

RPU FINANCIAL RESULTS

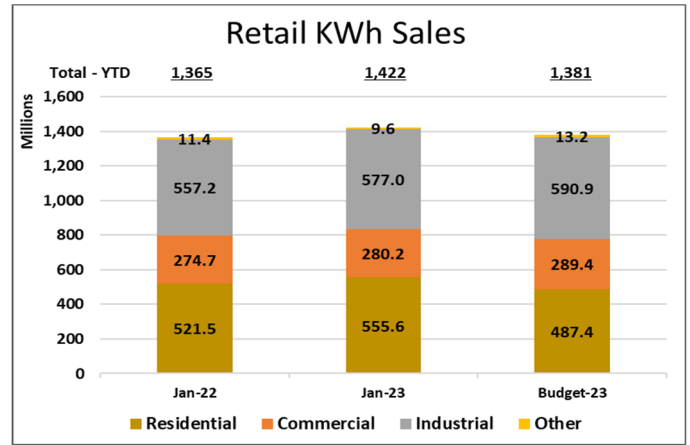
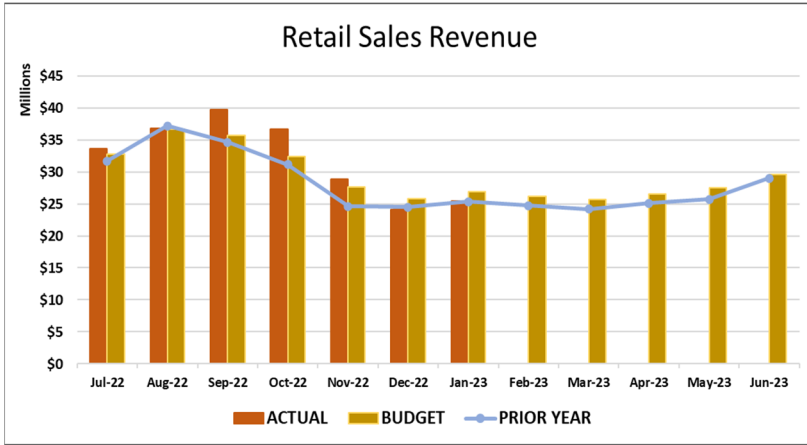
Unaudited FY 2022/23 through January 31, 2023

ELECTRIC

COVID-19 IMPACTS

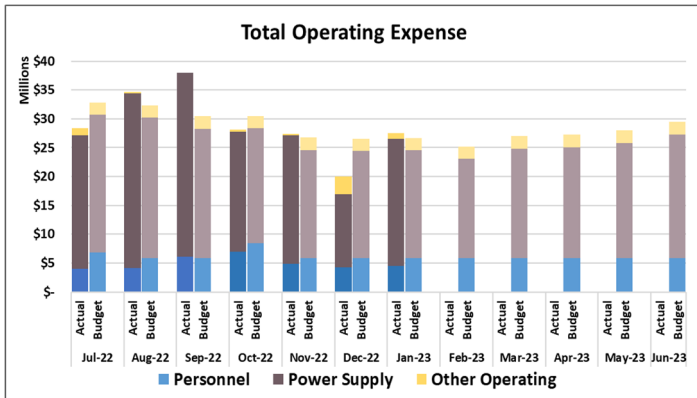
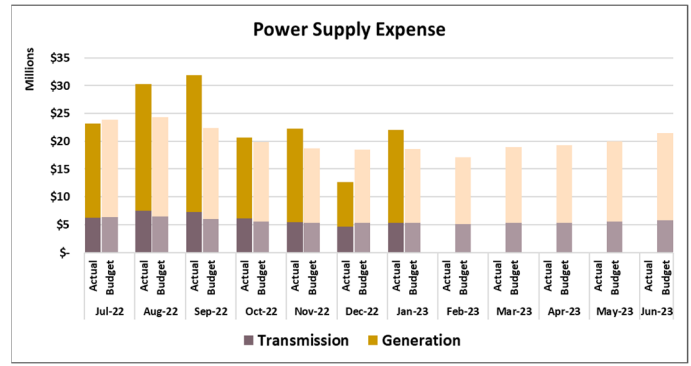
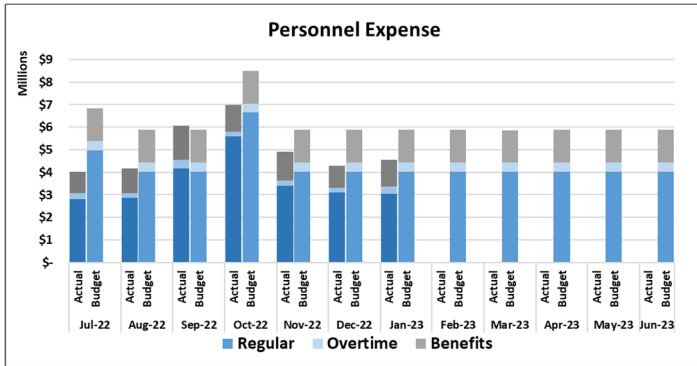
Due to the continued COVID-19 pandemic, RPU recognizes that there will be impacts to the financial results of the Electric Utility, which staff will continue to monitor.

