

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 15, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 15, 2012, commencing at 7:00 a.m.

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

Absent: Mayor Mounce

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

B. Topic(s)

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

City Manager Bartlam provided a brief introduction to the subject matter of the third quarter utility financial reports update and the presentation regarding the Fiscal Year 2012/13 budget.

Deputy Public Works Director Larry Parlin provided a PowerPoint presentation regarding the water and wastewater quarterly update. Specific topics of discussion included the water and wastewater cash flow summary, operating results, cash balances, bad debt write off, and operational and regulatory accomplishments.

In response to Council Member Hansen, Deputy City Manager Jordan Ayers stated the work for others column includes the work for the Electric Utility Department for the Supervisory Control and Data Acquisition System that gets charged out at the end of the year.

In response to Council Member Hansen, Mr. Parlin stated the new permit will be good for five years and will renew for five-year periods thereafter.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers provided a brief overview of the history of the wastewater budget and discussed the rate structure, reserves, and rate stabilization.

Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the electric utility and specific topics of discussion included the electric fund cash flow summary, operating results, cash balances, power supply costs, power sales, Energy Cost Adjustment revenue, billing statistics, bad debt write off, general operating reserve at Northern California Power Agency (NCPA), open position, and utility accomplishments.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers confirmed that the 10% debt service, which has been consistent for the past few years, is related to past capital improvement projects and contract restructuring.

In response to Council Member Johnson, Ms. Kirkley stated the public benefits fund has been building up because there is a decrease in participation, staff is looking at doing a larger project to benefit all ratepayers, and the current number includes carry over from previous years.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated public benefit funds could be used on a citywide street lighting project to replace the current lighting with higher efficiency

lighting.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated the entire City does have lights with the exception of a neighborhood near Cabrillo Circle and they do not wish to have lights.

In response to Council Member Katzakian, Mr. Ayers provided an overview of the general operating reserve balance held at NCPA and its connection to the rating agencies and rate stabilization.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers confirmed that privately-owned utilities have similar rate structures as public-owned utilities have.

In response to Council Member Johnson, Mr. Bartlam stated the City is transferring money to NCPA from our public benefits fund instead of operations for power supply costs that are eligible for public benefit.

In response to Council Member Hansen, Ms. Kirkley stated the recommendation for open position is based on what the market is doing and could go as high as 10%.

In response to Council Member Johnson, Ms. Kirkley stated the City has not received complaints regarding meter reading as other communities have because the City does not utilize the Smart meter technology.

In response to Council Member Hansen, Ms. Kirkley stated staff has assessed its ability to protect against copper theft and is in the process of installing different material as a result to protect the City from copper theft at its facilities.

In response to Council Member Katzakian, Ms. Kirkley stated she does not anticipate costs going down significantly over the next few years based on market conditions and the biggest concern appears to be with the installation of solar systems.

In response to Council Member Katzakian, Mr. Bartlam stated the trend of the energy cost adjustment going down will likely continue.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated natural gas prices may result in lower electric costs going into the future although in the present the utility continues to pay for the past purchases.

#### B-2 Receive Presentation Regarding Fiscal Year 2012/13 Budget (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2012/13 budget. Specific topics of discussion included an overview of the utility funds, revenues, expenses, capital projects, and reserve amounts related to the electric, water, and wastewater funds.

In response to Council Members Hansen and Katzakian, Matt Foskett provided an overview of the timing and process associated with the sale of the renewable energy credits.

In response to Council Member Hansen, Mr. Bartlam stated the 230kV study done by PG&E is being taken off the books in its entirety.

In response to Council Member Hansen, Mr. Ayers stated the \$17 million is distributed roughly by keeping \$5 million locally and \$12 million at Northern California Power Agency.

In response to Council Member Hansen, Mr. Ayers stated the treatment plant is expected to be operational by the fall and a few of the seven total positions have already been hired or are in the process.

In response to Council Member Hansen, Mr. Ayers confirmed that the biosolids facility is operational and provided an overview of the \$8.6 million decrease due to previous projects that have been completed and are not budgeted for in the future.

