



## LODI CITY COUNCIL

Carnegie Forum  
305 West Pine Street, Lodi

## "SHIRTSLEEVE" SESSION

Date: February 25, 2014

Time: 7:00 a.m.

For information regarding this Agenda please contact:

**Randi Johl-Olson**

**City Clerk**

**Telephone: (209) 333-6702**

*NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.*

### Informal Informational Meeting

**A. Roll Call by City Clerk**

**B. Topic(s)**

B-1 Second Quarter Fiscal Year 2013/14 Water, Wastewater, and Electric Utility Department Financial Reports (CM)

**C. Comments by Public on Non-Agenda Items**

**D. Adjournment**

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Randi Johl-Olson  
City Clerk



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# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Second Quarter Fiscal Year 2013/14 Water, Wastewater and Electric Utility Department Financial Reports

**MEETING DATE:** February 25, 2014

**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Receive utility financial reports for the second quarter of Fiscal Year 2013/14.

**BACKGROUND INFORMATION:** In accordance with the Lodi Municipal Code, quarterly financial reports are to be prepared for the Water, Wastewater, and Electric Utilities. Highlights of the operations and financial performance of each utility will be presented at the meeting of February 25, 2014.

**FISCAL IMPACT:** None directly related to the preparation of the report. However, the presentation is intended to keep the Council apprised of the financial conditions of the major municipal utilities.

**FUNDING AVAILABLE:** Not applicable.

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Jordan Ayers  
Deputy City Manager

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APPROVED: \_\_\_\_\_  
Stephen Schwabauer, Interim City Manager



# Electric Utility Department

## **FY 14 Quarterly Update** (Ending December 31, 2013)

City Council Shirtsleeve Session  
February 25, 2014



## Electric Fund Cash Flow Summary (Ending December 31, 2013)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales Revenues	66,894,140	35,267,506	53%
Development Impact Fees	200,000	75,938	38%
Other Revenues (interest, misc)	4,033,850	381,602	9%
<b>Total Revenues</b>	<b>71,127,990</b>	<b>35,725,046</b>	<b>50%</b>
<b>Expenses</b>			
Purchase Power	39,408,270	20,109,612	51%
Non Power	11,947,910	4,433,848	37%
Capital Projects	2,012,700	253,044	13%
Debt Service	8,241,460	6,494,575	79%
Cost of Service	2,354,000	1,177,000	50%
In-lieu Transfer to General Fund	6,976,670	3,488,335	50%
<b>Total Expenses</b>	<b>70,941,010</b>	<b>35,956,415</b>	<b>51%</b>
<b>Net Chg in Bal Sheet Accts</b>		<b>687,284</b>	

<b>Net Increase (Decrease)</b>	<b>186,980</b>	<b>455,915</b>
<b>Beginning Local Cash Balance</b>	<b>13,235,812</b>	<b>13,235,812</b>
<b>Ending Local Cash Balance</b>	<b>13,422,792</b>	<b>13,691,727</b>
<b>GOR Balance</b>		<b>8,666,719</b>
<b>Total Reserve Balance</b>		<b>22,358,446</b>
<b>Reserve Policy Target</b>		<b>23,232,000</b>
<b>% of Target</b>		<b>96%</b>



## Electric Utility Reserve Policy

(Ending December 31, 2013)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,232,000	\$ 13,691,727
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	
NCPA General Operating Reserve	NCPA Identified Items	\$ 5,000,000	\$ 5,844,745
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 2,821,974
<b>Total Target</b>		<b>\$ 23,232,000</b>	<b>\$ 22,358,446</b>



**Electric Funds**  
**Cash Balances**  
(Ending December 31, 2013)

Operating (160)	\$ 7,730,050
Utility Outlay Reserve Fund (161)	\$ (3,448,739)
Electric Rate Stability Reserve (162)	\$ 2,159,996
Public Benefits Fund (164)	\$ 4,382,334
IMF EU Substation and Transmission (165)	\$ 735,750
Solar Surcharge Fund (166)	\$ 137,878
Environmental Compliance (168)	\$ 1,994,458
NCPA – General Operating Reserve (GOR)	\$ 8,666,719
Total	\$ 22,358,446



