

City of Lodi Utility Funds

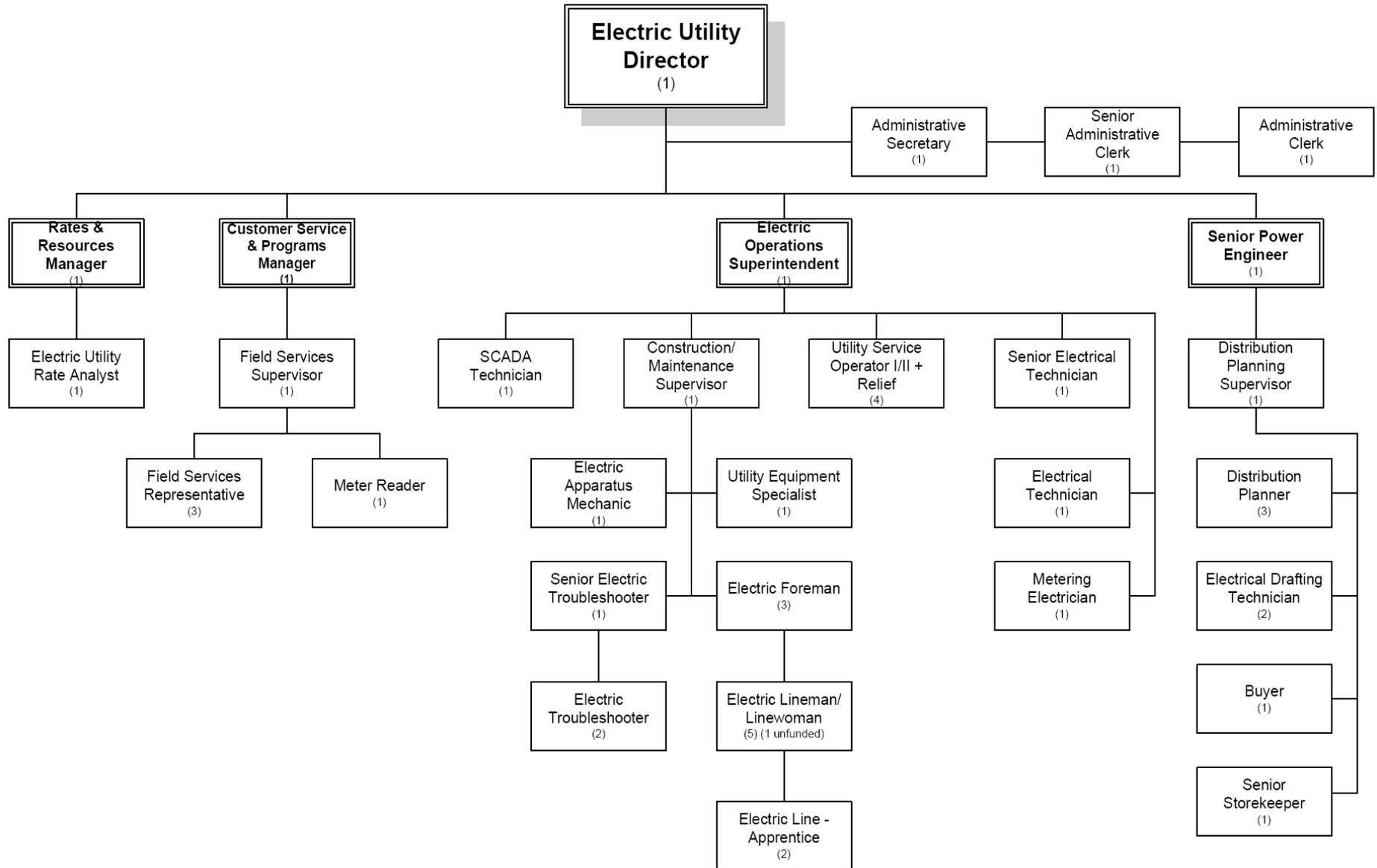
Budget Strategy Group
Session 4
March 15, 2011