In response to Council Member Hansen, Mr. Bartlam stated the remaining funds from the former bond sale were used for the biosolids project and the recommendation will be to use the small surplus to retire the remainder of the debt.

Discussion ensued amongst Council Member Hansen, Mr. Bartlam, and Mr. Ayers regarding the wastewater reserve as it relates to the rate model, future projects, permit requirements, and rate stabilization.

In response to Council Member Katzakian, Mr. Bartlam stated the storm drain permitting issue is still pending and falls under the wastewater utility as well.

Council Member Johnson requested information regarding the City's current ratings by the various rating agencies.

In response to Ed Miller, Mr. Ayers stated the purpose of the treated wastewater that goes to the new Lodi Energy Center is to generate the steam to create the power.

In response to Myrna Wetzel, Deputy Public Works Director Charlie Swimley stated the sediment catchers work as filters to ensure sediment does not enter into the storm drain system and they are required until the project is finished.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:10 a.m.

ATTEST:

Randi Johl  
City Clerk

**AGENDA ITEM**



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Third Quarter Fiscal Year 2011/12 Water, Wastewater and Electric Utility Department Financial Reports

**MEETING DATE:** May 15, 2012

**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Receive utility financial reports for the third quarter of Fiscal Year 2011/12 ending March 31, 2012.

**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 May 15, 2012.

**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.

A handwritten signature in black ink, appearing to read "Jordan Ayers".

Jordan Ayers  
Deputy City Manager

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**APPROVED:**

A handwritten signature in black ink, appearing to read "Konradt Bartlam".

Konradt Bartlam, City Manager



# Public Works Department Water/Wastewater

## **FY 12 Quarterly Update** (Ending March 31, 2012)

City Council Shirtsleeve Session  
May 15, 2012



## Wastewater Fund Cash Flow Summary

(Ending March 31, 2012)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales	13,308,990	9,947,489	75%
Development Impact Mitigation Fees (wastewater & storm)	74,220	194,150	262%
Other (interest, septic, misc.)	212,540	96,158	45%
<b>Total Revenues</b>	<b>13,595,750</b>	<b>10,237,797</b>	<b>75%</b>
<b>Expenses</b>			
Operating	6,864,750	4,501,316	66%
Capital	9,905,005	5,621,506	57%
Debt Service	4,127,670	3,437,865	83%
Cost of Services Payment To General Fund	1,451,480	1,088,610	75%
<b>Total Expenses</b>	<b>22,348,905</b>	<b>14,649,297</b>	<b>66%</b>
Beginning Cash (Operations Only)		4,638,920	
Ending Cash (Operations Only)		4,741,021	
Days Cash (For Operations)		230	
Days Cash Target		90	
% of Target		256%	



## Wastewater Operating Results

(Ending March 31, 2012)

<b>Personnel</b>	\$ 3,303,560	\$ 2,346,890	71%
<b>Supplies, Materials, Services</b>	\$ 2,375,740	\$ 1,044,786	44%
<b>Equipment, Land, Structures</b>	\$ 106,000	\$ 27,657	26%
<b>Other Payments</b>	\$ 202,100	\$ 499,429	247%
<b>Utilities</b>	\$ 857,350	\$ 582,554	68%
<b>Work for Others</b>	\$ 20,000	-	0%
<b>Total Operating Expenses</b>	<b>\$ 6,864,750</b>	<b>\$ 4,501,316</b>	<b>66%</b>



**Wastewater Funds**  
**Cash Balances**  
 (Ending March 31, 2012)

Operating (170)	4,741,021
Utility Capital / Infrastructure Replacement (171)	5,105,625
Capital Reserve (172) (Fund used to pay White Slough COP Debt Service)	(2,300,420)
Capital Reserve Restricted Assets (172) (White Slough COP Remaining Proceeds)	813,288
Wastewater IMF (173)	2,215,256
Rate Stabilization Reserve (174)	500,000
Storm Drain IMF (175)	814,184
<b>Total</b>	<b>11,888,954</b>



