



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: August 23, 2016

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 Fourth Quarter Fiscal Year 2015/16 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: Fourth Quarter Fiscal Year 2015/16 Water, Wastewater and Electric Utility Department Financial Reports

MEETING DATE: August 23, 2016

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive utility financial reports for the fourth quarter of Fiscal Year 2015/16.

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 August 23, 2016. Note that the data contained in these reports is prior to our annual audit and is subject to change.

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.

Jordan Ayers
Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager



Public Works Department Water/Wastewater

FY 16 Quarterly Update (Ending June 30, 2016)

City Council Shirtsleeve Session
August 23, 2016



Wastewater Fund Cash Flow Summary

(Ending June 30, 2016)

	Budget	Actuals	% of Budget
Revenue			
Sales	14,977,300	14,909,757	100%
Development Impact Mitigation Fees (wastewater & storm)	297,050	261,247	88%
Other (interest, septic, misc.)	1,152,580	1,347,011	117%
Total Revenues	16,426,930	16,518,015	101%
Expenses			
Operating	7,447,870	6,598,042	89%
Capital	7,196,515	2,877,217	40%
Debt Service	4,098,004	4,097,612	100%
Cost of Services Payment To General Fund	1,068,000	1,068,000	100%
Total Expenses	19,810,389	14,640,871	74%
Beginning Cash (Operations Only)		9,363,668	
Ending Cash (Operations Only)		9,668,400	
Days Cash (Excluding Capital)		293	
% of Target		326%	



Wastewater Operating Results

(Ending June 30, 2016)

	Budget	Actuals	% of Budget
Personnel	\$ 3,804,330	\$ 3,536,647	93%
Supplies, Materials, Services	\$ 2,162,550	\$ 1,688,012	78%
Equipment, Land, Structures	\$ 447,500	\$ 387,948	87%
Other Payments	\$ 302,110	\$ 287,251	95%
Utilities	\$ 723,880	\$ 690,685	95%
Work for Others	\$ 7,500	\$ 7,500	100%
Total Operating Expenses	\$ 7,447,870	\$ 6,598,042	89%

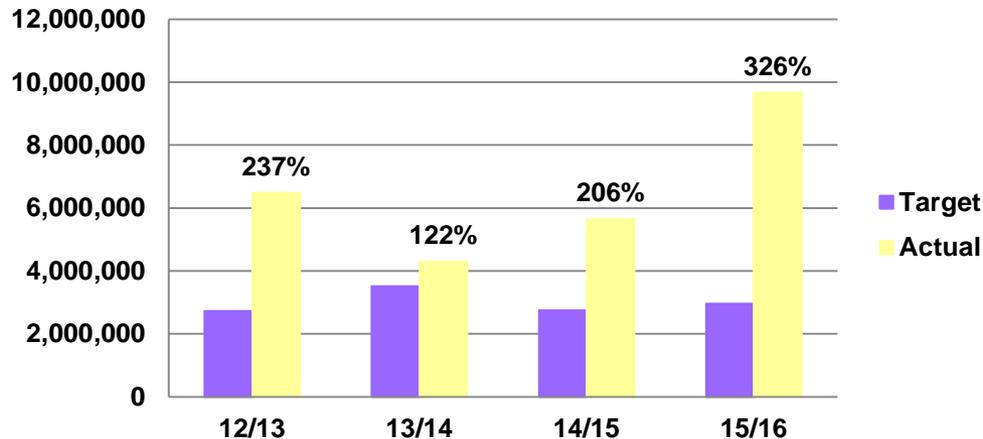


Wastewater Funds Cash Balances

(Ending June 30, 2016)

Operating (530)	9,668,400
Utility Capital / Infrastructure Replacement (531)	4,368,061
Capital Reserve (532) (Fund used to pay White Slough COP Debt Service)	(1,195)
Wastewater IMF (533)	60,498
Rate Stabilization Reserve (534)	500,000
Storm Drain IMF (535)	879,573
Total	15,421,337

Days Cash (Operating)





Water Fund Cash Flow Summary

(Ending June 30, 2016)

	Budget	Actuals	% of Budget
Revenue			
Sales	13,362,400	12,161,186	91%
Development Impact Mitigation Fees	202,630	165,098	81%
Other (interest, tap fees, water meters, misc.)	992,100	1,295,724	131%
Total Revenues	14,557,130	13,622,008	94%
Expenses			
Operating	6,573,374	5,994,621	91%
Capital	10,250,033	4,838,214	47%
Debt Service	2,968,610	2,968,091	100%
Cost of Services Payment To General Fund	780,000	780,000	100%
Total Expenses	20,572,017	14,580,926	71%
Beginning Cash (Operations Only)		9,577,506	
Ending Cash (Operations Only)		5,713,096	
Days Cash (Excluding Capital)		214	
% of Target		238%	



