



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: December 1, 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 Northern California Power Agency Presentation (EU)

B-2 First 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

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 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Northern California Power Agency Presentation

MEETING DATE: December 1, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: The Northern California Power Agency will present Certificates of Appreciation to the Lodi Electric Utility line crews.

BACKGROUND INFORMATION: The Valley Fire caused extensive damage to the 21 kV power lines and communication circuits at the Northern California Power Agency's (NCPA) geothermal generation facility in September.

Lodi Electric Utility crews, along with other NCPA members, assisted with the restoration efforts. NCPA General Manager Randy Howard and Assistant General Manager Ken Speer will be in attendance to make the presentations.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Elizabeth A. Kirkley
Electric Utility Director

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

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

MEETING DATE: December 1, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive utility financial reports for the first 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 December 1, 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.

FUNDING AVAILABLE: Not applicable.

Jordan Ayers
Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager



Public Works Department Water/Wastewater

FY 16 Quarterly Update **(Ending September 30, 2015)**

City Council Shirtsleeve Session
December 1, 2015



Wastewater Fund Cash Flow Summary

(Ending September 30, 2015)

	Budget	Actuals	% of Budget
Revenue			
Sales	14,977,300	3,641,649	24%
Development Impact Mitigation Fees (wastewater & storm)	297,050	89,463	30%
Other (interest, septic, misc.)	209,990	64,837	31%
Total Revenues	15,484,340	3,795,949	25%
Expenses			
Operating	7,041,550	1,202,110	17%
Capital	6,201,410	418,282	7%
Debt Service	3,679,130	2,563,375	70%
Cost of Services Payment To General Fund	1,068,000	267,000	25%
Total Expenses	17,990,090	4,450,767	25%
Beginning Cash (Operations Only)		5,574,685	
Ending Cash (Operations Only)		6,534,641	
Days Cash (Excluding Capital)		146	
% of Target		162%	



Wastewater Operating Results

(Ending September 30, 2015)

	Budget	Actuals	% of Budget
Personnel	\$ 3,498,010	\$ 672,756	19%
Supplies, Materials, Services	\$ 2,062,550	\$ 225,891	11%
Equipment, Land, Structures	\$ 447,500	\$ 1,826	0%
Other Payments	\$ 302,110	\$ 146,624	49%
Utilities	\$ 723,880	\$ 155,013	21%
Work for Others	\$ 7,500	-	0%
Total Operating Expenses	\$ 7,041,550	\$ 1,202,110	17%



Wastewater Funds
Cash Balances
(Ending September 30, 2015)

Operating (530)	6,534,641
Utility Capital / Infrastructure Replacement (531)	6,039,558
Capital Reserve (532) (Fund used to pay White Slough COP Debt Service)	(1,485,838)
Wastewater IMF (533)	24,209
Rate Stabilization Reserve (534)	500,000
Storm Drain IMF (535)	792,608
Total	12,405,178



Water Fund Cash Flow Summary

(Ending September 30, 2015)

	Budget	Actuals	% of Budget
Revenue			
Sales	13,362,400	3,533,925	26%
Development Impact Mitigation Fees	202,630	70,568	35%
Other (interest, tap fees, water meters, misc.)	992,100	389,441	42%
Total Revenues	14,557,130	3,993,934	27%
Expenses			
Operating	6,408,790	1,331,796	21%
Capital	4,637,914	972,370	21%
Debt Service	2,968,610	0	0%
Cost of Services Payment To General Fund	780,000	195,000	25%
Total Expenses	14,795,314	2,499,166	17%
Beginning Cash (Operations Only)		5,972,949	
Ending Cash (Operations Only)		7,850,321	
Days Cash (Excluding Capital)		463	
% of Target		514%	



Water Operating Results

(Ending September 30, 2015)

	Budget	Actuals	% of Budget
Personnel	\$ 2,470,280	\$ 581,705	24%
Supplies, Materials, Services	\$ 1,521,450	\$ 243,935	16%
Equipment, Land, Structures	\$ 122,000	\$ 10,334	8%
Other Payments	\$ 1,479,560	\$ 341,762	23%
Utilities	\$ 706,650	\$ 154,060	22%
Work for Others	\$ 108,850	-	0%
Total Operating Expenses	\$ 6,408,790	\$ 1,331,796	21%



