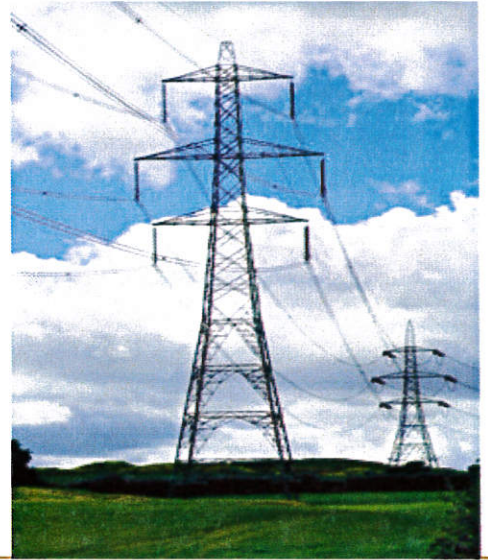


TRINITY PUBLIC UTILITIES DISTRICT

WE'RE ON YOUR STREET, NOT WALL STREET!

MISSION STATEMENT

To exceed our customers expectations in terms of costs, reliability, safety, customer convenience, and satisfaction!



FISCAL YEAR 2012/2013 BUDGET AND FIVE-YEAR FINANCIAL FORECAST



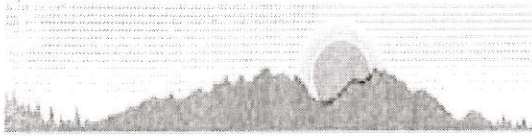
P.O. Box 1216
26 Ponderosa Lane
Weaverville, CA 96093
(530) 623-5536 and fax (530) 623-5549

TRINITY PUBLIC UTILITIES DISTRICT

FY 12/13 BUDGET

TABLE OF CONTENTS

- I. Budget Memorandum
- II. Budget – Fiscal Year 2012-2013
- III. Five Year Financial Forecast
- IV. Mission Statement and Goals
- V. Organizational Chart
- VI. Other Financial Information
- VII. Legislated Annual Reporting Requirements for 2011



Trinity Public Utilities District

Memorandum

To: Trinity P.U.D. Board of Directors

From: Paul Hauser *Paul Hauser*

Date: June 14, 2012

Re: FY 12/13 Budget

The Fiscal Year 12/13 Budget is \$10,388,199 or approximately 4.4% higher than last year. This includes \$7,801,231 for Operating Expenses and \$3,088,993 for Capital Expenditures. Another \$352,025 is budgeted from Reserves for Capital Expenditures. The largest reason for the Budget increase is a rise in power costs.

The current Fiscal Year will end with reserve balances that are approximately \$3.7 million greater than projected in the FY 11/12 Budget. The largest reason for the better than expected result is due to the delay for the Lewiston Hydroelectric Project. The other significant positive influence was the higher than projected Load Growth that the District experienced. The District's load increased more than 8% over the previous year. The only significant negatives were lower than expected interest earnings and higher than expected A&G costs.

FY 12/13 should begin with nearly \$11 million in Contingency Reserves. However, this reserve will fall rapidly once construction begins on the Lewiston Hydroelectric Project. Reserve levels are primarily driven by the Lewiston Hydroelectric Project. If the District proceeds with the Project, a financing will be necessary to acquire sufficient funds for completion. If the District decides to cancel the Project, total reserves would likely fall below \$10 million in the 2018 timeframe. These projections assume modest Load Growth and normal water years.

Though the current water year is below normal, the Five Year Financial Plan assumes that the Drought Relief Surcharge will not return, meaning there will not be back-to-back dry years over the next five years. The Financial Plan anticipates no reduction in the Deregulation Surcharge. The costs of deregulation have stabilized and are not likely to decrease for the District.

Aside from the Lewiston Hydroelectric Project, the largest source of uncertainty for District finances is the Department of Energy (DOE) initiative outlined by Secretary of Energy Chu's Memo of March 16, 2012. Chu's Memo outlines DOE's goal to establish an Energy Imbalance Market for all of the Western United States, provide rate incentives for renewable energy, and ultimately socialize the cost of new transmission

lines needed to serve intermittent generation. If these objectives are realized, it will have a severely detrimental effect on the District's cost of power as well as the amount of unused First Preference allocation left for future load growth.

The next most sensitive aspect of the Budget is the Projected Load Growth. There are many moving pieces driving load growth that are difficult to predict. While the District saw strong electric consumption growth from existing customers over the past year, it is difficult to forecast if this trend will continue. The Mill has fully recovered from the fire and appears to be doing well, however the proposed increase to the spotted owl's critical habitat could negatively impact future mill operations causing reduced electric consumption. Of course, normal weather variations have a significant year-to-year influence on customer's electric usage.

Total Labor Costs will decrease from FY 11/12 to FY 12/13 by more than \$200,000 due to retirements and reorganization. This decrease is in spite of increases in the overall cost of benefits. The expected pay increases from the MOU with the Employees' Association are incorporated in the Financial Forecasts.

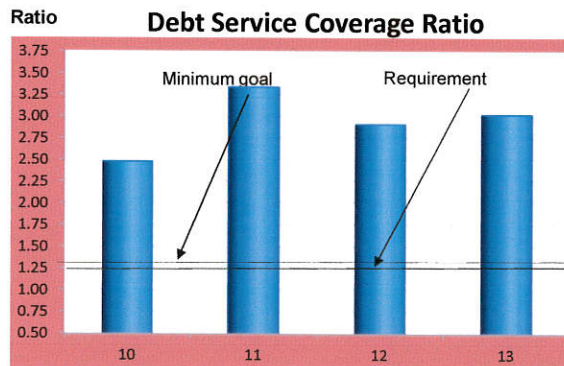
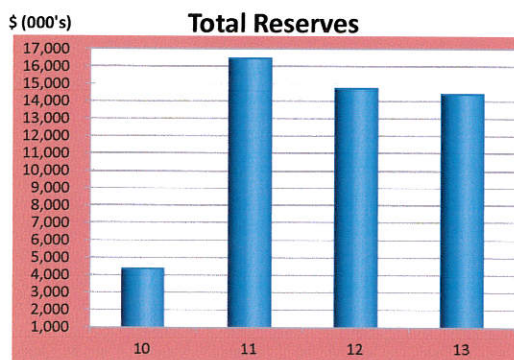
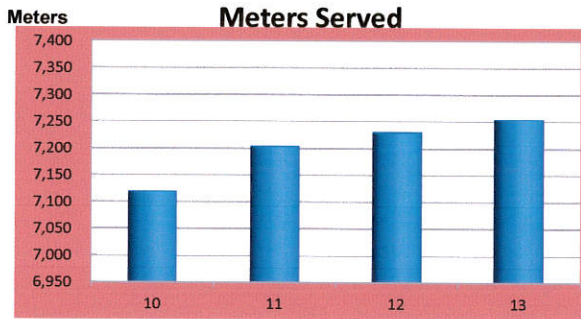
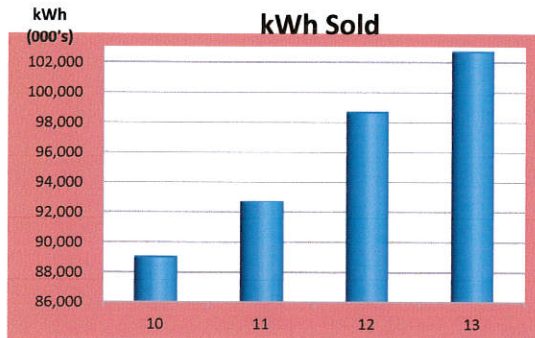
The significant non-recurring Capital Expenses for FY 12/13 are:

1. Scheduled replacement of the 2004 Liftall Bucket Truck (\$230,000);
2. Replacement of the copier (\$20,000);
3. Scheduled replacement of 2004 Chevy 1 Ton Flatbed (\$37,000);
4. Scheduled replacement of two 2005 Dodge 2500 Trucks (\$25,000 each);
5. Replacing the office generator (\$70,000);
6. Substation improvements at Big Bar (\$60,000);
7. Lewiston Generation Expenses \$129,875.

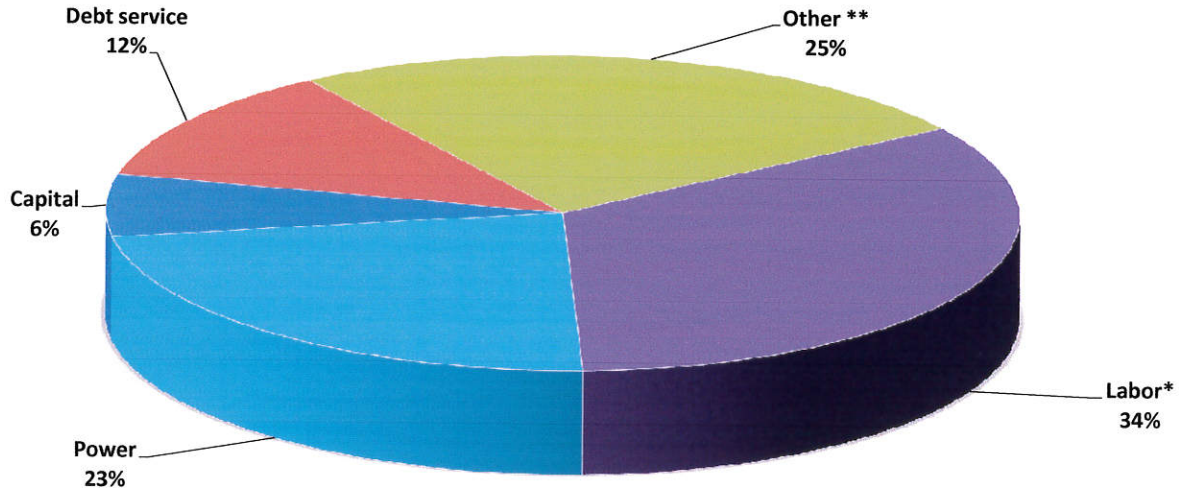
The Five-Year Financial Forecast (which does not include Lewiston) projects a positive financial outlook for the District. The District should be able to easily maintain its Standard and Poors rating of A+ and Moody's A2 rating. However, it should be noted that any number of events, particularly legislative or regulatory mandates like those proposed in the Chu Memo, can drastically alter the financial outlook. Nevertheless, the District is in little danger of losing its favorable comparison of rates with other California utilities. Staff expects that the total price the District's customers pay for their electric service will remain among the lowest, if not be the lowest, in California for many years into the future.

