

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 13, 2014**

A. Roll call by City Clerk

A Special Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held at the Lodi Public Library, 201 West Locust Street, Lodi, on Tuesday, May 13, 2014, commencing at 7:00 a.m.

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

Absent: Council Member Mounce

Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2014/15 Budget (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2014/15 budget. Specific topics of discussion included an overview of the electric, water, and wastewater utility funds, revenue, expenditures, capital projects, and reserves.

In response to Council Member Nakanishi, Mr. Ayers confirmed that the customer charges figure has declined due to conservation.

In response to Council Member Johnson, Interim City Manager Schwabauer stated that the proposed electrical engineer position is needed for the approximately five subdivisions that are expected to build within the next few years and to handle the current technical workload of the department.

In response to Mayor Pro Tempore Hansen, Electric Utility Rate and Resources Manager Melissa Price stated there are currently two active recruitments for the line worker positions, the positions are difficult to recruit for because the City has to compete with SMUD and other agencies, the labor hall is available to pull from although the quality may not be what the City is specifically looking for, and currently while overtime has not been utilized, capital projects and maintenance has been reprioritized.

In response to Council Member Johnson, Mr. Schwabauer stated the current direct buried cable in some of the subdivisions will be replaced with conduit, which has a longer life.

In response to Council Member Nakanishi, Ms. Price stated the power costs are higher due to the transmission upgrade for increased capacity.

A brief discussion ensued between Council Member Nakanishi, Mayor Pro Tempore Hansen, and Mr. Schwabauer regarding the revenue decreases expected in future years, the impact of new development on power costs, and how other agencies are continuing to deal with enhanced regulations and growing energy costs.

In response to Mayor Pro Tempore Hansen, Ms. Price confirmed that the street light retrofit project will be discussed at a future meeting as part of the public benefits program discussion and the bids for the project are due on June 5, 2014.

In response to Council Member Johnson, Ms. Price stated the Northern California Power Agency (NCPA) identifies items for reserves for the City as a part its annual budget process.

In response to Mayor Pro Tempore Hansen, Mr. Ayers stated the NCPA general operating reserve is similar to where it was at this time last year without any major variances.

In response to Council Member Johnson, Mr. Ayers stated the reserve amount for the utility ebbs and flows not based upon what the actual debt service is but rather when that debt service is paid from reserves and when the reserve builds itself back up. A brief discussion ensued amongst Council Member Nakanishi and Mr. Schwabauer regarding how the reserve amount is affected by debt payment and net revenue.

B-2 Third Quarter Fiscal Year 2013/14 Water, Wastewater, and Electric Utility Department Financial Reports (CM)

Electric Utility Rate and Resources Manager Melissa Price provided a PowerPoint presentation regarding the electric utility quarterly update. Specific topics of discussion included cash flow summary, reserve policy, cash balances, power sales, Energy Cost Adjustment (ECA) revenue, operating results, power supply costs, billing statistics, bad debt write off, rolling load coverage, and utility activities.

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding the water and wastewater utility quarterly update. Specific topics of discussion included cash flow summary, operating results, cash balances, bad debt write off, and utility activities.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin provided an overview of the duties and responsibilities that will be assigned to the proposed watershed program coordinator position, including coordinating water related discussions and activities with outside agencies and conducting public outreach activities. Mr. Sandelin stated a specific skill set will be required for the position.

In response to Council Member Johnson, Mr. Ayers stated the financial system upgrade will be complete by August 1, 2016.

In response to Mayor Katzakian, Ms. Price confirmed that the open position is a reflection of the load and there will not be a need to sell excess load.

In response to Mayor Pro Tempore Hansen, Ms. Price and Mr. Schwabauer stated that some power costs will go up as a result of the decline in hydro availability, gas purchases are the primary replacement for hydro purchases, the City's hydro portfolio is approximately 5% to 8% and will therefore not be significantly impacted, and the ECA will capture power cost fluctuation but not capital costs.

In response to Council Member Nakanishi, Mr. Schwabauer confirmed that the purchases are made up to three years in advance consistent with the City's policy and NCPA's policy.

In response to Mayor Pro Tempore Hansen, Ms. Price stated the state mandated reports are primarily handled by in-house staff although a consultant assists with greenhouse gas emission compliance.

In response to Council Member Johnson, Mr. Sandelin stated the department will be proposing a new position of Utilities Manager to replace the position previously held by Larry Parlin.