Water Operating Results

(Ending June 30, 2016)

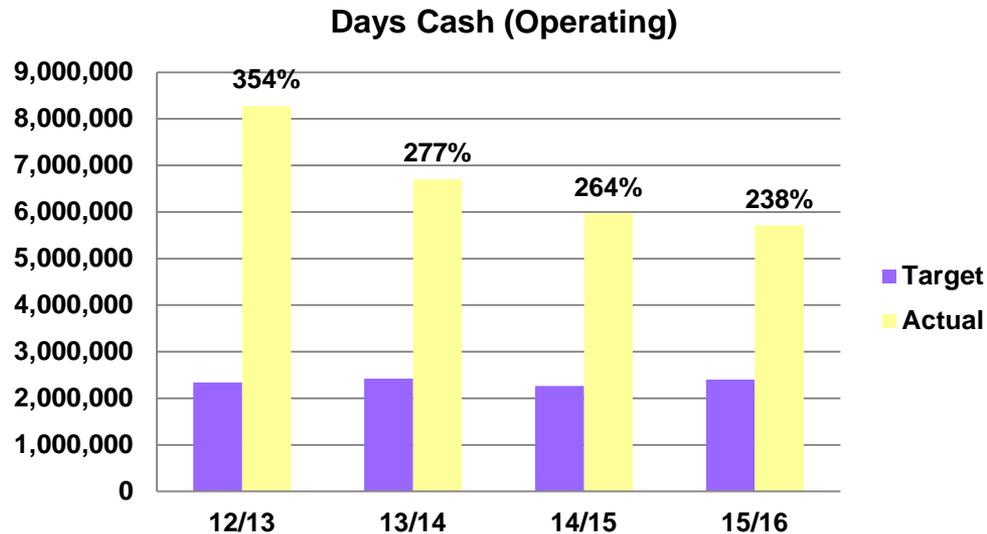
	Budget	Actuals	% of Budget
Personnel	\$ 2,634,864	\$ 2,659,025	101%
Supplies, Materials, Services	\$ 1,521,450	\$ 1,268,747	83%
Equipment, Land, Structures	\$ 122,000	\$ 44,651	37%
Other Payments	\$ 1,479,560	\$ 1,417,371	96%
Utilities	\$ 706,650	\$ 495,976	70%
Work for Others	\$ 108,850	\$ 108,850	100%
Total Operating Expenses	\$ 6,573,374	\$ 5,994,621	91%



Water Funds Cash Balances

(Ending June 30, 2016)

Operating (560)	5,713,096
Utility Capital / Infrastructure Replacement (561)	198,000
IMF (562)	331,135
PCE/TCE Settlements	10,110,268
PCE/TCE Rates (565)	4,161,038
Total	20,513,537





Bad Debt Write Off (Through June 30, 2016)

	# Of Accounts	Amount	% of Sales
Wastewater	689	\$46,664	0.3%
Water	689	\$42,306	0.3%



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 16 Quarterly Update (Ending June 30, 2016)

City Council Shirtsleeve Session
August 23, 2016



Electric Utility Fund Cash Flow Summary (Ending June 30, 2016)