## Water Fund Cash Flow Summary

(Ending March 31, 2012)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
<b>Revenue</b>			
Sales	12,073,210	9,046,292	75%
Development Impact Mitigation Fees	133,180	111,429	84%
Other (interest, tap fees, water meters, misc.)	2,739,550	1,205,381	44%
<b>Total Revenues</b>	<b>14,945,940</b>	<b>10,363,102</b>	<b>70%</b>
<b>Expenses</b>			
Operating	4,648,700	3,218,095	70%
Capital	43,522,365	19,291,954	44%
Debt Service	2,966,860	919,154	31%
Cost of Services Payment To General Fund	1,060,120	795,090	75%
<b>Total Expenses</b>	<b>52,198,045</b>	<b>24,224,293</b>	<b>46%</b>
Beginning Cash (Operations Only)		11,212,274	
Ending Cash (Operations Only)		12,619,591	
Days Cash (For Operations)		849	
Days Cash Target		90	
% of Target		943%	



## Water Operating Results

(Ending March 31, 2012)

	Budget	Actuals	% of Budget
Personnel	\$ 1,567,900	\$ 1,047,968	67%
Supplies, Materials, Services	\$ 694,510	\$ 311,679	45%
Equipment, Land, Structures	\$ 47,000	\$ (545)	-1%
Other Payments	\$ 1,303,340	\$ 1,310,728	101%
Utilities	\$ 720,950	\$ 548,265	76%
Work for Others	\$ 315,000	\$ -	0%
<b>Total Operating Expenses</b>	<b>\$ 4,648,700</b>	<b>\$ 3,218,095</b>	<b>69%</b>



**Water Funds  
Cash Balances**  
(Ending March 31, 2012)

<b>Operating (180)</b>	12,619,591
<b>Utility Capital / Infrastructure Replacement (181)</b>	935,213
<b>Capital Reserve Restricted Assets (181)</b> (Water Plant Bond Remaining Proceeds)	13,702,244
<b>IMF (182)</b>	(4,022)
<b>PCE/TCE Settlements</b>	10,831,491
<b>PCE/TCE Rates (185)</b>	4,551,865
<b>Total</b>	<b>42,636,382</b>



**Bad Debt Write Off**  
(Through March 31, 2012)

	<b># Of Accounts</b>	<b>Amount</b>	<b>% of Sales</b>
Wastewater	821	\$69,078	.7%
Water	821	\$66,100	.7%



# Water / Wastewater Utility Accomplishments

## Operational

- Water Distribution
- Water Production
- Collection System
- Wastewater Treatment

## Regulatory

- SSO's
- Discharge Violations
- Monitoring and Reporting



# Electric Utility Department

## **FY 12 Quarterly Update** (Ending March 31, 2012)

City Council Shirtsleeve Session  
May 15, 2012



## Electric Fund Cash Flow Summary (Ending March 31, 2012)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales Revenues	66,772,590	51,719,321	77.5%
Development Impact Fees		176,660	
Other Revenues (interest, misc)	513,040	519,951	101.3%
<b>Total Revenues</b>	<b>67,285,630</b>	<b>52,415,932</b>	<b>77.9%</b>
<b>Expenses</b>			
Purchase Power	40,518,060	31,943,848	78.8%
Non Power	10,217,101	6,360,597	62.3%
Capital Projects	3,833,137	1,296,176	33.8%
Debt Service	7,228,470	5,251,899	72.7%
Cost of Service	2,856,390	2,142,293	75.0%
In-lieu Transfer to General Fund	6,976,670	5,232,503	75.0%
<b>Total Expenses</b>	<b>71,629,828</b>	<b>52,227,315</b>	<b>72.9%</b>
<b>Net Chg in Bal Sheet Accts</b>		<b>(2,613,658)</b>	

Net Increase (Decrease)	(4,344,198)	(2,425,041)
Beginning Local Cash Balance	10,334,750	10,334,750
<b>Ending Local Cash Balance</b>	<b>5,990,552</b>	<b>7,909,709</b>
Beginning GOR	12,867,525	12,867,525
Net Increase (Decrease) in GOR		(755,041)
<b>Ending GOR</b>	<b>12,867,525</b>	<b>12,112,484</b>
<b>Total Local Cash Balance and GOR</b>	<b>18,858,077</b>	<b>20,022,193</b>
<b>Days of Cash on Hand</b>	<b>114</b>	<b>120</b>