REVENUES



Year-to-date retail sales of \$225.1M are \$7.3M (3.4%) higher than budget due to higher than anticipated consumption. Current year actual retail sales are \$15.9M (7.6%) higher than prior year due to an increase in consumption compared to the prior year and rate plan increases. Retail kWh sales reflect 3.0% higher than budget due to higher than anticipated consumption and 4.2% higher than prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$35.0M are \$9.7M (21.6%) lower than budget due to various vacancies and attrition.

Power Supply Expense: Year-to-date power supply costs of \$162.8M are \$16.5M (11.3%) higher than budget due to higher than expected energy costs.

Other Operating Expense: Year-to-date other operating expenses of \$6.0M are \$9.1M (60.2%) below budget due to timing of expenses and savings in other general operating expenses.

CAPITAL IMPROVEMENT PROGRAM

CAPITAL/EQUIPMENT FUNDING (In Millions)	Jan-23	Jan-22
Capital Contributions	\$ 2.0	\$ 1.8
Bond Proceeds	-	7.5
Rates/Reserves	8.6	9.1
TOTAL	\$ 10.6	\$ 18.4

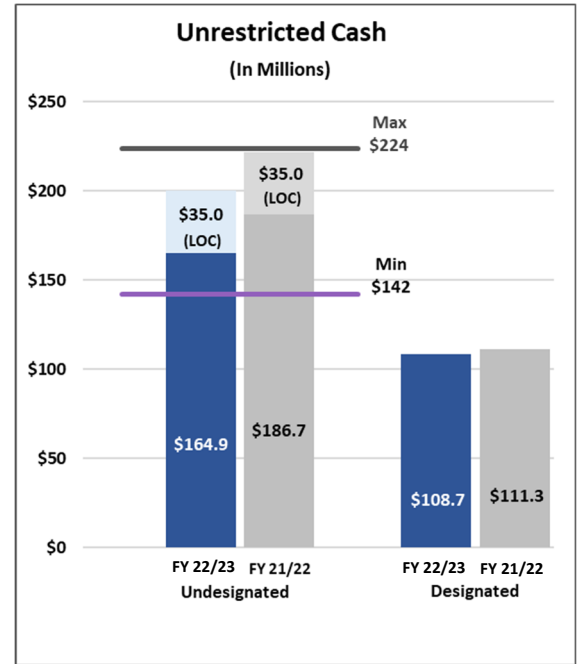
Current year capital expenses (projects and equipment) of \$10.6M are lower than prior year by \$7.8M reflecting decreases of \$7.5M in bond proceeds and \$0.5M in rates and reserve funding, offset by an increase of \$0.2M in capital contributions. Ongoing work in significant capital projects to date 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 \$164.9M is \$21.8M 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 extra expense was offset by the Parada litigation settlement agreement resulting in customer bill credits from the General Fund that were applied as cash for eligible current customer accounts. The undesignated reserve is within the minimum and maximum levels at 1/31/23.

COMPONENTS OF CASH (In Millions)	1/31/2023	1/31/2022
Undesignated	\$ 164.9	\$ 186.7
Designated		
Electric Reliability	\$ 86.6	\$ 81.0
Additional Decommissioning Liability	7.6	15.1
Customer Deposits	5.6	5.2
Capital Repair/Replacement	2.5	4.6
Mission Square Improvement	1.5	1.1
Dark Fiber	4.9	4.3
Total Designated	\$ 108.7	\$ 111.3
Legally Restricted *	\$ 131.0	\$ 120.3
Available Line of Credit (LOC)	\$ 35.0	\$ 35.0

* Includes \$0 of Bond Construction Cash at 1/31/2023.