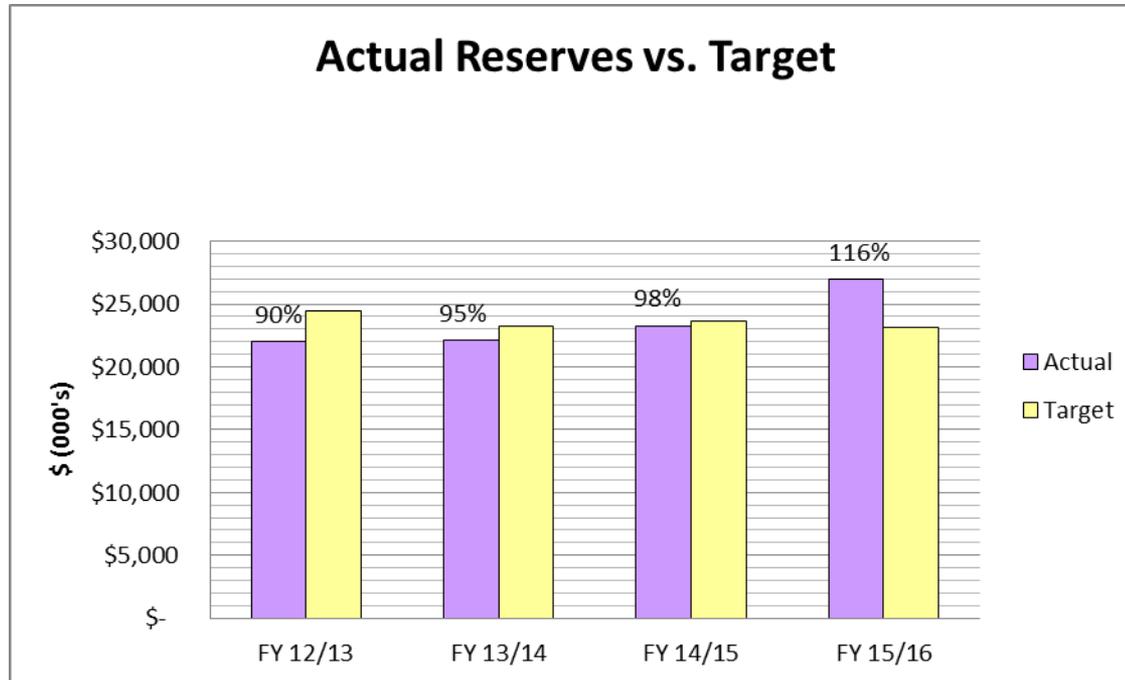
	Budget	Actuals	% of Budget
Revenue			
Sales Revenues	68,406,500	67,507,179	99%
Development Impact Fees	126,620	155,680	123%
Other Revenues (interest, misc)	4,153,660	4,607,842	111%
Total Revenues	72,686,780	72,270,701	99%
Expenses			
Purchase Power	40,511,242	38,632,485	95%
Non Power	12,927,728	10,815,468	84%
Capital Projects	5,401,070	3,559,155	66%
Debt Service	8,393,280	8,168,594	97%
Cost of Service/Capital Xfer	2,354,000	2,354,000	100%
In-lieu Transfer to General Fund	7,082,070	7,082,070	100%
Total Expenses	76,669,390	70,611,772	92%
Net Chg in Bal Sheet Accts		1,415,063	

Net Increase (Decrease)	(3,982,610)	3,073,992
Beginning Local Cash Balance	13,065,403	13,065,403
Ending Local Cash Balance	9,082,793	16,139,395
GOR Balance		10,797,179
Total Reserve Balance		26,936,574
Reserve Policy Target		23,155,000
% of Target		116%



Electric Utility Reserve Policy (Ending June 30, 2016)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,776,000	\$ 15,889,395
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	\$ 250,000
NCPA General Operating Reserve	NCPA Identified Items	\$ 4,379,000	\$ 7,829,843
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 2,967,336
Total Target		\$ 23,155,000	\$ 26,936,574





Electric Utility Funds
Cash Balances
(Ending June 30, 2016)

Operating (500)	\$ 13,972,023
Utility Outlay Reserve Fund (501)	\$ (6,523,948)
Public Benefits Fund (504)	\$ 1,129,189
IMF EU Substation and Transmission (505)	\$ 881,803
Solar Surcharge Fund (506)	\$ 451,597
Environmental Compliance (508)	\$ 6,228,731
NCPA – General Operating Reserve (GOR)	\$ 10,797,179
Total	\$ 26,936,574



Power Sales

(Ending June 30, 2016)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	156,193,116	151,137,940
Small Commercial	158,882,854	161,089,550
Large Commercial/Small Industrial	43,630,792	44,253,563
Industrial	84,113,304	80,765,282
TOTAL	442,820,066	437,246,335

Revenue (\$)			
Customer Class	Budget	Actual	Average Rate
Residential	\$ 28,115,151	\$ 26,525,558	\$ 0.1755
Small Commercial	\$ 26,507,615	\$ 26,512,230	\$ 0.1646
Large Commercial/Small Industrial	\$ 5,996,382	\$ 6,293,704	\$ 0.1422
Industrial	\$ 7,787,352	\$ 8,175,687	\$ 0.1012
TOTAL	\$ 68,406,500	\$ 67,507,179	\$ 0.1544



ECA Revenue

(Ending June 30, 2016)

Customer Class	Q1	Q2	Q3	Q4	Total
Residential	\$ (204,936)	\$ 572,700	\$ 333,828	\$ 51,748	\$ 753,340
Small Commercial	\$ (211,688)	\$ 628,590	\$ 343,726	\$ 63,953	\$ 824,581
Large Commercial / Small Industrial	\$ (55,724)	\$ 178,043	\$ 100,397	\$ 27,598	\$ 250,314
Industrial	\$ (58,184)	\$ 298,607	\$ 152,945	\$ 20,527	\$ 413,895
Total ECA Revenue	\$ (530,532)	\$ 1,677,940	\$ 930,896	\$ 163,826	\$ 2,242,130



Electric Utility Fund Operating Results (Ending June 30, 2016)