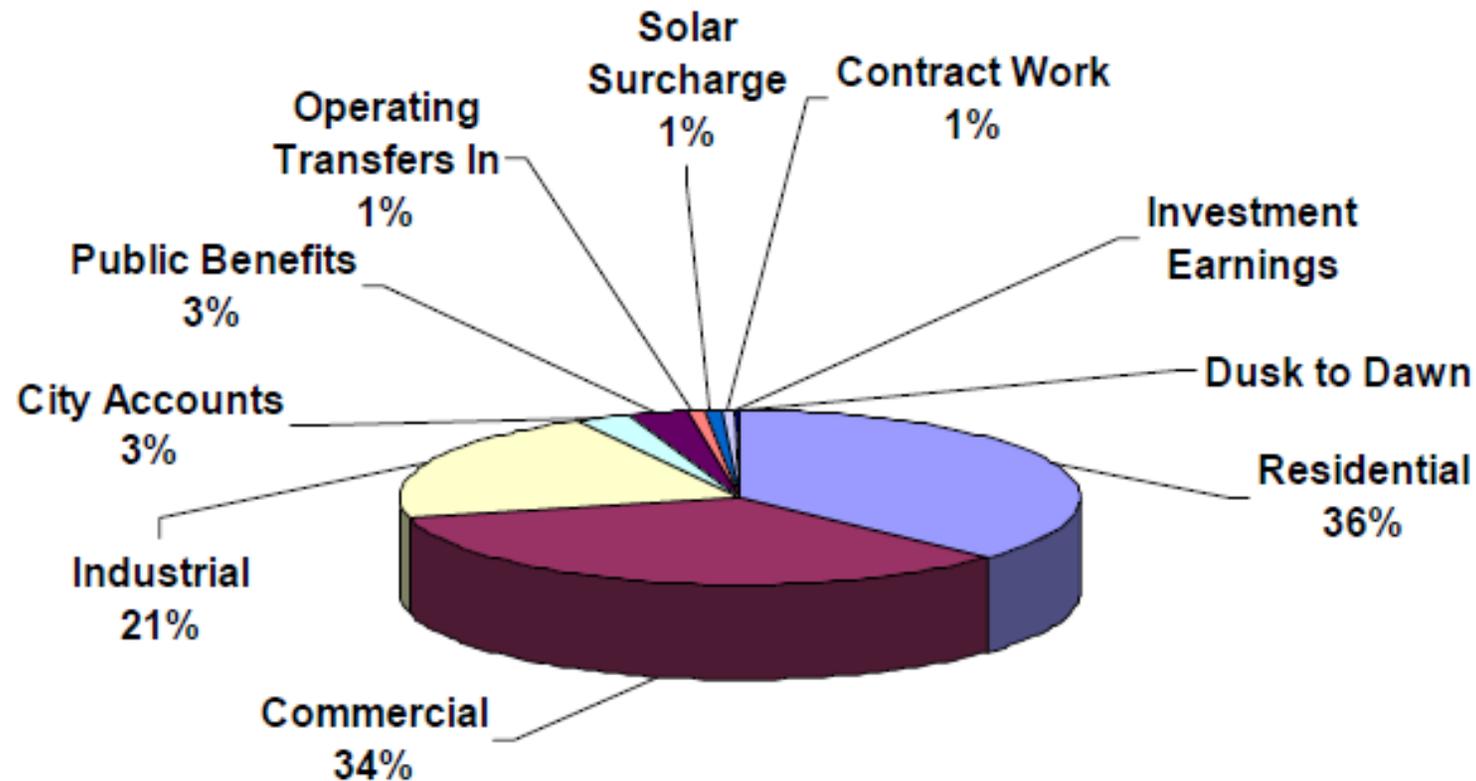
Utility funds 2010/11 budget

- Electric \$73.3 million
- Water \$11.5 million
- Wastewater \$14.2 million

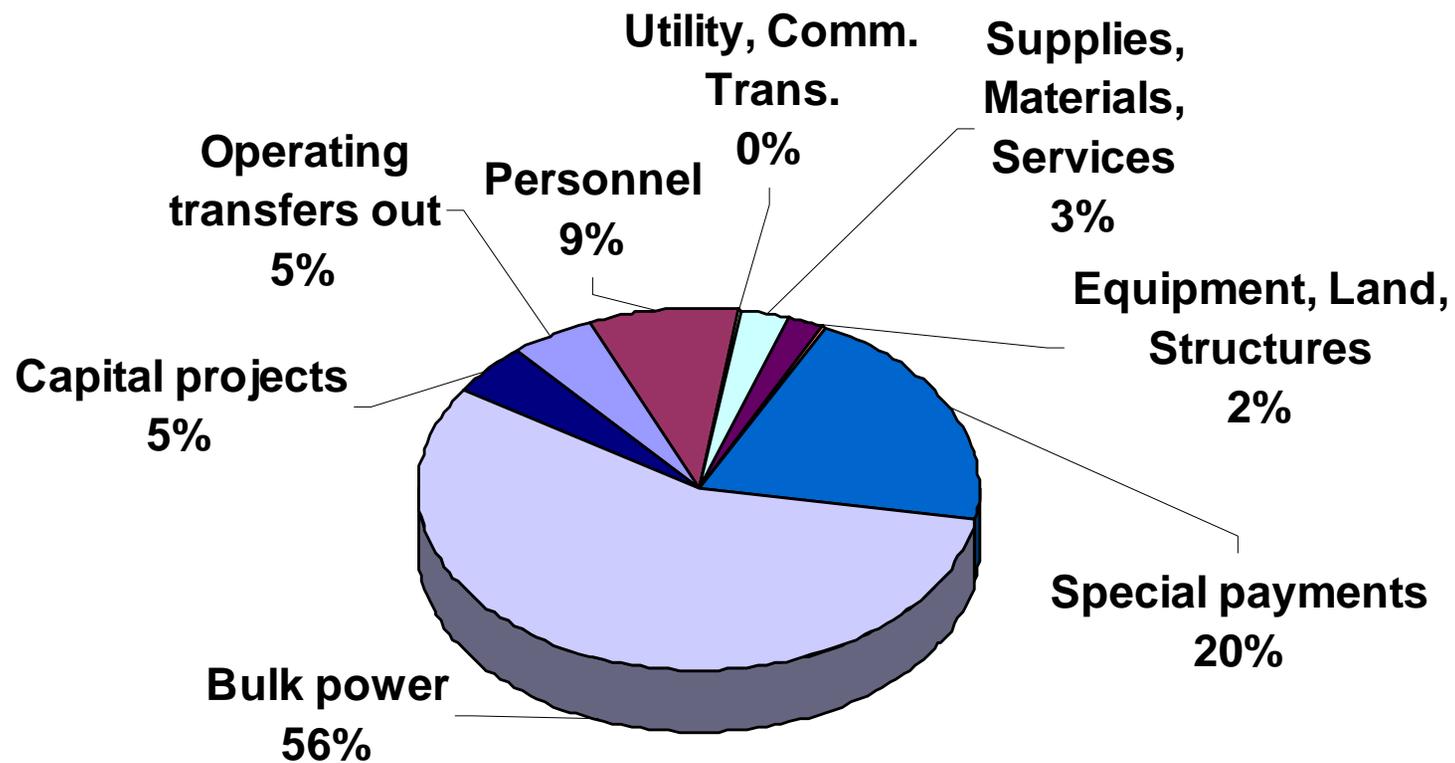
Electric Utility 46 positions



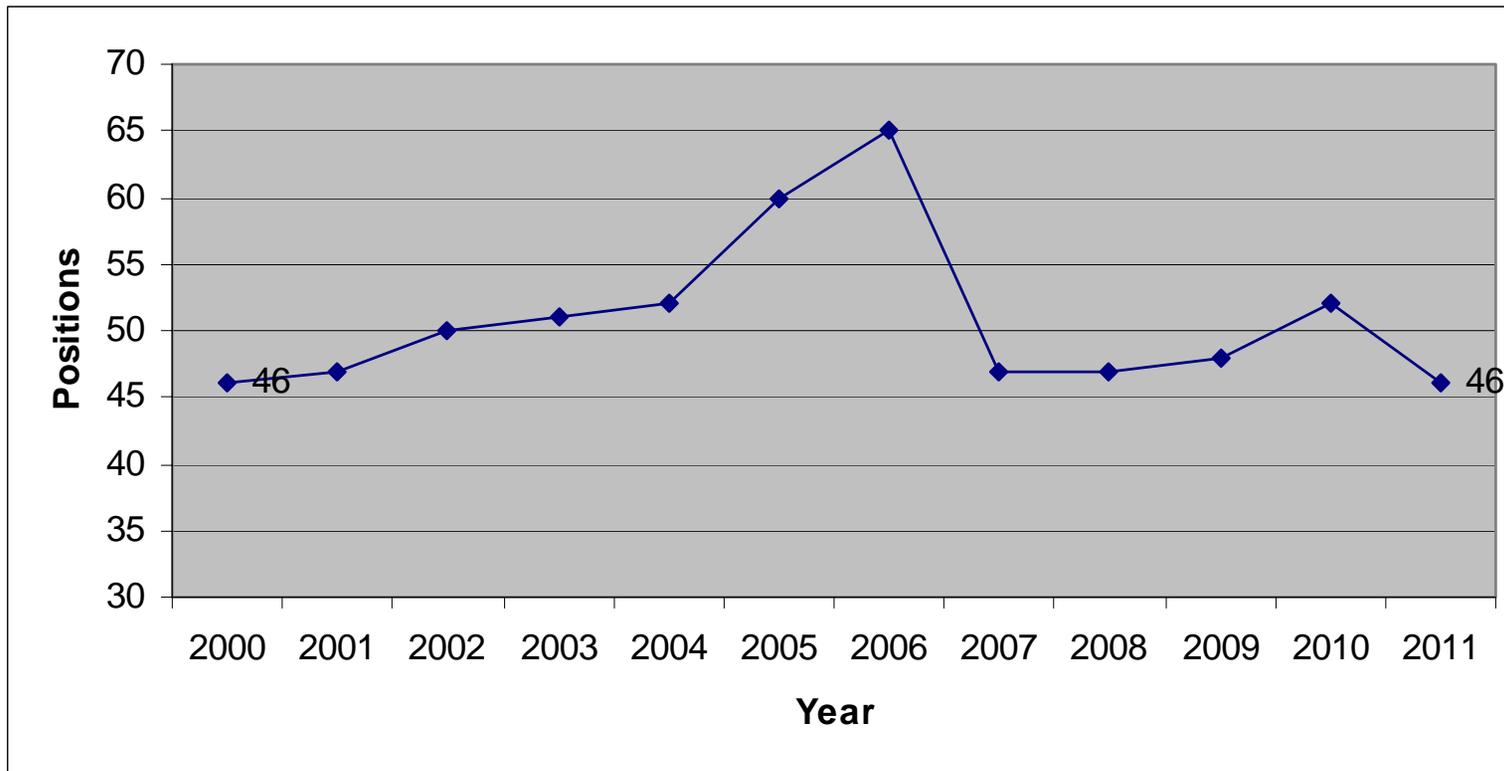
Electric Utility revenue sources



Electric Utility expenses



Electric Utility staffing trend



Electric Utility overview

- 2007 positions 47
- 2007 budget \$71.5 million
 - Power, \$43.4 million
- 2011 positions 46 (mid-year revised)
- 2011 budget \$76.6 million
 - Power, \$43.2 million

