

# RPU FINANCIAL RESULTS

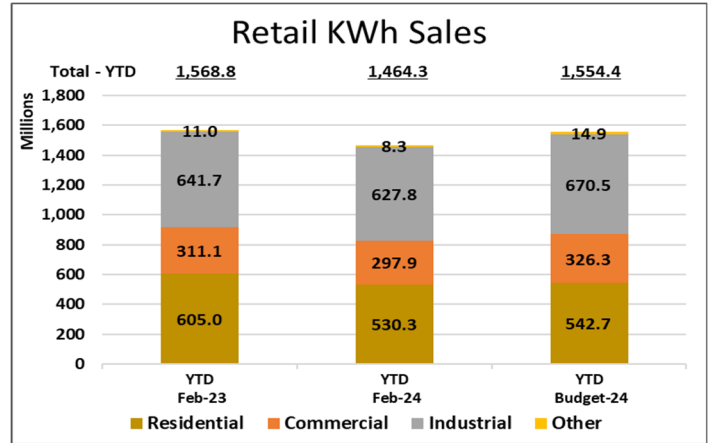
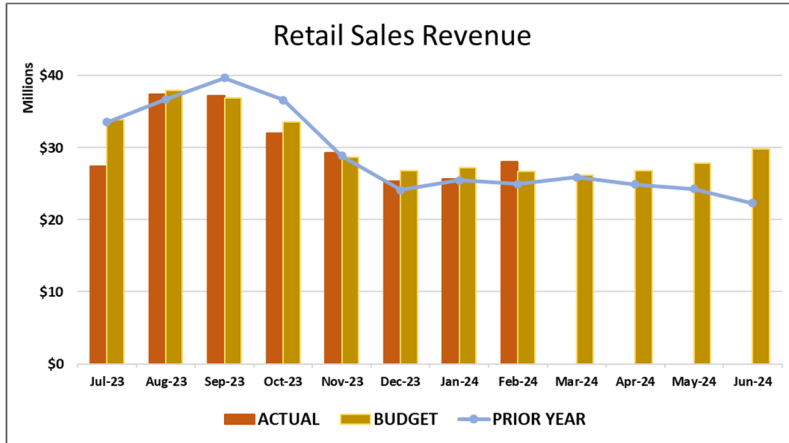
Unaudited FY 2023/24 through February 29, 2024

## ELECTRIC

### COVID-19 IMPACTS

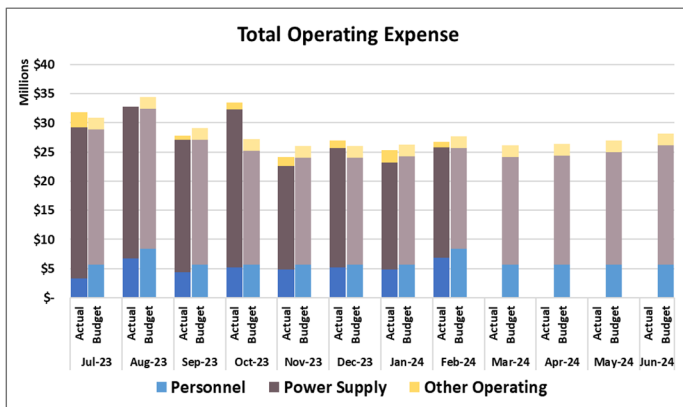
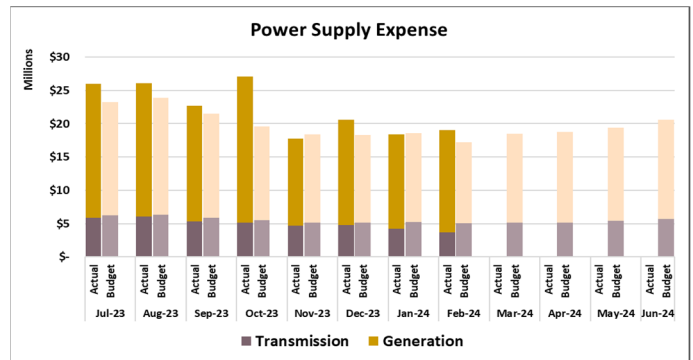
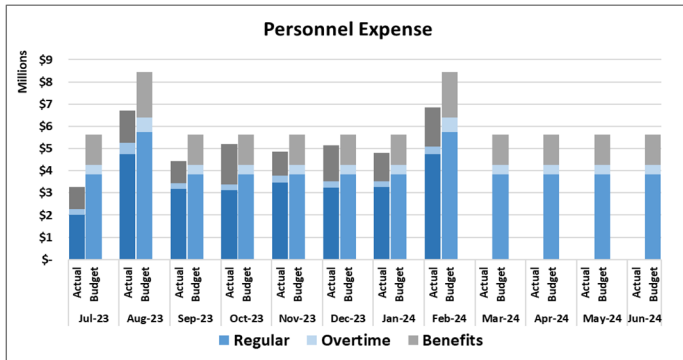
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California's COVID-19 State of Emergency, which also ended the City of Riverside's State of Emergency. RPU staff will continue to monitor the financial impacts from COVID-19 to the Electric Utility.

