

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2016

CITY OF RIVERSIDE ELECTRIC PUBLIC UTILITIES

**2008 A AND C VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS
BONDS DATED May 1, 2008**

**CUSIP NUMBERS 768874PS2 &
768874PU7**

Prepared by
City of Riverside

Laura M. Chavez-Nomura
Assistant General Manager-Finance/Administration
Public Utilities Department
951-826-5492

Scott G. Miller PhD
Chief Financial Officer/Treasurer
Finance Department
951-826-5660

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RIVERSIDE PUBLIC UTILITIES

CONTINUING DISCLOSURE INFORMATION – 2008 A and C ELECTRIC BONDS \$141,840,000 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 2008 A and C Bonds outstanding at June 30, 2016 was \$112,515,000.
3. The reserve requirements of the 2008 A and C Electric bonds are \$6,411,745 and \$4,348,971 respectively, and are fully funded.

The reserves for the 2008 A and C bonds are funded by cash in the amount of \$6,435,922 and \$4,365,370 respectively, as of June 30, 2016.

4. 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

5. 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	2,327,400	100.0%

6. Total Energy Generated and Purchased and Peak Demand

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

7. Number of Meters

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

8. 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

9. 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%

10. 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>

11. 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

12. 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	<u>345,601</u>
Reserve for uncollectible, net of recovery	(763)
Total operating revenues, net of (reserve)/recovery	<u>\$ 344,838</u>
Investment income	5,143
Capital Contributions	2,434
Non-Operating revenues	18,615
Total revenues	<u>\$ 371,030</u>

12. Summary of Operations and Debt Service Coverage (in thousands), continued.

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

13. 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 Significant Events

There has been no occurrence during the reporting period of the following significant events with respect to the 2008 VARIABLE RATE REFUNDING ELECTRIC REVENUE BONDS, SERIES A and C \$141,840,000, except that relative to item 6 as previously disclosed and noted below.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modification to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasances
6. Rating changes -

On July 2, 2015, Standard & Poor's decreased its rating on the Series A bonds from "A/A-1" to "A-/A-2" to reflect the rating of Barclays Bank PLC, the substituted financial institution supporting the issue with a letter of credit.

On December 29, 2016, Standard & Poor's increased its rating on the Series C bonds from "A/A-1" to A+/A-1" in relation to its action of raising long-term rates for U.S. public finance Issues backed by a letter of credit from several institutions of which included Bank of America N.A.

Payment of principal and interest is guaranteed by Barclays Bank PLC by a letter of credit on the Series A bonds. On December 12, 2016, Moody's increased its rating on Barclays Bank PLC from "A2/P-1" to "A1/P-1".

Payment of principal and interest is guaranteed by Bank of America N.A by a letter of credit on the Series C bonds. On December 16, 2016 Standard & Poor's increased its rating on Bank of America N.A from "A/A-1" to "A+/A-1".

7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. Release, substitution or sale of property securing repayment of the Bonds.