Electric Utility personnel costs

- 2007 \$4.7 million
 - \$354K medical, \$550K PERS
- 2011 \$6.7 million
 - \$591K medical, \$794K PERS

Electric Utility rate history

- December 2002: 4.5% average increase
- December 2005: 17% increase
- August 2007: Energy Cost Adjustment
- December 2007: Solar Initiative Surcharge
(1/8 cent per kWh)

Where your electric dollar goes

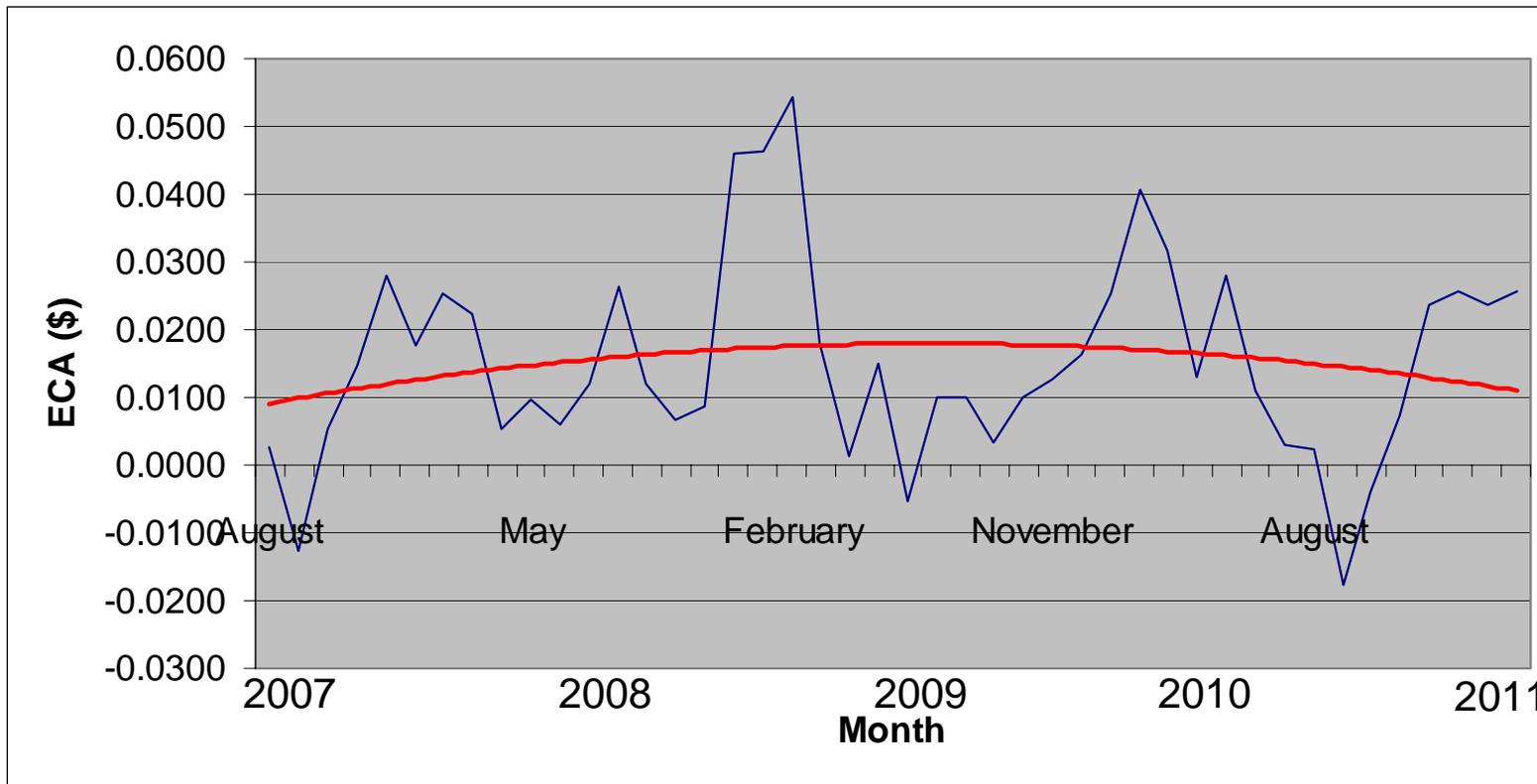
- 56 cents: Power
- 10 cents: Debt service
- 9 cents: General Fund transfer
- 9 cents: Personnel
- 5 cents: Distribution system maintenance, capital
- 4 cents: Billing, legal, collections
- 3 cents: Supplies
- 2 cents: Equipment
- 1 cent: Energy efficiency
- 1 cent: Utilities, vehicles