## Electric Fund Operating Results (Ending March 31, 2012)

	Budget	Actuals	% of Budget
Personnel	\$ 5,824,120	\$ 3,705,279	64%
Supplies, Materials, Services	\$ 1,974,776	\$ 1,209,521	61%
Equipment, Land, Structures	\$ 1,120,985	\$ 681,980	61%
Other Payments	\$ 1,243,800	\$ 727,282	58%
Utilities	\$ 53,420	\$ 36,534	68%
Work for Others			
<b>Total Operating Expenses</b>	<b>\$ 10,217,101</b>	<b>\$ 6,360,597</b>	<b>62%</b>



**Electric Funds  
Cash Balances**  
(Ending March 31, 2012)

Operating (160)	\$ 2,121,071
Utility Outlay Reserve Fund (161)	\$ (230,331)
Electric Rate Stability Reserve (162)	\$ 2,148,781
Public Benefits Fund (164)	\$ 3,402,663
IMF EU Substation and Transmission (165)	\$ 712,473
Solar Surcharge Fund (166)	\$ (244,947)
Energy Efficiency & CBGP - ARRA (167)	\$ 0
NCPA – General Operating Reserve (GOR)	\$ 12,112,484
<b>Total</b>	<b>\$ 20,022,193</b>



## Power Supply Costs

(Through March 31, 2012)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
Generation	\$ 32,220,862	\$ 26,754,452	83.0%
Transmission	\$ 7,212,913	\$ 5,266,107	73.0%
Management Services	\$ 2,451,315	\$ 1,053,441	43.0%
Third Party Revenue	\$ (1,367,030)	\$ (1,130,152)	82.7%
<b>TOTAL</b>	<b>\$ 40,518,060</b>	<b>\$ 31,943,848</b>	<b>78.8%</b>



## Power Sales

(Through March 31, 2012)

	Budgeted Sales	Year to Date Sales	% Budget
kWh	429,331,865	331,267,782	77.2%
Revenue	\$ 66,772,590	\$ 51,719,321	77.5%

	Year	HDD	Normal	CDD	Normal
July	2011	0	0	311	390
August	2011	0	0	319	363
September	2011	0	5	304	247
October	2011	67	76	51	54
November	2011	413	360	0	0
December	2011	654	603	0	0
January	2012	562	595	0	0
February	2012	403	407	0	0
March	2012	366	324	0	0
<b>FY12 Total</b>		<b>2466</b>	<b>2386</b>	<b>985</b>	<b>971</b>



## ECA Revenue

(Through March 31, 2012)

Customer Class	Q1	Q2	Q3	Total
Residential	\$ (112,187)	\$ 595,061	\$ 1,049,986	\$ 1,532,860
Small Commercial	\$ (110,731)	\$ 619,546	\$ 1,003,429	\$ 1,512,244
Large Commercial/Small Industrial	\$ (32,491)	\$ 187,674	\$ 294,038	\$ 449,221
Industrial	\$ (67,294)	\$ 423,626	\$ 494,947	\$ 851,279
<b>Total ECA Revenue</b>	<b>\$ (322,703)</b>	<b>\$ 1,825,907</b>	<b>\$ 2,842,400</b>	<b>\$ 4,345,604</b>



## Billing Statistics

(Through March 31, 2012)

Budgeted Sales FY12			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	146,607,311	\$ 26,462,750	\$ 0.1805
Small Commercial	153,017,229	\$ 25,758,030	\$ 0.1683
Large Commercial/Small Industrial	37,160,814	\$ 5,204,260	\$ 0.1400
Industrial	92,546,511	\$ 9,347,550	\$ 0.1010
<b>TOTAL</b>	<b>429,331,865</b>	<b>\$ 66,772,590</b>	<b>\$ 0.1555</b>