Trinity Public Utilities District Budget Overview FY 12/13 Budget

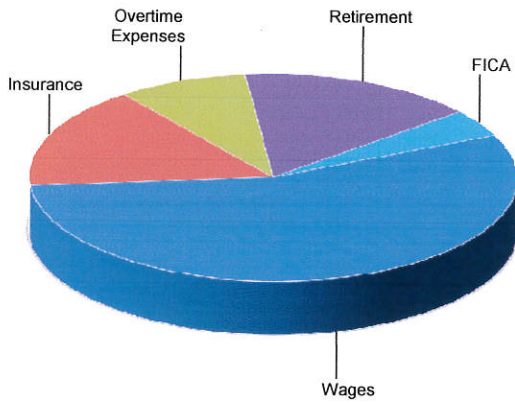
	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Operating receipts	10,365,138	10,323,807	-0.4%	9,947,028	-3.6%	10,388,199	4.4%
Operating expenditures	8,450,965	7,338,921	-13.2%	7,506,642	2.3%	7,801,231	3.9%
Available for capital	1,914,173	2,984,885	55.9%	2,440,386	-18.2%	2,586,968	6.0%
County/MCMS transactions	147,223	151,049	2.6%	149,492	-1.0%	150,000	0.3%
Capital outlay	3,514,352	7,059,618	100.9%	4,326,889	-38.7%	3,088,993	-28.6%
Bond/loan proceeds	-	16,012,053	-	-	-	-	-
Change in reserves	(1,452,956)	12,088,370	-932.0%	(1,737,012)	-114.4%	(352,025)	-79.7%
Reserves balances (end of year)							
Restricted	1,310,337	7,614,111	481.1%	4,282,653	-43.8%	1,959,259	-54.3%
Encumbered	1,069,056	916,955	-14.2%	805,693	-12.1%	1,066,161	32.3%
Customer funds	140,445	138,176	-1.6%	92,998	-32.7%	88,990	-4.3%
Dedicated	443,715	638,300	43.9%	602,500	-5.6%	438,800	-27.2%
Total other reserves	2,963,553	9,307,542	214.1%	5,783,844	-37.9%	3,553,210	-38.6%
Contingency reserves	1,411,958	7,156,338	406.8%	8,943,024	25.0%	10,821,633	21.0%
Total reserves	4,375,511	16,463,880	276.3%	14,726,868	-10.6%	14,374,843	-2.4%
Debt service coverage ratio	2.47	3.34	34.9%	2.91	17.5%	3.02	3.8%



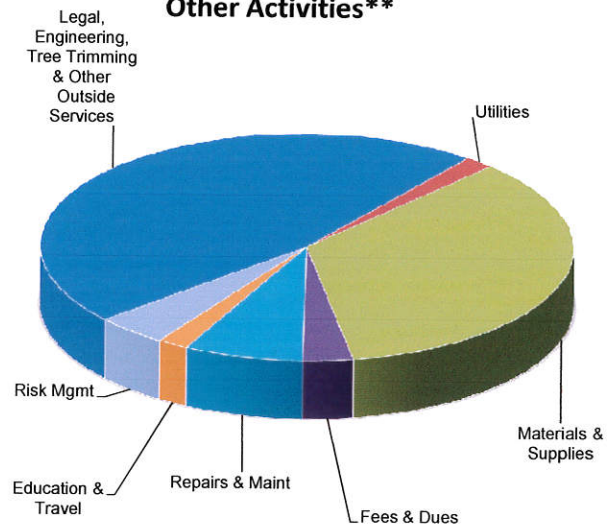
Trinity Public Utilities District Costs by Activities FY 12/13 Budget



Labor*



Other Activities**



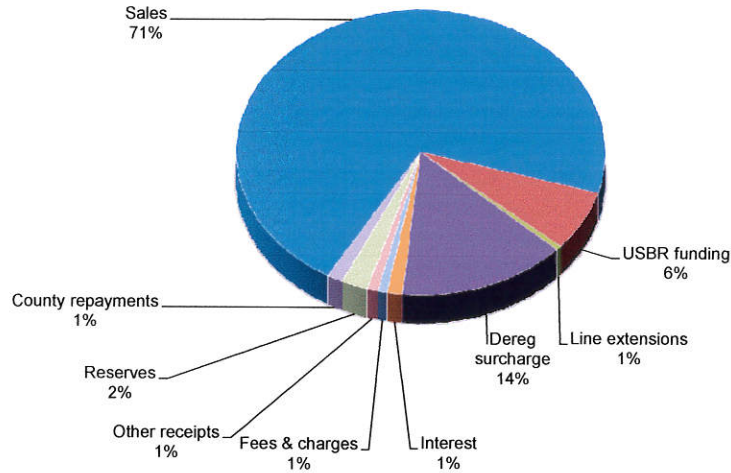
Trinity Public Utilities District Budget Summary FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Revenues							
Energy sales	6,636,689	6,943,859	4.6%	7,314,310	5.3%	7,569,577	3.5%
Surcharge receipts	2,496,057	2,056,790	-17.6%	1,495,917	-27.3%	1,562,479	4.4%
Other receipts	1,232,392	1,323,158	7.4%	1,136,801	-14.1%	1,256,143	10.5%
Total	10,365,138	10,323,807	-0.4%	9,947,028	-3.6%	10,388,199	4.4%
Expenses							
Power acquisition	3,662,598	2,520,646	-31.2%	2,361,904	-6.3%	2,694,941	14.1%
Operations & maintenance	2,049,632	1,672,059	-18.4%	1,914,042	14.5%	2,049,133	7.1%
Customer accounts	584,765	770,737	31.8%	788,896	2.4%	727,090	-7.8%
Administrative & general	833,112	1,090,036	30.8%	1,113,277	2.1%	995,342	-10.6%
Debt & financing	1,320,858	1,285,443	-2.7%	1,328,523	3.4%	1,334,726	0.5%
Total	8,450,965	7,338,921	-13.2%	7,506,642	2.3%	7,801,231	3.9%
Available for capital	1,914,173	2,984,885	55.9%	2,440,386	-18.2%	2,586,968	6.0%
Capital outlay							
Distribution/Transmission	3,270,023	6,933,849	112.0%	4,083,890	-41.1%	2,791,993	-31.6%
Substations	39,041	-	-100.0%	20,000		60,000	200.0%
Customer accounts	176,226	116,077	-34.1%	219,593	89.2%	157,000	-28.5%
Property and facilities	29,062	9,692		3,407		80,000	2248.3%
Total	3,514,352	7,059,618	100.9%	4,326,889	-38.7%	3,088,993	-28.6%
Bond proceeds	-	16,012,053		-		-	
County/MCMS transactions	147,223	151,049		149,492		150,000	
Change in reserves	(1,452,956)	12,088,370	-932.0%	(1,737,012)	-114.4%	(352,025)	-79.7%
Reserves balances (end of year)							
Restricted	1,310,337	7,614,111	481.1%	4,282,653	-43.8%	1,959,259	-54.3%
Encumbered	1,069,056	916,955	-14.2%	805,693	-12.1%	1,066,161	32.3%
Customer funds	140,445	138,176	-1.6%	92,998	-32.7%	88,990	-4.3%
Dedicated	443,715	638,300	43.9%	602,500	-5.6%	438,800	-27.2%
Contingency	1,411,958	7,156,338	406.8%	8,943,024	25.0%	10,821,633	21.0%
Total reserves	4,375,511	16,463,880	276.3%	14,726,868	-10.6%	14,374,843	-2.4%

Trinity Public Utilities District Fund Sources and Uses Summary FY 12/13 Budget

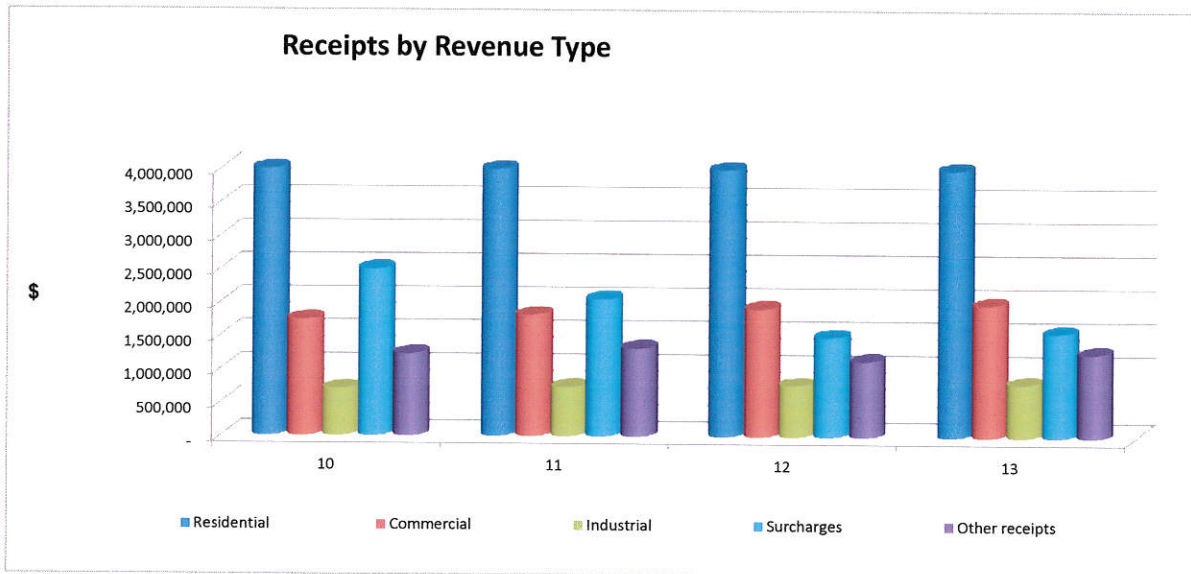
	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Fund Sources							
Receipts							
Energy sales	6,636,689	6,943,859	4.6%	7,314,310	5.3%	7,569,577	3.5%
Other receipts	3,728,449	3,379,948	-9.3%	2,632,717	-22.1%	2,818,622	7.1%
Total	10,365,138	10,323,807	-0.4%	9,947,028	-3.6%	10,388,199	4.4%
Reserves/proceeds							
County/MCMS repayments	147,223	151,049	2.6%	149,492	-1.0%	150,000	0.3%
Bond/Loan proceeds	-	16,012,053		-		-	
Line extension loans	4,335	6,042	39.4%	14,066	132.8%	12,244	-13.0%
Restricted reserves	-	-		-		-	
Dedicated reserves	303,333	219,844	-27.5%	288,167	31.1%	245,100	-14.9%
Total	454,891	16,388,988	3502.8%	451,725	-97.2%	407,344	-9.8%
Total sources	10,820,029	26,712,794	146.9%	10,398,753	-3.9%	10,795,543	3.8%
Fund Uses							
Operating expenditures	8,450,965	7,338,921	-13.2%	7,506,642	2.3%	7,801,231	3.9%
Capital outlay	3,514,352	7,059,618	100.9%	4,326,889	-38.7%	3,088,993	-28.6%
County/MCMS funding	-	-		-		-	
Fund transfers	28,492	6,569,876	22958.7%	(3,221,465)	-149.0%	(1,973,290)	-38.7%
Total uses	11,993,809	20,968,414	74.8%	8,612,067	-58.9%	8,916,934	3.5%
Change in contingency reserves	(1,173,780)	5,744,380	-589.4%	1,786,686	-68.9%	1,878,609	5.1%

