

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 1, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 1, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 First Quarter Fiscal Year 2011/12 Water, Wastewater, and Electric Utility Department Financial Reports (CM)

City Manager Rad Bartlam briefly introduced the subject matter of the quarterly updates.

Deputy Public Works Director Charlie Swimley provided a PowerPoint presentation regarding the water and wastewater fiscal year 2012 quarterly update. Specific topics of discussion included the water and wastewater cash flow summary, operating results, cash balances, bad debt write off, and accomplishments.

In response to Mayor Johnson, Mr. Swimley stated the difference in cash days in both the water and wastewater funds is due to starting with a larger amount of money in the water fund, which will be spent in the next phase of the water meter program.

In response to Council Member Hansen, Mr. Bartlam stated the cash on hand goal for all three utilities is 25% of the operating reserve and 181 days is approximately 50%.

In response to Mayor Pro Tempore Mounce, Deputy City Manager Jordan Ayers stated the debt service includes the County's process associated with accruing interest in one year and reversing in the next year, which also includes the cash to accrual numbers.

In response to Mayor Johnson, Mr. Swimley stated the sanitary sewer overflow spills were reduced because staff set a goal of zero spills and intentionally focused on a clean strategy in targeted areas.

In response to Council Member Nakanishi, Mr. Swimley stated the City has an every other year infrastructure replacement program of \$2 million, which replaces approximately two to three miles of line.

In response to Council Member Hansen, Mr. Swimley stated staff targets the oldest pipes first for replacement including those in easements and alleys. Mr. Swimley stated in some cases the pipe may be increased by a small amount due to the new material of the pipe, which is one continuous liner without joints and can handle more water.

In response to Council Member Hansen, Mr. Swimley stated the new system is much less prone to leakage.

In response to Council Member Nakanishi, Mr. Swimley stated the City does cross train in water and wastewater and rotate staff. He stated water and wastewater share about 26 staff members and the treatment plant has about 20 staff members.

In response to Mayor Pro Tempore Mounce, Mr. Swimley stated the water line on Flora and Stockton Street was replaced during the improvements but he is not sure about the water meters being moved from the back to the front.

Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the electric utility fiscal year 2012 quarterly update. Specific topics of discussion included cash flow summary, operating results, cash balances, power supply costs, power sales, energy cost adjustment (ECA) revenue, billing statistics, bad debt write off, Northern California Power Agency general operating reserve, open position, and accomplishments.

In response to Mayor Johnson, Ms. Kirkley stated General Mills runs its facility when it is making puffed cereal based on when gas is low and staff is working with General Mills to establish communication regarding notifying the City when the plant will be on or off line.

In response to Council Member Hansen, Ms. Kirkley stated filling the existing two vacancies that will work on the substations has been a challenge because of the lack of qualified applicants in the industry at the current time. She stated staff is doing some cross training for emergency situations but there is still a need for qualified applicants and a good trainer.

In response to Mayor Pro Tempore Mounce, Mr. Bartlam stated the City is using contract staff in the interim while the vacant positions are being recruited for.

In response to Mayor Johnson, Mr. Bartlam stated contract staff can only be used for a temporary period due to CalPers requirements on amount of hours that can be worked and there is a need for permanent employees to provide consistency with these positions.

In response to Council Member Nakanishi, Ms. Kirkley stated she assumes that other agencies including PG&E and SMUD are having similar challenges in recruiting for these types of positions.

In response to Council Member Hansen, Ms. Kirkley stated a cooling degree day is based on a formula related to the monthly temperature based on normal averages, geographical area, and what is actually needed to cool a house or business.

In response to Mayor Pro Tempore Mounce, Ms. Kirkley stated it is difficult to compare rates for utilities because the rate may be comprised of different elements including the base rate, user tax, ECA, tiers, and rate class. Mr. Bartlam stated the most accurate comparison is done when a utility bill is provided and analyzed on its own for the various components.

Council Member Nakanishi requested information regarding demographics for bad debt write off for the utilities.

In response to Mayor Johnson, Ms. Kirkley confirmed that the meter reading complaints initially received with the new system have diminished greatly.

In response to Mayor Pro Tempore Mounce, Ms. Kirkley confirmed that the street lights include eight separate grids throughout the City.

In response to Council Member Hansen, Ms. Kirkley stated that, with respect to street light and pole improvements, the additional equipment is replaced only when it is necessary.

In response to Council Member Hansen and Mayor Pro Tempore Mounce, Mr. Ayers stated the Energy Efficiency Community Block Grant program is a one-time program unless it is reauthorized by the federal government. Ms. Kirkley confirmed the electric trash receptacles appear to be working fine.

In response to Council Member Nakanishi, Ms. Kirkley provided a brief overview of the history and application of the energy cost adjustment.

In response to Council Member Hansen, Ms. Kirkley stated staff will be presenting information regarding the power supply to the west at an upcoming Shirtsleeve Session.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:02 a.m.

ATTEST:

Randi Johl  
City Clerk