Actual Sales FY12			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	115,798,975	\$ 20,824,321	\$ 0.1798
Small Commercial	113,532,232	\$ 18,892,542	\$ 0.1664
Large Commercial/Small Industrial	32,498,054	\$ 4,765,136	\$ 0.1466
Industrial	69,438,521	\$ 7,237,321	\$ 0.1042
<b>TOTAL</b>	<b>331,267,782</b>	<b>\$ 51,719,321</b>	<b>\$ 0.1561</b>



**Bad Debt Write Off**  
(Through March 31, 2012)

	<b># Of Accounts</b>	<b>Amount</b>	<b>% of Sales</b>
Electric	821	\$158,167	0.31%



**NCPA General Operating Reserve (GOR)**  
(Through March 31, 2012)

## **GOR Balance**

- **\$12,867,525 (Jun 30, 2011)**
- **\$12,112,484 (Mar 31, 2012)**

<b>Interest Income</b>	<b>\$ 34,250</b>
<b>Budget Settlement</b>	<b>\$ 916,031</b>
<b>Public Benefit Fund Payment</b>	<b>(\$ 149,232)</b>
<b>MPP Security Account</b>	<b>(\$ 985,896)</b>
<b>GPP Security Account</b>	<b>(\$ 549,010)</b>
<b>CRR Collateral Account</b>	<b>(\$ 21,184)</b>

**\$755,041 Decrease**



## FY12 Open Position

	Lodi Total Surplus (Deficit)	MWh Load	% of Load	Lodi HLH Surplus (Deficit)	MWh Load	% of Load	Lodi LLH Surplus (Deficit)	MWh Load	% of Load
July 2011		45,487	0.0%		28,556	0.0%		16,931	0.0%
August		45,601	0.0%		30,777	0.0%		14,824	0.0%
September		39,850	0.0%		25,580	0.0%		14,270	0.0%
October		34,834	0.0%		22,096	0.0%		12,738	0.0%
November		33,039	0.0%		20,969	0.0%		12,070	0.0%
December		35,052	0.0%		22,211	0.0%		12,841	0.0%
January 2012		35,773	0.0%		22,119	0.0%		13,654	0.0%
February		32,966	0.0%		21,383	0.0%		11,583	0.0%
March		34,135	0.0%		22,173	0.0%		11,962	0.0%
April	(8,429)	33,190	-25.4%	(3,966)	20,815	-19.1%	(4,463)	12,375	-36.1%
May	(7,555)	37,021	-20.4%	(3,533)	24,084	-14.7%	(4,022)	12,937	-31.1%
June	(5,329)	40,938	-13.0%	(932)	27,117	-3.4%	(4,397)	13,821	-31.8%
<b>FY Total</b>	<b>(21,313)</b>	<b>447,886</b>	<b>-4.8%</b>	<b>(8,431)</b>	<b>287,881</b>	<b>-2.9%</b>	<b>(12,882)</b>	<b>160,005</b>	<b>-8.1%</b>
<b>Bal Yr Total</b>	<b>(21,313)</b>	<b>178,250</b>	<b>-12.0%</b>	<b>(8,431)</b>	<b>115,572</b>	<b>-7.3%</b>	<b>(12,882)</b>	<b>62,678</b>	<b>-20.6%</b>



# Electric Utility Accomplishments

- Underground Maintenance Program
- Automatic Meter Reading Project
- Streetlight Grounding & Fusing Project
- Osrose Pole Inspection & Testing
- Energy Theft Diversion Program
- Transmission Cost Containment
- Distribution Capacity Program

**AGENDA ITEM**



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Receive Presentation Regarding Fiscal Year 2012/13 Budget  
**MEETING DATE:** May 15, 2012  
**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Receive presentation regarding Fiscal Year 2012/13 budget.

**BACKGROUND INFORMATION:** The Fiscal Year (FY) 2012/13 budget is built on a number of basic tenets, including new labor agreements with almost all of our bargaining groups. We have reached agreements with all bargaining groups except the Police Officers Association and the Dispatchers Association. Discussions are on-going with both of these groups.

The budget is on schedule to be released for public review this week, with adoption of the document scheduled for early June.