Ed Miller spoke in regard to his concerns about the staff report information being presented in a manner that is not understandable by the public and the lack of data presented to support fee and cost assertions.

John Slaughterback spoke in regard to his concerns about the reduction of developer impact fees, adding to the number of City employees versus contracting services, and the lack of information presented to the City Council and the public when decisions are made.

C. Comments by public on non-agenda items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:30 a.m.

ATTEST:

Randi Johl-Olson  
City Clerk



**DECLARATION OF POSTING**

On Thursday, May 8, 2014, in the City of Lodi, San Joaquin County, California, a copy of the May 13, 2014, Special Shirtsleeve Session agenda (attached and marked as Exhibit A) was posted at the Lodi Public Library, 201 W. Locust Street, Lodi.

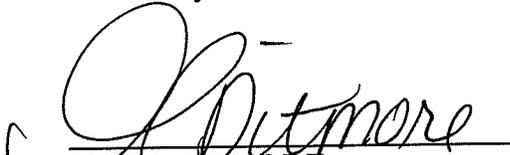
I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 8, 2014, at Lodi, California.

ORDERED BY:

**RANDI JOHL-OLSON  
CITY CLERK**

Posted by:

  
MARIA DITMORE  
ADMINISTRATIVE CLERK



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Receive Presentation Regarding Fiscal Year 2014/15 Budget  
**MEETING DATE:** May 13, 2014  
**PREPARED BY:** Deputy City Manager

**RECOMMENDED ACTION:** Receive presentation regarding Fiscal Year 2014/15 budget.

**BACKGROUND INFORMATION:** The Fiscal Year (FY) 2014/15 budget is built on a number of basic economic assumptions.

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 6, 2014 focused on general economic issues the City is addressing in the budget process along with General Fund revenue projections.

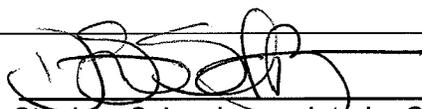
Today's discussion will focus on the three utility funds of the City; the Electric Utility Fund, the Water Utility Fund and the Wastewater Utility Fund.

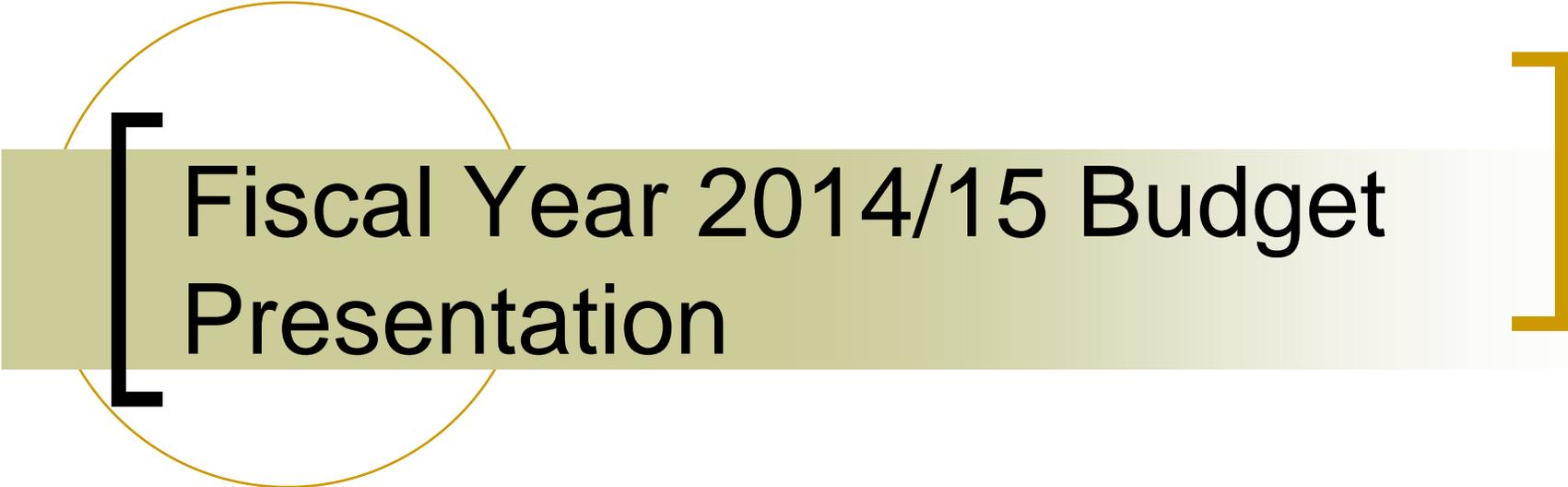
**FISCAL IMPACT:** Revenues, expenses and increases/decreases to reserves are as noted below:

