

RPU FINANCIAL RESULTS

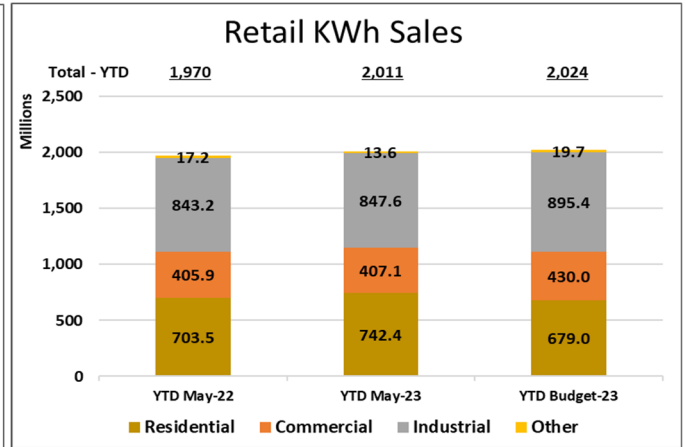
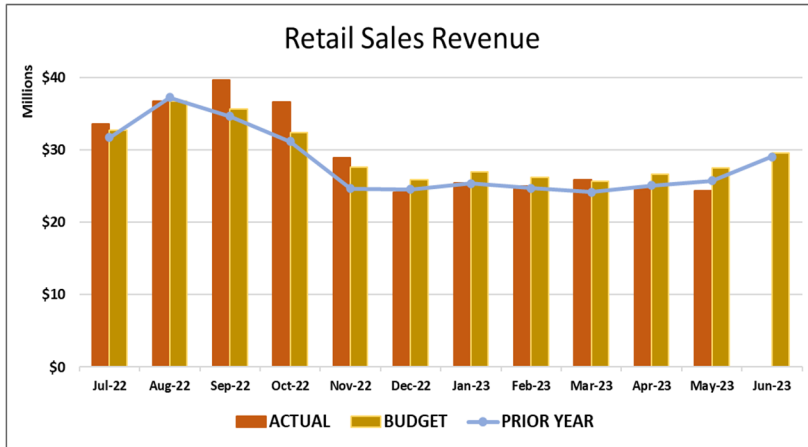
Unaudited FY 2022/23 through May 31, 2023

ELECTRIC

COVID-19 IMPACTS

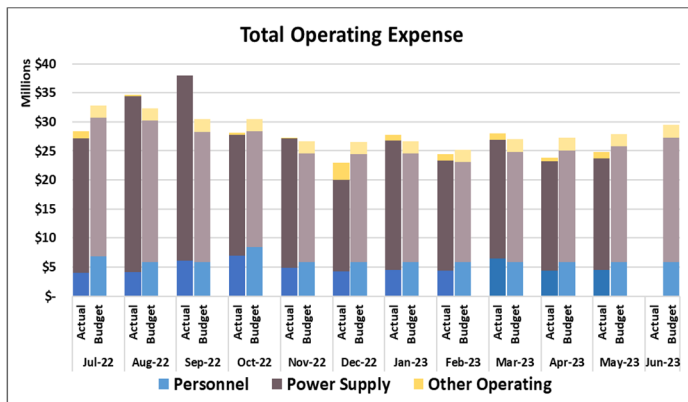
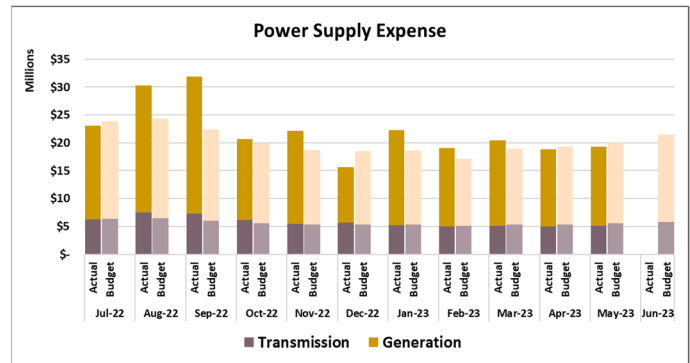
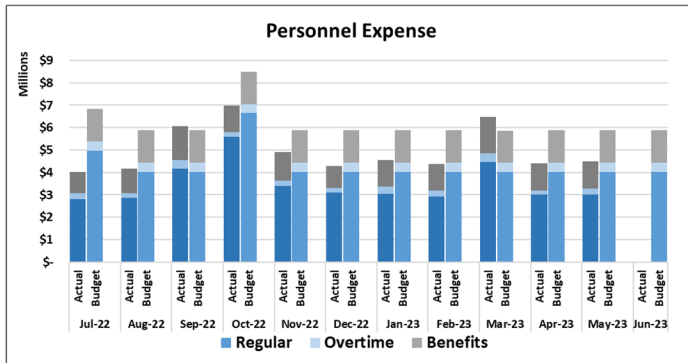
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California's COVID-19 State of Emergency, which also ended the City of Riverside's State of Emergency. RPU staff continue to monitor the financial impacts from COVID-19 to the Electric Utility.