## Power Sales

(Ending December 31, 2013)

	Budgeted Sales	Year to Date Sales	% Budget
kWh	442,186,628	234,356,847	53%
Revenue	\$ 66,894,140	\$ 35,267,506	53%

	Year	HDD	Normal	CDD	Normal
July	2013	0	0	388	363
August	2013	0	0	319	332
September	2013	6	0	204	222
October	2013	83	91	2	54
November	2013	310	360	0	0
December	2013	637	603	0	0
<b>FY13 Total</b>		<b>1036</b>	<b>1054</b>	<b>913</b>	<b>971</b>



## ECA Revenue

(Ending December 31, 2013)

Customer Class	Q1	Q2	Total
Residential	\$ (157,405)	\$ 302,855	\$ 145,450
Small Commercial	\$ (154,690)	\$ 308,120	\$ 153,431
Large Commercial/Small Industrial	\$ (45,706)	\$ 94,584	\$ 48,879
Industrial	\$ (169,465)	\$ 151,243	\$ (18,222)
<b>Total ECA Revenue</b>	<b>\$ (527,265)</b>	<b>\$ 856,803</b>	<b>\$ 329,537</b>



**Electric Fund**  
**Operating Results**  
(Ending December 31, 2013)

	<b>FY14 Budget</b>	<b>FY14 Actual</b>	<b>% of Budget</b>
<b>Personnel</b>	\$ 5,862,530	\$ 2,736,602	47%
<b>Supplies, Materials, Services</b>	\$ 3,158,730	\$ 768,137	24%
<b>Equipment, Land, Structures</b>	\$ 1,267,800	\$ 498,967	39%
<b>Other Payments</b>	\$ 1,605,000	\$ 406,052	25%
<b>Utilities</b>	\$ 53,850	\$ 24,090	45%
<b>Total Operating Expenses</b>	\$ 11,947,910	\$ 4,433,848	37%



## Power Supply Costs

(Ending December 31, 2013)

	Budgeted	Year to Date	% of Budget
Generation	\$ 32,670,010	\$ 18,176,505	56%
Transmission	\$ 9,544,450	\$ 4,033,620	42%
Management Services	\$ 1,333,500	\$ 745,662	56%
Third Party Revenue	\$ (4,139,690)	\$ (2,846,175)	69%
Adjustments			
<b>TOTAL</b>	<b>\$ 39,408,270</b>	<b>\$ 20,109,612</b>	<b>51%</b>



## Billing Statistics

(Ending December 31, 2013)

Budgeted Sales FY14			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	151,836,774	\$ 25,388,105	\$ 0.1672
Small Commercial	155,602,780	\$ 24,553,085	\$ 0.1578
Large Commercial/Small Industrial	40,860,621	\$ 6,375,542	\$ 0.1560
Industrial	93,886,453	\$ 10,577,408	\$ 0.1127
<b>TOTAL</b>	<b>442,186,628</b>	<b>\$ 66,894,140</b>	<b>\$ 0.1513</b>

Actual Sales FY14			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	81,535,738	\$ 13,797,436	\$ 0.1692
Small Commercial	83,701,884	\$ 13,510,340	\$ 0.1614
Large Commercial/Small Industrial	23,725,146	\$ 3,402,794	\$ 0.1434
Industrial	45,394,079	\$ 4,556,936	\$ 0.1004
<b>TOTAL</b>	<b>234,356,847</b>	<b>\$ 35,267,506</b>	<b>\$ 0.1505</b>