Fund	Revenues	Expenses	Increase/(Decrease) to Reserves
<b>Electric</b>	\$68,217,050	\$70,762,800	(\$2,545,750)
<b>Water</b>	\$14,169,450	\$12,185,130	\$1,984,320
<b>Wastewater</b>	\$14,878,980	\$19,723,250	(\$4,844,270)

  
 Jordan Ayers  
 Deputy City Manager

JA/ja

APPROVED:   
 Stephen Schwabauer, Interim City Manager



# Fiscal Year 2014/15 Budget Presentation

City Council Shirtsleeve  
Session

May 13, 2014

# [ Overview ]

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- Utility Funds
  - Electric
  - Water
  - Wastewater

# [ Electric Utility Overview ]

## Electric Utility Enterprise Fund

	Audited 2011-12 Actuals	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	2014-15 Budget
<b>Cash Balance</b>					
Beginning Cash Balance *	5,032,177	2,143,190	7,166,405	6,636,200	6,351,191
Revenues	65,646,115	71,679,622	71,127,990	69,345,510	68,217,050
Expenditures	<u>68,535,102</u>	<u>67,186,612</u>	<u>71,317,381</u>	<u>69,630,519</u>	<u>70,762,800</u>
Net Difference (Revenues Less Expenditures)	(2,888,987)	4,493,010	(189,391)	(285,009)	(2,545,750)
<b>Cash Balance</b>					
Ending Cash Balance *	<u>2,143,190</u>	<u>6,636,200</u>	<u>6,977,014</u>	<u>6,351,191</u>	<u>3,805,441</u>

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

# [ Electric Utility ]

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- Revenues \$2,910,940 lower than FY 2013/14 budget
  - Customer charges 2.5% lower than prior year budget - \$1.6M lower
  - Work for Others - \$1.3M lower

# [ Electric Utility ]

- Expenses \$234,900 lower than FY 2013/14 budget
  - Position Changes
    - Add Electrical Engineer (\$171,123)
  - Salary & benefits - \$331,000 lower
  - Service/Materials/Supplies - \$153,000 higher
  - Power costs - \$359,000 higher
  - Capital projects & equipment - \$28,000 lower
  - Transfers & special payments - \$331,000 lower

# Electric Utility Capital Projects

Vehicles	\$165,000
Overhead capital maintenance	\$750,000
Underground capital maintenance	\$500,000
Streetlight grounding & fusing	\$507,000
Distribution capacity program	\$400,000
ERP/CIS replacement	\$250,000
250 kV Interconnection	\$250,000
Substation capital maintenance	\$35,000

# [ Electric Utility Reserves ]

<b>Purpose</b>	<b>Basis</b>	<b>2014/15 Target</b>
Operating Reserve	90 days cash	\$17,080,000
Capital Reserve	Largest distribution system contingency	\$1,000,000
NCPA General Operating Reserve	NCPA identified Items	\$5,600,000
Total Target		\$23,680,000
Estimated FY 2014/15 Reserve		\$13,289,000

# [ Water Utility ]

## Water Utility Enterprise Fund

### Cash Balance

	Audited 2011-12 Actuals	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	2014-15 Budget
Beginning Cash Balance	12,807,412	12,465,350	10,376,435	9,044,659	7,464,847
Revenues	13,678,648	14,894,809	14,484,970	15,040,230	14,169,450
Expenditures	<u>14,020,710</u>	<u>18,315,500</u>	<u>23,040,783</u>	<u>16,620,042</u>	<u>12,185,130</u>
Net Difference (Revenues Less Expenditures)	(342,062)	(3,420,691)	(8,555,813)	(1,579,812)	1,984,320

### Cash Balance

Ending Cash Balance	<u>12,465,350</u>	<u>9,044,659</u>	<u>1,820,622</u>	<u>7,464,847</u>	<u>9,449,167</u>
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# [ Water Utility ]