## REVENUES



Year-to-date retail sales of \$242.5M are \$9.3M (3.7%) lower than budget and \$7.6M (3.0%) lower than prior year due to lower than anticipated consumption. Year-to-date retail kWh sales reflect 90.1M kWh (5.8%) lower than budget and 104.5M kWh (6.7%) lower than prior year due to milder than anticipated weather.

## OPERATING EXPENDITURES



**Personnel Expense:** Year-to-date personnel costs of \$41.3M are \$9.4M (18.6%) lower than budget due to various vacancies and attrition.

**Power Supply Expense:** Year-to-date power supply costs of \$177.5M are \$16.8M (10.5%) higher than budget due to higher than expected energy costs.

**Other Operating Expense:** Year-to-date other operating expenses of \$10.2M are \$5.8M (36.3%) below budget due to timing of expenses and savings in other general operating expenses.

# CAPITAL IMPROVEMENT PROGRAM

CAPITAL/EQUIPMENT FUNDING (In Millions)	Feb-24	Feb-23
Capital Contributions	\$ 3.1	\$ 2.0
Bond Proceeds	10.3	6.2
Rates/Reserves	1.5	5.1
<b>TOTAL</b>	<b>\$ 14.9</b>	<b>\$ 13.3</b>

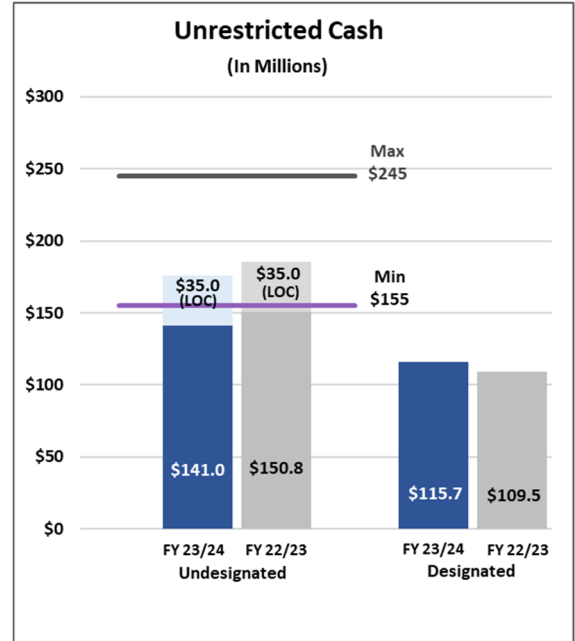
Current year capital expenses (projects and equipment) of \$14.9M are higher than prior year by \$1.6M reflecting increases of \$4.1M in bond proceeds and \$1.1M in capital contributions, offset by a decrease of \$3.6M in rates and reserve funding. Ongoing work in significant capital projects to date includes recurring, overhead and system automation project expenditures. Prior year has been restated for the reimbursement of August 2022 to February 2023 qualifying capital expenditures from bond proceeds.

## 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 \$141.0M is \$9.8M lower than prior year primarily due to higher than expected energy costs. The undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 2/29/24. Starting in February 2024, the undesignated reserve will be replenished with the 2024A Electric Revenue Bonds for qualifying capital projects going back to August 2022.

COMPONENTS OF CASH (In Millions)	2/29/2024	2/28/2023
<b>Undesignated</b>	<b>\$ 141.0</b>	<b>\$ 150.8</b>
<b>Designated</b>		
Electric Reliability	\$ 91.5	\$ 87.2
Additional Decommissioning Liability	10.1	7.8
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
<b>Total Designated</b>	<b>\$ 115.7</b>	<b>\$ 109.5</b>
<b>Legally Restricted *</b>	<b>\$ 265.2</b>	<b>\$ 134.9</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 35.0</b>	<b>\$ 35.0</b>

\* Includes \$132.5M of Bond Construction Cash at 2/29/2024.