Lodi Electric Utility rates

Class of Service	Units	Roseville	SMUD	PG&E ¹	Lodi
Average System Revenue per kWh	\$/kWh	\$0.110	\$0.120	\$0.160	\$0.150
Industrial - 2,429,800 kWh/month	\$/month	\$253,685.05	\$255,986.93	\$303,346.55	\$279,816.46
4000 KW	\$/kWh	0.104	0.105	0.125	\$0.115
Large Commercial - 258,741 kWh/month	\$/month	\$29,926.19	\$29,506.27	\$36,851.94	\$34,631.66
600 KW	\$/kWh	\$0.116	\$0.114	\$0.143	\$0.134
Medium Commercial - 26,670 kWh/month	\$/month	\$3,532.35	\$3,170.51	\$4,302.49	\$4,043.97
82KW	\$/kWh	\$0.137	\$0.119	\$0.161	\$0.152
Small Business - 1,416 kWh/month	\$/month	\$188.82	\$179.42	\$266.06	\$235.53
	\$/kWh	\$0.133	\$0.127	\$0.188	\$0.166
Residential - 950 kWh/month	\$/month	\$133.78	\$114.51	\$200.29	\$179.27
	\$/kWh	\$0.141	\$0.120	\$0.211	\$0.189

Lodi Electric: ECA change

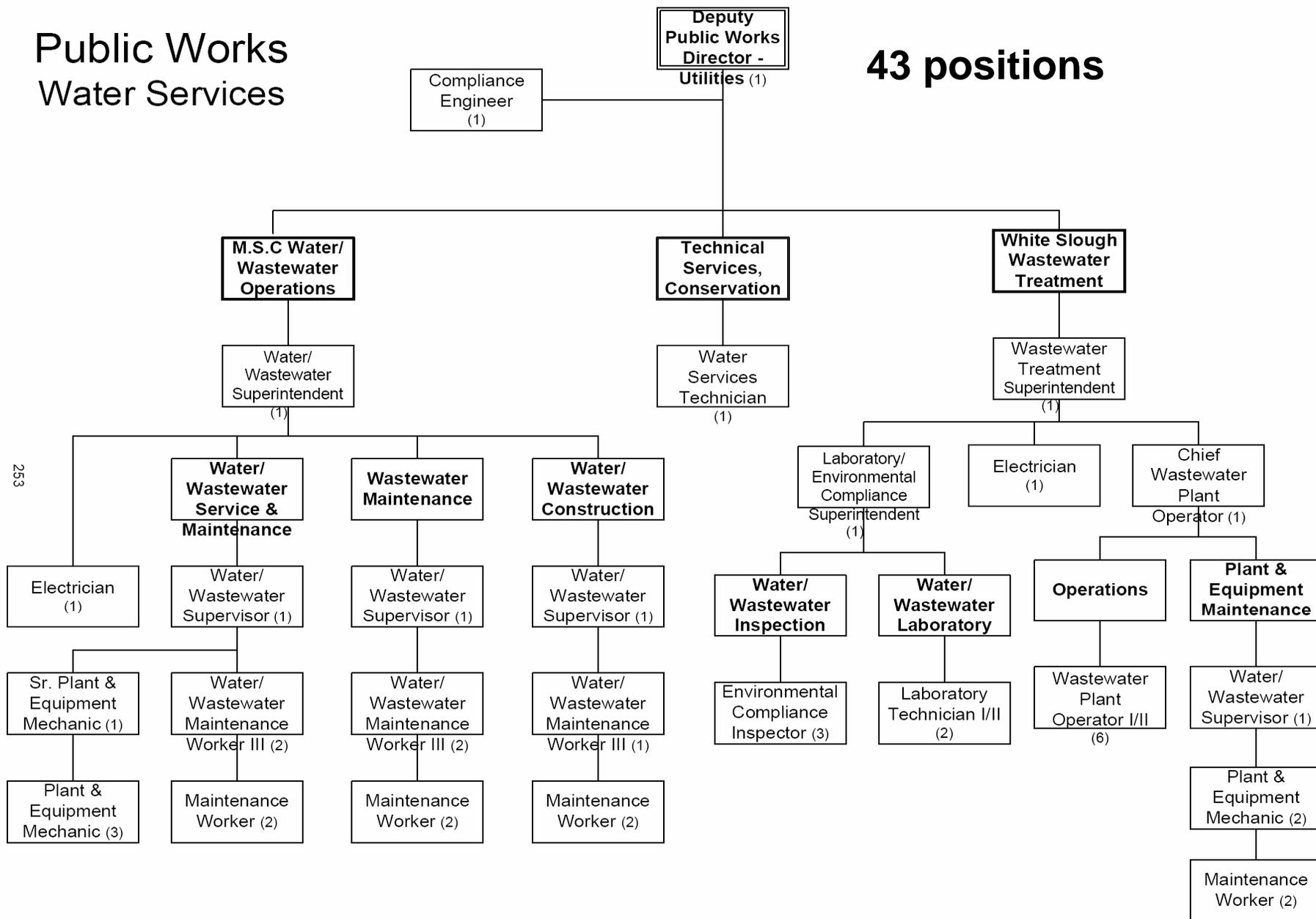


FY 11 Power Resources

	MW	
Geothermal	12	NCPA resources
Hydroelectric	25	
CT1 Project	10	
Lodi STIG Project	20	Federal
Western Hydro	6	
Seattle Contract	25	Purchased through NCPA
Term Contracts	45	
Totals	143	
Lodi Needs	123	
Net	+20	