- Total revenue reduction - \$315,520
  - Revenue reduction associated with Water Meter Installation - \$650,000
  - Service Charge revenue up 3.0% over 2013/14 budgeted revenue - \$376,000
  - Includes \$614,380 interest subsidy on the Build America Bonds

# [ Water Utility ]

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- Total expense increase - \$1.1M
- Addition of Watershed Program Coordinator position (\$53,900)
  - Cost shared with Wastewater
- Service & supplies - \$355,000
- Special payments - \$194,000
- Capital projects - \$609,000

# [ Water Utility ]

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- Capital Projects
  - Water Meter Program (\$325,000)
  - Well Rehab/Replacements/Improvements (\$1.4M)
  - ERP/CIS system replacement (\$250,000)
  - Various taps, mains and other projects (\$100,000)
  - PCE/TCE projects (\$660,000)

# [ Water Utility Reserves ]

- Target is 25% of operating expenses
- Target for FY 2014/15 equals \$2,593,000
- FY 2014/15 Estimated Reserve is \$9,449,000

# [ Wastewater Utility ]

Wastewater Utility Enterprise Fund	2011-12	2012-13	2013-14	2013-14	2014-15
	Actuals	Actuals	Budget	Actuals	Budget
<b><u>Cash Balance</u></b>					
Beginning Cash Balance	10,606,065	12,513,936	12,078,736	13,695,513	12,226,580
Revenues	15,947,883	14,346,216	15,035,170	14,634,840	14,878,980
Expenditures	<u>14,040,012</u>	<u>13,164,639</u>	<u>18,102,918</u>	<u>16,103,773</u>	<u>19,723,250</u>
Net Difference (Revenues Less Expenditures)	1,907,871	1,181,577	(3,067,748)	(1,468,933)	(4,844,270)
<b><u>Cash Balance</u></b>					
Ending Cash Balance	<u><u>12,513,936</u></u>	<u><u>13,695,513</u></u>	<u><u>9,010,988</u></u>	<u><u>12,226,580</u></u>	<u><u>7,382,310</u></u>

# [ Wastewater Utility ]

- Total revenue decrease - \$156,000
  - Service Charge revenue up \$493,000
    - 3.0% over 2013/14 estimated receipts
  - Prior year budget included bond funds related to capital projects (\$677,000)

# Wastewater Utility

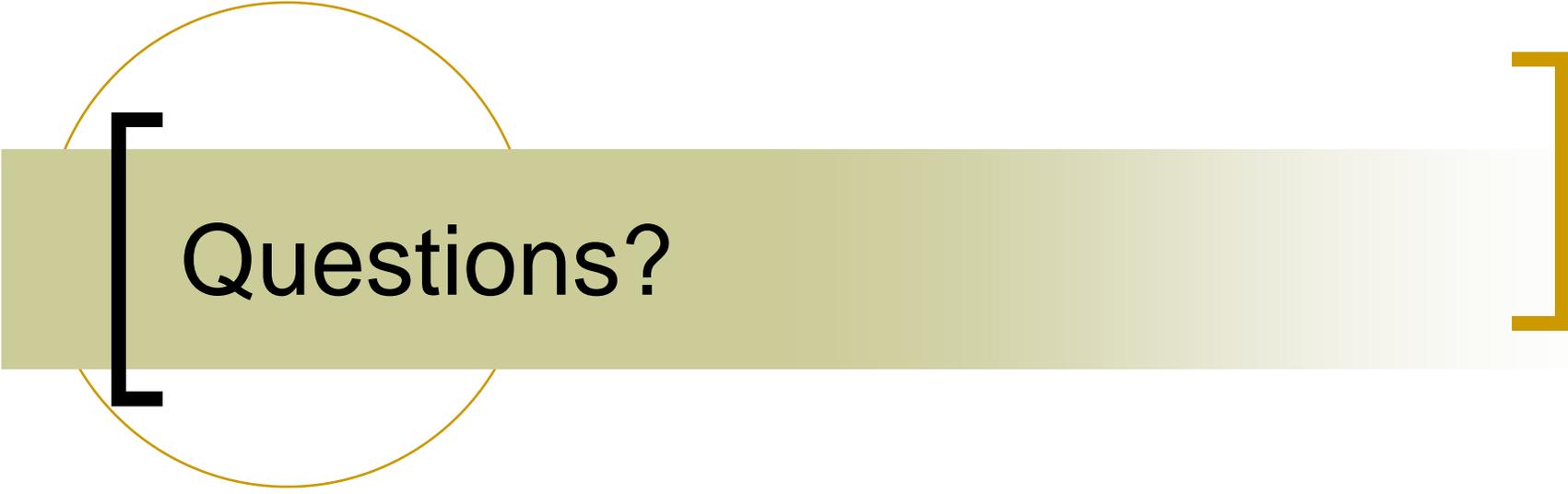
- Total expense increase - \$4.2M
  - Addition of Watershed Program Coordinator position (\$53,900)
    - Cost shared with Water
  - Debt Service decrease - \$3.2M
    - Early pay off of 2003 COPS
  - Capital projects and vehicles increase – \$7.4M

