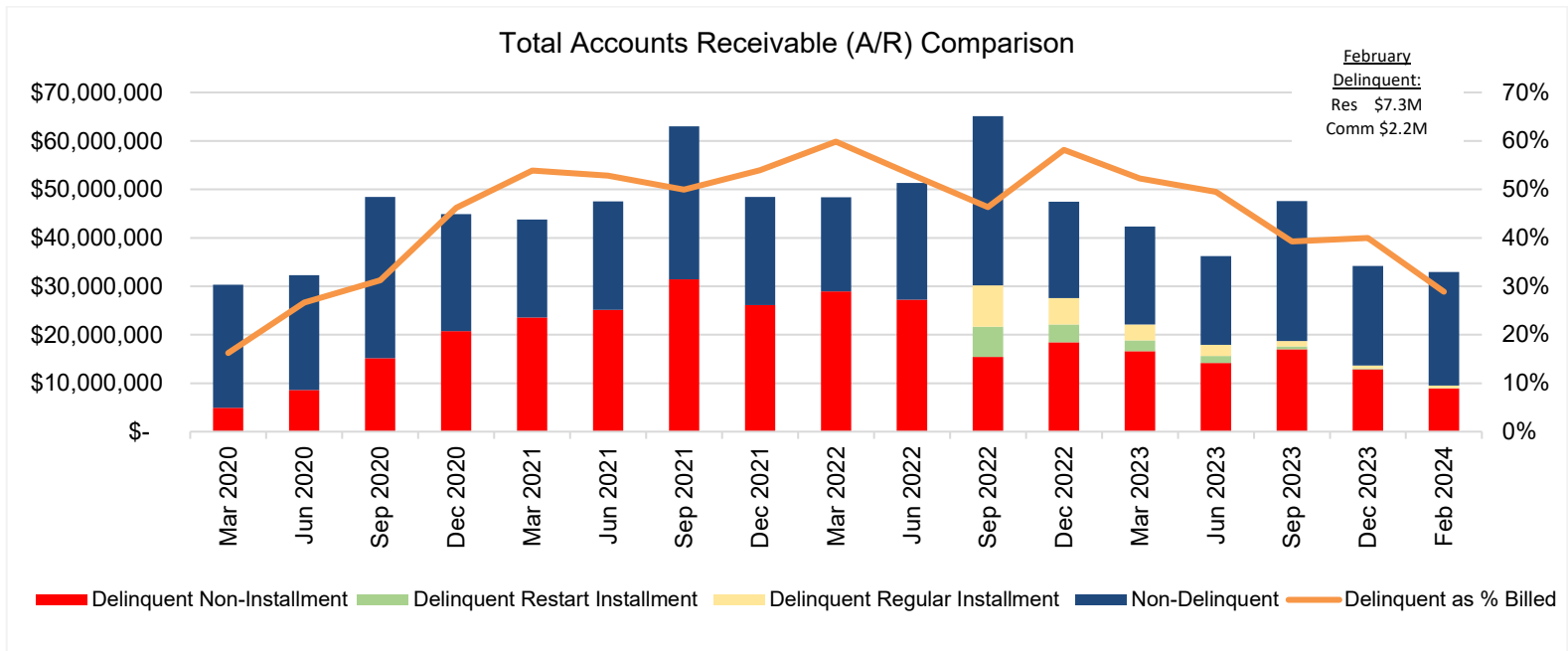
Accounts Receivable & Delinquencies

As of February 29, 2024

Accounts Receivable

Since the COVID-19 Local Emergency Declaration, the City has experienced significant increases in utility customer accounts receivable. This includes increases in delinquent account balances and the number of utility accounts that had become delinquent. These balances have steadily reduced since September 2022.

The chart below includes account information through February 29, 2024. Accounts receivable for all services including electric, water, sewer, and refuse have increased by 9% or \$2.6 million from \$30.3 million in March 2020 to \$33.0 million on February 29, 2024. During the same period, delinquent accounts receivable has increased 93% or \$4.6 million from \$4.9 million in March 2020 to \$9.5 million on February 29, 2024. The City received and applied \$15.3 million to customer accounts from state funding offering financial assistance for past-due electric, water and wastewater customer debts incurred from March 4, 2020 to June 15, 2021. In December 2021, the City applied credits to customer accounts for the California Arrearages Payment Program for electric utility arrearages in the amount of \$11.1 million and the California Water and Wastewater Arrearages Payment Program for drinking water utility arrearages in the amount of \$1.9 million. In May 2022, the City applied credits to customer accounts for the California Water and Wastewater Arrearages Payment Program for wastewater utility arrearages in the amount of \$2.3 million. In January 2023, the City applied \$18.6 million in credits to electric customers accounts as part of the General Fund Transfer Settlement.



- Notes: 1. Delinquent Account Balance includes active & inactive accounts.
 2. Updated through February 29, 2024 for electric, water, sewer, and refuse.

Collections

As of February 29, 2024, inactive account collection totals included residential in the amount of \$2.8 million or 74% and commercial in the amount of \$1.0 million or 26%. In February 2024, approximately 2,194 electric, water, sewer and refuse accounts totaling \$1.0M were sent to the collection agency for unpaid and delinquent utility bill dates from September 2023 through December 2023.