**Water Funds
Cash Balances**
(Ending September 30, 2015)

Operating (560)	7,850,321
Utility Capital / Infrastructure Replacement (561)	(1,514,122)
IMF (562)	47,632
PCE/TCE Settlements	10,631,958
PCE/TCE Rates (565)	4,219,537
Total	21,235,326



Bad Debt Write Off

(Through September 30, 2015)

	# Of Accounts	Amount	% of Sales
Wastewater	146	\$9,388	0.3%
Water	146	\$6,406	0.2%



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 September 30, 2015)**

City Council Shirtsleeve Session
December 1, 2015



Electric Utility Fund Cash Flow Summary (Ending September 30, 2015)

	Budget	Actuals	% of Budget
Revenue			
Sales Revenues	68,406,500	21,680,062	32%
Development Impact Fees	126,620	33,230	26%
Other Revenues (interest, misc)	7,653,660	5,128,190	67%
Total Revenues	76,186,780	26,841,482	35%
Expenses			
Purchase Power	40,511,240	10,494,882	26%
Non Power	16,502,730	5,432,969	33%
Capital Projects	4,535,470	171,581	4%
Debt Service	8,158,280	6,818,217	84%
Cost of Service/transfer to GF Capital	2,104,000	526,000	25%
In-lieu Transfer to General Fund	7,082,070	1,770,518	25%
Total Expenses	78,893,790	25,214,167	32%
Net Chg in Bal Sheet Accts		(1,904,814)	

Net Increase (Decrease)	(2,707,010)	(277,499)
Beginning Local Cash Balance	13,065,403	13,065,403
Ending Local Cash Balance	10,358,393	12,787,904
GOR Balance		10,274,953
Total Reserve Balance		23,062,857
Reserve Policy Target		23,155,000
% of Target		99.6%



Electric Utility Reserve Policy

(Ending September 30, 2015)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,776,000	\$ 12,787,904
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	
NCPA General Operating Reserve	NCPA Identified Items	\$ 4,379,000	\$ 7,032,576
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 3,242,377
Total Target		\$ 23,155,000	\$ 23,062,857



Electric Utility Funds
Cash Balances
(Ending September 30, 2015)

Operating (500)	\$ 9,444,900
Utility Outlay Reserve Fund (501)	\$ (3,906,365)
Electric Rate Stability Reserve (502)	\$ 0
Public Benefits Fund (504)	\$ 1,000,263
IMF EU Substation and Transmission (505)	\$ 910,192
Solar Surcharge Fund (506)	\$ 227,755
Environmental Compliance (508)	\$ 5,111,158
NCPA – General Operating Reserve (GOR)	\$ 10,274,953
Total	\$ 23,062,857



Power Sales

(Ending September 30, 2015)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	156,193,116	50,351,981
Small Commercial	158,882,854	47,101,304
Large Commercial/Small Industrial	43,630,792	12,922,928
Industrial	84,113,304	25,534,393
TOTAL	442,820,066	135,910,606

Revenue (\$)			
Customer Class	Budget	Actual	Average Rate
Residential	\$ 28,115,151	\$ 8,976,126	\$ 0.1783
Small Commercial	\$ 26,507,615	\$ 7,999,013	\$ 0.1698
Large Commercial/Small Industrial	\$ 5,996,382	\$ 1,946,644	\$ 0.1506
Industrial	\$ 7,787,352	\$ 2,758,279	\$ 0.1080
TOTAL	\$ 68,406,500	\$ 21,680,062	\$ 0.1595



ECA Revenue

(Ending September 30, 2015)

Customer Class	Q1	Total
Residential	\$ (204,936)	\$ (204,936)
Small Commercial	\$ (211,688)	\$ (211,688)
Large Commercial/Small Industrial	\$ (55,724)	\$ (55,724)
Industrial	\$ (58,184)	\$ (58,184)
Total ECA Revenue	\$ (530,532)	\$ (530,532)



Electric Utility Fund Operating Results

(Ending September 30, 2015)

	FY15 Budget	FY15 Actual	% of Budget
Personnel	\$ 7,683,990	\$ 1,367,576	18%
Supplies, Materials, Services	\$ 3,694,420	\$ 341,638	9%
Equipment, Land, Structures	\$ 221,000	\$ 28,745	13%
Other Payments	\$ 4,856,310	\$ 3,685,424	76%
Utilities	\$ 47,010	\$ 9,586	20%
Total Operating Expenses	\$ 16,502,730	\$ 5,432,969	33%



