



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Presentation of Electric, Water and Wastewater Utility First and Second Quarter (Fiscal Year 2007-08) Financial Reports

**MEETING DATE:** February 6, 2008

**PREPARED BY:** Electric Utility and Public Works Directors

**RECOMMENDED ACTION:** Receive a report prepared by the Electric Utility Department and Public Works Department summarizing the financial performance for the first and second quarters of Fiscal Year 2007-08.

**BACKGROUND INFORMATION:** The Electric Utility (EUD) and Public Works Departments are responsible for reporting the quarterly financial results to the City Council. The attached PowerPoint report summarizes such results for the First and Second quarters of Fiscal Year 2007-08.

### ELECTRIC UTILITY:

A summary of the Electric Utility's financial performance for this reporting period is as follows:

- EUD had strong first and second quarters for Fiscal Year 2007-08
- Power costs declined approximately \$705, 000 from budget
- Non-power costs decreased \$1.4 million
- Revenues are down by approximately \$865,000
- Northern California Power Authority (NCPA) General Operating Reserve (GOR) is up by approximately \$295,000
- Fiscal year 2007-08 power costs are 93% hedged
- Revenues include a one-time receipt of \$3.25 million from Roseville CT1 Sale
- Overall increase in cash is about \$5.75 million through the second quarter(including Roseville revenue)

A summary of the Wastewater and Water financial performance for this reporting period is attached and is summarized as follows:

### WASTEWATER:

- Cash balance is \$2.3 million
- Revenues at 48% of budget
- Operating expenses on target at 50% of budget

### WATER:

- Cash balance is \$1 million
- Revenues are on target at 52 % of budget
- Fund operating expenses on target at 41 % of budget

APPROVED: \_\_\_\_\_  
Blair King, City Manager

**Adopt Resolution Awarding the Contract to Replace and Upgrade the Existing Utility Supervisory Control and Data Acquisition System to Survalent Technology, of Mississauga Ontario Canada (\$199,600) (EUD)**

**February 6, 2008**

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**FISCAL IMPACT:** None at this time.

**FUNDING:** Not applicable.

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George F. Morrow  
Electric Utility Director

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Richard Prima  
Public Works Director

Attachment



**Water and Wastewater**  
**FY07 Quarterly Update**  
(Through December 31, 2007)

**City Council Meeting**  
**February 6, 2008**



# Electric Utility

## 2<sup>nd</sup> Quarter FY 08

<b>Cash Flow</b>			
<b>Revenue</b>	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
Sales Revenues	70,072,930	37,358,628	53.3%
Other Revenues	1,528,192	3,510,426	229.7%
<b>Total Revenues</b>	<b>71,601,122</b>	<b>40,869,054</b>	<b>57.1%</b>
<b>Expenses</b>			
Purchase Power	42,333,517	21,470,186	50.7%
Non Power	11,649,177	6,028,395	51.7%
<b>Total Expenses</b>	<b>53,982,694</b>	<b>27,498,581</b>	<b>50.9%</b>
Net Revenue for Debt Service	17,618,428	13,370,473	
<b>Debt Service</b>			
Net Revenue	8,971,488	4,485,744	50.0%
In-lieu Transfer to General Fund	6,873,228	3,436,614	50.0%
<b>Net Increase (Decrease) in Working Capital</b>	<b>1,773,712</b>	<b>5,448,115</b>	
<b>Beginning Cash Balance</b>	<b>5,162,285</b>	<b>5,162,285</b>	
<b>Changes in GOR</b>	<b>-</b>	<b>295,352</b>	
<b>Ending Cash Balance</b>	<b>6,935,997</b>	<b>10,905,752</b>	



# Summary

## **WASTEWATER:**

- Cash balance is \$2.3 million
- Revenues at 48% of budget
- Operating expenses on target at 50% of budget

## **WATER:**

- Cash balance is \$1 million.
- Revenues are on target at 52 % of budget
- Fund Operating expenses on target at 41 % of budget