Sources FY 12/13



Trinity Public Utilities District Receipts Summary FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Sales							
Zone A	3,299,299	3,454,828	4.7%	3,777,581	9.3%	3,909,417	3.5%
Zone B	3,337,390	3,489,031	4.5%	3,536,729	1.4%	3,660,160	3.5%
Total Sales	6,636,689	6,943,859	4.6%	7,314,310	5.3%	7,569,577	3.5%
Surcharges							
Deregulation surcharge	1,415,594	1,593,403	12.6%	1,495,917	-6.1%	1,562,479	4.4%
Drought Relief surcharge	1,080,463	463,387	-57.1%	-	-100.0%	-	-
	2,496,057	2,056,790	-17.6%	1,495,917	-27.3%	1,562,479	4.4%
Other receipts							
Fees and charges	143,272	84,745	-40.8%	137,055	61.7%	88,284	-35.6%
Line extensions	73,481	100,573	36.9%	40,493	-59.7%	41,307	2.0%
Line extension amortizations	4,335	10,948	152.5%	5,277	-51.8%	12,244	132.0%
Interest	56,535	41,829	-26.0%	56,720	35.6%	142,360	151.0%
USBR funding	688,694	685,083	-0.5%	699,797	2.1%	725,269	3.6%
Joint pole/pole contact income	160,235	119,107	-25.7%	161,714	35.8%	163,331	1.0%
Other misc. income	120,441	296,152	145.9%	51,474	-82.6%	100,000	94.3%
Uncollectibles	(14,601)	(15,279)	4.6%	(15,729)	2.9%	(16,653)	5.9%
Total	1,232,392	1,323,158	7.4%	1,136,801	-14.1%	1,256,143	10.5%
Total	10,365,138	10,323,807	-0.4%	9,947,028	-3.6%	10,388,199	4.4%
Bond/Loan proceeds	-	16,012,053	-	-	-	-	-
Total receipts	10,365,138	26,335,860	154.1%	9,947,028	-62.2%	10,388,199	4.4%



Trinity Public Utilities District

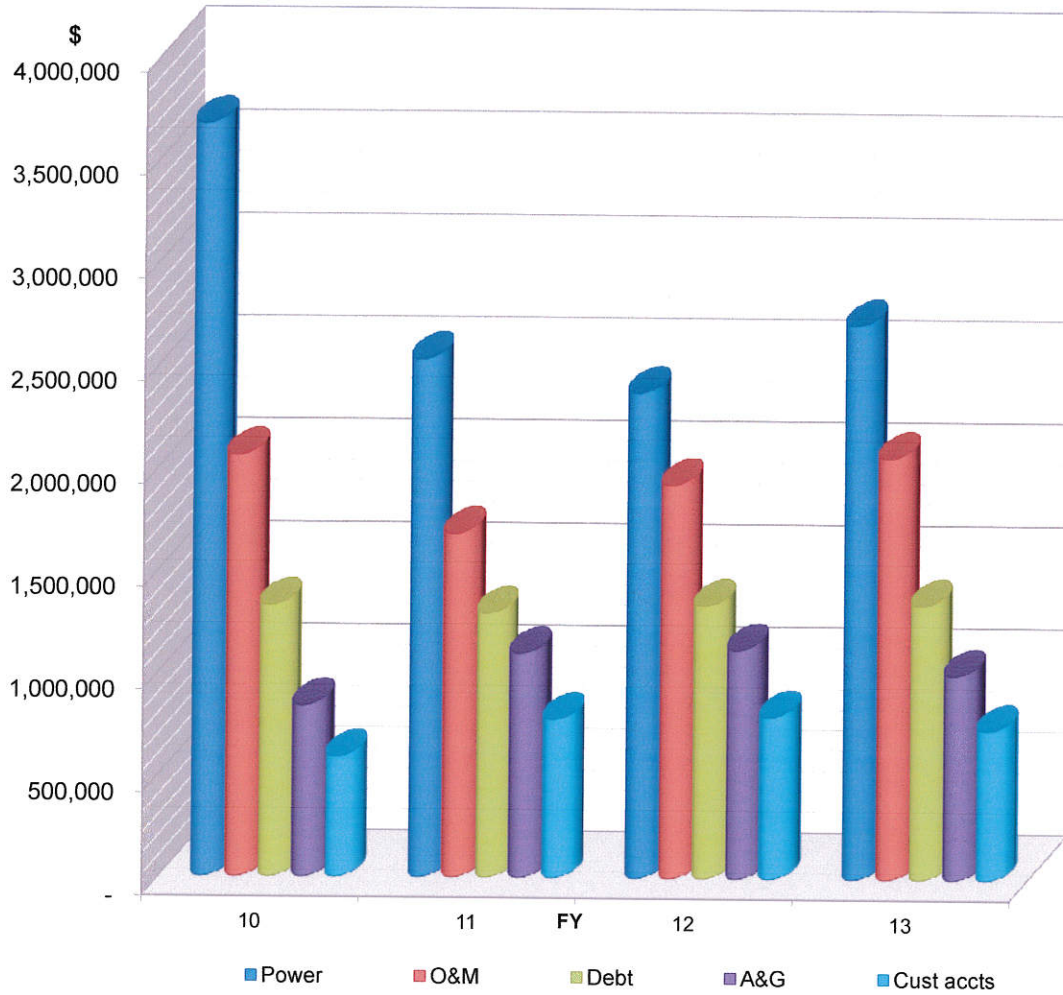
Operating Expenditures Summary

FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Power acquisition							
Purchased power	2,513,227	2,254,850	-10.3%	2,131,005	-5.5%	2,501,673	17.4%
Transmission	990,088	102,450	-89.7%	42,966	-58.1%	-	-100.0%
USBR/WAPA O&M	-	-		-		-	
Revenue adjustment clause	-	-		-		-	
Other	159,283	163,346	2.6%	187,932	15.1%	193,267	2.8%
Total	3,662,598	2,520,646	-31.2%	2,361,904	-6.3%	2,694,941	14.1%
Operations & maintenance							
System	123,206	131,499	6.7%	110,057	-16.3%	210,547	91.3%
Overhead distribution	1,809,201	1,427,694	-21.1%	1,712,339	19.9%	1,699,540	-0.7%
Transmission & UG distribution	26,084	46,589	78.6%	33,607	-27.9%	38,178	13.6%
Lighting	4,000	4,000	0.0%	4,000	0.0%	10,618	100%
Buildings/property	27,888	25,871	-7.2%	16,711	-35.4%	16,718	0.0%
Other	59,253	36,407	-38.6%	37,327	2.5%	73,533	97.0%
Total	2,049,632	1,672,059	-18.4%	1,914,042	14.5%	2,049,133	7.1%
Customer accounts							
Account maintenance	410,352	553,635	34.9%	561,944	1.5%	548,184	-2.4%
Meter reading/turtle maint.	124,304	161,468	29.9%	170,025	5.3%	121,469	-28.6%
Customer relations	46,256	51,849	12.1%	54,630	5.4%	55,437	1.5%
Other	3,853	3,784	-1.8%	2,298	-39.3%	2,000	-13.0%
Total	584,765	770,737	31.8%	788,896	2.4%	727,090	-7.8%
Administrative and general							
Utilities	47,370	49,496	4.5%	47,609	-3.8%	46,100	-3.2%
Accounting	208,327	267,975	28.6%	166,277	-38.0%	165,617	-0.4%
Risk management	237,370	209,729	-11.6%	267,606	27.6%	208,955	-21.9%
Community investment	20,000	20,325	1.6%	20,000	-1.6%	20,000	0.0%
Dues and publications	45,000	55,369	23.0%	67,196	21.4%	41,690	-38.0%
Education and travel	33,889	38,242	12.8%	63,618	66.4%	50,000	-21.4%
Supervision	95,000	95,000	0.0%	270,155	184.4%	104,111	-61.5%
Planning	63,256	82,880	31.0%	83,537	0.8%	82,294	-1.5%
Legal	43,649	48,039	10.1%	84,641	76.2%	79,875	-5.6%
Economic Development	-	-		8,811		150,000	1602.5%
Misc. outside services	24,251	75,270	210.4%	5,359	-92.9%	18,500	245.2%
Other	15,000	147,711	884.7%	28,468	-80.7%	28,200	-0.9%
Total	833,112	1,090,036	30.8%	1,113,277	2.1%	995,342	-10.6%
Debt and financing							
Interest	673,865	630,158	-6.5%	605,734	-3.9%	576,254	-4.9%
Principal	625,269	647,058	3.5%	674,077	4.2%	706,334	4.8%
Other	21,724	8,227	-62.1%	48,712	492.1%	52,138	7.0%
Total	1,320,858	1,285,443	-2.7%	1,328,523	3.4%	1,334,726	0.5%
Total operating expenditures	8,450,965	7,338,921	-13.2%	7,506,642	2.3%	7,801,231	3.9%