**Bad Debt Write Off**  
(Ending December 31, 2013)

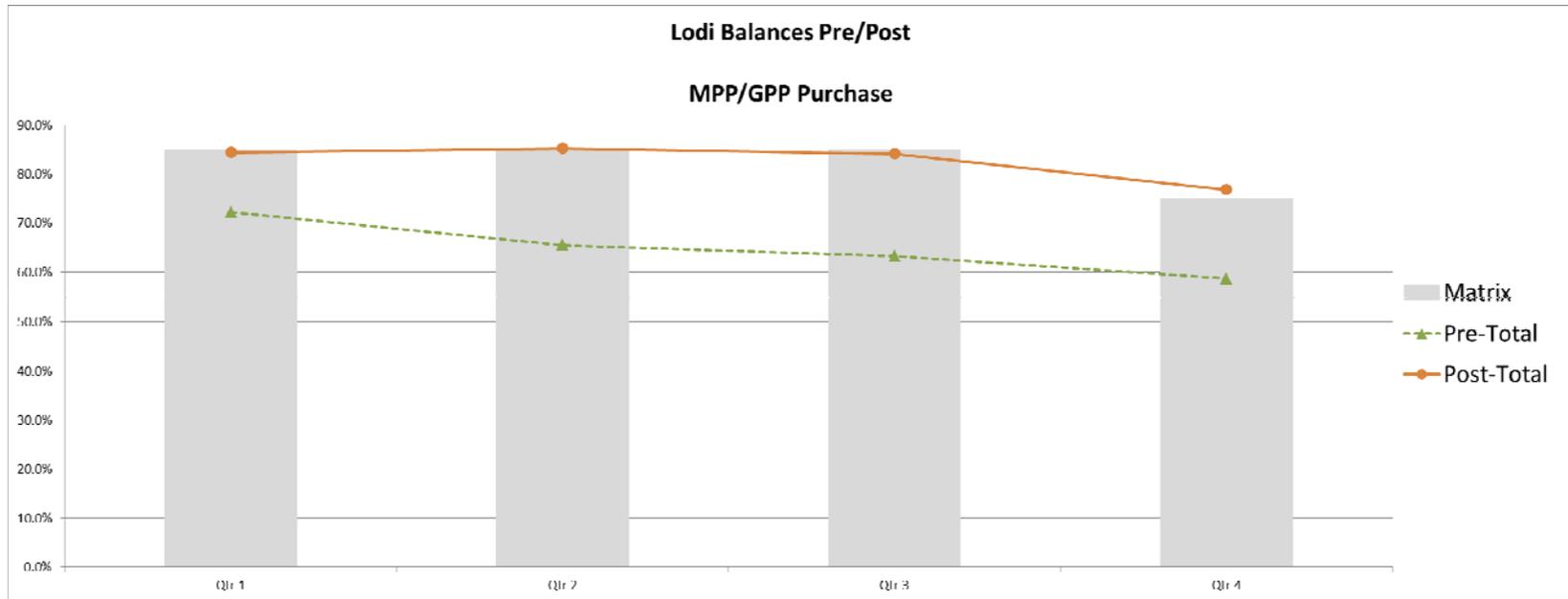
	<b># Of Accounts</b>	<b>Amount</b>	<b>% of Sales</b>
Electric	432	\$77,645	0.22%



## CY 14 Load Coverage

	MWh Load	Load Coverage Before Feb Purchases	ROC Matrix Target	Load Coverage After Feb Purchases
<b>Q1 – 2014*</b>	34,136	72.2%	85.0%	84.4%
<b>Q2 – 2014</b>	111,660	65.5%	85.0%	85.2%
<b>Q3 – 2014</b>	136,228	63.2%	85.0%	84.1%
<b>Q4 – 2014</b>	106,025	58.6%	75.0%	76.8%

\*Includes March 2014 Only





## Electric Utility Activities

- Staffing
- Safety Program
- Street Lights
- UG / OH Maintenance
- Distribution Capacity Program
- Financial Model / Cost of Service
- 230 kV Interconnection Project
- NERC Compliance



# Public Works Department Water/Wastewater

## **FY 14 Quarterly Update** (Ending December 31, 2013)

City Council Shirtsleeve Session  
February 25, 2014



## Wastewater Fund Cash Flow Summary (Ending December 31, 2013)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales	14,020,580	6,910,855	49%
Development Impact Mitigation Fees (wastewater & storm)	161,870	22,546	14%
Other (interest, septic, misc.)	174,950	186,763	107%
<b>Total Revenues</b>	<b>14,357,400</b>	<b>7,120,164</b>	<b>50%</b>
<b>Expenses</b>			
Operating	6,283,980	3,049,168	49%
Capital	1,589,514	233,673	15%
Debt Service	6,904,490	3,522,301	51%
Cost of Services Payment To General Fund	1,068,000	534,000	50%
<b>Total Expenses</b>	<b>15,635,580</b>	<b>7,339,142</b>	<b>47%</b>
Beginning Cash (Operations Only)		4,329,772	
Ending Cash (Operations Only)		5,055,217	
Days Cash (Excluding Capital)		128	
% of Target		142%	



