

ANNUAL DISCLOSURE REPORT
CITY OF RIVERSIDE
PUBLIC UTILITIES DEPARTMENT

FISCAL YEAR ENDING JUNE 30, 2019

Series	Dated	CUSIP Numbers
WATER REVENUE BONDS, ISSUE OF 2008B	MAY 28, 2008	769076SS0 through 769076TG5
WATER REVENUE/REFUNDING BONDS, ISSUE OF 2009A (TAX EXEMPT)	DECEMBER 22, 2009	769076TH3 through 769076UB4
WATER REVENUE BONDS, ISSUE OF 2009B (FEDERALLY TAXABLE – BUILD AMERICA BONDS)	DECEMBER 22, 2009	769076UC2 through 769076UG3
VARIABLE RATE REFUNDING WATER REVENUE BONDS, ISSUE OF 2011A	MAY 26, 2011	769076UH1
WATER REVENUE REFUNDING BONDS, ISSUE OF 2019A	FEBRUARY 26, 2019	769076UJ7 through 769076VF4

Prepared by
City of Riverside

Todd Corbin
Utilities General Manager
Public Utilities Department

Edward Enriquez
Chief Financial Officer/Treasurer
Finance Department
951-826-5660

Preparation Date: March 25, 2020

Fiscal Year 2019 Annual Report for the City of Riverside's:

- Water Revenue Bonds, Issue of 2008B (the “2008B Bonds”)
- Water Revenue/Refunding Bonds, Issue of 2009A (Tax Exempt) (the “2009A Bonds”)
- Water Revenue Bonds, Issue of 2009B (Federally Taxable – Build America Bonds) (the “2009B Bonds”)
- Variable Rate Refunding Water Revenue Bonds, Issue of 2011A (the “2011A Bonds”)
- Water Revenue Refunding Bonds, Issue of 2019A (the “2019A Bonds”)

As required by the continuing disclosure certificates executed and delivered by the City of Riverside (the “City”) relating to the above-referenced bonds, the City provides the following:

Audited Financial Statements: Included by reference is the City of Riverside Public Utilities Financial Report, which includes the audited financial statements of the City’s Water Utility/Water System for the year ending June 30, 2019 prepared in accordance with generally accepted accounting principles. The City’s Public Utilities Financial Report was filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Access System (“EMMA”) on March 25, 2020.

Principal amount of the bonds outstanding as of the end of the immediately preceding Fiscal Year:

Series	Principal Outstanding as of June 30, 2019
2008B Bonds	\$0
2009A Bonds	\$4,630,000
2009B Bonds	\$67,790,000
2011A Bonds	\$24,050,000
2019A Bonds	\$114,215,000

With respect to the 2008B Bonds, the Balance in the 2008B Reserve Account as of the end of the immediately preceding Fiscal Year and a statement of the 2008B Bond Reserve Requirement:

The “2008B Bond Reserve Requirement” is defined as an amount equal to, as of any date of calculation, fifty percent (50%) of the maximum annual debt service on the 2008B Bonds (initially, \$3,940,125).

As of the end of the immediately preceding Fiscal Year, the reserve balance for the 2008B Bonds is \$0.00. This is due to the full defeasance of these bonds during fiscal year 2019.

Updated information comparable to the information in the table entitled “Water System General Statistics” as it appears in the Official Statement:

WATER SYSTEM GENERAL STATISTICS	
Fiscal Year Ended June 30, 2019	
No. of Service Connections Billed	65,714
Annual Potable Urban Water Production⁽¹⁾	
Annual Production from System Wells	21,930
Purchased Imported Water	-
Total Annual Water Production	21,930
Peak Daily Distribution ⁽²⁾	90.1
Average Daily Production ⁽²⁾⁽³⁾	59.0

⁽¹⁾ In millions of gallons at the entry point to the distribution system, includes retail, wholesale and wheeled water.

⁽²⁾ In millions of gallons per day at the entry point to the distribution system, includes retail, wholesale, and wheeled water.

⁽³⁾ Average Daily Production = Average Daily Distribution at the entry point to the distribution system.

Updated information comparable to the information in the table entitled “Number of Meters” / “Number of Metered Customers Billed” as it appears in the Official Statement:

NUMBER OF METERS	
Fiscal Year Ended June 30, 2019	
Residential	59,456
Commercial/Industrial ⁽¹⁾	5,045
Other ⁽¹⁾	1,302
Total - All Classes	65,803

⁽¹⁾ Reflects the reclassification of certain “Commercial/Industrial” accounts as “Other” in connection with the City’s current Water Rate Plan.

Updated information comparable to the information in the table entitled “Water Sales and Distribution” as it appears in the Official Statement:

WATER SALES AND DISTRIBUTION	
Fiscal Year Ended June 30, 2019	
Total Water Sales ⁽¹⁾⁽²⁾	18,067
Average Daily Production ⁽²⁾⁽³⁾	59.0
Maximum Daily Distribution ⁽¹⁾	90.2
Average Daily Sales per Meter (In Gallons)	752.0

⁽¹⁾ Retail water sales to Water System’s customers only. Excludes wholesale sales and wheeled water.

⁽²⁾ In millions of gallons.

⁽³⁾ Average Daily Production includes retail and wholesale water.

Updated information comparable to the information in the table entitled “Historical Summary of Operations and Debt Service Coverage” as it appears in the Official Statement:

HISTORICAL SUMMARY OF OPERATIONS AND DEBT SERVICE COVERAGE
For Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

Operating Revenues

Water Sales:

Residential	\$ 35,408
Commercial	20,539
Other sales	1,743

Water Conveyance 1,785

Other Operating Revenues ⁽¹⁾ 4,672

Total Operating Revenues 64,147

Investment Income 2044

Contributions in Aid ⁽²⁾ 2,489

Non-Operating Revenues 1,286

Total Revenues \$ 69,966

Operating and Maintenance Expenses ⁽³⁾

Operations and Maintenance \$ 38,949

Purchased Energy 5,748

Total Operating and Maintenance Expenses ⁽⁴⁾ \$ 44,697

Net Operating Revenues Available for Debt Service and Depreciation \$ 25,269

Debt Service Requirements Including BAB Subsidy \$ 15,142

Debt Service Requirements Excluding BAB Subsidy \$ 16,513

Debt Service Coverage Ratio Including BAB Subsidy 1.67x

Debt Service Coverage Ratio Excluding BAB Subsidy 1.61x

⁽¹⁾ Net of uncollectibles.

⁽²⁾ Reflects cash collections from connection fees paid by developers and grant funded projects.

⁽³⁾ Total of field operations, production and operations, and engineering operating expenses.

⁽⁴⁾ Excludes Governmental Accounting Standards Board (“GASB”) Statement No. 68 (Accounting and Financial Reporting for Pension) non-cash adjustment of \$(482), GASB Statement No. 68 became effective July 1, 2014. Includes GASB Statement No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) adjustments. GASB Statement No. 75 became effective on July 1, 2017.

With respect to the 2009A Bonds and 2009B Bonds, a description of any Additional Bonds and Parity Debt issued during the immediately preceding fiscal year:

During Fiscal Year 2019, the City of Riverside issued its Water Revenue Refunding Bonds, Issue of 2019A (The 2019A Bonds) which refunded entirely the 2008B Bonds, refunded a portion of the City's outstanding Variable Rate Refunding Water Revenue Bonds, Issue of 2011A, and paid the termination cost associated with terminating a portion of the City's outstanding interest rate swap allocated or related to the Prior Variable Rate Bonds, and to finance capital projects for the City's water utility system.