# Wastewater Capital Projects

- Influent Screening/UV upgrade (\$2.3M)
- Microturbines (\$1.2M)
- Roadway and Building upgrades (\$1.75M)
- Irrigation Improvements (\$750,000)
- Pipe Realignment (\$650,000)
- Electrical Improvements (\$600,000)
- ERP/CIS replacement (\$250,000)
- Various other projects (\$427,000)
- Equipment/vehicle replacement (\$910,000)

# [ Wastewater Utility Reserves ]

- Target is 25% of operating expenses
- Target for FY 2014/15 equals \$3,012,000
- FY 2014/15 Estimated Reserve is \$7,382,300



Questions?



**CITY OF LODI  
COUNCIL COMMUNICATION**

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

**MEETING DATE:** May 13, 2014

**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Receive third quarter Fiscal Year 2013/14 Water, Wastewater and Electric Utility Department 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 May 13, 2014.

**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.

Jordan Ayers  
Deputy City Manager

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APPROVED:

Stephen Schwabauer, Interim City Manager



# Public Works Department Water/Wastewater

## **FY 14 Quarterly Update** (Ending March 31, 2014)

City Council Shirtsleeve Session  
May 13, 2014



## Wastewater Fund Cash Flow Summary

(Ending March 31, 2014)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales	14,020,580	10,680,752	76%
Development Impact Mitigation Fees (wastewater & storm)	161,870	159,182	98%
Other (interest, septic, misc.)	174,950	239,218	137%
<b>Total Revenues</b>	<b>14,357,400</b>	<b>11,079,152</b>	<b>77%</b>
<b>Expenses</b>			
Operating	6,455,914	4,646,081	72%
Capital	1,589,514	361,735	23%
Debt Service	6,904,490	6,217,403	90%
Cost of Services Payment To General Fund	1,068,000	801,000	75%
<b>Total Expenses</b>	<b>15,635,580</b>	<b>12,025,859</b>	<b>77%</b>
Beginning Cash (Operations Only)		5,055,217	
Ending Cash (Operations Only)		6,357,159	
Days Cash (Excluding Capital)		149	
% of Target		166%	



## Wastewater Operating Results

(Ending March 31, 2014)

	Budget	Actuals	% of Budget
Personnel	\$ 3,360,494	\$ 2,481,063	74%
Supplies, Materials, Services	\$ 2,111,530	\$ 1,417,755	67%
Equipment, Land, Structures	\$ 79,000	\$ 65,075	82%
Other Payments	\$ 202,630	\$ 185,738	92%
Utilities	\$ 692,260	\$ 496,450	72%
Work for Others	\$ 10,000	-	0%
<b>Total Operating Expenses</b>	<b>\$ 6,455,914</b>	<b>\$ 4,646,081</b>	<b>72%</b>



**Wastewater Funds**  
**Cash Balances**  
(Ending March 31, 2014)

Operating (170)	6,357,159
Utility Capital / Infrastructure Replacement (171)	8,984,050
Capital Reserve (172) (Fund used to pay White Slough COP Debt Service)	(3,931,791)
Wastewater IMF (173)	47,453
Rate Stabilization Reserve (174)	500,000
Storm Drain IMF (175)	682,440
<b>Total</b>	<b>12,639,311</b>



