



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: September 16, 2014

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Jennifer M. Robison
City Clerk
Telephone: (209) 333-6702

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Fourth 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.

Jennifer M. Robison
City Clerk

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CITY OF LODI COUNCIL COMMUNICATION

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

MEETING DATE: September 16, 2014

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive utility financial reports for the fourth 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 September 16, 2014. 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 14 Quarterly Update (Ending June 30, 2014)

City Council Shirtsleeve Session
September 16, 2014



Wastewater Fund Cash Flow Summary

(Ending June 30, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales	14,020,580	14,305,093	102%
Development Impact Mitigation Fees (wastewater & storm)	161,870	176,141	109%
Other (interest, septic, misc.)	174,950	557,526	319%
Total Revenues	14,357,400	15,038,760	105%
Expenses			
Operating	6,455,914	6,092,428	94%
Capital	3,424,514	736,791	22%
Debt Service	7,107,147	7,107,147	100%
Cost of Services Payment To General Fund	1,068,000	1,068,000	100%
Total Expenses	18,055,575	15,004,366	83%
Beginning Cash (Operations Only)		6,357,080	
Ending Cash (Operations Only)		4,302,420	
Days Cash (Excluding Capital)		111	
% of Target		123%	



Wastewater Operating Results

(Ending June 30, 2014)

	Budget	Actuals	% of Budget
Personnel	\$ 3,360,494	\$ 3,255,490	97%
Supplies, Materials, Services	\$ 2,111,530	\$ 1,897,133	90%
Equipment, Land, Structures	\$ 79,000	\$ 86,890	110%
Other Payments	\$ 202,630	\$ 200,406	99%
Utilities	\$ 692,260	\$ 642,509	93%
Work for Others	\$ 10,000	\$ 10,000	100%
Total Operating Expenses	\$ 6,455,914	\$ 6,092,428	94%



Wastewater Funds
Cash Balances
(Ending June 30, 2014)

Operating (170)	4,302,420
Utility Capital / Infrastructure Replacement (171)	8,705,592
Capital Reserve (172) (Fund used to pay White Slough COP Debt Service)	0
Wastewater IMF (173)	57,187
Rate Stabilization Reserve (174)	500,000
Storm Drain IMF (175)	684,194
Total	14,249,393



Water Fund Cash Flow Summary

(Ending June 30, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales	12,694,930	12,755,908	100%
Development Impact Mitigation Fees	149,860	60,001	40%
Other (interest, tap fees, water meters, misc.)	1,640,180	1,960,208	120%
Total Revenues	14,484,970	14,776,117	102%
Expenses			
Operating	5,824,036	6,042,001	104%
Capital	13,269,137	7,979,256	60%
Debt Service	2,986,552	2,986,552	100%
Cost of Services Payment To General Fund	780,000	780,000	100%
Total Expenses	22,859,725	17,787,809	78%
Beginning Cash (Operations Only)		10,971,496	
Ending Cash (Operations Only)		6,703,937	
Days Cash (Excluding Capital)		249	
% of Target		277%	



Water Operating Results

(Ending June 30, 2014)

	Budget	Actuals	% of Budget
Personnel	\$ 2,106,056	\$ 2,356,349	112%
Supplies, Materials, Services	\$ 1,388,810	\$ 1,467,306	106%
Equipment, Land, Structures	\$ 82,000	\$ 18,016	22%
Other Payments	\$ 1,382,420	\$ 1,354,988	98%
Utilities	\$ 754,750	\$ 635,697	84%
Work for Others	\$ 110,000	\$ 209,645	191%
Total Operating Expenses	\$ 5,824,036	\$ 6,042,001	104%



**Water Funds
Cash Balances**
(Ending June 30, 2014)

Operating (180)	6,704,080
Utility Capital / Infrastructure Replacement (181)	279,430
IMF (182)	44,056
PCE/TCE Settlements	11,000,985
PCE/TCE Rates (185)	4,370,494
Total	22,399,045



Bad Debt Write Off (Through June 30, 2014)

	# Of Accounts	Amount	% of Sales
Wastewater	816	\$63,274	0.4%
Water	816	\$66,352	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 14 Quarterly Update (Ending June 30, 2014)

City Council Shirtsleeve Session
September 16, 2014



Electric Fund Cash Flow Summary (Ending June 30, 2014)