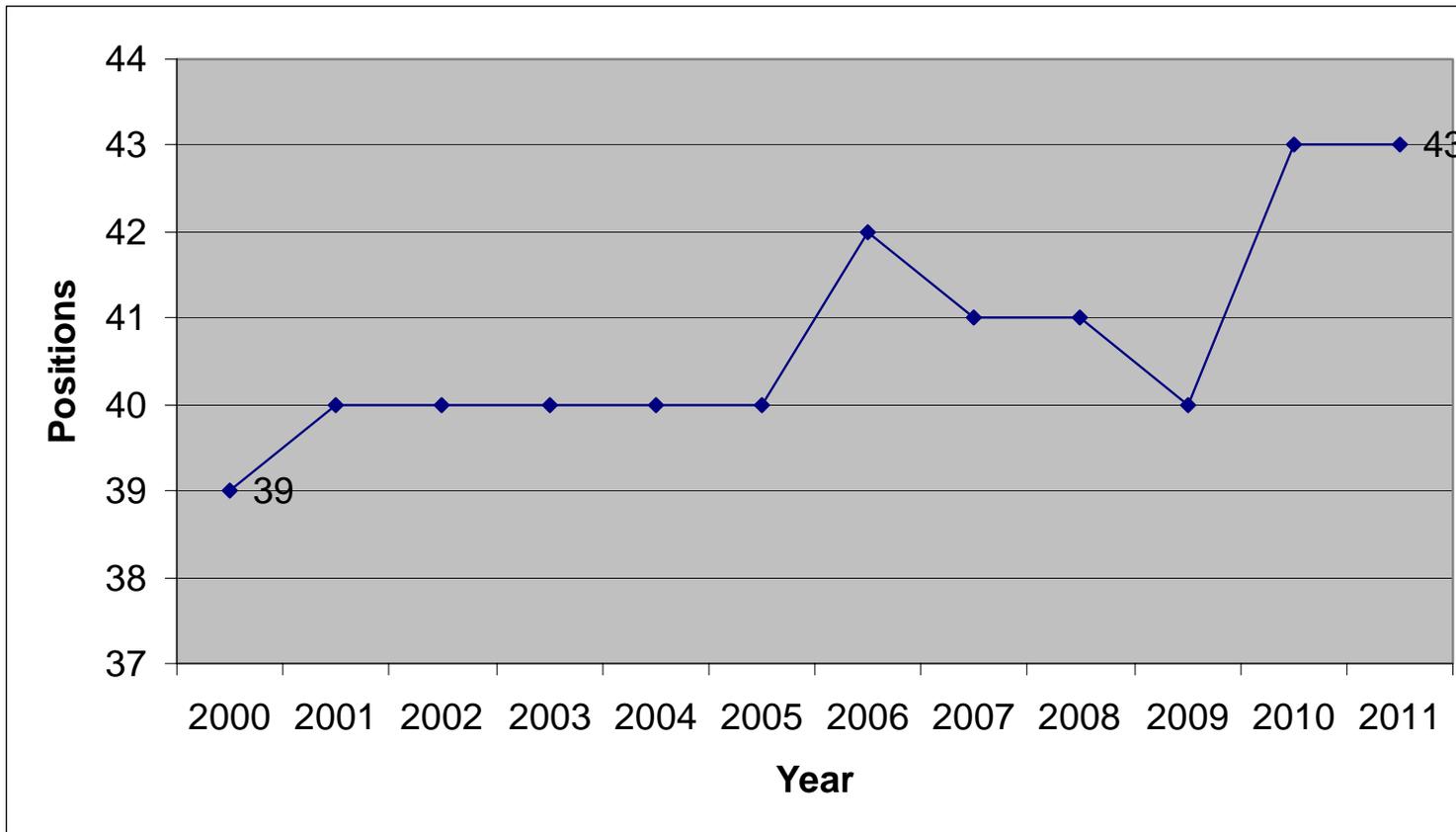
Public Works Water Services

43 positions



253

Water Services staffing trend



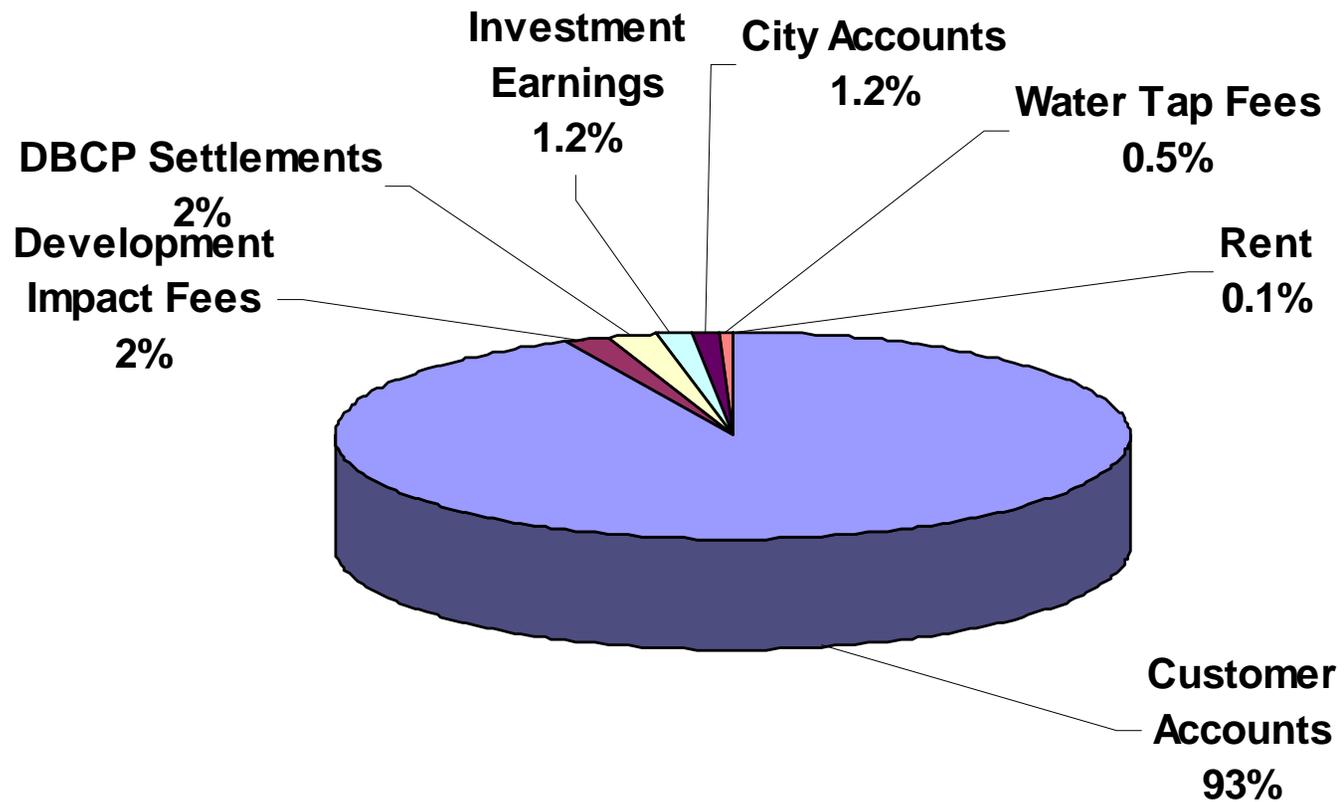
Water Services overview

- 2007 positions 41
- 2007 budget \$25.4 million
- 2011 positions 43
- 2011 budget \$25.7 million

Water Services personnel costs

- 2007 \$3.4 million
 - \$336K medical, \$405K PERS
- 2011 \$4.7 million
 - \$581K medical, \$490K PERS

Water Utility revenue



Where your water dollar goes

- 40 cents: Capital projects
- 13 cents: Personnel
- 11 cents: WID purchase
- 9 cents: Equipment, land, structures
- 9 cents: Billing, legal, collections
- 6 cents: Supplies, materials
- 6 cents: Utilities
- 4 cents: Debt, regulatory compliance
- 1 cent: Vehicles