RPU FINANCIAL RESULTS

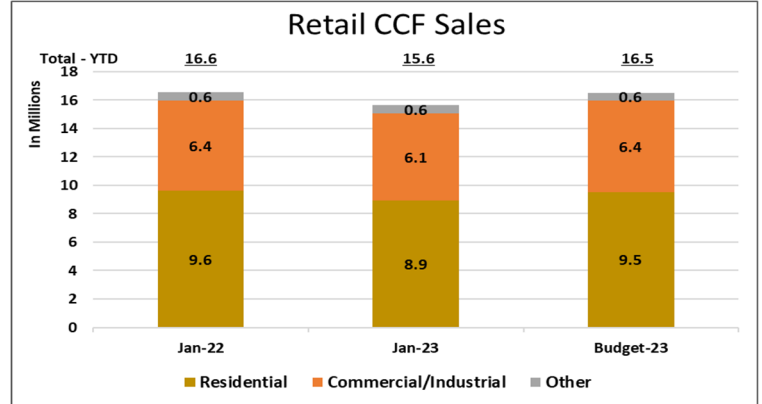
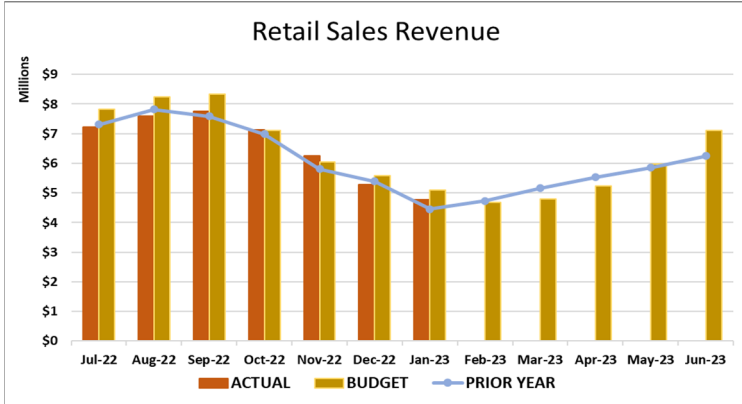
Unaudited FY 2022/23 through January 31, 2023

WATER

COVID-19 IMPACTS

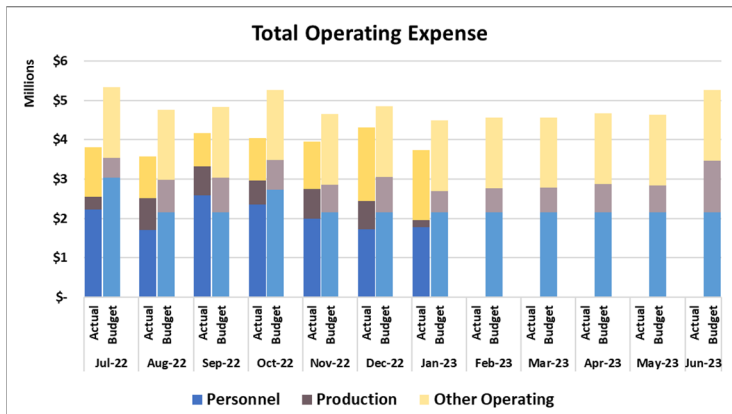
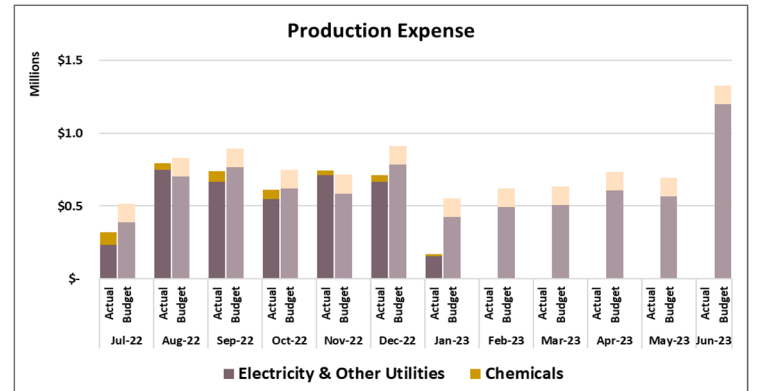
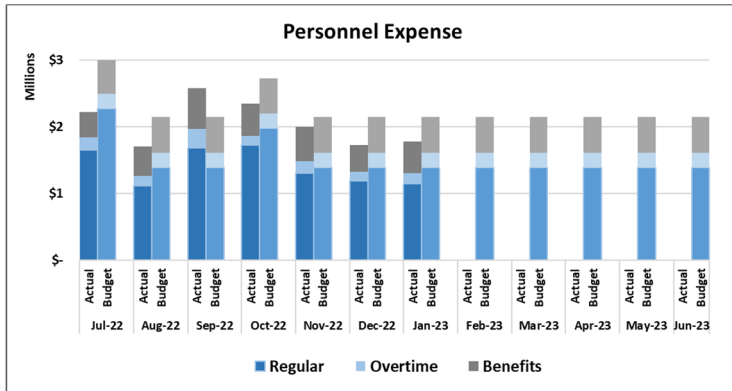
Due to the continued COVID-19 pandemic, RPU recognizes that there will be impacts to the financial results of the Water Utility, which staff will continue to monitor.

