



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: April 21, 2015

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Second Quarter Fiscal Year 2014/15 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.

Jennifer M. Ferraiolo
City Clerk

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**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Second Quarter Fiscal Year 2014/15 Water, Wastewater and Electric Utility Department Financial Reports

MEETING DATE: April 21, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive second quarter Fiscal Year 2014/15 Water, Wastewater and Electric Utility Department financial reports.

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 April 21, 2015.

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.

Jordan Ayers
Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager



Public Works Department Water/Wastewater

FY 15 Quarterly Update (Ending December 31, 2014)

City Council Shirtsleeve Session
April 21, 2015



Wastewater Fund Cash Flow Summary

(Ending December 31, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales	14,513,620	7,269,213	50%
Development Impact Mitigation Fees (wastewater & storm)	128,860	43,222	34%
Other (interest, septic, misc.)	236,500	218,185	92%
Total Revenues	14,878,980	7,530,620	51%
Expenses			
Operating	6,144,090	2,759,287	45%
Capital	12,836,823	1,641,706	13%
Debt Service	3,684,380	1,957,892	53%
Cost of Services Payment To General Fund	1,068,000	534,000	50%
Total Expenses	23,983,293	6,892,885	29%
Beginning Cash (Operations Only)		2,272,441	
Ending Cash (Operations Only)		4,200,633	
Days Cash (Excluding Capital)		147	
% of Target		163%	



Wastewater Operating Results

(Ending December 31, 2014)

	Budget	Actuals	% of Budget
Personnel	\$ 3,115,650	\$ 1,516,446	49%
Supplies, Materials, Services	\$ 2,030,950	\$ 761,843	38%
Equipment, Land, Structures	\$ 72,500	\$ 11,782	16%
Other Payments	\$ 223,150	\$ 197,890	89%
Utilities	\$ 696,840	\$ 271,326	39%
Work for Others	\$ 5,000	\$ -	0%
Total Operating Expenses	\$ 6,144,090	\$ 2,759,287	45%



Wastewater Funds
Cash Balances
(Ending December 31, 2014)

Operating (530)	4,200,633
Utility Capital / Infrastructure Replacement (531)	10,175,698
Capital Reserve (532) (Fund used to pay White Slough COP Debt Service)	(1,450,837)
Wastewater IMF (533)	71,542
Rate Stabilization Reserve (534)	500,000
Storm Drain IMF (535)	686,431
Total	14,183,467



Water Fund Cash Flow Summary

(Ending December 31, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales	13,070,870	6,802,794	52%
Development Impact Mitigation Fees	130,250	535	0.4%
Other (interest, tap fees, water meters, misc.)	968,330	310,136	32%
Total Revenues	14,169,450	7,113,465	50%
Expenses			
Operating	5,601,270	2,559,571	46%
Capital	6,937,903	1,783,385	26%
Debt Service	2,969,860	886,583	30%
Cost of Services Payment To General Fund	780,000	390,000	50%
Total Expenses	17,329,465	5,619,539	32%
Beginning Cash (Operations Only)		6,891,023	
Ending Cash (Operations Only)		8,266,078	
Days Cash (Excluding Capital)		396	
% of Target		440%	



Water Operating Results

(Ending December 31, 2014)

	Budget	Actuals	% of Budget
Personnel	\$ 2,082,630	\$ 1,087,488	52%
Supplies, Materials, Services	\$ 1,283,580	\$ 407,623	32%
Equipment, Land, Structures	\$ 73,000	\$ 19,188	26%
Other Payments	\$ 1,402,660	\$ 742,044	53%
Utilities	\$ 664,400	\$ 303,228	46%
Work for Others	\$ 95,000	-	0%
Total Operating Expenses	\$ 5,601,270	\$ 2,559,571	46%



**Water Funds
Cash Balances**
(Ending December 31, 2014)

Operating (560)	8,266,078
Utility Capital / Infrastructure Replacement (561)	(607,202)
IMF (562)	44,358
PCE/TCE Settlements	10,838,517
PCE/TCE Rates (565)	4,280,097
Total	22,821,848



Bad Debt Write Off

(Through December 31, 2014)

