

RESOLUTION NO. 2014-88

A RESOLUTION OF THE LODI CITY COUNCIL  
REVIEWING AND MAINTAINING THE CURRENT  
ELECTRIC UTILITY RESERVE POLICY

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WHEREAS, in March 2011, the City Council approved Resolution 2011-39 approving a financial reserve policy as follows:

<b>Fund Designation</b>	<b>Basis</b>	<b>For FY 2011</b>
Operating Reserve	90 days cash on hand	\$18,900,000
Capital Reserve	Largest distribution system contingency	\$500,000
NCPA – General Operating Reserve	As identified by NCPA plus allowance for unanticipated studies	\$9,300,000
<b>Total Target</b>		<b>\$28,700,000</b>

WHEREAS, this policy provides for an updated assessment of the targets identified above every three years with a report to Council; and

WHEREAS, since 2011, the formula for establishing the Electric Utility (EU) reserve policy has remained unchanged with the actual dollar amounts reviewed and updated each year by the Risk Oversight Committee (ROC) in accordance with annual budget amounts; and

WHEREAS, on May 19, 2014, the ROC recommended that the formula for calculating the reserve targets be maintained until such time as the financial model and cost of service analysis is completed for the EU and that the dollars associated with the reserve policy be updated.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the review and maintenance of the current Electric Utility Reserve Policy as follows:

<b>Fund Designation</b>	<b>Basis</b>	<b>For FY 2015</b>
Operating Reserve	90 days cash on hand	\$17,080,000
Capital Reserve	Largest distribution system contingency	\$1,000,000
NCPA – General Operating Reserve	As identified by NCPA plus allowance for unanticipated studies	\$5,600,000
<b>Total Target</b>		<b>\$23,680,000</b>

Dated: June 4, 2014

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I hereby certify that Resolution No. 2014-88 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 4, 2014, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Mounce, Nakanishi, and Mayor Katakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read 'Randi Johl-Olson', with a long horizontal line extending to the right.

RANDI JOHL-OLSON  
City Clerk