Trinity Public Utilities District

Operating Expenditures

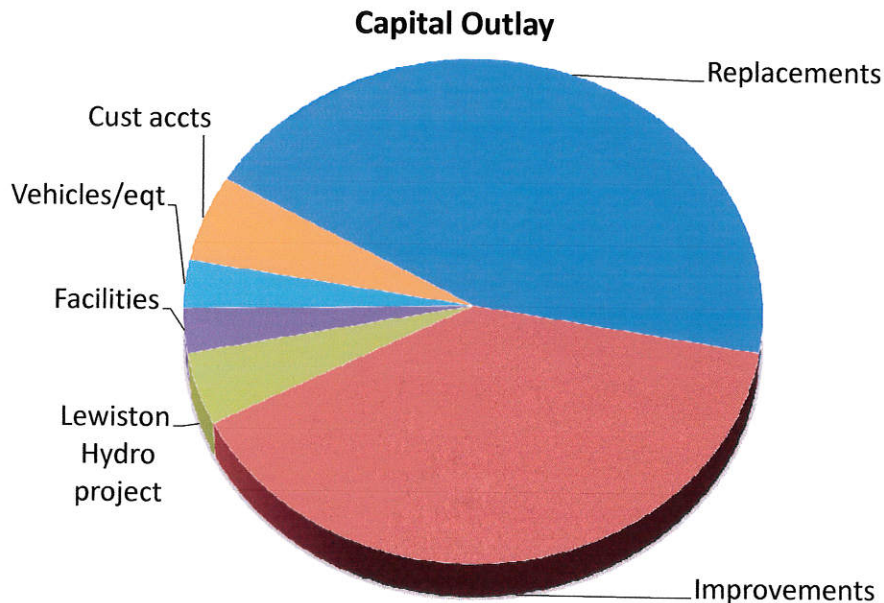


Trinity Public Utilities District

Capital Expenses

FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Distribution/Transmission							
Replacements	218,328	751,688	244.3%	988,795	31.5%	1,194,609	20.8%
Improvements	413,364	466,921	13.0%	990,930	112.2%	1,110,509	12.1%
CIP	380,598	29,041	-92.4%	14,693	-49.4%	-	-100.0%
Direct Western tie	1,339,653	4,340,719	224.0%	-	-100.0%	-	-
Lewiston generation	425,726	1,304,345	206.4%	2,000,000	53.3%	129,875	-93.5%
#44 - 2010 Freightliner line truck	241,252	-	-	-	-	-	-
#27 - 2004 Chevy 1 ton flatbed	-	-	-	-	-	37,000	100.0%
#28 - 2005 Dodge 2500 4X4	-	-	-	-	-	25,000	-
#29 - 2005 Dodge 2500 4X4	-	-	-	-	-	25,000	-
Future large field vehicle replacement	-	-	-	-	-	230,000	-
Radio Equipment - Narrow Band conversion	-	-	-	-	-	40,000	-
#37 - 2010 Freightliner LG bucket truck	-	25,056	-	-	-	-	100.0%
#33 - 2009 F-550 Trouble truck	112,752	-	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	37,863	-	-	-	-	-	-
Other/Previous years	100,487	16,079	-84.0%	89,472	456.5%	-	100.0%
Total	3,270,023	6,933,849	112.0%	4,083,890	-41.1%	2,791,993	-31.6%
Substations							
CIP/Other	39,041	-	-100.0%	20,000	-	60,000	200.0%
Total	39,041	-	-100.0%	20,000	-	60,000	200.0%
Customer accounts							
Data processing/computers	26,716	51,442	92.6%	139,695	171.6%	98,000	-29.8%
Copy machine	-	-	-	-	-	-	-
Automated meter reading/turtles	23,761	12,665	-46.7%	-	-100.0%	-	-
NISC CIS software conversion	80,059	-	-	-	-	-	-
Mapping system	45,690	48,503	6.2%	45,742	-5.7%	46,000	0.6%
Other	-	3,467	-	34,156	-	13,000	-
Total	176,226	116,077	-34.1%	219,593	89.2%	157,000	-28.5%
Property/facilities							
Yard	8,486	6,192	-27.0%	3,407	-45.0%	80,000	2248.3%
Facilities	20,576	3,500	-83.0%	-	-	-	-
Total	29,062	9,692	-34.1%	3,407	-45.0%	80,000	2248.3%
Total capital outlay	3,514,352	7,059,618	100.9%	4,326,889	-38.7%	3,088,993	-28.6%



Trinity Public Utilities District Reserves Summary

FY 12/13 Budget

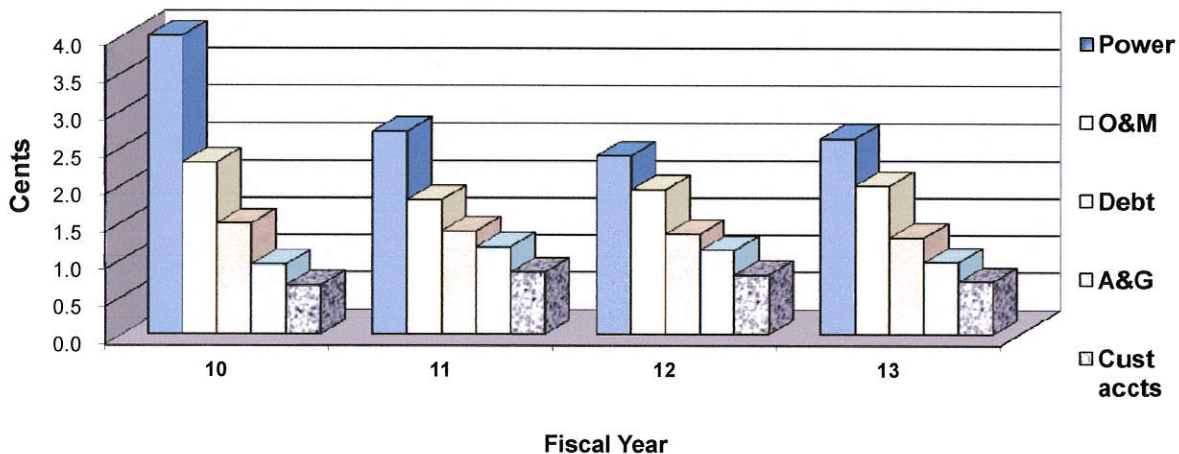
	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	% Growth	12/13 (Budgeted)	Change
Restricted							
Bond/loan reserves	1,299,371	7,592,276	484.3%	4,247,343	-44.1%	1,942,224	-54.3%
Cafeteria plan	10,966	21,835	99.1%	35,310	61.7%	17,035	-51.8%
Total	1,310,337	7,614,111	481.1%	4,282,653	-43.8%	1,959,259	-54.3%
Encumbered							
Payables	787,152	629,009	-20.1%	510,473	-18.8%	762,597	49.4%
Line extension loan fund	281,904	287,946	2.1%	295,220	2.5%	303,564	2.8%
Total	1,069,056	916,955	-14.2%	805,693	-12.1%	1,066,161	32.3%
Customer funds							
Security deposits	51,300	51,740	0.9%	54,280	4.9%	54,533	0.5%
Construction advances	80,145	77,436	-3.4%	27,027	-65.1%	25,458	-5.8%
Community investments	2,000	2,000	0.0%	4,691	134.5%	2,000	-57.4%
Maintenance agreements	7,000	7,000	0.0%	7,000	0.0%	7,000	0.0%
Total	140,445	138,176	-1.6%	92,998	-32.7%	88,990	-4.3%
Dedicated	443,715	638,300	43.9%	602,500	-5.6%	438,800	-27.2%
Contingency	1,411,958	7,156,338	406.8%	8,943,024	25.0%	10,821,633	21.0%
Total reserves	4,375,511	16,463,880	276.3%	14,726,868	-10.6%	14,374,843	-2.4%

Trinity Public Utilities District Performance Factors

FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Average rate (cents/kWh)	7.46	7.49	0.5%	7.37	-1.6%	7.37	0.0%
Growth							
Demand (mw)	18.75	20.48	9.3%	22.24	8.6%	22.47	1.0%
KWh purchased	94,199,105	102,918,086	9.3%	108,599,486	5.5%	109,685,481	1.0%
KWh sold	89,023,294	92,716,850	4.1%	98,675,631	6.4%	102,704,410	4.1%
Energy losses (%)	5.49%	9.91%		6.73%		6.36%	
Meters							
Meters served	7,119	7,204	1.2%	7,229	0.3%	7,254	0.3%
Costs (\$/meter)							
Customer accounts	82	107	30.2%	109	2.0%	100	-8.2%
Labor	465	513	10.1%	538	4.9%	506	-6.0%
Operating expenditures	1,187	1,019	-14.2%	1,038	1.9%	1,075	3.6%
Expenditures including capital	1,681	1,999	18.9%	1,637	-18.1%	1,501	-8.3%
Distribution							
Miles of distribution line	565	567	0.4%	569	0.4%	571	0.4%
O&M cost including labor/mile	3,628	2,949	-18.7%	3,364	14.1%	3,589	6.7%
Labor/mile	1,496	1,610	7.6%	1,604	-0.4%	1,599	-0.4%
Costs/kWh sold (cents/kWh)							
Power acquisition	4.1	2.7	-33.9%	2.4	-12.0%	2.6	9.6%
Operations & maintenance	2.3	1.8	-21.7%	1.9	7.6%	2.0	2.9%
Customer accounts	0.7	0.8	26.6%	0.8	-3.8%	0.7	-11.4%
Administrative & general	0.9	1.2	25.6%	1.1	-4.0%	1.0	-14.1%
Debt & financing	1.5	1.4	-6.6%	1.3	-2.9%	1.3	-3.5%
Uncollectible sales (\$)	14,601	15,276	4.6%	16,091	5.3%	16,653	3.5%
Debt service coverage ratio	2.47	3.34	34.9%	2.91	-12.9%	3.02	3.8%
Committed/mandated costs (debt service, power, mandated O&M req.)	5,371,658	4,132,274	-23.1%	4,024,523	-2.6%	4,387,355	9.0%
Discretionary/variable costs (all other operating expenses, capital outlay)	6,593,658	10,266,265	55.7%	7,809,008	-23.9%	6,502,869	-16.7%
Capital replacements, System	220,749	751,688	240.5%	988,795	31.5%	1,254,609	27%

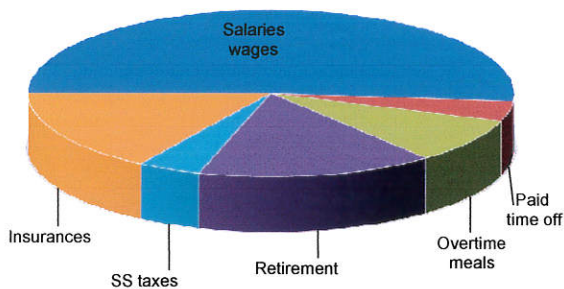
Costs in Cents per kWh



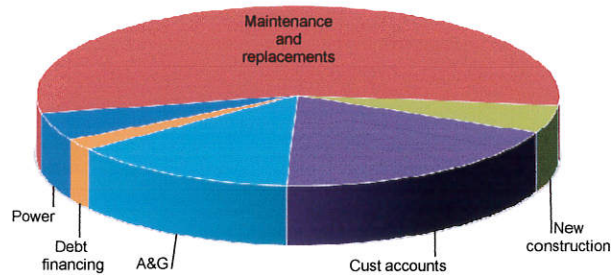
Trinity Public Utilities District Labor Factors FY 12/13 Budget