REVENUES



Year-to-date retail sales of \$325.2M are slightly higher than budget. Whereas, year-to-date retail sales are \$16.3M (5.3%) higher than prior year due to an increase in consumption and rate plan increases. Year-to-date retail kWh sales are slightly lower than budget and 2.1% higher than prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$54.8M are \$13.4M (19.7%) lower than budget due to various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$243.4M are \$21.8M (9.9%) higher than budget due to higher than expected energy costs.

Other Operating Expense: Year-to-date other operating expenses of \$10.0M are \$13.6M (57.7%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

| CAPITAL/EQUIPMENT FUNDING (In Millions) | May-23 | May-22 |
|--|----------------|----------------|
| Capital Contributions | \$ 2.9 | \$ 3.2 |
| Bond Proceeds | - | 7.5 |
| Rates/Reserves | 19.2 | 18.0 |
| TOTAL | \$ 22.1 | \$ 28.7 |

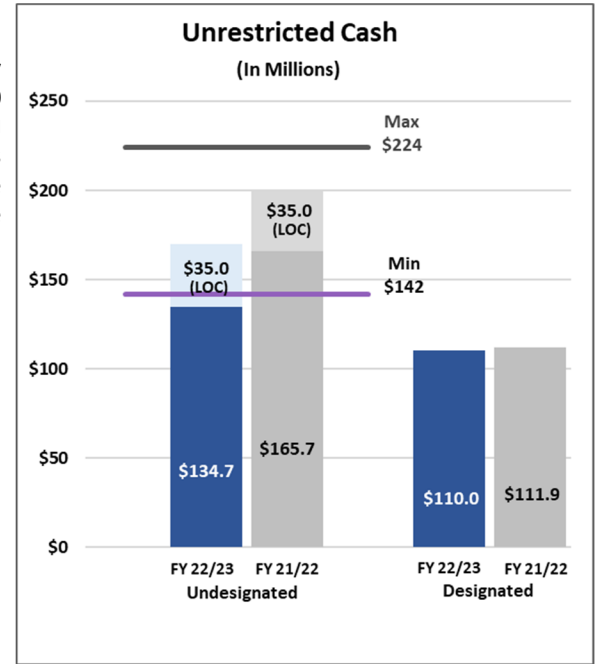
Current year capital expenses (projects and equipment) of \$22.1M are lower than prior year by \$6.6M reflecting decreases of \$7.5M in bond proceeds and \$0.3M in capital contributions, offset by an increase of \$1.2M in rates and reserve funding. Ongoing work in significant capital projects to date includes recurring 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 \$134.7M is \$31.0M lower than prior year primarily due to higher than expected energy costs, a loss on investments from the prior fiscal year, 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 5/31/23.

| COMPONENTS OF CASH (In Millions) | 5/31/2023 | 5/31/2022 |
|---------------------------------------|-----------------|-----------------|
| Undesignated | \$ 134.7 | \$ 165.7 |
| Designated | | |
| Electric Reliability | \$ 87.1 | \$ 80.8 |
| Additional Decommissioning Liability | 8.3 | 15.8 |
| Customer Deposits | 5.6 | 5.2 |
| Capital Repair/Replacement | 2.5 | 4.7 |
| Mission Square Improvement | 1.5 | 1.1 |
| Dark Fiber | 5.0 | 4.3 |
| Total Designated | \$ 110.0 | \$ 111.9 |
| Legally Restricted * | \$ 138.8 | \$ 126.4 |
| Available Line of Credit (LOC) | \$ 35.0 | \$ 35.0 |

* Includes \$0 of Bond Construction Cash at 5/31/2023.



