

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2015

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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RIVERSIDE PUBLIC UTILITIES
CONTINUING DISCLOSURE INFORMATION – 2010 A and B ELECTRIC BONDS \$140,380,000
FISCAL YEAR ENDED JUNE 30, 2015

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

1. Enclosed is the City of Riverside CAFR and Electric Utility 2014/15 Audited Financial Statements
2. The principal amount of the 2010 A and B Bonds outstanding at June 30, 2015 was \$140,380,000.
3. Electric System Facilities

Utility Plant (less accumulated depreciation)	\$ 653,805,000
Construction in Progress	48,604,000
Distribution - Overhead Circuit Miles	513
Underground Circuit Miles	815
Street Light Circuit Miles	1,051

4. Annual Electricity Supply

<u>Resource</u>	<u>MWh</u>	<u>Percentage</u>
IPP Generating Station	744,200	32.1%
Firm Contracts and Open Market Purchases	1,029,350	44.4%
SONGS	0	0.0%
PVNGS	103,900	4.5%
Hoover Uprating Project	30,900	1.3%
RERC/Springs/Clearwater	56,550	2.5%
Renewable Resources	397,000	17.1%
Net Exchange In/(Out)	(44,800)	(1.9%)
Total	<u>2,317,100</u>	<u>100.0%</u>

5. Total Energy Generated and Purchased and Peak Demand

From Own Generation (MWh)	65,000
From Other Sources (MWh)	<u>2,252,100</u>
System Total (MWh)	<u>2,317,100</u>
System Native Load (MWh)	2,165,000
System Peak Demand (MW)	604.40

6. Number of Meters

Residential	97,603
Commercial	10,757
Industrial	888
Other	79
Total - All Classes	<u>109,327</u>

7. Energy Sold (millions of kWh)

Residential	711
Commercial	428
Industrial	995
Wholesale	2
Other	31
Total kWh sold	<u>2,167</u>

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	\$ 114,112
Commercial	68,572
Industrial	112,283
Other sales	5,654
Wholesale	60
Transmission	30,587
Total	<u>\$ 331,268</u>

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

Residential	16.0
Commercial	16.0
Industrial	11.3
Other	18.3
Average - All Classes Combined	13.9

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

Operating revenues	
Residential	\$ 114,112
Commercial	68,572
Industrial	112,283
Other sales	5,654
Wholesale	60
Transmission	30,587
Other operating revenue	7,654
Total operating revenues, before (reserve)/recovery	338,922
Reserve for uncollectible, net of recovery	(1,014)
Total operating revenues, net of (reserve)/recovery	<u>\$ 337,908</u>
Investment income	3,821
Capital Contributions	2,139
Non-Operating revenues	4,376
Total revenues	<u><u>\$ 348,244</u></u>
Operating expenses	
Nuclear production	\$ 3,992
Purchased/produced power	141,318
Transmission expense	53,356
Distribution expenses	13,832
Customer account expenses	6,834
Customer service expenses	2,133
Administration & general expenses	12,574
Clearing & Miscellaneous expenses	13,948
Total expenses	<u><u>\$ 247,987</u></u>
Net Operating Revenues Available for Debt Service and Depreciation	<u><u>\$ 100,257</u></u>
Debt Service Requirements on bonds	\$ 42,017
Debt Service Coverage	2.39

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⁾	\$ 1,418,692	7.617%	\$ 108,062
SCPPA ⁽¹⁾			
Palo Verde	36,130	5.4%	1,951
STS	660,725	10.2%	67,394
Hoover Dam	6,095	31.9%	1,944
Mead-Phoenix	33,175	4.0%	1,327
Mead-Adelanto	108,785	13.5%	14,686
	<u>\$ 2,263,602</u>		<u>\$ 195,364</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/FY2016-Update-Effect-of-Sequestration-on-Certain-State-and-Local-Government-filers-of-Form-8038CP