	09/10 (Actual)	10/11 (Actual)	Change	11/12 (Preliminary)	Change	12/13 (Budgeted)	Change
Labor components							
Salaries and wages	1,831,804	2,053,938	12.1%	2,050,873	-0.1%	1,889,631	-7.9%
Paid time off	134,149	152,087	13.4%	136,014	-10.6%	141,992	4.4%
Overtime/meals/standby	301,639	244,645	-18.9%	331,878	35.7%	318,126	-4.1%
Retirement	462,398	526,772	13.9%	686,200	30.3%	576,449	-16.0%
Social Security taxes	150,326	157,797	5.0%	99,531	-36.9%	154,934	55.7%
Insurance	432,938	557,693	28.8%	584,522	4.8%	588,500	0.7%
Total	3,313,254	3,692,932	11.5%	3,889,018	5.3%	3,669,632	-5.6%
Labor distribution							
Power acquisition	165,663	184,647	11.5%	194,451	5.3%	183,482	-5.6%
Maintenance/replacements	1,822,290	2,031,112	11.5%	2,138,960	5.3%	2,018,298	-5.6%
New construction	165,663	184,647	11.5%	194,451	5.3%	183,482	-5.6%
Customer accounts	629,518	701,657	11.5%	738,913	5.3%	697,230	-5.6%
Administrative & general	463,856	517,010	11.5%	544,462	5.3%	513,749	-5.6%
Debt & financing	66,265	73,859	11.5%	77,780	5.3%	73,393	-5.6%
Total	3,313,254	3,692,932	11.5%	3,889,018	5.3%	3,669,632	-5.6%
Labor costs per:							
Mile of line	5,864	6,513	11.1%	6,835	4.9%	6,427	-6.0%
KWh sold (cents)	3.72	3.98	7.0%	3.94	-1.0%	3.57	-9.3%
Meter (\$)	465	513	10.1%	538	4.9%	506	-6.0%
Percent of total receipts	32.0%	35.8%	11.9%	39.1%	9.3%	35.3%	-9.6%

**Breakdown of Labor Dollar
FY 12/13**



**Labor by Cost Center
FY 12/13**



Trinity Public Utilities District

Projected Costs By Activity

Power acquisition

Purchased power	2,501,673
Transmission	-
USBR O&M funding	-
Metering	-
Other	-
	2,501,673

Labor

Wages and salaries	2,056,075
Health insurance	544,528
Cafeteria plan	720
Retirement	576,449
Overtime and standby pay	278,878
Social Security taxes	146,300
Workers compensation	43,252
Retirement annuity	8,634
Meals/per diem	14,796
	3,669,632

Materials and supplies

Operation supplies	22,000
System materials	708,800
Billing and Office supplies	15,000
Postage	32,000
Fuel	110,000
Tires	20,000
Small tools	25,000
Construction eqt	20,000
	952,600

Outside services

Tree trimming/pole clearing	415,000
Road maint/right of way clearing	60,000
Hazardous waste disposal	5,000
Training	11,500
Storm assistance	100,000
Engineering, systems testing/routine maint	205,680
Power acquisition consulting	65,000
Human resources/consulting	5,000
Economic Development/consulting	150,000
Legal	75,000
Backhoes and excavators	40,000
All others	56,600
Auditing	25,000
Bill processing, collections	31,500
Janitorial	14,400
Computer programming	8,000
	1,267,680

Trinity Public Utilities District

Projected Costs By Activity

Utilities	
Electric	15,000
Water	1,700
Telephone	21,600
Garbage	8,000
Sewer	1,500
	<u>47,800</u>
Rents and leases	
Facilities rents	2,000
Equipment rents	4,100
	<u>6,100</u>
Education and travel	
	<u>50,000</u>
Fees and permits	
Land use permits	30,000
Pole contact fees	10,000
Dues and subscriptions	41,690
	<u>81,690</u>
Risk management	
Liability insurance	78,000
Damages	10,000
Safety	26,500
Wellness/cafeteria program	4,000
	<u>118,500</u>
Repairs and maintenance	
Repairs	122,500
Licensing agreements	63,000
Maintenance agreements	10,600
	<u>196,100</u>
Debt service	
Principal	706,334
Interest	576,254
Issuance costs	19,860
	<u>1,302,448</u>
Capital outlay	
Real property/facilities	80,000
System Improvements	-
Equipment	139,000
Capital projects	160,000
Vehicles	317,000
	<u>696,000</u>
Total	<u><u>10,890,224</u></u>

Fiscal Year 2012/2013 Budget Notes

Receipts

Sales:

Retail kWh sales are estimated to increase 6.4% from FY 10/11 to FY 11/12. Retail Sales revenue increased by approximately 5.3% as was predicted in the 11/12 Budget. Staff is forecasting a 3.5% growth factor for FY 12/13, returning to the more conservative growth factor of 1% for future years. As expected, with the local lumber mill back to normal operations, the average Retail Sales rate returned to the \$0.0737 per kWh.

Surcharges:

In April 2012, the Bureau of Reclamation declared that the current water year was a Below Normal Water Year, however the Drought Relief Surcharge has not been factored in to the 12/13 Budget Year. The Policy requires there to be two consecutive years in which the Department of Water Resources reports below average water conditions in order to reinstate the Surcharge.

The Deregulation Surcharge was decreased from \$0.0172 per kWh to \$0.01527 as calculated in January 2012. The FY 12/13 Budget assumes no further drop due to the fact that costs continue to be incurred in relation to deregulation (feasibility study, BANC, etc.).

Operating Expenses

Power Acquisition:

The District's costs to purchase power decreased slightly (6.3%) FY 10/11 to FY 11/12. This decrease follows the 31% drop from FY 09/10 to FY 10/11. For FY 12/13, the District is forecasting a 14.1% increase to power costs. This increase is primarily due to Western Area Power Administration's (Western) mid-year review of its FY 2012 Power Revenue Requirement and First Preference Customer Percentages. The below average hydro generation has resulted in the District's First Preference Percentage increasing from 2.33% to 3.2%.

"Other Power Acquisition Costs" include \$193,000 for consulting, legislative advocacy (\$60,000), labor (\$103,000), Energy Consulting (\$5,000) and legal costs (\$25,000) associated with general wholesale power issues.

Operations and Maintenance:

O&M costs increased by approximately 14.5%, which is mainly due to two significant winter storms. The Budget for FY 12/13 is factoring in a more conservative 7.1% increase from FY11/12 to FY 12/13.

Customer Accounts:

Customer Accounts are projected to decrease by approximately 7.8% mainly due to a projected decrease in meter maintenance. The District is currently in the process of replacing old meters with new Automated Meter Reading Turtles which should improve the reliability.

Fiscal Year 2012/2013 Budget Notes

Administrative and General:

Costs are projected to decrease by approximately 10%. During FY 11/12, the District incurred costs to recruit a new General Manager, payout the retiring General Manager's contractual retirement, and deal with unforeseen legal issues. No further clerical staff changes are anticipated, therefore the Budget assumes business as usual.

Debt and Financing:

Debt and financing will remain at roughly the same level due to the fact that the payment of the interest portion of the 2010 Bonds will not commence until FY 13/14.

Capital Outlay

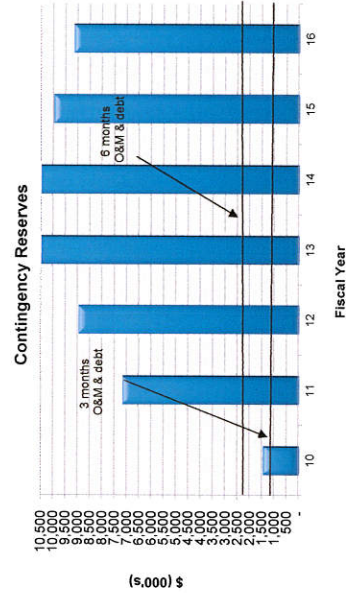
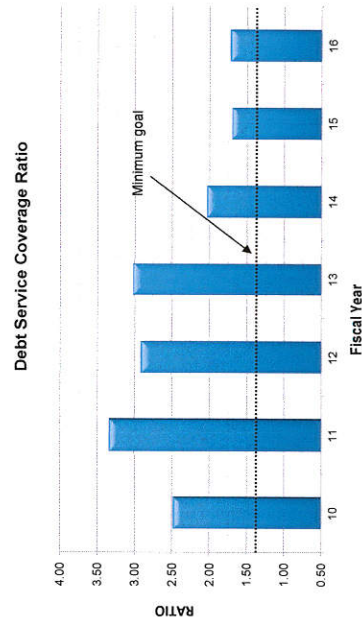
The FY 11/12 Budget reflects the following:

- System Improvements including pole and distribution line replacements as well as system upgrades, which for the next year and three months will be funded through Bond proceeds;
- Work on the Lewiston Hydroelectric Project is expected to be delayed;
- Nonrecurring Capital Costs for FY 12/13 that have been previously included in dedicated funds are the purchase of a new bucket truck (\$230,000), replacing the office copy machine (\$20,000) and upgrading Radio Equipment (\$40,000) to comply with Narrow-banding regulations. One purchase included in the Budget that has not been previously included in dedicated funds is replacing the office generator (\$70,000). Capital Costs that can be paid for through the 2010 Bond System Improvement funds include material substation work in Big Bar (\$60,000).

Trinity Public Utilities District Financial Forecast Overview

	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Operating receipts	10,365,138	10,323,807	9,947,028	-2.0%	10,388,199	10,524,601	10,632,281	10,775,260	10,923,926	1.3%
Operating expenditures	8,450,965	7,338,921	7,506,642	-5.6%	7,801,231	8,362,536	8,898,470	8,989,121	9,109,248	4.2%
Available for capital	1,914,173	2,984,885	2,440,386	13.7%	2,586,968	2,162,066	1,743,811	1,766,138	1,814,678	-7.5%
Capital outlay	3,514,352	7,059,618	4,326,889	11.6%	3,088,993	2,685,092	3,094,524	2,897,451	2,902,909	-1.5%
Bond/loan proceeds	-	16,012,053	-	-	-	-	-	-	-	-
Net County/MCMS repayments	147,223	151,049	149,492	0.8%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	(1,452,956)	12,088,370	(1,737,012)	9.8%	(352,025)	(373,027)	(1,200,713)	(961,312)	(938,231)	41.6%

Reserves balances (end of year)	2,963,553	9,307,542	5,783,844	47.6%	3,553,210	2,983,328	2,850,508	2,702,388	2,549,670	-7%
Other reserves										
Contingency reserves	1,411,958	7,156,338	8,943,024	266.7%	10,821,633	11,018,489	9,950,596	9,137,403	8,351,890	-5.7%
Total reserves	4,375,511	16,463,880	14,726,868	118.3%	14,374,843	14,001,817	12,801,104	11,839,791	10,901,560	-6.0%
Debt service coverage ratio	2.47	3.34	2.91	8.8%	3.02	2.03	1.70	1.72	1.73	-10.7%