RPU FINANCIAL RESULTS

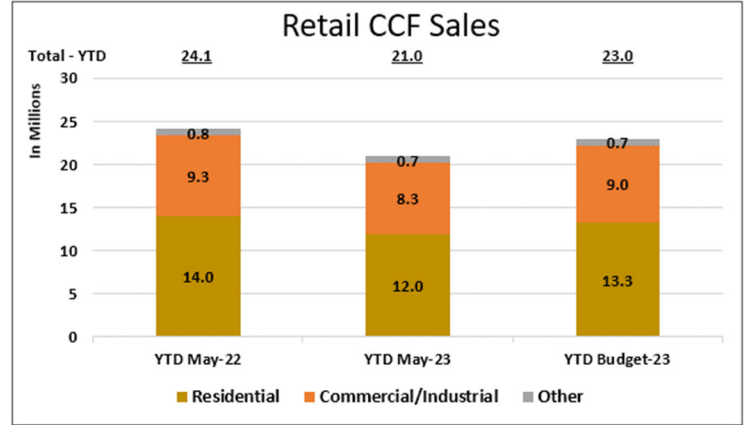
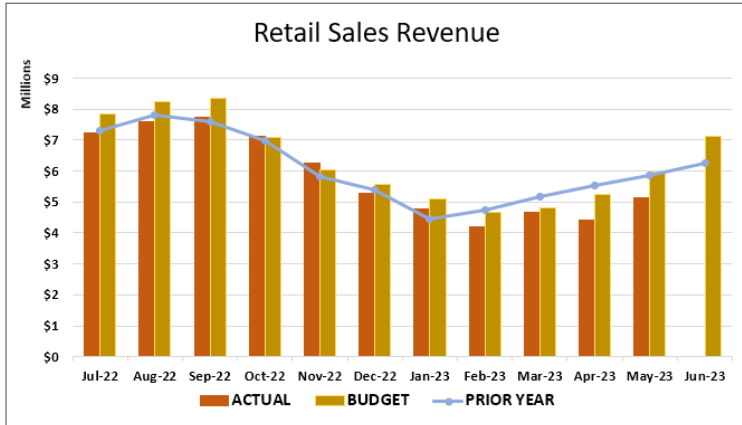
Unaudited FY 2022/23 through May 31, 2023

WATER

COVID-19 IMPACTS

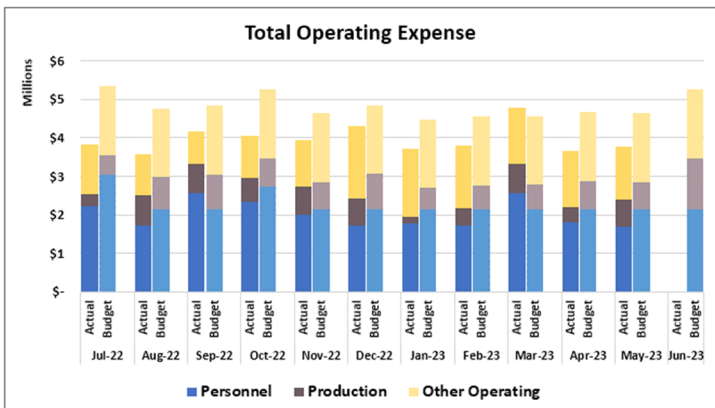
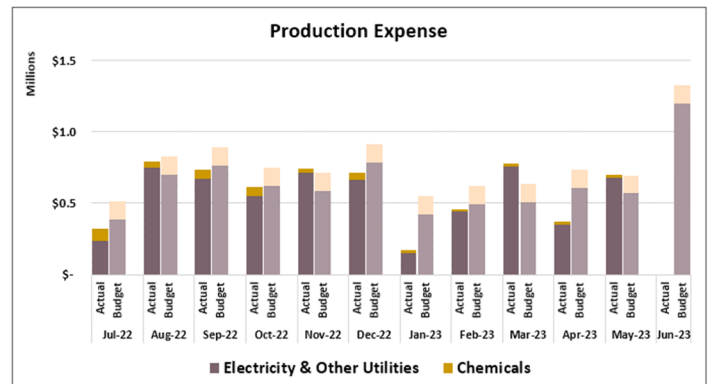
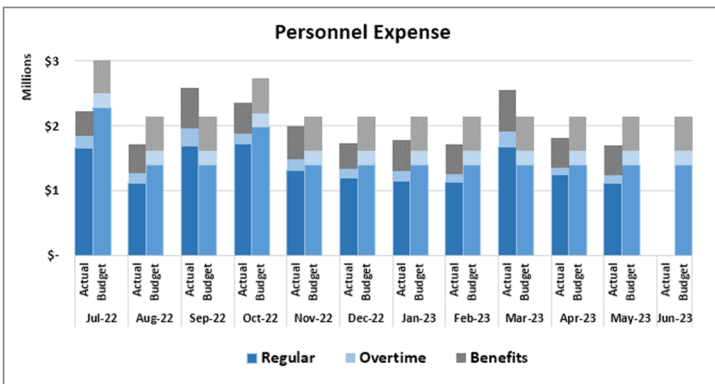
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California's COVID-19 State of Emergency, which also ended the City of Riverside's State of Emergency. RPU staff continue to monitor the financial impacts from COVID-19 to the Water Utility.

