

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2016

CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES

**2010 SERIES A ELECTRIC REVENUE BONDS \$133,290,000 (FEDERALLY TAXABLE)
2010 SERIES B ELECTRIC REVENUE BONDS \$7,090,000 (TAX-EXEMPT)**

BONDS DATED DECEMBER 16, 2010

CUSIP NUMBERS 768874SD2 Through 768874SJ9

CUSIP NUMBERS 768874SK6 Through 768874SN0

Prepared by
City of Riverside

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March 1, 2017

RIVERSIDE PUBLIC UTILITIES

CONTINUING DISCLOSURE INFORMATION – 2010 A and B ELECTRIC BONDS \$140,380,000
FISCAL YEAR ENDED JUNE 30, 2016

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Enclosed is the City of Riverside CAFR and Electric Utility 2015/16 Audited Financial Statements
2. The principal amount of the 2010 A and B Bonds outstanding at June 30, 2016 was \$140,380,000.
3. Electric System Facilities

Utility Plant (less accumulated depreciation)	\$ 709,368,000
Construction in Progress	45,326,000

Distribution - Overhead Circuit Miles	513
Underground Circuit Miles	817
Street Light Circuit Miles	1,052

4. Annual Electricity Supply

Resource	MWh	Percentage
IPP Generating Station	560,000	24.1%
Firm Contracts and Open Market Purchases	1,084,700	46.6%
SONGS	0	0.0%
PVNGS	103,300	4.4%
Hoover Upgrading Project	30,900	1.3%
RERC/Springs/Clearwater	67,600	2.9%
Renewable Resources	585,800	25.2%
Net Exchange In/(Out)	(104,900)	(4.5%)
Total	<u>2,327,400</u>	<u>100.0%</u>

5. Total Energy Generated and Purchased and Peak Demand

From Own Generation (MWh)	76,400
From Other Sources (MWh)	<u>2,251,000</u>
System Total (MWh)	<u>2,327,400</u>
System Native Load (MWh)	2,169,000
System Peak Demand (MW)	598.60

6. Number of Meters

Residential	96,934
Commercial	10,898
Industrial	891
Other	53
Total - All Classes	<u>108,776</u>

7. Energy Sold (millions of kWh)

Residential	726
Commercial	438
Industrial	982
Wholesale ⁽¹⁾	-
Other	23
Total kWh sold	<u>2,169</u>

(1) Wholesale kWh was less than 1 million kWh

8. City Council approved a 4-year rate increase on December 1, 2006, and December 4, 2007, respectively as follows:

<u>Effective Date</u>	<u>Overall System</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
January 1, 2007	3.5%	2.1%	5.2%	4.7%
January 1, 2008	10.0%	13.5%	10.5%	8.9%
January 1, 2009	3.6%	3.7%	5.2%	2.8%
January 1, 2010	5.8%	8.6%	4.8%	5.4%

9. Revenues From Sales of Electricity (in thousands)

Residential	\$ 116,997
Commercial	69,759
Industrial	113,756
Other sales	4,737
Wholesale	3
Transmission	32,924
Total	<u>\$ 338,176</u>

10. Average Billing Price (Cents Per Kilowatt-Hour)

Residential	16.1
Commercial	16.0
Industrial	11.6
Other	20.9
Average - All Classes Combined	14.1

11. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues	
Residential	\$ 116,997
Commercial	69,759
Industrial	113,756
Other sales	4,737
Wholesale	3
Transmission	32,924
Other operating revenue	7,425
Total operating revenues, before (reserve)/recovery	345,601
Reserve for uncollectible, net of recovery	(763)
Total operating revenues, net of (reserve)/recovery	\$ 344,838
Investment income	5,143
Capital Contributions	2,434
Non-Operating revenues	18,615
Total revenues	<u>\$ 371,030</u>
Operating expenses	
Nuclear production	\$ 1,209
Purchased/produced power	135,873
Transmission expense	58,144
Distribution expenses	16,147
Customer account expenses	6,179
Customer service expenses	2,402
Administration & general expenses	9,503
Clearing & Miscellaneous expenses	15,115
Total expenses	<u>\$ 244,572</u>
Net Operating Revenues Available for Debt Service and Depreciation	<u>\$ 126,458</u>
Debt Service Requirements on bonds	\$ 42,240
Debt Service Coverage	2.99

12. Outstanding Debt of Joint Powers Agencies (In Thousands)

	Principal Amount of Outstanding Debt	%	City of Riverside Electric Public Utilities Share
IPA			
Intermountain Power Project ⁽¹⁾	\$ 1,248,699	7.617%	\$ 95,113
SCPPA ⁽¹⁾			
Palo Verde	24,440	5.4%	1,320
STS	605,495	10.2%	61,761
Hoover Dam	4,167	31.9%	1,329
Mead-Phoenix	27,695	4.0%	1,108
Mead-Adelanto	91,074	13.5%	12,295
	<u>\$ 2,001,570</u>		<u>\$ 172,926</u>

⁽¹⁾ Total before unamortized bond discount/premium and refunding charge.

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Notice Events

There has been no occurrence during the reporting period of the following notice events with respect to the 2010 ELECTRIC REVENUE BONDS, SERIES A and B \$140,380,000.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of the credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modification to rights of Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the City.
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

VOLUNTARY DISCLOSURE - Other Event Based Disclosures

The interest subsidy on the Series A Taxable Build America Bonds is subject to adjustment as set forth in the March 4, 2013 IRS guidance. For additional information please review the IRS website: www.irs.gov/tax-exempt-bonds/fy2017-update-effect-of-sequestration-on-state-local-government-filers-of-form-8038-CP