In advance of publication of the document, staff is planning a series of presentations that will provide Council and the public with the basic parameters that form the foundation of the budget. The Shirtsleeve session on May 1, 2012 focused on general economic issues the City is addressing in the budget process along with general fund revenue projections. The May 8, 2012 Shirtsleeve session focused on the City's Special Revenue Funds.

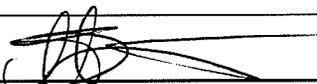
Today's discussion will focus on the three utility funds of the City; the Electric Utility Fund, the Water Utility Fund and the Wastewater Utility Fund.

**FISCAL IMPACT:** Revenues for the Electric Utility are projected to be \$70,453,990. Revenues for the Water Utility are projected to be \$20,822,160. Revenues for the Wastewater Utility are projected to be \$14,235,330. All funds are budgeted to operate within their revenue streams without drawing down reserves.

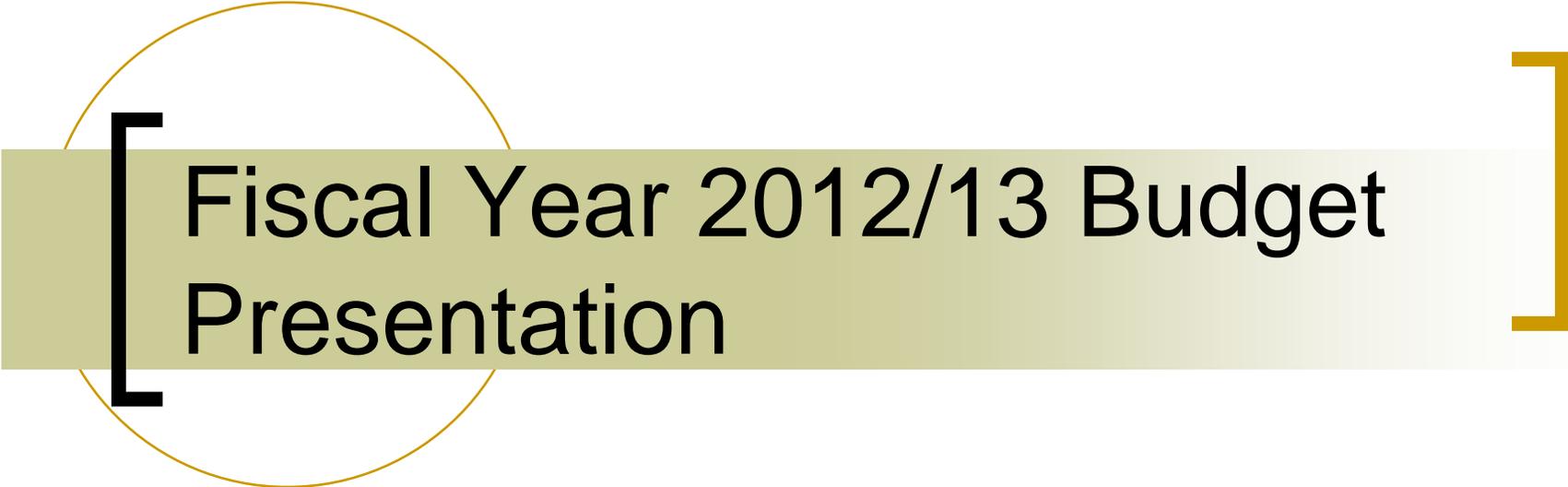
  
Jordan Ayers  
Deputy City Manager

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APPROVED: 

Konradt Bartlam, City Manager



# Fiscal Year 2012/13 Budget Presentation

City Council Shirtsleeve  
Session

May 15, 2012

# [ Overview ]

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- Utility Funds
  - Electric
  - Water
  - Wastewater

# Electric Utility Overview

	Audited 2009-10 Actuals	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	2012-13 Budget
<b>Electric Utility Enterprise Fund</b>					
<u>Cash Balance</u>					
Beginning Cash Balance *	12,003,103	12,125,835	9,957,907	5,032,177	2,627,569
Revenues	64,716,745	62,984,863	68,031,790	66,108,609	70,453,990
Expenditures	<u>64,594,013</u>	<u>70,078,521</u>	<u>72,326,018</u>	<u>68,513,217</u>	<u>68,827,180</u>
Net Difference (Revenues Less Expenditures)	122,732	(7,093,658)	(4,294,228)	(2,404,608)	1,626,810
<u>Cash Balance</u>					
Ending Cash Balance *	<u>12,125,835</u>	<u>5,032,177</u>	<u>5,663,679</u>	<u>2,627,569</u>	<u>4,254,379</u>