REVENUES



Year-to-date retail sales of \$64.4M are \$4.5M (6.6%) lower than budget and \$2.2M (3.3%) lower than prior year due to lower consumption. Current year retail CCF sales are 8.7% lower than budget due to lower than anticipated consumption and 12.9% lower than prior year due to lower consumption compared to prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$22.1M are \$2.9M (11.6%) below budget due to various vacancies and attrition.

Production Expense: Year-to-date production costs of \$6.4M are \$1.5M (18.5%) below budget due to lower than anticipated chemical and electricity costs for water production and lower consumption.

Other Operating Expense: Other operating expenses of \$15.1M are \$4.6M (23.4%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

| CAPITAL/EQUIPMENT FUNDING (In Millions) | YTD May-23 | YTD May-22 |
|--|----------------|----------------|
| Capital Contributions | \$ 2.4 | \$ 2.7 |
| Bond Proceeds | 4.6 | 12.1 |
| Rates/Reserves | 7.0 | 4.5 |
| TOTAL | \$ 14.0 | \$ 19.3 |

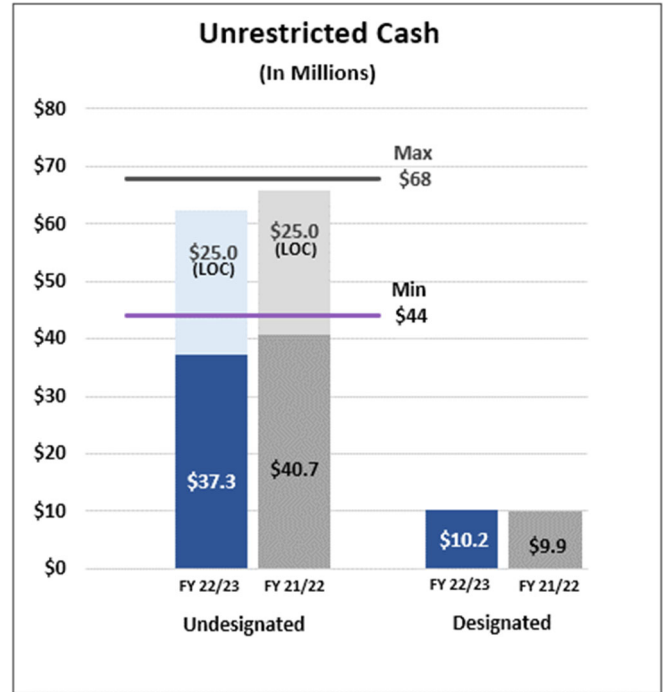
Current year capital expenses (projects and equipment) of \$14M are lower than prior year by \$5.3M, reflecting decreases of \$7.5M in bond proceeds and \$0.3M in capital contributions, offset by an increase of \$2.5M in rates and reserves. Ongoing work in significant capital projects to date is in distribution pipelines, distribution facilities and transmission 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 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 \$37.3M is \$3.4M lower than prior year primarily due to the use of reserves to fund capital projects as a result of pending litigation, a loss of investments from the prior fiscal year and lower retail revenues, offset by CWWAP* program and an increase in collection of delinquent customer accounts. Water Fund's undesignated reserve balance combined with the available line of credit (LOC) is within the minimum and maximum levels at 5/31/23.

| COMPONENTS OF CASH (In Millions) | YTD May-23 | YTD May-22 |
|---------------------------------------|----------------|----------------|
| Undesignated | \$ 37.3 | \$ 40.7 |
| Designated | | |
| Property | \$ 5.8 | \$ 5.6 |
| Recycled Water | 1.2 | 1.2 |
| Customer Deposits | 0.8 | 0.8 |
| Capital Repair/Replacement | 2.4 | 2.3 |
| Total Designated | \$ 10.2 | \$ 9.9 |
| Legally Restricted * | \$ 75.0 | \$ 17.1 |
| Available Line of Credit (LOC) | \$ 25.0 | \$ 25.0 |

*Includes \$64.1M of 2022A Bond Construction Cash.