REVENUES



Year-to-date retail sales of \$46M are \$2.2M (4.6%) lower than budget due to lower consumption and are \$0.6M (1.4%) higher than prior year primarily due to rate plan increases. Current year retail CCF sales are 5.2% lower than budget due to lower than anticipated consumption and 5.2% lower than prior year due to lower consumption compared to prior year.

OPERATING EXPENDITURES



Personnel Expense: Year-to-date personnel costs of \$14.4M are \$2.1M (12.9%) below budget due to various vacancies and attrition.

Production Expense: Year-to-date production costs of \$4.1M are \$1.1M (20.9%) below budget due to lower than anticipated chemical and electricity costs for water production.

Other Operating Expense: Other operating expenses of \$9.1M are \$3.4M (27%) below budget primarily due to timing of expenditures and savings in other general operating expenses.

CAPITAL FUNDING

CAPITAL/EQUIPMENT FUNDING (In Millions)	Jan-23	Jan-22
Capital Contributions	\$ 1.8	\$ 2.2
Bond Proceeds	3.5	6.6
Rates/Reserves	2.4	2.0
TOTAL	\$ 7.7	\$ 10.8

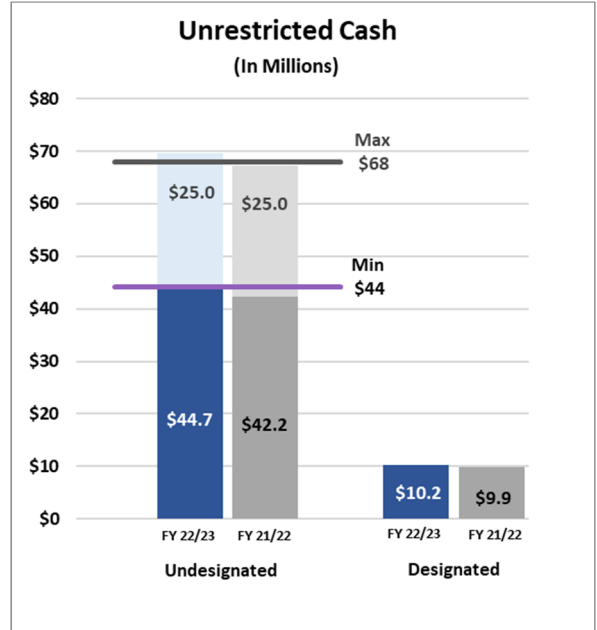
Current year capital expenses (projects and equipment) of \$7.7M are lower than prior year by \$3.1M, reflecting decreases of \$3.1 in bond proceeds and \$0.4 in capital contribution, offset by an increase of \$0.4M in rates and reserves. Ongoing work in significant capital projects to date is in distribution 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 \$44.7M is \$2.5M higher than prior year primarily due to positive operating results and the California Water and Wastewater Arrearages Payment Program, offset by an investment loss. Water Fund's undesignated reserve balance is within the minimum and maximum levels at 1/31/23.

COMPONENTS OF CASH (In Millions)	1/31/2023	1/31/2022
Undesignated	\$ 44.7	\$ 42.2
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 *	\$ 74.0	\$ 21.7
Available Line of Credit (LOC)	\$ 25.0	\$ 25.0

*Includes \$1.1M of estimated 2019A Bond Construction Cash and \$63M of 2022A Bond Construction Cash.