Trinity Public Utilities District Forecast Summary

	09/10	10/11	11/12	10-12	12/13	13/14	14/15	15/16	16/17	13-17
Revenues	(Actual)	(Actual)	(Preliminary)	% Growth	(Budgeted)	(Projected)	(Projected)	(Projected)	(Projected)	% Growth
Energy sales	6,636,689	6,943,859	7,314,310	5.1%	7,569,577	7,675,045	7,751,795	7,829,313	7,907,606	1.1%
Surcharge receipts	2,496,057	2,056,790	1,495,917	-20.0%	1,562,479	1,572,976	1,576,689	1,623,874	1,672,580	1.8%
Other receipts	1,232,392	1,323,158	1,136,801	-3.9%	1,256,143	1,276,581	1,303,787	1,322,073	1,343,730	1.7%
Total	10,365,138	10,323,807	9,947,028	-2.0%	10,388,199	10,524,601	10,632,281	10,775,260	10,923,926	4.6%
Expenses										
Power acquisition	3,662,598	2,520,646	2,361,904	-17.6%	2,694,941	2,542,580	2,611,525	2,685,282	2,720,172	0.2%
Operations & maintenance	2,049,632	1,672,059	1,914,042	-3.3%	2,049,133	2,052,989	2,087,459	2,122,556	2,158,294	1.3%
Customer accounts	584,765	770,737	788,896	17.5%	727,090	737,996	749,066	760,302	771,706	1.5%
Administrative & general	833,112	1,090,036	1,113,277	16.8%	995,342	914,062	932,988	933,015	953,234	-1.1%
Debt & financing	1,320,858	1,285,443	1,328,523	0.3%	1,334,726	2,114,889	2,507,433	2,507,967	2,505,842	21.9%
Total	8,450,965	7,338,921	7,506,642	-5.6%	7,801,231	8,362,538	8,888,470	8,989,121	9,109,248	4.2%
Available for capital	1,914,173	2,984,885	2,440,386	13.7%	2,586,968	2,162,066	1,743,811	1,786,138	1,814,678	-7.5%
Capital outlay	3,514,352	7,059,618	4,326,889	11.6%	3,088,993	2,695,092	3,094,524	2,897,451	2,902,909	-1.5%
Bond proceeds	-	16,012,063	-	-	-	-	-	-	-	-
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
County/MCMS repayments	147,223	151,049	149,492	0.8%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	(1,452,956)	12,086,370	(1,737,012)	9.8%	(352,025)	(373,027)	(1,200,713)	(951,312)	(938,231)	41.6%
Reserves balances										
(end of year)										
Encumbered	1,069,056	916,955	805,693	-12.3%	1,066,161	1,077,509	1,088,857	1,100,376	1,112,067	1.1%
Restricted Reserves	1,310,337	7,614,111	4,282,653	224.4%	1,859,259	1,244,335	1,244,862	1,245,404	1,245,962	-6.1%
Customer funds	140,445	138,176	92,988	-16.9%	88,990	89,284	88,522	84,848	84,120	-1.4%
Dedicated	443,715	638,300	602,500	17.9%	438,600	572,200	428,267	271,760	107,520	-18.9%
Total other reserves	2,963,553	9,307,542	5,783,844	47.6%	3,553,210	2,983,328	2,850,508	2,702,388	2,549,670	-7.1%
Contingency fund	1,411,958	7,156,338	8,943,024	266.7%	10,821,633	11,018,489	9,950,596	9,137,403	8,351,890	-5.7%
Total reserves	4,375,511	16,463,880	14,726,868	118.3%	14,374,843	14,001,817	12,801,104	11,839,791	10,901,560	-6.0%

Trinity Public Utilities District Forecast of Fund Sources and Uses

Fund Sources	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Receipts										
Energy sales	6,636,689	6,943,859	7,314,310	5.1%	7,569,577	7,675,045	7,751,795	7,829,313	7,907,606	1.1%
Surcharge receipts	2,496,057	2,056,790	1,495,917	-20.0%	1,562,479	1,572,976	1,576,689	1,623,874	1,672,580	1.8%
Other receipts	1,232,392	1,323,158	1,136,801	-3.9%	1,256,143	1,276,581	1,303,787	1,322,073	1,343,730	1.7%
Total	10,365,138	10,323,807	9,947,028	-2.0%	10,388,199	10,524,601	10,632,281	10,775,260	10,923,926	1.3%
Reserves/proceeds										
County/MCMS repayments	147,223	151,049	149,492	0.8%	150,000	150,000	150,000	150,000	150,000	0.0%
Bond/Loan proceeds	-	16,012,053	-	-	-	-	-	-	-	-
Line extension loans	4,335	6,042	14,066	112.2%	12,244	9,107	9,104	9,101	9,099	-6.4%
Restricted reserves	-	-	-	-	-	-	-	-	-	-
Dedicated reserves	303,333	219,844	288,167	-2.5%	245,100	324,000	284,000	252,267	208,000	-3.8%
Total	454,891	16,386,988	451,725	-0.3%	407,344	483,107	443,104	411,368	367,099	-2.5%
Total sources	10,820,029	26,712,794	10,398,753	-1.9%	10,795,543	11,007,708	11,075,385	11,186,628	11,291,025	1.1%
Fund Uses										
Operating expenditures	8,450,965	7,338,921	7,506,642	-5.6%	7,801,231	8,362,536	8,888,470	8,989,121	9,109,248	4.2%
Capital outlay	3,514,352	7,059,618	4,326,889	11.6%	3,088,993	2,685,092	3,094,524	2,897,451	2,902,909	-1.5%
County/MCMS funding	-	-	(3,221,465)	-5703.3%	(1,973,290)	(236,776)	160,284	113,249	64,380	-25.8%
Fund transfers	28,492	6,569,876	8,612,067	-14.1%	8,916,934	10,810,852	12,143,279	11,999,821	12,076,537	8.9%
Total uses	11,993,809	20,968,414	8,612,067	-14.1%	8,916,934	10,810,852	12,143,279	11,999,821	12,076,537	8.9%
Change in contingency reserves	(1,173,780)	5,744,380	1,786,686	-126.1%	1,878,609	196,856	(1,067,893)	(813,193)	(785,513)	-35.5%

Trinity Public Utilities District Forecast of Capital Outlay

	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Distribution/Transmission										
Replacements	218,328	751,688	988,795	176.4%	1,194,609	1,224,654	1,255,454	1,287,028	1,319,397	2.6%
Improvements	413,364	466,921	990,930	69.9%	1,110,509	1,138,439	1,167,070	1,196,422	1,226,512	2.6%
CIP	380,698	29,041	14,693	-48.1%	-	-	-	-	-	-
Direct Western tie	1,339,653	4,340,719	-	-50.0%	-	-	-	-	-	-
Transmission										
Lewiston generation	425,726	1,304,345	2,000,000	184.9%	129,875	-	-	-	-	0.0%
#44 - 2010 Freightliner line truck	241,252	-	-	-	-	-	-	-	245,000	-25.0%
#11 - 1998 Chrysler sedan	-	-	-	-	-	-	-	-	-	-
#33 - 2009 F-550 Trouble truck	112,752	-	-	-	-	-	125,000	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	37,963	-	-	-	-	-	-	42,000	-	-
#52 - 2001 Wells Cargo trailer	-	-	-	-	-	-	-	10,000	-	-
#60 - 1998 Caterpillar Forklift	-	-	-	-	-	-	40,000	-	-	-
#54 - 2002 Big Tex utility trailer	-	-	-	-	-	-	-	-	-	-
#56 - 2003 Big Tex utility trailer	-	-	-	-	-	-	-	-	-	-
#61 - 2002 Tucker-Terra Snowcat	-	-	34,448	-	-	-	180,000	-	-	-
#59 - 2007 Butler pole trailer	-	-	-	-	-	-	-	-	15,000	-
#57 - 2003 Maxi-tilt snowcat trailer	-	-	-	-	-	-	30,000	-	-	-
#65 - 2003 Tucker-Terra boom snowcat	-	-	-	-	-	-	185,000	-	-	-
#53 - 1985 Altec pole trailer	-	-	27,512	-	-	-	15,000	-	-	-
#25 - 2004 GMC Sierra 4x4	-	-	27,512	-	-	-	-	-	-	-
#26 - 2004 GMC Sierra 4x4	-	-	27,512	-	-	-	-	-	-	-
#27 - 2004 Chevy 1 ton flatbed	-	-	-	-	37,000	-	-	-	-	-
#28 - 2005 Dodge 2500 4X4	-	-	-	-	25,000	-	-	-	-	-
#29 - 2005 Dodge 2500 4X4	-	-	-	-	25,000	-	-	-	-	-
#43 - 2005 Freightliner line truck	-	-	-	-	-	225,000	-	-	-	-
#19 - 2007 Chevy Silverado	-	-	-	-	-	-	-	22,000	-	-
#37 - 2010 Freightliner LG bucket truck	-	25,066	-	-	-	-	-	225,000	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	-	-	-	-	18,000	-	-
Future large field vehicle replacement	-	-	-	-	230,000	-	-	-	-	-
Other	100,487	16,079	34,156	-	40,000	-	-	-	-	-
Total	3,270,023	6,933,849	4,118,047	13.0%	2,791,993	2,588,092	2,997,524	2,800,451	2,805,909	0.1%
Substations	39,041	-	20,000	-24.4%	60,000	-	-	-	-	0.0%
Customer accounts										
Data processing/computers	26,716	51,442	139,695	211.4%	98,000	40,000	40,000	40,000	40,000	-14.8%
Copy machine	-	-	-	-	-	-	-	-	-	-
Automated meter reading/turibles	23,761	12,665	-	-50.0%	-	6,000	6,000	6,000	6,000	-
Mapping system	48,690	46,503	45,742	0.1%	46,000	41,000	41,000	41,000	41,000	-2.7%
NISC CIS software conversion	80,059	-	-	-	-	-	-	-	-	-
Other	-	3,467	-	-	13,000	-	-	-	-	-
Total	176,226	116,077	185,436	2.6%	157,000	87,000	87,000	87,000	87,000	-11.1%
Property/facilities										
	29,062	9,692	3,407	-	80,000	10,000	10,000	10,000	10,000	-21.9%
Total capital outlay	3,514,352	7,059,618	4,326,889	11.6%	3,088,993	2,685,092	3,094,524	2,897,451	2,902,909	-1.5%