## Wastewater Operating Results

(Ending December 31, 2013)

	Budget	Actuals	% of Budget
Personnel	\$ 3,203,460	\$ 1,532,698	48%
Supplies, Materials, Services	\$ 2,096,630	\$ 945,531	45%
Equipment, Land, Structures	\$ 79,000	\$ 63,689	81%
Other Payments	\$ 202,630	\$ 179,924	89%
Utilities	\$ 692,260	\$ 327,326	47%
Work for Others	\$ 10,000	\$ -	0%
<b>Total Operating Expenses</b>	<b>\$ 6,283,980</b>	<b>\$ 3,049,168</b>	<b>49%</b>



**Wastewater Funds**  
**Cash Balances**  
(Ending December 31, 2013)

Operating (170)	5,055,217
Utility Capital / Infrastructure Replacement (171)	9,144,240
Capital Reserve (172) (Fund used to pay White Slough COP Debt Service)	(3,931,805)
Wastewater IMF (173)	32,078
Rate Stabilization Reserve (174)	500,000
Storm Drain IMF (175)	593,510
<b>Total</b>	<b>11,393,240</b>



## Water Fund Cash Flow Summary

(Ending December 31, 2013)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
<b>Revenue</b>			
Sales	12,694,930	6,766,440	53%
Development Impact Mitigation Fees	149,860	59,735	40%
Other (interest, tap fees, water meters, misc.)	1,640,180	818,757	50%
<b>Total Revenues</b>	<b>14,484,970</b>	<b>7,644,932</b>	<b>53%</b>
<b>Expenses</b>			
Operating	5,824,036	2,696,707	46%
Capital	7,472,494	3,311,242	44%
Debt Service	2,969,610	893,626	30%
Cost of Services Payment To General Fund	780,000	390,000	50%
<b>Total Expenses</b>	<b>17,046,140</b>	<b>7,291,575</b>	<b>45%</b>
Beginning Cash (Operations Only)		8,875,440	
Ending Cash (Operations Only)		10,805,906	
Days Cash (Excluding Capital)		489	
% of Target		543%	



## Water Operating Results

(Ending December 31, 2013)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
Personnel	\$ 2,106,056	\$ 1,165,284	55%
Supplies, Materials, Services	\$ 1,388,810	\$ 500,635	36%
Equipment, Land, Structures	\$ 82,000	\$ 6,581	8%
Other Payments	\$ 1,382,420	\$ 658,459	48%
Utilities	\$ 754,750	\$ 365,748	48%
Work for Others	\$ 110,000	-	0%
<b>Total Operating Expenses</b>	<b>\$ 5,824,036</b>	<b>\$ 2,696,707</b>	<b>46%</b>



**Water Funds  
Cash Balances**  
(Ending December 31, 2013)

<b>Operating (180)</b>	10,805,906
<b>Utility Capital / Infrastructure Replacement (181)</b>	(1,863,635)
<b>Capital Reserve Restricted Assets (181)</b> (Water Plant Bond Remaining Proceeds)	2,349,388
<b>IMF (182)</b>	60,025
<b>PCE/TCE Settlements</b>	11,397,499
<b>PCE/TCE Rates (185)</b>	4,407,294
<b>Total</b>	<b>27,156,477</b>



## Bad Debt Write Off (Through December 31, 2013)

	<b># Of Accounts</b>	<b>Amount</b>	<b>% of Sales</b>
Wastewater	432	\$32,806	0.5%
Water	432	\$38,777	0.6%



# Water / Wastewater Utility Activities

## Operational

- Water Distribution
- Water Production
- Collection System
- Wastewater Treatment

## Regulatory

- SSO's
- Discharge Violations
- Monitoring and Reporting