Accounts Receivable & Delinquencies

As of July 31, 2023

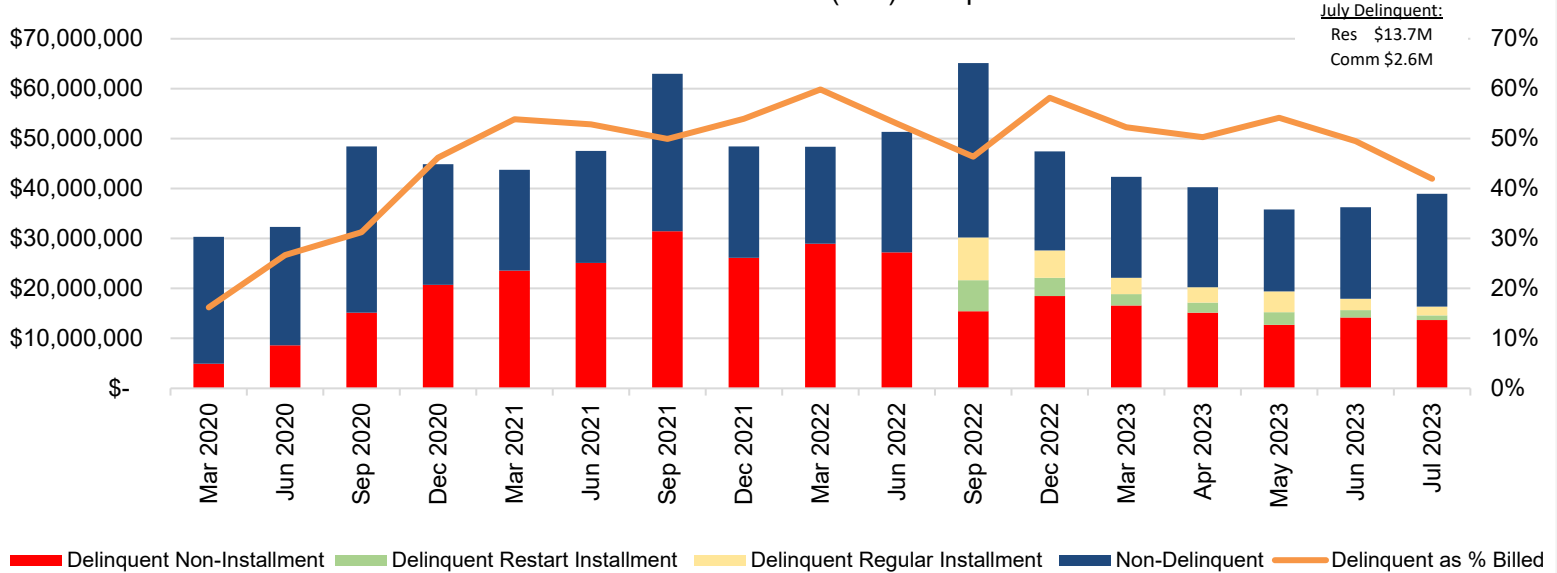
COVID-19 IMPACTS

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 have become delinquent.

Accounts Receivable

The charts below include account information through July 30, 2023. Accounts receivable for all services including electric, water, sewer, and refuse have increased by 28% or \$8.6 million from \$30.3 million in March 2020 to \$39 million on July 31, 2023. During the same period, delinquent accounts receivable has increased 232% or \$11.4 million from \$4.9 million in March 2020 to \$16.3 million on July 31, 2023. 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 \$18.6M in credits to electric customers accounts as part of the General Fund Transfer Settlement.

Total Accounts Receivable (A/R) Comparison



- Notes: 1. Delinquent Account Balance includes active & inactive accounts.
 2. Updated through July 31, 2023 for electric, water, sewer, and refuse.

Collections

As of July 31, 2023, inactive account collection totals included residential in the amount of \$5.9M or 82% and commercial in the amount of \$1.3M or 18%. As of July 31, 2023, approximately 10,857 electric, water, sewer and refuse accounts totaling \$1,411,014.46 were sent to a collection agency for unpaid and delinquent utility bills dated January through June 2022.