## Water Fund Cash Flow Summary

(Ending March 31, 2014)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
<b>Revenue</b>			
Sales	12,694,930	9,513,180	75%
Development Impact Mitigation Fees	149,860	60,001	40%
Other (interest, tap fees, water meters, misc.)	1,640,180	1,422,238	87%
<b>Total Revenues</b>	<b>14,484,970</b>	<b>10,995,419</b>	<b>76%</b>
<b>Expenses</b>			
Operating	5,824,036	4,479,820	77%
Capital	7,472,494	4,285,875	57%
Debt Service	2,969,610	896,476	30%
Cost of Services Payment To General Fund	780,000	585,000	75%
<b>Total Expenses</b>	<b>17,046,140</b>	<b>10,247,171</b>	<b>60%</b>
Beginning Cash (Operations Only)		10,805,906	
Ending Cash (Operations Only)		10,971,575	
Days Cash (Excluding Capital)		504	
% of Target		560%	



## Water Operating Results

(Ending March 31, 2014)

	<b>Budget</b>	<b>Actuals</b>	<b>% of Budget</b>
Personnel	\$ 2,106,056	\$ 1,764,622	84%
Supplies, Materials, Services	\$ 1,388,810	\$ 884,196	64%
Equipment, Land, Structures	\$ 82,000	\$ 11,811	14%
Other Payments	\$ 1,382,420	\$ 1,328,735	96%
Utilities	\$ 754,750	\$ 490,456	65%
Work for Others	\$ 110,000	-	0%
<b>Total Operating Expenses</b>	<b>\$ 5,824,036</b>	<b>\$ 4,479,820</b>	<b>77%</b>



**Water Funds  
Cash Balances**  
(Ending March 31, 2014)

<b>Operating (180)</b>	10,971,575
<b>Utility Capital / Infrastructure Replacement (181)</b>	(1,940,461)
<b>Capital Reserve Restricted Assets (181)</b> (Water Plant Bond Remaining Proceeds)	2,349,388
<b>IMF (182)</b>	60,392
<b>PCE/TCE Settlements</b>	11,225,160
<b>PCE/TCE Rates (185)</b>	4,396,541
<b>Total</b>	<b>27,062,595</b>



## Bad Debt Write Off (Through March 31, 2014)

	<b># Of Accounts</b>	<b>Amount</b>	<b>% of Sales</b>
Wastewater	645	\$52,152	0.5%
Water	645	\$56,815	0.6%



# 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 March 31, 2014)

City Council Shirtsleeve Session  
May 13, 2014



## Electric Fund Cash Flow Summary (Ending March 31, 2014)

	Budget	Actuals	% of Budget
<b>Revenue</b>			
Sales Revenues	66,894,140	49,936,566	75%
Development Impact Fees	200,000	78,461	39%
Other Revenues (interest, misc)	4,033,850	1,117,001	28%
<b>Total Revenues</b>	<b>71,127,990</b>	<b>51,132,027</b>	<b>72%</b>
<b>Expenses</b>			
Purchase Power	39,408,270	30,350,998	77%
Non Power	11,947,910	7,021,352	59%
Capital Projects	2,012,700	482,988	24%
Debt Service	8,241,460	6,496,483	79%
Cost of Service	2,354,000	1,765,500	75%
In-lieu Transfer to General Fund	6,976,670	5,232,503	75%
<b>Total Expenses</b>	<b>70,941,010</b>	<b>51,349,824</b>	<b>72%</b>
<b>Net Chg in Bal Sheet Accts</b>		<b>(1,065,242)</b>	

<b>Net Increase (Decrease)</b>	<b>186,980</b>	<b>(1,283,038)</b>
<b>Beginning Local Cash Balance</b>	<b>13,235,812</b>	<b>13,235,812</b>
<b>Ending Local Cash Balance</b>	<b>13,422,792</b>	<b>11,952,774</b>
<b>GOR Balance</b>		<b>9,483,172</b>
<b>Total Reserve Balance</b>		<b>21,435,946</b>
<b>Reserve Policy Target</b>		<b>23,232,000</b>
<b>% of Target</b>		<b>92%</b>



## Electric Utility Reserve Policy

(Ending March 31, 2014)

Purpose	Basis	Target	Actual
Operating Reserve	90 Days Cash	\$ 17,232,000	\$ 11,952,774
Capital Reserve	Largest Distribution System Contingency	\$ 1,000,000	
NCPA General Operating Reserve	NCPA Identified Items	\$ 5,000,000	\$ 6,411,789
NCPA MPP/GPP Balance	MPP/GPP Security Commitments		\$ 3,071,383
<b>Total Target</b>		<b>\$ 23,232,000</b>	<b>\$ 21,435,946</b>