# Wastewater Financials

## Quarters Ending 12/31/07

Revenue	FY Budget	Actuals	% of Budget
Sales Revenues	8,838,600	4,295,363	48.6%
Other Revenues	510,000	243,544	47.8%
Impact Mitigation Fees	2,002,770	133,642	6.7%
<b>Total Revenues</b>	<b>\$11,351,370</b>	<b>\$4,672,549</b>	<b>41.2%</b>
Expenses			
Operating	\$5,210,090	2,627,416	50.4%
Capital Outlay	28,469,807	7,204,448	25.3%
<b>Total Expenses</b>	<b>\$33,679,897</b>	<b>\$9,831,864</b>	<b>29.2%</b>
Net Revenue for Debt Service	(\$22,328,527)	(\$5,159,315)	23.1%
<b>Debt Service</b>	<b>3,339,773</b>	<b>1,760,857</b>	<b>52.7%</b>
Net Revenue	(\$25,668,300)	(\$6,920,172)	27.0%
Less Cost of Services Transfer to General Fund	1,404,661	702,331	50.0%
<b>Net Increase (Decrease) in Cash</b>	<b>(\$27,072,961)</b>	<b>(\$7,622,503)</b>	<b>28.2%</b>
<b>Beginning Cash Balance</b>	<b>1,757,400</b>	<b>4,956,069</b>	<b>282.0%</b>
Other Changes in Cash	27,714,654	4,984,599	
<b>Ending Cash Balance</b>	<b>\$2,399,093</b>	<b>\$2,318,165</b>	<b>96.6%</b>

Note: Other Changes comprise proceeds from sale of 2004 COPS and other working capital items



# Wastewater Operating Expenses by Series

	FY08 Budget	FY08 Q2	% of Budget
Personnel	\$ 2,991,129	\$ 1,562,123	52.2%
Supplies, Materials, Services	1,032,686	490,043	47.5%
Equipment, Land, Structures	182,940	30,981	16.9%
Other Payments	201,870	147,715	73.2%
Communication & Transportation	801,465	396,554	49.5%
<b>Total Operating Expenses</b>	<b>\$ 5,210,090</b>	<b>\$ 2,627,416</b>	<b>50.4%</b>



# Water Financials

## Quarter Ending 12/31/07

Revenue	FY Budget	Actuals	% of Budget
Sales Revenues	\$11,311,000	5,875,860	51.9%
Other Revenues	2,383,700	428,760	18.0%
Impact Mitigation Fees	224,000	30,748	13.7%
<b>Total Revenues</b>	<b>\$13,918,700</b>	<b>\$6,335,368</b>	<b>45.5%</b>
<b>Expenses</b>			
Operating	4,378,128	1,811,497	41.4%
Capital Outlay	6,052,976	1,921,233	31.7%
<b>Total Expenses</b>	<b>\$10,431,104</b>	<b>\$3,732,730</b>	<b>35.8%</b>
Net Revenue for Debt Service	\$3,487,596	\$2,602,638	74.6%
<b>Debt Service</b>	<b>228,025</b>	<b>16,399</b>	<b>7.2%</b>
Net Revenue	\$3,259,571	\$2,586,239	
Cost of Services Transfer to General Fund	1,036,399	524,130	50.6%
<b>Net Increase (Decrease) in Cash</b>	<b>\$2,223,172</b>	<b>\$2,062,109</b>	<b>92.8%</b>
<b>Beginning Cash Balance</b>	<b>534,780</b>	<b>(475,262)</b>	<b>-88.9%</b>
Other Changes in Cash (See note below)		(647,072)	
<b>Ending Cash Balance</b>	<b>\$2,757,952</b>	<b>\$939,775</b>	
Note: PCE/TCE settlements in 07/08 (\$8 million) for mitigation efforts are not included in analysis			



# Water Expenses by Series

	FY08 Budget	FY08 Q2	% of Budget
Personnel	\$ 1,180,697	\$ 280,334	23.7%
Supplies, Materials, Services	694,411	180,410	26.0%
Equipment, Land, Structures	3,500	222	6.3%
Other Payments	1,620,980	917,453	56.6%
Communication & Transportation	878,540	433,078	49.3%
<b>Total Operating Expenses</b>	<b>\$ 4,378,128</b>	<b>\$ 1,811,497</b>	<b>41.4%</b>