Power Supply Costs

(Ending September 30, 2015)

	Budgeted	Year to Date	% of Budget
Generation	\$ 30,606,344	\$ 7,258,074	24%
Transmission	\$ 8,576,540	\$ 2,898,645	34%
Management Services	\$ 1,328,356	\$ 338,163	25%
Total Power Supply Costs	\$ 40,511,240	\$ 10,494,882	26%



Bad Debt Write Off

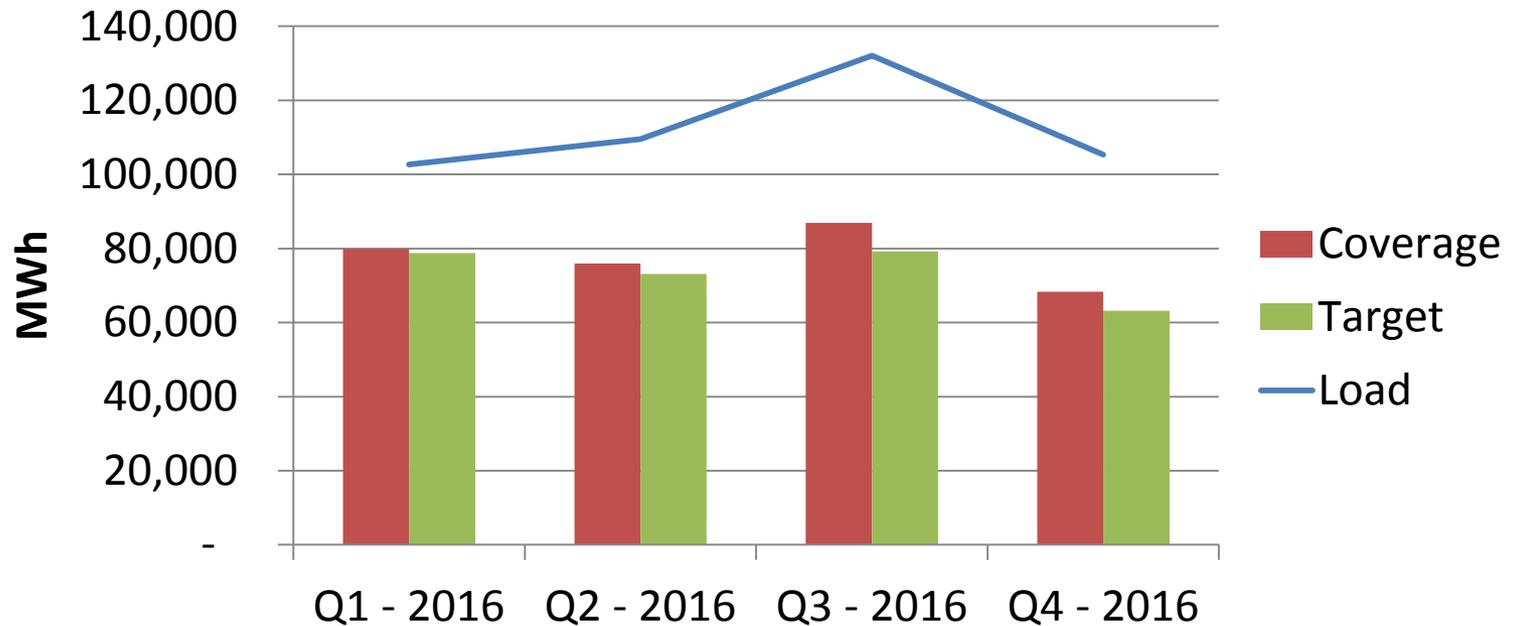
(Ending September 30, 2015)

	# of Accounts	Amount	% of Sales
Electric	146	\$ 13,122	0.06%



Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q1 – 2016	102,675	76.7%	77.8%
Q2 – 2016	109,559	66.7%	69.3%
Q3 – 2016	132,019	60.0%	65.8%
Q4 – 2016	105,363	60.0%	64.8%



Load coverage meets/exceeds Risk Policy targets in all quarters.



Electric Utility Activities

- Staffing
- LED Street Light Project
- LEU Organizational Checkup / Strategic Planning
- Customer Programs
 - Residential Energy Audit / Direct-Install Program
 - 2016 Solar Program
 - Social Media