**Electric Funds**  
**Cash Balances**  
(Ending March 31, 2014)

Operating (160)	\$ 2,091,953
Utility Outlay Reserve Fund (161)	\$ 0
Electric Rate Stability Reserve (162)	\$ 2,162,369
Public Benefits Fund (164)	\$ 4,513,278
IMF EU Substation and Transmission (165)	\$ 738,273
Solar Surcharge Fund (166)	\$ 729
Environmental Compliance (168)	\$ 2,446,172
NCPA – General Operating Reserve (GOR)	\$ 9,483,172
<b>Total</b>	<b>\$ 21,435,946</b>



## Power Sales

(Ending March 31, 2014)

	Budgeted Sales	Year to Date Sales	% Budget
kWh	442,186,628	330,958,687	75%
Revenue	\$ 66,894,140	\$ 49,936,566	75%

	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
<b>FY14 Total</b>		<b>2032</b>	<b>2380</b>	<b>913</b>	<b>971</b>



## ECA Revenue

(Ending March 31, 2014)

Customer Class	Q1	Q2	Q3	Total
Residential	\$ (157,405)	\$ 302,855	\$ 776,041	\$ 921,491
Small Commercial	\$ (154,690)	\$ 308,120	\$ 829,634	\$ 983,065
Large Commercial/Small Industrial	\$ (45,706)	\$ 94,584	\$ 243,400	\$ 292,279
Industrial	\$ (169,465)	\$ 151,243	\$ 420,741	\$ 402,519
<b>Total ECA Revenue</b>	<b>\$ (527,265)</b>	<b>\$ 856,803</b>	<b>\$ 2,269,816</b>	<b>\$ 2,599,353</b>



**Electric Fund**  
**Operating Results**  
(Ending March 31, 2014)

	<b>FY14 Budget</b>	<b>FY14 Actual</b>	<b>% of Budget</b>
<b>Personnel</b>	\$ 5,862,530	\$ 4,382,229	75%
<b>Supplies, Materials, Services</b>	\$ 3,158,730	\$ 1,244,499	39%
<b>Equipment, Land, Structures</b>	\$ 1,267,800	\$ 541,563	43%
<b>Other Payments</b>	\$ 1,605,000	\$ 816,450	51%
<b>Utilities</b>	\$ 53,850	\$ 36,611	68%
<b>Total Operating Expenses</b>	\$ 11,947,910	\$ 7,021,352	59%



## Power Supply Costs (Ending March 31, 2014)

	<b>Budgeted</b>	<b>Year to Date</b>	<b>% of Budget</b>
<b>Generation</b>	\$ 32,670,010	\$ 29,097,509	89%
<b>Transmission</b>	\$ 9,544,450	\$ 5,683,071	60%
<b>Management Services</b>	\$ 1,333,500	\$ 1,074,898	81%
<b>Third Party Revenue</b>	\$ (4,139,690)	\$ (5,504,480)	133%
<b>Adjustments</b>			
<b>TOTAL</b>	<b>\$ 39,408,270</b>	<b>\$ 30,350,998</b>	<b>77%</b>



## Billing Statistics

(Ending March 31, 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
<b>TOTAL</b>	<b>442,186,628</b>	<b>\$ 66,894,140</b>	<b>\$ 0.1513</b>

Actual Sales FY14			
Customer Class	kWh Sales	Revenue	Average Rate
Residential	114,631,262	\$ 19,807,028	\$ 0.1728
Small Commercial	118,830,981	\$ 19,065,795	\$ 0.1604
Large Commercial/Small Industrial	33,760,006	\$ 4,735,364	\$ 0.1403
Industrial	63,736,438	\$ 6,328,379	\$ 0.0993
<b>TOTAL</b>	<b>330,958,687</b>	<b>\$ 49,936,566</b>	<b>\$ 0.1509</b>