\* Local cash, excluding NCPA General Operating Reserve (GOR)

# [ Electric Utility ]

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- Revenues \$2.4M higher than FY 2011/12 budget
  - Customer charges 0.41% lower than prior year budget
  - Estimated revenue of \$2.9M from sale of Renewable Energy Credits and Greenhouse Gas Offsets

# [ Electric Utility ]

- Expenses \$3.5M lower than FY 2011/12 budget
  - Position Changes
    - Converting a PT Field Services Rep to FT
    - Add Electric Engineering Manager
      - Offset by elimination of Distribution Planning Supervisor
  - Power Costs \$1.4M lower
  - Capital projects \$2.3M lower

# [ Electric Utility Capital Projects ]

12kV Underground Maint	\$360,000
Distribution Capacity Program	\$300,000
Pole Replacement	\$250,000
Pole Insp/Testing	\$125,000
Streetlight Grounding & Fusing	\$382,000

# Electric Utility Reserves

<b>Purpose</b>	<b>Basis</b>	<b>2012/13 Target</b>
Operating Reserve	90 days cash	\$16,853,000
Capital Reserve	Largest distribution system contingency	\$500,000
NCPA General Operating Reserve	NCPA identified Items	\$9,300,000
Total Target		\$26,653,000
Estimated FY 2012/13 Reserve		\$17,902,000

# Water Utility

	Audited 2009-10 Actuals	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	2012-13 Budget
<b>Water Utility Enterprise Fund</b>					
<u>Cash Balance</u>					
Beginning Cash Balance	20,272,801	14,120,605	10,164,496	12,807,412	14,656,699
Revenues	13,019,871	14,554,388	43,723,940	37,970,638	20,822,160
Expenditures	<u>19,172,067</u>	<u>15,867,581</u>	<u>52,960,815</u>	<u>36,121,351</u>	<u>18,803,250</u>
Net Difference (Revenues Less Expenditures)	(6,152,196)	(1,313,193)	(9,236,875)	1,849,287	2,018,910
<u>Cash Balance</u>					
Ending Cash Balance	<u>14,120,605</u>	<u>12,807,412</u>	<u>927,621</u>	<u>14,656,699</u>	<u>16,675,609</u>

# [ Water Utility ]

- Total revenue reduction - \$22.9M
- Revenue reduction associated with Treatment Plant construction (bond funded)- \$22.8M
- Service Charge revenue up 1.5% over 2011/12 estimated receipts
- Includes \$662,050 interest subsidy on the Build America Bonds

# [ Water Utility ]

- Total expense reduction - \$34.2M
- Salary & benefit cost increases (\$618,550)
  - Due to 7 positions for treatment plant operations approved in 2011/12
- Expense reduction associated with capital projects - \$34.5M
  - Treatment Plant construction (\$23.5M)
  - Other capital projects (\$11.0M)
- Operating expense increases due to Treatment Plant operation (\$350,000)

# [ Water Utility ]

- Capital Projects
  - Water Treatment Plant ( \$6.0M)
    - Begun March 2011
    - Expected completion Fall 2012
  - PCE/TCE Remediation (\$1.0M)
  - Water Meter Phase III Design/Construction (\$850,000)
  - Water Meter Phase II Construction (\$400,000)
  - Well 6R GAC (\$200,000)
  - Various projects (\$250,000)

# [ Water Utility Reserves ]

- Target is 25% of operating expenses
- Target for FY 2012/13 equals \$2,770,000
- FY 2012/13 Estimated Reserve is \$16,675,600