# RPU FINANCIAL RESULTS

Unaudited FY 2023/24 through February 29, 2024

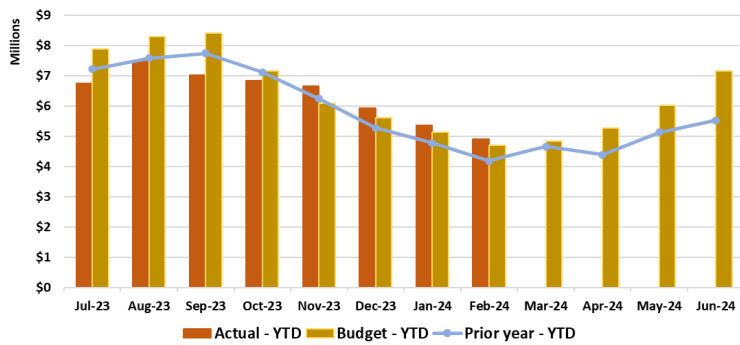
## WATER

### COVID-19 IMPACTS

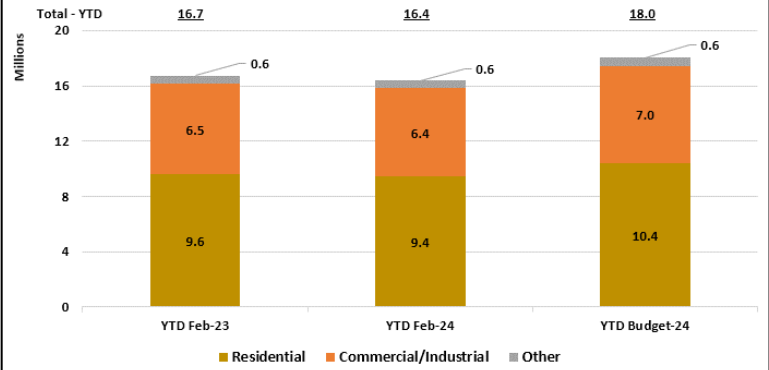
As of February 28, 2023, Governor Gavin Newsom issued a proclamation terminating California's COVID-19 State of Emergency, which also ended the City of Riverside's State of Emergency. RPU staff will continue to monitor the financial impacts from COVID-19 to the Water Utility.

### REVENUES

Retail Sales Revenue



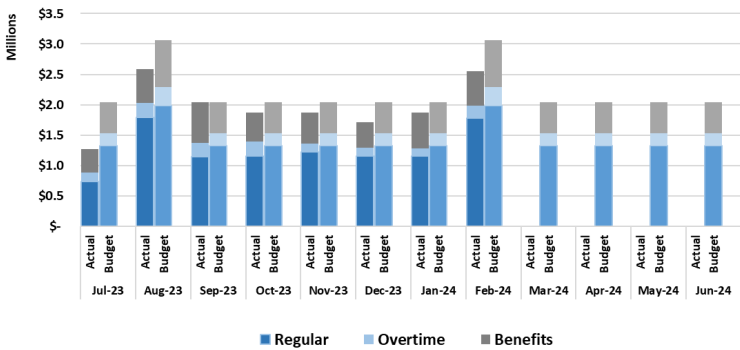
Retail CCF Sales



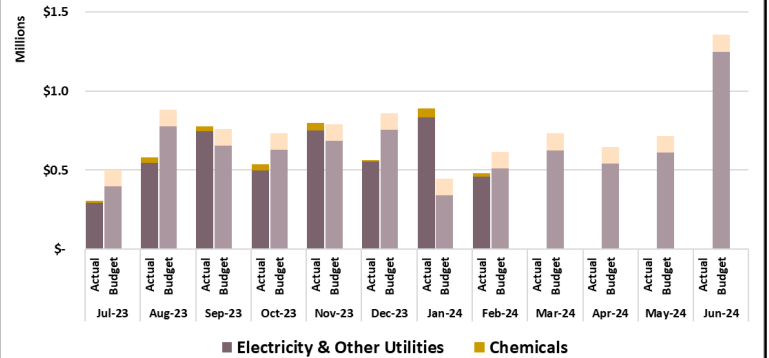
Year-to-date retail sales of \$51.0M are \$2.3M (4.3%) lower than budget due to lower consumption and are \$0.8M (1.6%) higher than the prior year primarily due to rate plan increases. Current-year retail CCF sales of 16.4M CCF are 1.6M CCF (8.9%) lower than budget and 0.3M CCF (1.8%) lower than the prior year. The cause of the lower retail CCF sales is primarily attributed to milder-than-anticipated weather.