	# Of Accounts	Amount	% of Sales
Wastewater	447	\$34,565	0.5%
Water	447	\$31,171	0.5%



Water / Wastewater Utility Activities

Operational

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

Regulatory

- SSO's
- Discharge Violations
- Monitoring and Reporting



Electric Utility Department

FY 15 Quarterly Update (Ending December 31, 2014)

City Council Shirtsleeve Session
April 21, 2015



Electric Fund Cash Flow Summary (Ending December 31, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales Revenues	65,214,970	36,108,584	55%
Development Impact Fees	100,000	151,868	152%
Other Revenues (interest, misc)	2,902,080	2,002,626	69%
Total Revenues	68,217,050	38,263,078	56%
Expenses			
Purchase Power	39,552,170	21,263,634	54%
Non Power	11,020,060	4,653,888	42%
Capital Projects	2,607,160	537,594	21%
Debt Service	8,196,050	6,702,976	82%
Cost of Service/transfer to GF Capital	2,354,000	1,093,667	46%
In-lieu Transfer to General Fund	7,033,360	3,516,678	50%
Total Expenses	70,762,800	37,768,437	53%
Net Chg in Bal Sheet Accts		(643,216)	

Net Increase (Decrease)	(2,545,750)	(148,575)
Beginning Local Cash Balance	12,632,503	12,632,503
Ending Local Cash Balance	10,086,753	12,483,928
GOR Balance		9,037,106
Total Reserve Balance		21,521,034
Reserve Policy Target		23,680,000
% of Target		91%



Electric Utility Reserve Policy

(Ending December 31, 2014)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,080,000	\$ 12,483,928
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	
NCPA General Operating Reserve	NCPA Identified Items	\$ 5,600,000	\$ 5,794,729
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 3,242,377
Total Target		\$ 23,680,000	\$ 21,521,034



**Electric Funds
Cash Balances**
(Ending December 31, 2014)

Operating (500)	\$ 4,448,914
Utility Outlay Reserve Fund (501)	\$ (3,722,902)
Electric Rate Stability Reserve (502)	\$ 2,171,622
Public Benefits Fund (504)	\$ 4,979,499
IMF EU Substation and Transmission (505)	\$ 750,066
Solar Surcharge Fund (506)	\$ 121,125
Environmental Compliance (508)	\$ 3,735,603
NCPA – General Operating Reserve (GOR)	\$ 9,037,106
Total	\$ 21,521,034



Power Sales

(Ending December 31, 2014)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	149,631,130	84,836,702
Small Commercial	158,637,238	86,954,650
Large Commercial/Small Industrial	46,038,101	23,895,485
Industrial	85,854,348	46,260,402
TOTAL	440,160,816	241,947,239

Revenue (\$)			
Customer Class	Budget	Actual	Average Rate
Residential	\$25,778,344	\$14,137,214	\$0.1666
Small Commercial	\$25,213,790	\$13,834,080	\$0.1591
Large Commercial/Small Industrial	\$6,005,969	\$3,356,501	\$0.1405
Industrial	\$8,216,867	\$4,780,788	\$0.1033
TOTAL	\$65,214,970	\$36,108,584	\$0.1492



ECA Revenue

(Ending December 31, 2014)

Customer Class	Q1	Q2	Total
Residential	\$ (274,436)	\$ 200,057	\$ (74,379)
Small Commercial	\$ (234,844)	\$ 242,966	\$ 8,122
Large Commercial/Small Industrial	\$ (65,304)	\$ 75,774	\$ 10,470
Industrial	\$ (186)	\$ 151,167	\$ 150,981
Total ECA Revenue	\$ (574,769)	\$ 669,964	\$ 95,195



Electric Fund Operating Results

(Ending December 31, 2014)

	FY15 Budget	FY15 Actual	% of Budget
Personnel	\$ 5,531,190	\$ 3,013,350	54%
Supplies, Materials, Services	\$ 3,297,530	\$ 912,025	28%
Equipment, Land, Structures	\$ 644,930	\$ 544,906	84%
Other Payments	\$ 1,478,210	\$ 161,915	11%
Utilities	\$ 68,200	\$ 21,692	32%
Total Operating Expenses	\$ 11,020,060	\$ 4,653,888	42%



Power Supply Costs

(Ending December 31, 2014)