**Trinity Public Utilities District
Forecast of Reserves**

	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Restricted										
Bond/loan reserves	1,299,371	7,592,276	4,247,343	113.4%	1,942,224	1,226,790	1,226,790	1,226,790	1,226,790	-9.2%
Contingency plan	10,966	21,835	35,310	111.0%	17,035	17,546	18,072	18,614	19,172	3.1%
Total	1,310,337	7,614,111	4,282,653	224.4%	1,959,259	1,244,335	1,244,862	1,245,404	1,245,962	-6.1%
Encumbered										
Line extension loan fund	281,904	287,946	295,220	2.4%	303,564	303,473	303,382	303,291	303,200	0.0%
Payables	787,152	629,009	510,473	-17.6%	762,597	774,036	785,475	797,085	808,867	1.5%
Total	1,069,056	916,955	805,693	-15.2%	1,066,161	1,077,509	1,088,857	1,100,376	1,112,067	1.5%
Customer funds										
Security deposits	51,300	51,740	54,280	2.9%	54,533	54,660	54,789	54,919	55,050	0.2%
Construction advances	80,145	77,436	27,027	-33.1%	25,458	24,624	23,781	22,930	22,070	-3.3%
Community investments	2,000	2,000	4,691	67.3%	2,000	3,000	2,953	-	-	-25.0%
Maintenance agreements	7,000	7,000	7,000	0.0%	7,000	7,000	7,000	7,000	7,000	0.0%
Total	140,445	138,176	92,998	-16.9%	88,990	89,284	88,522	84,848	84,120	-1.4%
Dedicated	443,715	638,300	602,500	17.9%	438,800	572,200	428,267	271,760	107,520	-18.9%
Contingency fund										
Contingency	1,411,958	7,166,338	8,943,024	266.7%	10,821,633	11,018,489	9,950,596	9,137,403	8,351,890	-5.7%
Total	1,411,958	7,166,338	8,943,024	266.7%	10,821,633	11,018,489	9,950,596	9,137,403	8,351,890	-5.7%
Total reserves	4,375,511	16,463,880	14,726,868		14,374,843	14,001,817	12,801,104	11,839,791	10,901,560	

**Trinity Public Utilities District
Forecast of Performance Factors**

	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Average rate (cents/kWh)	7.46	7.49	7.37	-0.6%	7.37	7.37	7.37	7.37	7.37	0.0%
Growth										
Demand (mw)	18,748	20,483	22,244	9.3%	22,486	22,691	22,918	23,147	23,379	1.0%
KWh purchased (000's)	94,199	102,918	108,599	7.6%	109,685	110,782	111,890	113,009	114,139	1.0%
KWh sold (000's)	89,023	92,717	98,676	5.4%	102,704	104,135	105,177	106,229	107,291	1.1%
Energy losses (%)	5.49%	9.91%	6.73%	11.2%	6.36%	6.00%	6.00%	6.00%	6.00%	-1.4%
Meters										
Meters served	7,119	7,204	7,229	0.8%	7,254	7,280	7,306	7,332	7,358	0.4%
Costs (\$/meter)	82	107	109	16.4%	100	101	103	104	105	1.2%
Customer accounts	465	513	538	7.8%	506	520	532	544	556	2.5%
Labor										
Distribution										
Miles of distribution line	565	567	569	0.4%	571	573	575	577	579	0.4%
O&M cost including labor/mile	3,628	2,949	3,364	-3.6%	3,589	3,583	3,630	3,679	3,728	1.0%
Labor/mile	1,496	1,610	1,604	3.6%	1,599	1,593	1,588	1,582	1,577	-0.3%
Costs/kWh sold (cents/kWh)										
Power acquisition	4.1	2.7	2.4	-20.9%	2.6	2.4	2.5	2.5	2.5	-0.8%
Operations & maintenance	2.3	1.8	1.9	-7.9%	2.0	2.0	2.0	2.0	2.0	0.2%
Customer accounts	0.7	0.8	0.8	10.9%	0.7	0.7	0.7	0.7	0.7	0.4%
Administrative & general	0.9	1.2	1.1	10.3%	1.0	0.9	0.9	0.9	0.9	-2.1%
Debt & financing	1.5	1.4	1.3	-4.6%	1.3	2.0	2.4	2.4	2.3	19.9%
Uncollectible sales (\$)	14,601	15,276	16,091	5.1%	16,653	16,885	17,054	17,224	17,387	1.1%
Debt service coverage ratio	2.47	3.34	2.91	8.8%	3.02	2.03	1.70	1.72	1.73	-10.7%
Capital replacements, System	220,749	751,688	988,795	174.0%	1,254,609	1,224,654	1,255,454	1,287,028	1,319,397	1.3%

Trinity Public Utilities District Forecast of Labor Factors

	09/10 (Actual)	10/11 (Actual)	11/12 (Preliminary)	10-12 % Growth	12/13 (Budgeted)	13/14 (Projected)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	13-17 % Growth
Labor components										
Salaries and wages	1,831,804	2,063,938	2,050,873	6.0%	1,889,631	1,982,196	2,024,551	2,067,892	2,112,242	2.9%
Paid time off	134,149	152,087	136,014	0.7%	141,992	148,232	154,747	161,548	168,648	4.7%
Overtime/meals/standby	301,639	244,645	331,878	5.0%	318,126	332,108	346,704	361,941	377,849	4.7%
Retirement	462,398	526,772	686,200	24.2%	576,449	555,887	567,765	579,920	592,357	0.7%
Social Security taxes	150,326	157,797	99,531	-15.9%	154,934	162,371	166,556	170,867	175,308	3.3%
Insurance	432,938	557,693	584,522	17.5%	588,500	607,244	626,585	646,541	667,134	3.3%
Total	3,313,254	3,692,932	3,889,018	8.7%	3,669,632	3,788,038	3,886,908	3,988,709	4,093,538	2.9%
Labor distribution										
Power acquisition	165,663	184,647	184,451	8.7%	183,482	189,402	194,345	199,435	204,677	2.9%
Maintenance/replacements	1,822,290	2,031,112	2,138,960	8.7%	2,018,298	2,093,421	2,137,799	2,193,790	2,251,446	2.9%
New construction	165,663	184,647	184,451	8.7%	183,482	189,402	194,345	199,435	204,677	2.9%
Customer accounts	629,518	701,657	738,913	8.7%	697,230	719,727	738,513	757,855	777,772	2.9%
Administrative & general	463,856	517,010	544,462	8.7%	513,749	530,325	544,167	558,419	573,095	2.9%
Debt & financing	66,265	73,859	77,780	8.7%	73,393	75,761	77,738	79,774	81,871	2.9%
Total	3,313,254	3,692,932	3,889,018	8.7%	3,669,632	3,788,038	3,886,908	3,988,709	4,093,538	2.9%
Labor costs per:										
Mile of line	5,864	6,513	6,835	8.3%	6,427	6,611	6,760	6,913	7,070	2.5%
KWh sold (cents)	4	4	4	2.9%	4	4	4	4	4	1.7%
Meter (\$)	465	513	538	7.8%	506	520	532	544	556	2.5%
Percent of total receipts	32.0%	35.8%	39.1%	11.2%	35.3%	36.0%	36.6%	37.0%	37.5%	1.5%

Fiscal Year 2012/2013 Financial Forecast Notes

Assumptions

The following assumptions were used to prepare the Forecast:

1. Inflation 3.0% per year.
2. Load Growth 1.4% in FY 13/14 and 1% each year thereafter.
3. Western Rates Due to the increase to the District's First Preference Power Percentage from 2.33% to 3.2% Power Costs are projected to increase by 14.1% in FY 12/13 and hold relatively steady thereafter. Actual annual costs could swing by minus \$1 million to plus \$2 million depending on rainfall.
4. Trans. Costs Due to the Direct Tie and the PG&E Settlement Agreement CAISO charges concluded at the end of FY 10/11. However the CAISO has the right to retroactively bill for up to three years after the fact. So the District could be subject to a CAISO billing as late as October 2013.
5. Capital Expend The forecasted Capital Improvements are routine and ordinary except that some labor has been programmed out of Operation and into System Improvements. The System Improvements are to be funded by the 2010 Financing, all remaining Capital Improvements are to be funded by net revenues.
6. Interest Earnings '03 Reserves 1.00%
Rate '10 Reserves 1.00%
 CIEDB Reserves 1.00%
 Line Ext. Fund 7.26%
 Remaining Funds 1.00%
7. Restricted Funds Consists of Bond and Loan Reserves of \$1,942,000 and accrued costs not yet paid, at an amount of approximately \$763,000 per year. The available reserve for Line Extension loans is \$304,000. The Budget is cash based. Inclusion of the Encumbered Funds and exclusion of Accrued Revenues provides a safety margin in the Budget.

- 8. Remaining Expenses
With few exceptions, expenses are projected to either grow at the rate of inflation, or a compounding of inflation and Load Growth, depending on whether the expense is a factor of the level of sales/number of customers.
- 9. Revenue
Average System Rate of \$0.0737 per kWh.
- 10. Deregulation Surcharge
The Deregulation Surcharge decreased from \$0.01702 per kWh to \$0.01572 in January 2012 and is projected to remain steady through 2016.
- 11. County Surcharge
The County is currently paying a \$0.0718 per kWh Surcharge, which is projected to generate \$150,000 annually for the repayment of District Reserves advanced to MCMS. Surcharge payments are projected as the only source of funds received as repayment of District Reserves from the County.

DISTRICT GOALS
FY 12/13

MISSION STATEMENT

To exceed our customer' expectations in terms of costs, reliability, safety, customer convenience, and satisfaction.

GENERAL POLICY STATEMENT

Due to changing conditions, the following goals may be achieved, partially achieved, modified, or abandoned. Nevertheless, the goals act as a compass to guide individual, discreet actions and decisions toward meeting the District's Mission.

GOALS/OBJECTIVES

PRIMARY:

1. Rate parity and stability
2. Reduce the rate differential between different parts of the District's service area.
3. Reduce the rate differential between residential and commercial accounts.

SECONDARY:

1. Work with Western to minimize our average cost of power.
2. Improve operational efficiencies.
3. Encourage strategic load growth of at least 1% per year.
4. Reduce distribution losses to 6%.
5. Maintain uncollectibles to less than 0.4% of revenue.
6. Convert District customer thermal energy use to Trinity River renewable.
7. Promote Economic Development and new jobs in Trinity County; development of Biomass Electric Generation, development of District land, and development of small Hydroelectric projects.
8. Support creation of street light districts.

PRIMARY:

1. Protect and preserve the energy future for the District's customer.

SECONDARY:

1. Reduce District liability exposure for safety and environmental issues.
2. Protect and improve the District's position in Federal and State Regulations.
 - a) Federal:
 - Maintain and protect First Preference Rights.
 - Support alternative Control Areas and oppose mandatory RTOs.
 - Defend against PMA transfers or sales at "market rates."
 - Defend the continuation of the Balancing Authority of Northern California (BANC).
 - Defend against Deregulation legislation or regulations that increase costs.

- b) State:
 - Defend against attempts to mandate that the District replace its clean renewable hydroelectric power with any other form of power.
 - Defend against attempts to transfer control of the District from our local Board to the State, particularly when such action diminishes the value of our First Preference Rights.
 - Develop a standard "Trinity Exemption" clause to exempt the District from State legislation that is not appropriate for the District.
 - Minimize the transfer of Deregulation costs to District customers.
 - Support a return to cost-based services and obligation to serve.
 - Develop the Lewiston Dam project in case renewable mandates become applicable to the District.
- 3. Minimize impact to District customers from changes in Trinity River water transfers; ensure that decision-makers and customers are aware of such impacts.
- 4. Increase grassroots support for the District; develop informational newsletters and brochures.