### OPERATING EXPENDITURES

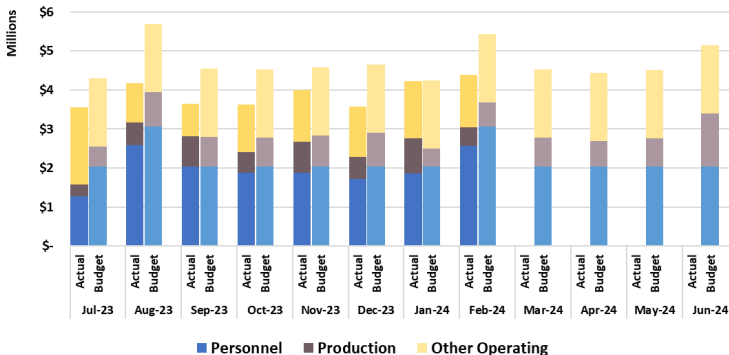
Personnel Expense



Production Expense



Total Operating Expense



**Personnel Expense:** Year-to-date personnel costs of \$15.8M are \$2.6M (14.1%) below budget due to various vacancies and attrition.

**Production Expense:** Year-to-date production costs of \$4.9M are \$0.7M (12.5%) below budget due to the timing of chemical and electricity costs for water production.

**Other Operating Expense:** Other operating expenses of \$10.5M are \$3.5M (25.0%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

## CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Feb-24	Feb-23
Capital Contributions	1.6	1.9
Bond Proceeds	12.2	4.3
Rates/Reserves	2.8	2.5
<b>TOTAL</b>	<b>16.6</b>	<b>8.7</b>

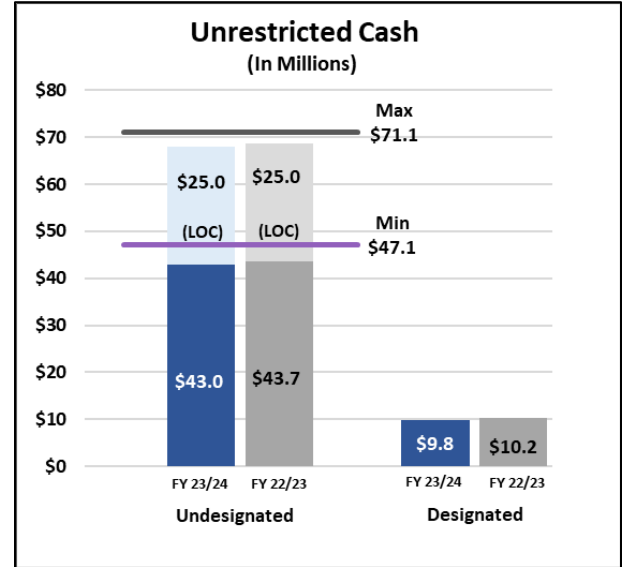
Current-year capital expenses (projects and equipment) of \$16.6M are higher than the prior year by \$7.9M, reflecting increases of \$7.9M in bond proceeds and \$0.3M in reserves, offset by a decrease of \$0.3M in capital contributions. Ongoing work in significant capital projects to date is in water 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 \$43.0M is \$0.7M lower than the prior year, primarily due to investment losses from the prior fiscal year. The Water Fund's undesignated reserve balance, combined with the available line of credit (LOC), is within the minimum and maximum levels at 2/29/2024.

COMPONENTS OF CASH (In Millions)	2/29/2024	2/28/2023
<b>Undesignated</b>	\$ 43.0	\$ 43.7
<b>Designated</b>		
Property	\$ 5.9	\$ 5.8
Recycled Water	0.7	1.2
Customer Deposits	0.8	0.8
Capital Repair/Replacement	2.4	2.4
<b>Total Designated</b>	<b>\$ 9.8</b>	<b>\$ 10.2</b>
<b>Legally Restricted*</b>	<b>\$ 56.6</b>	<b>\$ 75.1</b>
<b>Available Line of Credit (LOC)</b>	<b>\$ 25.0</b>	<b>\$ 25.0</b>

\*Includes \$44.7M of estimated Bond Construction Cash at 2/29/2024.