	FY16 Budget	FY16 Actual	% of Budget
Personnel	\$ 7,683,990	\$ 7,053,685	92%
Supplies, Materials, Services	\$ 3,291,920	\$ 2,198,036	67%
Equipment, Land, Structures	\$ 146,000	\$ 112,539	77%
Other Payments	\$ 1,756,308	\$ 1,392,205	79%
Utilities	\$ 49,510	\$ 59,003	119%
Total Operating Expenses	\$ 12,927,728	\$ 10,815,468	84%



Power Supply Costs

(Ending June 30, 2016)

	Budgeted	Year to Date	% of Budget
Generation	\$ 30,606,344	\$ 29,333,337	96%
Transmission	\$ 8,576,540	\$ 7,938,468	93%
Management Services	\$ 1,328,356	\$ 1,360,680	102%
Total Power Supply Costs	\$ 40,511,240	\$ 38,632,485	95%



Bad Debt Write Off

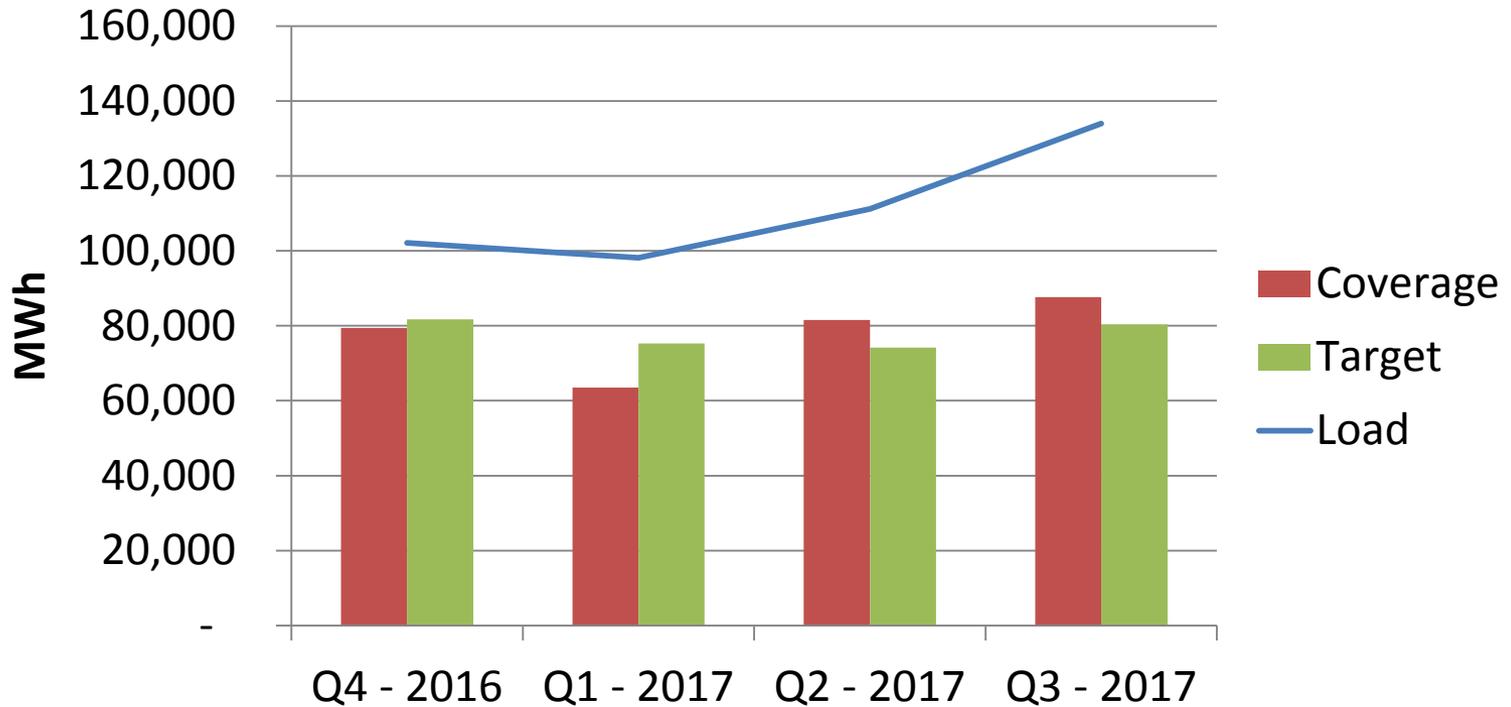
(Ending June 30, 2016)

	# of Accounts	Amount	% of Sales
Electric	689	\$79,353	0.12%



Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q4 – 2016	102,173	80.0%	77.7%
Q1 – 2017	98,146	76.7%	64.7%
Q2 – 2017	111,182	66.7%	73.4%
Q3 – 2017	133,974	60.0%	65.4%





Electric Utility Activities

- Safety
- Staffing
- Reliability
- Capital Improvement Program
- New Development
- Legislative & Regulatory
- Fiscal Health
- Customer Programs