	Budgeted	Year to Date	% of Budget
Generation	\$ 30,360,720	\$ 16,147,907	53%
Transmission	\$ 7,752,480	\$ 4,257,898	55%
Management Services	\$ 1,438,970	\$ 857,829	60%
Total Power Supply Costs	\$ 39,552,170	\$ 21,263,634	54%



Bad Debt Write Off

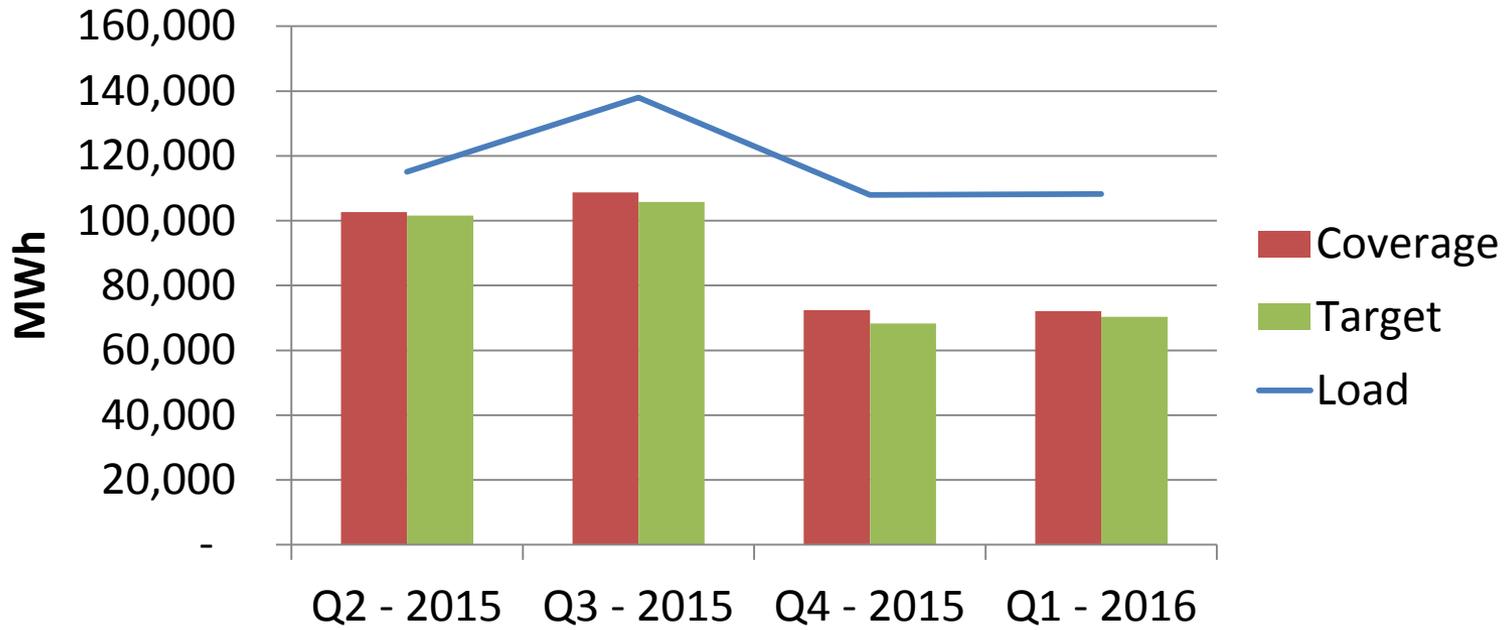
(Ending December 31, 2014)

	# of Accounts	Amount	% of Sales
Electric	447	\$56,715	0.16%



Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q2 – 2015	115,044	88.3%	89.2%
Q3 – 2015	137,969	76.7%	78.8%
Q4 – 2015	107,934	63.3%	67.1%
Q1 – 2016	102,630	65.0%	68.8%



Load coverage exceeds Risk Policy targets in all quarters.



Electric Utility Activities

- Staffing
- Rate Increase Implementation
- LED Streetlight Project
- 230 kV Interconnection Project
- New Residential / Commercial Developments
- Capital Improvement / Maintenance
- APPA Utility Check Up
- Renewable Portfolio Standards (RPS) Planning