



LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: September 9, 2008

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

NOTE: 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 24 hours prior to the meeting date.

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Fourth Quarter Fiscal Year 2007-08 Water, Wastewater, and Electric Utility Department Financial Reports (PW/EUD)

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.

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Fourth Quarter Fiscal Year 07/08 Water, Wastewater and Electric Utility Department Financial Reports

MEETING DATE: September 9, 2008

PREPARED BY: Public Works and Electric Utility Directors

RECOMMENDED ACTION: Receive fourth quarter fiscal year utility 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 September 9, 2008.

Attached are the graphics and illustrations that will be presented and discussed.

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.

F. Wally Sandelin
Public Works Director

George Morrow
Electric Utility Director

APPROVED: _____
Blair King, City Manager



Public Works Department Water/Wastewater Quarterly Update

(Based on Preliminary, Unaudited FY 07/08 End of Year Reports)

Shirtsleeve

September 9, 2008

Wastewater Operating Results

(Ending June 30, 2008)

	FY 07/08 Budget	FY 07/08 Actual	% of Budget
Personnel	2,991,129	2,833,595	95 %
Supplies, Materials, Services	996,226	1,245,899	125%
Equipment, Land, Structures	61,200	55,680	91%
Other Payments	201,870	168,222	83%
Communication & Transportation	801,465	798,654	99%
Work for Others	36,460	0	0%
Total Operating Expenses	5,088,350	5,102,050	100%

**Wastewater Fund
Cash Flow Summary
Operations
(Ending June 30, 2008)**

	FY 07/08 Actual
Revenue	
Sales	6,622,120
Other (interest, rent, septic, misc.)	1,155,766
Total Revenues	7,777,886
Expenses	
Operating	5,000,820
Debt Service	3,202,605
Cost of Services Payment To General Fund	1,404,661
Total Expenses	9,608,086
Net Decrease in Undesignated Reserves	(1,830,200)

Wastewater Funds

Cash Balances

(Ending June 30, 2008)

	FY 07/08 Actual
Operating (170)	(8,047,274)
Utility Capital / Infrastructure Replacement (171) (\$14,379,643 collected for Infrastructure Replacement)	14,466,841
Capital Reserve (172) (Fund used to pay White Slough COP Debt Service)	(8,615,688)
Capital Reserve Restricted Assets (172) (White Slough COP Remaining Proceeds)	12,538,088
IMF (173) (\$5,800,208 collected for Flag City) (\$3,162,385 dedicated for White Slough COP Debt Service)	8,962,593
Total	19,304,560

Water Operating Results

(Ending June 30, 2008)

	FY 07/08 Budget	FY 07/08 Actual	% of Budget
Personnel	1,180,697	1,118,698	95%
Supplies, Materials, Services	519,960	525,176	101%
Equipment, Land, Structures	3,500	2,698	77%
Other Payments	1,467,630	1,459,173	99%
Communication & Transportation	878,540	779,845	89%
Work for Others	120,000	316,117	263%
Total Operating Expenses	4,170,327	4,201,707	101%

Water Fund
Financial Results
Cash Flow Summary
(Ending June 30, 2008)

	FY 07/08 Actual
Revenue	
Sales	6,349,290
Other (interest, rent, misc.)	1,075,496
Total Revenues	7,424,786
Expenses	
Operating	4,201,707
Debt Service	62,676
Cost of Services Payment To General Fund	1,036,399
Total Expenses	5,300,782
Net Increase in Undesignated Reserves	2,124,004

Water Funds Cash Balances

(Ending June 30, 2008)

	FY 07/08 Actual
Operating (180)	(7,468,042)
Utility Capital / Infrastructure Replacement (181) (\$12,697,993 collected for Infrastructure Replacement)	10,026,744
IMF (182)	1,259,057
PCE/TCE Settlements	14,153,129
PCE/TCE Rates (185)	5,045,569
Total	23,016,457

Water/Wastewater Utility Accomplishments

- Completed 2nd Phase of the Water Meter Retrofit Program
- Produced 5.64 Billion Gallons of Great Tasting Water
- Completed Well No. 28
- Phase III Improvements
- Rehabilitated Domestic Outfall Sewer
- Cleaned 64 miles of wastewater main

Questions???