	Budget	Actuals	% of Budget
Revenue			
Sales Revenues	66,894,140	64,692,808	97%
Development Impact Fees	200,000	89,641	45%
Other Revenues (interest, misc)	4,033,850	2,692,431	67%
Total Revenues	71,127,990	67,474,879	95%
Expenses			
Purchase Power	39,408,270	38,094,498	97%
Non Power	11,947,910	10,296,424	86%
Capital Projects	2,012,700	702,863	35%
Debt Service	8,241,460	8,241,460	100%
Cost of Service/transfer to GF Capital	2,354,000	2,354,000	100%
In-lieu Transfer to General Fund	6,976,670	6,976,670	100%
Total Expenses	70,941,010	66,665,915	94%
Net Chg in Bal Sheet Accts		(1,412,274)	

Net Increase (Decrease)	186,980	(603,309)
Beginning Local Cash Balance	13,235,812	13,235,812
Ending Local Cash Balance	13,422,792	12,632,503
GOR Balance		9,454,485
Total Reserve Balance		22,086,988
Reserve Policy Target		23,232,000
% of Target		95%



Electric Utility Reserve Policy

(Ending June 30, 2014)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,232,000	\$ 12,632,503
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	
NCPA General Operating Reserve	NCPA Identified Items	\$ 5,000,000	\$ 6,212,109
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 3,242,377
Total Target		\$ 23,232,000	\$ 22,086,989



**Electric Funds
Cash Balances**
(Ending June 30, 2014)

Operating (160)	\$ 2,532,424
Utility Outlay Reserve Fund (161)	\$ 430,663
Electric Rate Stability Reserve (162)	\$ 2,171,622
Public Benefits Fund (164)	\$ 4,492,311
IMF EU Substation and Transmission (165)	\$ 742,145
Solar Surcharge Fund (166)	\$ (141,936)
Environmental Compliance (168)	\$ 2,405,275
NCPA – General Operating Reserve (GOR)	\$ 9,454,485
Total	\$ 22,086,989



Power Sales

(Ending June 30, 2014)

	Budgeted Sales	Year to Date Sales	% Budget
kWh	442,186,628	437,294,193	99%
Revenue	\$ 66,894,140	\$ 64,692,808	97%

	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
January	2014	464	595	0	0
February	2014	333	407	0	0
March	2014	199	324	0	0
April	2014	115	190	29	17
May	2014	13	60	154	102
June	2014	0	7	275	230
FY14 Total		2160	2637	1371	1320



ECA Revenue

(Ending June 30, 2014)

Customer Class	Q1	Q2	Q3	Q4	Total
Residential	\$ (157,405)	\$ 302,855	\$ 776,041	\$ 74,054	\$ 995,545
Small Commercial	\$ (154,690)	\$ 308,120	\$ 829,634	\$ 86,568	\$ 1,069,633
Large Commercial/Small Industrial	\$ (45,706)	\$ 94,584	\$ 243,400	\$ 25,295	\$ 317,574
Industrial	\$ (169,465)	\$ 151,243	\$ 420,741	\$ 70,752	\$ 473,271
Total ECA Revenue	\$ (527,265)	\$ 856,803	\$ 2,269,816	\$ 256,669	\$ 2,856,022



Electric Fund Operating Results (Ending June 30, 2014)

	FY14 Budget	FY14 Actual	% of Budget
Personnel	\$ 5,862,530	\$ 5,923,128	101%
Supplies, Materials, Services	\$ 3,158,730	\$ 2,054,950	65%
Equipment, Land, Structures	\$ 1,267,800	\$ 908,990	72%
Other Payments	\$ 1,605,000	\$ 1,357,896	85%
Utilities	\$ 53,850	\$ 51,460	96%
Total Operating Expenses	\$ 11,947,910	\$ 10,296,424	86%



Power Supply Costs

(Ending June 30, 2014)

	Budgeted	Year to Date	% of Budget
Generation	\$ 32,670,010	\$ 40,449,339	124%
Transmission	\$ 9,544,450	\$ 6,320,222	66%
Management Services	\$ 1,333,500	\$ 1,433,852	108%
Third Party Revenue	\$ (4,139,690)	\$ (10,108,915)	244%
Adjustments			
TOTAL	\$ 39,408,270	\$ 38,094,498	97%



Billing Statistics

(Ending June 30, 2014)

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
TOTAL	442,186,628	\$ 66,894,140	\$ 0.1513

