



PROPOSED AMENDMENT OF THE FISCAL YEAR 2025-26 BUDGET

Riverside Public Utilities

Board of Public Utilities

April 28, 2025

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BACKGROUND

1. Electric and Water Funds Fiscal Years (FY) 2024-26 biennial budget approved:
 - a. April 8, 2024 by the Board of Public Utilities
 - b. June 25, 2024 by the City Council
2. Purpose of the budget update is to recommend amendments to the previously adopted FY 2025-26 budget based on new financial data and significant events that impact the Electric and Water Funds' finances.
3. Recommendations will be incorporated into the City's FY 2025-26 budget update
 - a. To be presented to City Council on May 13, 2025



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DISCUSSION

1. The combined increase to RPU personnel costs of \$4,215,759 are a result of:
 - a. City Council actions approving Memorandum of Understanding (MOU) agreements with International Brotherhood of Electric Workers (IBEW) for Field and Supervisory groups.
 - b. Merit increases, increases for health and dental plans

Personnel

Fund Category	Adopted FY 2025-26	Proposed Adjustment	Amended FY 2025-26
510 Electric	\$80,030,543	\$3,093,660	\$83,124,203
520 Water	27,373,976	1,122,099	28,496,075
Total	\$107,404,519	\$4,215,759	\$111,620,278



DISCUSSION

1. The increase to RPU power supply costs of \$12,000,000 are a result of Intermountain Power Project (IPP) debt service to finance the Gas Repowering project.
 - a. RPU's share is 7.617%
 - b. Effective July 2027, RPU is exiting IPP and these costs will cease after that date

Power Supply

Fund Category	Adopted FY 2025-26	Proposed Adjustment	Amended FY 2025-26
510 Electric	\$246,270,494	\$12,000,000	\$258,270,494
Total	\$246,270,494	\$12,000,000	\$258,270,494



DISCUSSION

1. The combined increase to RPU Charges from Others costs of \$161,022 are a result of:
 - a. Personnel costs that support RPU
 - b. City financial audit costs
 - c. Costs associated with Public Works Urban Forestry Tree Inspector

Charges From Others

Fund Category	Adopted FY 2025-26	Proposed Adjustment	Amended FY 2025-26
510 Electric	\$10,485,088	\$152,552	\$10,637,640
520 Water	7,186,601	8,470	7,195,071
Total	\$17,671,689	\$161,022	\$17,832,711



DISCUSSION

Interdepartmental transfers within the 510 Electric Fund are a realignment and have no net fiscal impact and no change to the total number of positions:

1. Transfer of 8.0 FTE's, along with all associated personnel and non-personnel budgets from Power Supply Operations division to the new Strategic Initiatives division.
2. Transfer of 1.0 Safety Specialist FTE with the associated personnel budgets from Electric Production and Operations division to Administration, Safety division.



STRATEGIC PLAN ALIGNMENT

Strategic Priority 5 – High Performing Government

Goal 5.3 – Enhance communication and collaboration with community members to improve transparency, build public trust and encourage shared decision making.

Cross-Cutting Threads



Community Trust



Equity



Fiscal Responsibility



Innovation



Sustainability & Resiliency



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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Increasing the Electric 510 Fund proposed Fiscal Year 2025-26 budget amendments comprising of an increase in expenditures of \$15,246,212; and
2. Increasing the Water 520 Fund proposed Fiscal Year 2025-26 budget amendments comprising of an increase in expenditures of \$1,130,569.



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