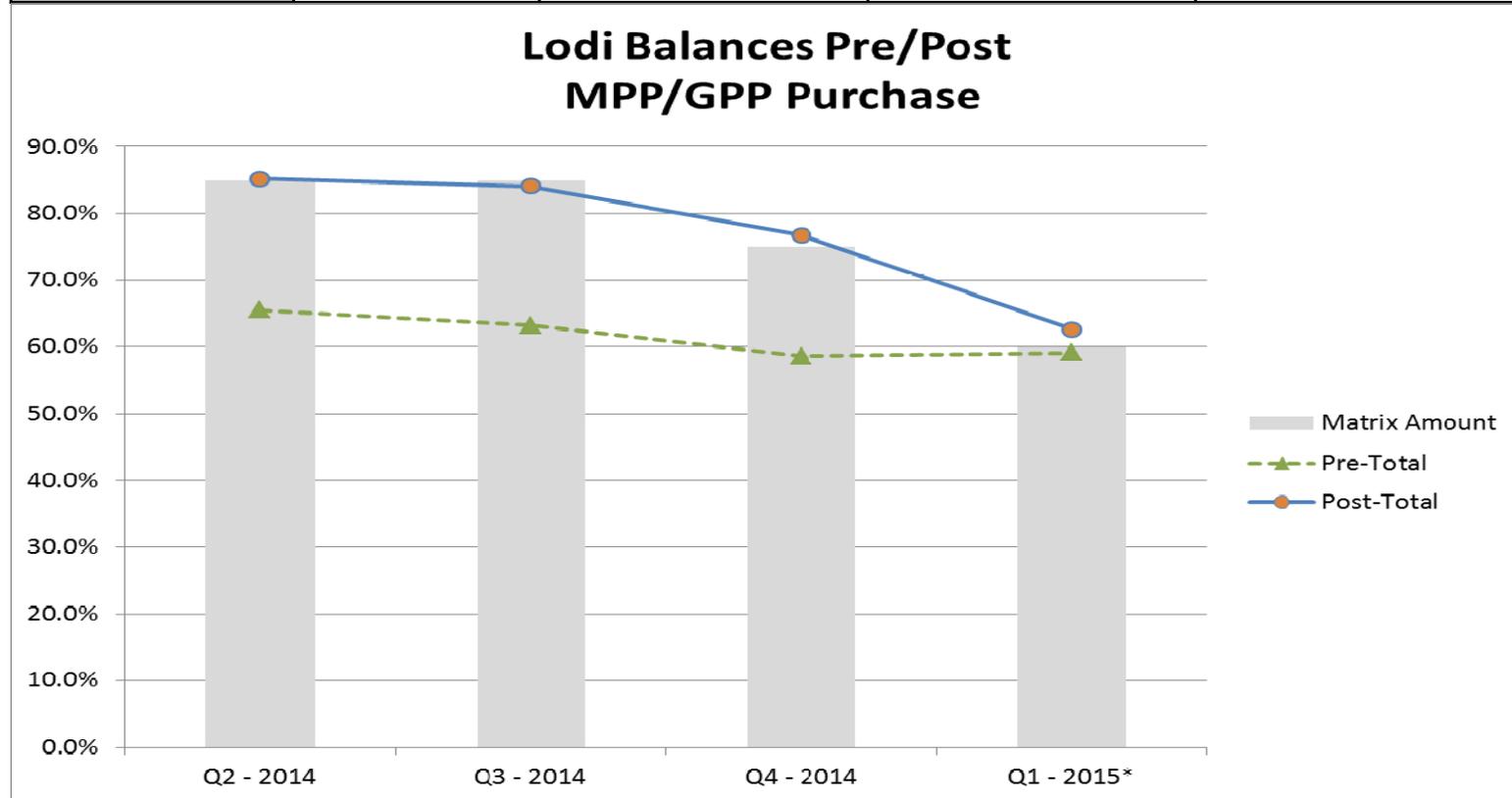
## Bad Debt Write Off (Ending March 31, 2014)

	# Of Accounts	Amount	% of Sales
Electric	645	\$106,653	0.21%



## 12 Month Rolling Load Coverage

	MWh Load	Load Coverage Before Purchases	ROC Matrix Target	Load Coverage After Purchases
Q2 – 2014	111,660	65.5%	85.0%	85.2%
Q3 – 2014	136,228	63.2%	85.0%	84.1%
Q4 – 2014	106,025	58.6%	75.0%	76.8%
Q1 – 2015 *	36,174	59.1%	60.0%	62.6%



\*Includes January 2015 Only



# Electric Utility Activities

- Street Lights
- Safety Program
- Staffing
- Distribution System Capacity / Maintenance
- Financial Model / Cost of Service
- State-mandated Reports