Actual Sales FY14			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	148,762,783	\$ 25,270,075	\$ 0.1699
Small Commercial	158,198,308	\$ 25,041,437	\$ 0.1583
Large Commercial/Small Industrial	44,817,622	\$ 6,112,997	\$ 0.1364
Industrial	85,515,480	\$ 8,268,299	\$ 0.0967
TOTAL	437,294,193	\$ 64,692,808	\$ 0.1479



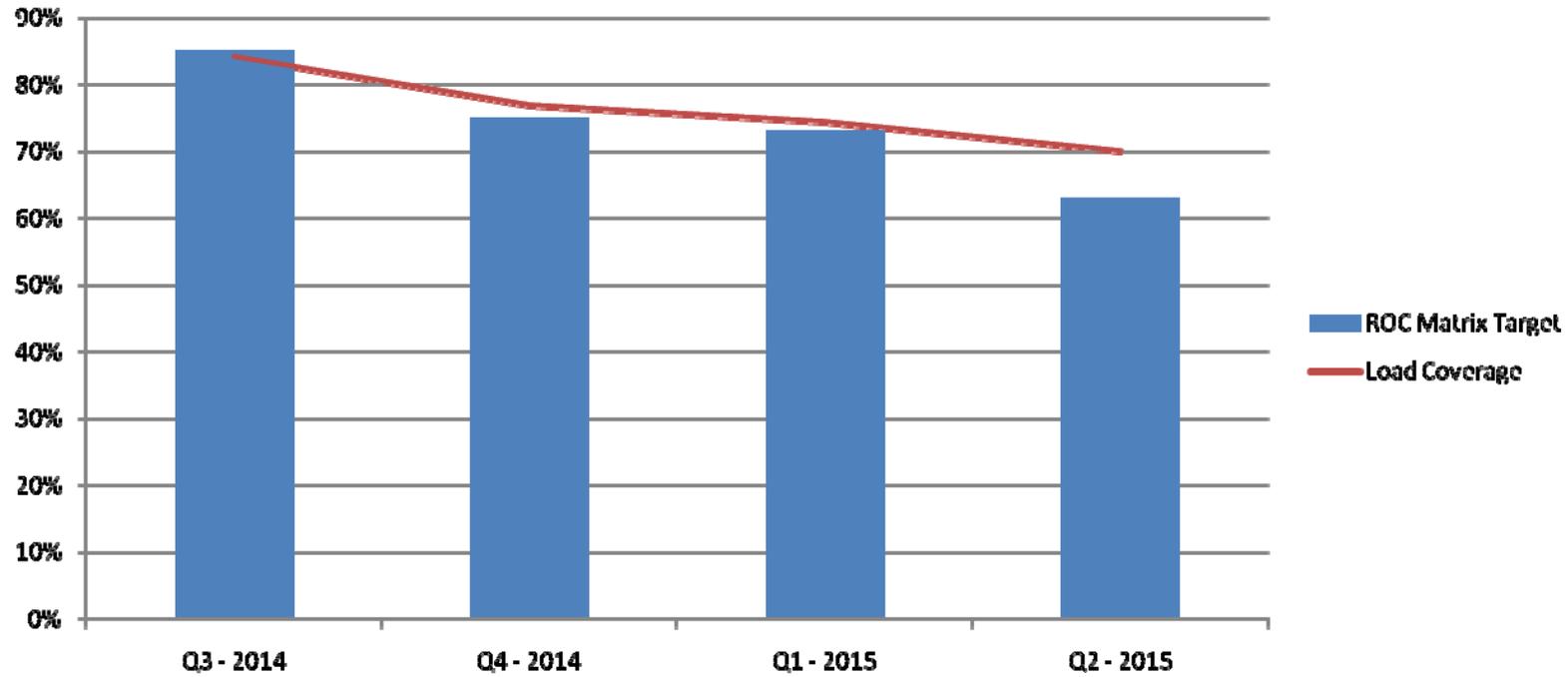
Bad Debt Write Off (Ending June 30, 2014)

	# Of Accounts	Amount	% of Sales
Electric	816	\$145,056	.22%



CY 14-15 Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q3 – 2014	136,228	85.0%	84.1%
Q4 – 2014	106,025	75.0%	76.8%
Q1 – 2015	103,195	73.0%	74.3%
Q2 - 2015	113,571	63.0%	70.0%





Electric Utility Activities

- Safety Program
- Staffing
- Distribution System Capacity / Maintenance
- State-mandated Reports
- Public Benefits Rebates – New & Improved
- Website Makeover
- Financial Model