PRIMARY:

- 1. Improve system reliability and efficiency.

SECONDARY:


- 1. Continue assertive vegetation line clearing practices.
- 2. Improve customer satisfaction.
- 3. Develop and implement a District Website.
- 4. Consider providing off-grid electric service.

PRIMARY:

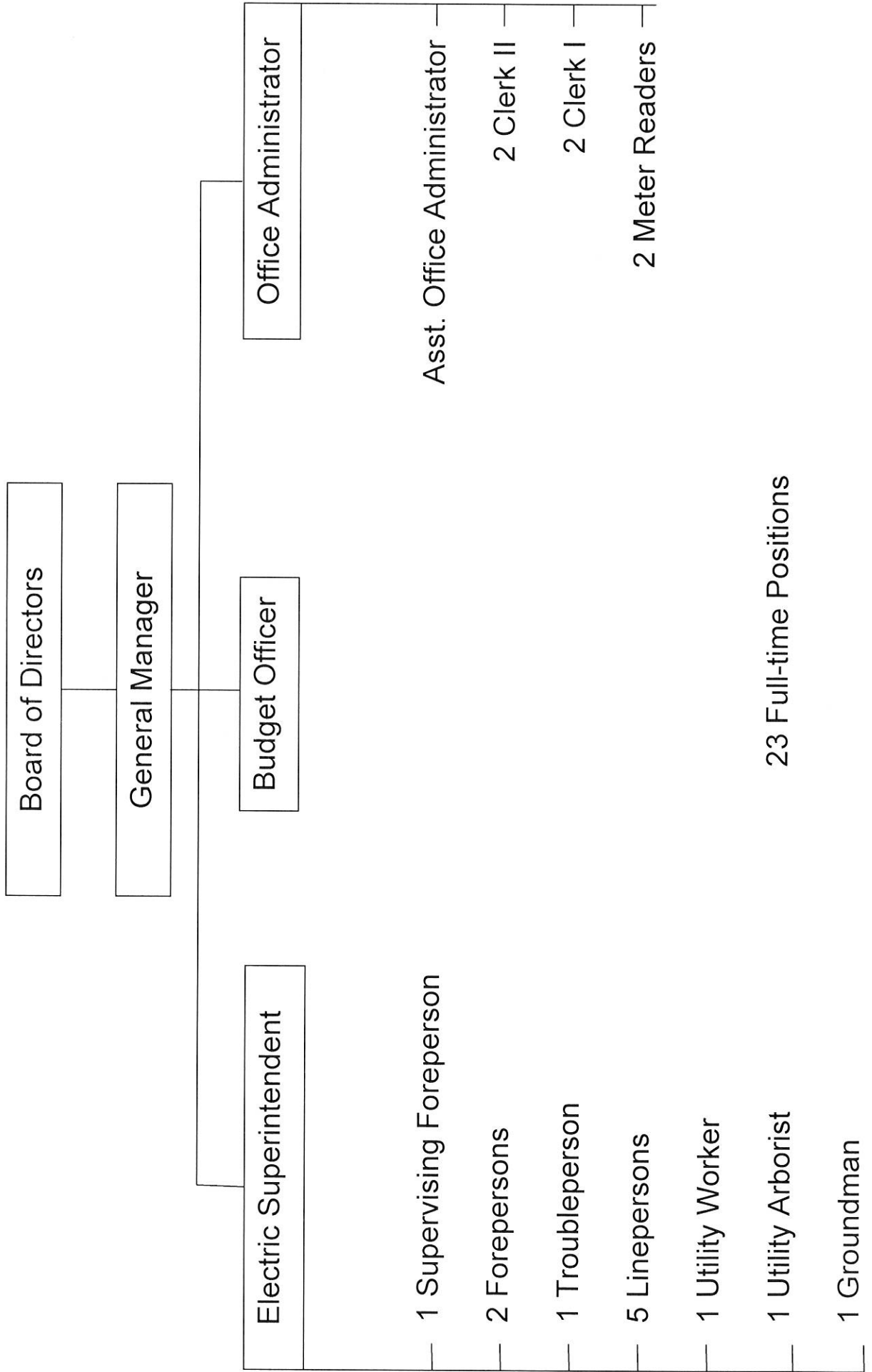
- 1. Distribute benefits from the 1955 TRD Act to the balance of the County.

SECONDARY:

- 1. Assist in Community Choice Aggregation District formation when requested by Trinity County citizens served by PG&E.
- 2. Develop economical means to connect existing Trinity County citizens to the grid.


Richard Morris, President

TRINITY PUD
 ORGANIZATIONAL CHART
 June 2012



23 Full-time Positions

**Trinity Public Utilities District
Other Financial Information**

	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	(ESTIMATED)
Energy Sales and Customers					
Customers (average)					
Residential	5,887	5,890	5,951	6,030	6,043
Commercial	1,154	1,155	1,167	1,182	1,185
Industrial	1	1	1	1	1
Total	7,042	7,046	7,119	7,213	7,229
Energy Hours Sold (MWh)					
Residential	56,506	55,620	54,838	57,114	60,784
Commercial	27,935	27,645	31,363	32,311	30,483
Industrial	7,268	7,027	2,822	3,292	7,408
Total	91,709	90,292	89,023	92,717	98,676
Sales of Electric Energy (\$000's)					
Residential	\$ 4,171	\$ 4,103	\$ 4,115	\$ 4,305	\$ 4,535
Commercial	2,163	2,154	2,368	2,411	2,296
Industrial	359	361	154	228	483
Total	\$ 6,693	\$ 6,618	\$ 6,637	\$ 6,944	\$ 7,314
System Average Base Rate (per kWh)					
	\$ 0.0730	\$ 0.0733	\$ 0.0746	\$ 0.0749	\$ 0.0741
Power purchased (MWh X 1,000)					
Energy Purchased from:					
Western Area Power Administration (Western)	98.1	94.6	94.2	102.9	108.6
Energy Disposition (MWh X 1,000)					
Total Energy Sales	91.7	90.3	89.0	92.7	98.7
Total Power Loss	6.4	4.3	5.2	10.2	9.9
Peak Demand (MW)					
Winter	18.8	17.8	16.0	19.6	22.2
Summer	16.7	15.1	17.1	16.9	17.2
Energy Expenses (000's)					
Purchased Power Expense	\$ 2,232	\$ 2,254	\$ 2,513	\$ 2,255	\$ 2,131
Other Electric Statistics					
Utility Plant (less accumulated depreciation (000's))	\$ 22,259	\$ 22,282	\$ 22,552	\$ 28,938	\$ 28,939
Distribution					
Overhead Circuit Miles	503.5	505.5	507.5	509.5	511.5
Underground Circuit Miles	57.5	57.5	57.5	57.5	57.5
Transformer Capacity (kVA)					
220 kV to 69 kV	0.0	0.0	0.0	0.0	0.0
60 kV to 12 kV	34.5	34.5	34.5	34.5	34.5
12 kV to Customer	--	--	--	--	--
(PROJECTED)					
Energy and Demand Requirements					
Peak Demand (MW)	22,466	22,691	22,918	23,147	23,379
Energy (MWh)	109,685	110,782	111,890	113,009	114,139

**Trinity Public Utilities District
Other Financial Information**

Electric Rate Comparison Residential Monthly Bill (1,000 kWh)		FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	(ESTIMATED)
Pacific Gas & Electric	Summer	\$ 238.15	\$ 278.13	\$ 283.12	\$ 286.49	\$ 268.13
	Winter	\$ 202.54	\$ 230.08	\$ 245.71	\$ 249.13	\$ 243.87
Sacramento Municipal Utility District	Summer	\$ 110.92	\$ 112.42	\$ 126.08	\$ 128.92	\$ 126.02
	Winter	\$ 79.80	\$ 86.30	\$ 94.60	\$ 96.70	\$ 125.23
Lassen Municipal Utility District	Summer	\$ 143.00	\$ 150.00	\$ 140.00	\$ 120.00	\$ 130.00
	Winter	\$ 143.00	\$ 150.00	\$ 140.00	\$ 120.00	\$ 130.00
City of Redding	Summer	\$ 105.26	\$ 113.56	\$ 115.00	\$ 123.90	\$ 142.80
	Winter	\$ 105.26	\$ 113.56	\$ 115.00	\$ 123.90	\$ 142.80
City of Shasta Lake	Summer	\$ 131.23	\$ 134.33	\$ 122.00	\$ 132.00	\$ 157.70
	Winter	\$ 131.23	\$ 134.33	\$ 122.00	\$ 132.00	\$ 157.70
The District - Zone B	Summer	\$ 85.60	\$ 85.60	\$ 85.60	\$ 85.60	\$ 85.60
	Winter	\$ 85.60	\$ 85.60	\$ 85.60	\$ 85.60	\$ 85.60
The District - Zone A	Summer	\$ 60.30	\$ 60.30	\$ 60.30	\$ 60.30	\$ 60.30
	Winter	\$ 60.30	\$ 60.30	\$ 60.30	\$ 60.30	\$ 60.30

\$ amounts reported above exclude revenues from any applicable taxes or surcharges¹

¹ Taxes and surcharges for other Utilities not determined. For TPUD:	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12
	\$ 0.0275	\$ 0.0274	\$ 0.0251	\$ 0.0240	\$ 0.0219

NA = Not available

**LEGISLATED ANNUAL REPORTING REQUIREMENTS
For Calendar Year 2011**

- Expenditures for renewable energy resource development –\$57,052¹
- Expected and actual renewable energy used - 100% hydro energy¹
- Expenditures Energy Efficiency and Demand reduction - \$31,183
- Description of programs for Energy in Energy Efficiency and Demand reduction –

The Affordable Comfort Program provides incentives to encourage the construction and use of more energy efficient buildings and appliances

Expected² and actual results from Energy Efficiency and Demand reduction -

2005	2006	2007	2008	2009	2010	2011
64,704 kWh	85,598 kWh	97,056 kWh	110,537kWh	119,972kWh	130,756kWh	138,844kWh

- Solar photovoltaic watts installed - 16.51kW
- Number of solar photovoltaic systems - 4
- Percent of solar photovoltaic goal reached :
 - Capacity – 7%
 - Funding – 8%

¹ Under the TRD act of 1955, the District has statutory rights to enough large hydro generation to meet its load for several decades to come. The same Act prevents the District from selling any of the power that could be offset if the District were to develop newer renewable resources. This makes purchasing new renewable resources vastly more cost prohibitive for the District than for any other utility in the State. Nevertheless and in the spirit of the State goals, the District provides a Solar Rebate that exceeds the States mandate. Further, the District is exploring the possibility of developing small hydro electric in the District's service area.

² Actual not verified.