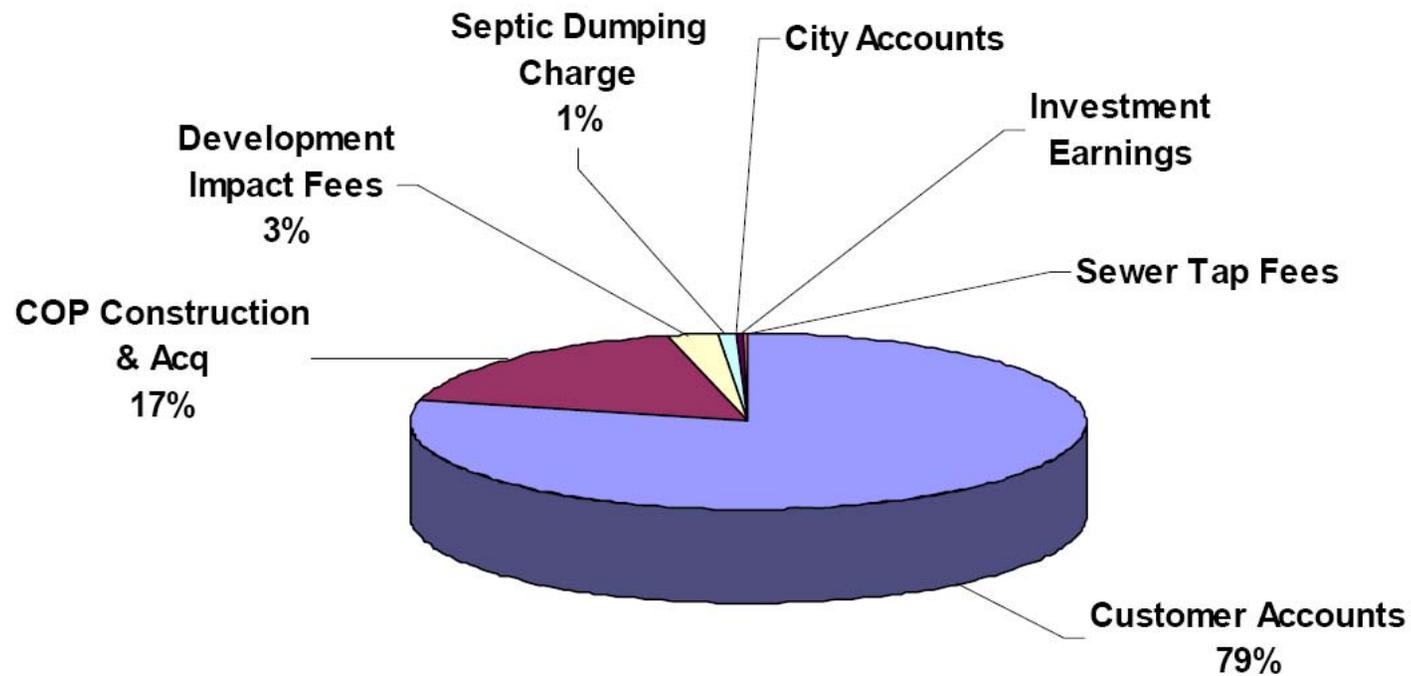
Water rate history

No rate change, 1995-2002; now indexed for inflation

3 - Br. Rates

<u>Date</u>	<u>% Chg.</u>	<u>Base Rate</u>	<u>Infrastructure</u>	<u>PCE/TCE</u>	<u>Total</u>
Jan-10	2%	\$ 41.09			\$ 41.09
Jul-08	3.84%	\$ 21.55	\$ 7.83	\$ 10.90	\$ 40.28
Jul-07	13%	\$ 20.75	\$ 7.54	\$ 10.50	\$ 38.79
Jul-06	13%	\$ 20.06	\$ 7.29	\$ 7.00	\$ 34.35
Jan-06	13%	\$ 19.68	\$ 7.15	\$ 3.50	\$ 30.33
May-05	2.2%	\$ 19.68	\$ 7.15	-	\$ 26.83
May-04	35%	\$ 19.26	\$ 7.00	-	\$ 26.26
Jul-02	25%	\$ 12.45	\$ 7.00	-	\$ 19.45
Jan-02	25%	\$ 12.45	\$ 3.11	-	\$ 15.56

Wastewater revenue



Where your wastewater dollar goes

- 30 cents: Debt service
- 23 cents: Personnel
- 17 cents: Supplies
- 10 cents: Billing, legal, collections
- 8 cents: Capital projects
- 6 cents: Utilities
- 4 cents: Vehicles
- 2 cents: Other



Wastewater rate history

No rate increase, 1991-2002; Five-year rate increase adopted 2009

3 - Br. Rates

<u>Date</u>	<u>% Chg.</u>	<u>Base Rate</u>	<u>Infrastructure</u>	<u>Total</u>
Jul-10	12%	\$ 38.84		\$ 38.84
Jul-09	25%	\$ 34.68		\$ 34.68
Jul-08	3.84%	\$ 19.73	\$ 8.01	\$ 27.74
Jul-07	3.44%	\$ 19.00	\$ 7.71	\$ 26.71
Jul-06	1.95%	\$ 18.36	\$ 7.45	\$ 25.81
Jul-05	25%	\$ 18.05	\$ 7.31	\$ 25.36
May-04	25%	\$ 12.96	\$ 7.31	\$ 20.27
Jul-02	35%	\$ 10.37	\$ 5.86	\$ 16.23
Jan-02	35%	\$ 7.68	\$ 4.34	\$ 12.02

Regulatory burden on wastewater

- 57 Percent of utility's budget spent meeting new (since 2000) regulatory requirements
- 5.5 Millions of dollars spent annually on regulatory compliance
 - \$3.5 million operations/maintenance, \$1.9 million share of debt service, \$120,000 regulatory activities