Accounts Receivable & Delinquencies

As of March 31, 2023

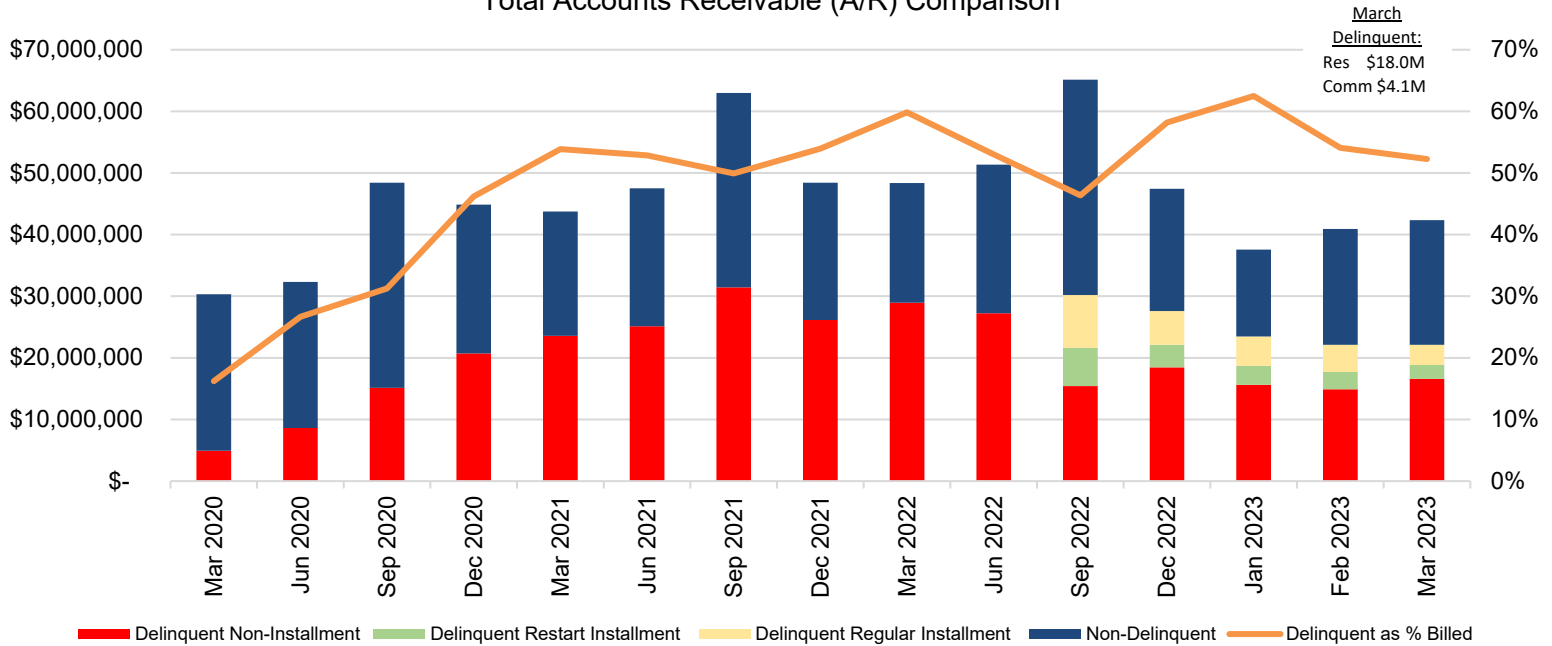
COVID-19 IMPACTS

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 March 31, 2023. Accounts receivable for all services including electric, water, sewer, and refuse have increased by 40% or \$12.0 million from \$30.3 million in March 2020 to \$42.3 million on March 31, 2023. During the same period, delinquent accounts receivable has increased 350% or \$17.2 million from \$4.9 million in March 2020 to \$22.1 million on March 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 March 31, 2023 for electric, water, sewer, and refuse.

Collections

As of March 2023, inactive account collection totals included residential in the amount of \$6,779,720 or 85% and commercial in the amount of \$1,243,063 or 15%. As a comparison, pre-COVID inactive account collection totals included residential in the amount of \$463,220 or 96% and commercial \$21,468 or 4%. As of February 2023, City Council approved a contract with a new collection agency, processes are being implemented and future reports will reflect collection updates.