# [ Wastewater Utility ]

	Audited 2009-10 Actuals	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	2012-13 Budget
<b>Wastewater Utility Enterprise Fund</b>					
<u>Cash Balance</u>					
Beginning Cash Balance	7,499,323	6,831,614	5,481,418	10,606,065	8,380,707
Revenues	11,885,017	17,159,228	18,050,750	18,307,512	14,235,330
Expenditures	<u>12,552,726</u>	<u>13,384,777</u>	<u>22,348,905</u>	<u>20,532,870</u>	<u>13,701,870</u>
Net Difference (Revenues Less Expenditures)	(667,709)	3,774,451	(4,298,155)	(2,225,358)	533,460
<u>Cash Balance</u>					
Ending Cash Balance	<u>6,831,614</u>	<u>10,606,065</u>	<u>1,183,263</u>	<u>8,380,707</u>	<u>8,914,167</u>

# [ Wastewater Utility ]

- Total revenue decrease - \$3.8M
- Revenue decrease associated with biosolids dewatering facility (bond funded) - \$4.4M
- Service Charge revenue up \$565k
  - 4.99% over 2011/12 estimated receipts

# [ Wastewater Utility ]

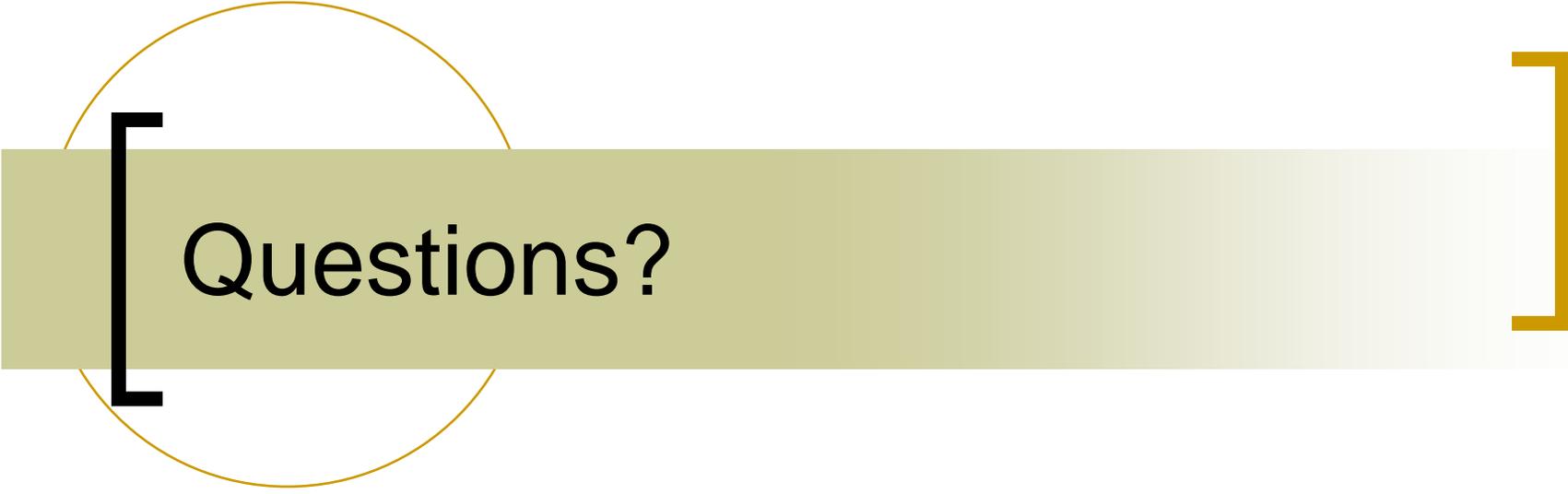
- Total expense decrease - \$8.6M
- Capital projects cost reductions - \$8.1M
  - Biosolids facility
  - Main replacement
- Service & supply reductions - \$326k

# Wastewater Capital Projects

- Various Plant Maintenance Projects (\$655,000)
- Main Replacement (\$300,000)
- Storm Drain Trash Handling System (\$400,000)
- Collection System Maintenance Projects (\$205,000)

# [ Wastewater Utility Reserves ]

- Target is 25% of operating expenses
- Target for FY 2012/13 equals \$2,993,800
- FY 2012/13 Estimated Reserve is \$8,914,200



Questions?