Electric Utility Department

FY08 Quarterly Update **(Through June 30, 2008)**

City Council Shirtsleeve Session
September 9, 2008



Overview

- Power Costs consistent with budget
- Non-power Costs decreased ~\$950K
- Revenues up about \$3.9M
- NCPA Cash Reserve (GOR) up \$1.7M
- FY09 power supply is 96% hedged
- Revenues include a one-time receipt of \$3.25M from Roseville CT1 transaction
- Overall increase in cash is about **\$6.2M**



FY08 Financial Results

Revenue	Budget	Actuals	% of Budget
Sales Revenues	70,072,930	69,284,341	98.9%
Other Revenues	1,528,192	6,219,689	407.0%
Total Revenues	71,601,122	75,504,030	105.5%
Expenses			
Purchase Power	42,333,517	42,675,243	100.8%
Non Power	11,649,177	10,705,397	91.9%
Total Expenses	53,982,694	53,380,640	98.9%
Net Revenue for Debt Service	17,618,428	22,123,390	125.6%
Debt Service	8,971,488	8,886,514	99.1%
Net Revenue	8,646,940	13,236,876	153.1%
In-lieu Transfer to General Fund	6,873,228	6,873,228	100.0%
Lodi Energy Center Development Costs		1,882,353	
Net Increase (Decrease) in Working Capital	1,773,712	4,481,295	252.7%
Beginning Cash Balance	5,162,285	5,162,285	
Changes in NCPA Cash Reserve	-	1,696,044	
Ending Cash Balance	6,935,997	11,339,624	



Operating Expenditures

	FY08 Budget	Actual	% Budget
Personnel	5,967,359	5,565,588	93%
Supplies, Materials, Services	146,535	69,191	47%
Equipment, Land, Structures	1,427,866	1,611,385	113%
Communication & Transportation	585,685	299,203	51%
Other	729,340	871,904	120%
Total Operating Expenses	8,856,784	8,417,270	95.0%



Power Supply

	Estimated	Actual	Change
Generation	\$ 35,982,191	\$ 39,375,807	\$ 3,393,616
Transmission	\$ 5,322,939	\$ 5,939,893	\$ 616,954
Management Services	\$ 2,371,387	\$ 2,422,076	\$ 50,689
Third Party Revenue	\$ (1,342,999)	\$ (5,329,948)	\$ (3,986,949)
Other		\$ 267,415	
TOTAL	\$ 42,333,517	\$ 42,675,243	\$ 341,726



Power Sales

	YTD Projections	YTD Actuals	% Difference
kWh	471,104,356	450,407,709	-4.4%
Revenue	\$ 70,072,930	\$ 69,284,341	-1.1%

	Year	HDD	Normal	CDD	Normal
July	2007	0	0	412	390
August	2007	0	0	428	363
September	2007	12	5	201	247
October	2007	68	76	23	73
November	2007	255	348	0	0
December	2007	592	609	0	0
January	2008	587	592	0	0
February	2008	439	403	0	0
March	2008	337	313	0	0
April	2008	202	169	24	18
May	2008	31	54	115	111
June	2008	0	6	273	254
Q1-Q3 Totals		2523	2575	1476	1456



Billing Statistics

Projected			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	163,328,001	\$ 28,094,997	\$ 0.1720
Small Commercial	172,808,479	\$ 27,077,435	\$ 0.1567
Large Commercial/Small Industrial	36,771,106	\$ 5,082,250	\$ 0.1382
Industrial	98,196,770	\$ 9,818,248	\$ 0.1000
TOTAL	471,104,356	70,072,930	\$ 0.1487

Actual			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	153,563,188	\$ 27,215,694	\$ 0.1772
Small Commercial	167,414,583	\$ 27,402,047	\$ 0.1637
Large Commercial/Small Industrial	34,848,117	\$ 4,971,640	\$ 0.1427
Industrial	94,581,821	\$ 9,694,960	\$ 0.1025
TOTAL	450,407,709	\$ 69,284,341	\$ 0.1538



ECA Revenue

Customer Class	Q1	Q2	Q3	Q4	Total
Residential	(159,594)	545,871	783,649	243,631	1,413,556
Small Commercial	(165,623)	586,856	808,793	313,818	1,543,844
Large Commercial/Small Industrial	(38,987)	130,455	162,325	57,145	310,938
Industrial	(100,489)	392,355	454,702	162,340	908,907
Total ECA Revenue	(464,693)	1,655,537	2,209,468	776,933	4,177,245



NCPA “GOR”

- **General Operating Reserve**
- **Provides funding for contingencies**
- **GOR levels**
 - \$4,790,663 (June 30, 2007)
 - \$6,486,707 (June 30, 2008)
- **FY07 true-up of \$847,000**
- **Geothermal Ins Recovery of \$384,000**