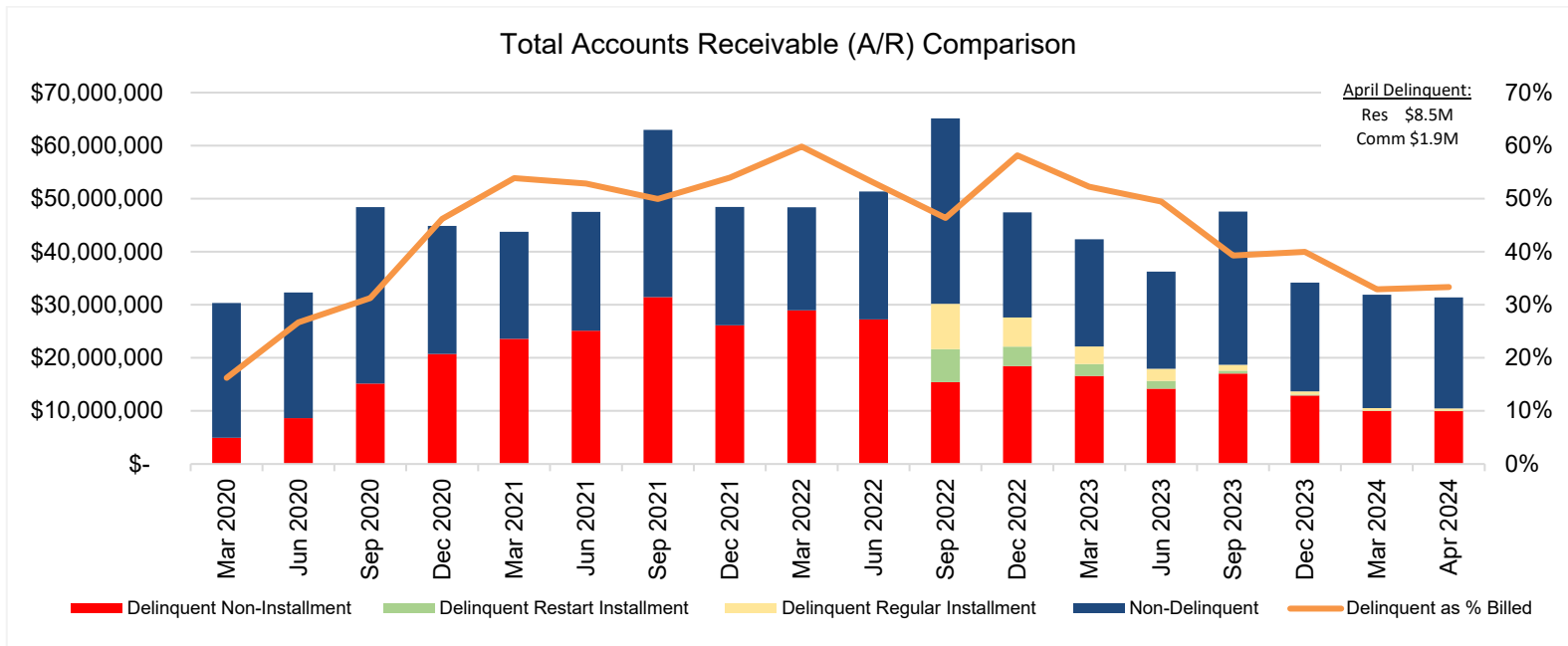
# Accounts Receivable & Delinquencies

As of April 30, 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 April 30, 2024. Accounts receivable for all services including electric, water, sewer, and refuse have increased by 3% or \$1.1 million from \$30.3 million in March 2020 to \$31.4 million on April 30, 2024. During the same period, delinquent accounts receivable has increased 113% or \$5.5 million from \$4.9 million in March 2020 to \$10.5 million on April 30, 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 April 30, 2024 for electric, water, sewer, and refuse.

## Collections

As of April 30, 2024, inactive account collection totals included residential in the amount of \$2.8 million or 72% and commercial in the amount of \$1.1 million or 28%. In April 2024, approximately 509 electric, water, sewer and refuse accounts totaling \$0.2 million were sent to the collection agency for unpaid and delinquent utility bills.