\$1,696,044 Increase

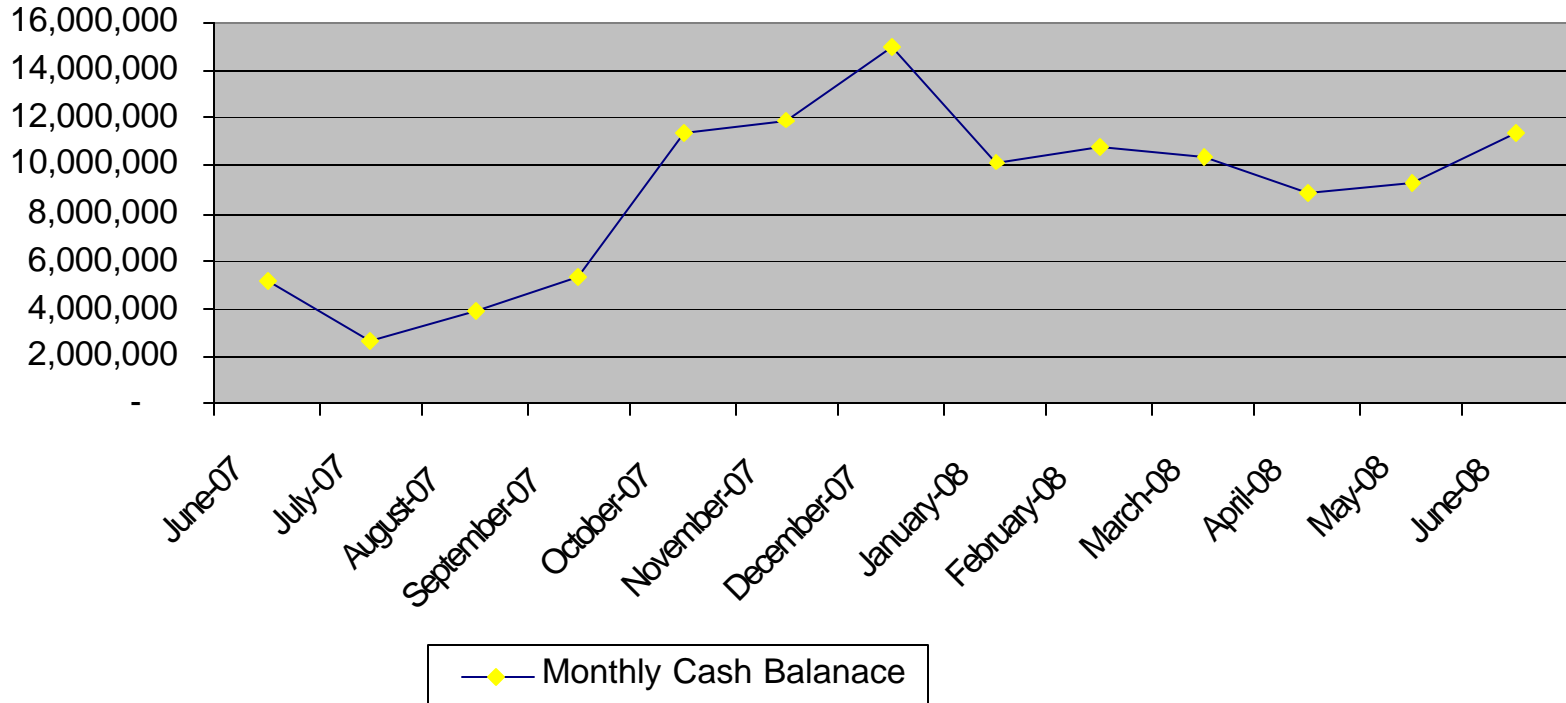


FY09 “Open Position”

	Lodi Total			Lodi HLH			Lodi LLH		
	Surplus/(Deficit)	Load	% of Load	Surplus/(Deficit)	Load	% of Load	Surplus/(Deficit)	Load	% of Load
July 2008	0	50,349	0.0%	-	32,631	0.0%	-	17,718	0.0%
August	0	50,833	0.0%	-	32,735	0.0%	-	18,099	0.0%
September	3,767	42,198	8.9%	2,146	27,096	7.9%	1,620	15,102	10.7%
October	2,183	38,554	5.7%	1,433	25,226	5.7%	749	13,328	5.6%
November	781	35,835	2.2%	547	21,857	2.5%	234	13,979	1.7%
December	1,671	38,210	4.4%	685	24,311	2.8%	985	13,899	7.1%
Jan 2008	1,266	38,403	3.3%	509	24,311	2.1%	757	14,092	5.4%
February	2,052	33,447	6.1%	2,157	21,612	10.0%	(104)	11,835	-0.9%
March	11,680	36,080	32.4%	10,815	22,918	47.2%	864	13,163	6.6%
April	5,337	36,489	14.6%	5,266	23,778	22.1%	71	12,711	0.6%
May	4,354	39,431	11.0%	3,900	24,509	15.9%	454	14,922	3.0%
June	2,499	43,776	5.7%	2,497	29,430	8.5%	2	14,346	0.0%
FY Total	35,590	483,606	7.4%	29,957	310,412	9.7%	5,633	173,194	3.3%
Bal Yr Total	35,590	382,424	9.3%	29,957	245,046	12.2%	5,633	137,378	4.1%



Cash Balance





Summary

- Power Costs consistent with budget
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- Revenues up about \$3.9M
- NCPA Cash Reserve (GOR) up \$1.7M
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