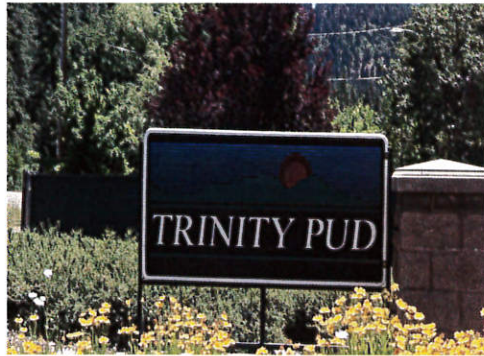


TRINITY PUBLIC UTILITIES
DISTRICT

MISSION STATEMENT



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

FISCAL YEAR 2013/2014
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 13/14 BUDGET

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- III. Five Year Financial Forecast
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Trinity Public Utilities District

Memorandum

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

From: Paul Hauser *Paul Hauser*

Date: June 14, 2013

Re: FY 13/14 Budget

The Fiscal Year 13/14 Budget is \$11,793,364 or approximately \$1,405,165 (13.5%) higher than last year's budget of \$10,388,199. This includes \$8,988,052 for Operating Expenses and \$3,793,310 for Capital Expenditures. \$837,999 is budgeted from Reserves to balance the Budget. The primary reasons for the Budget increase are a \$179,691 (6.8%) increase in power costs, an \$822,011 (61.9%) increase in Debt Service cost, and \$520,000 budgeted for the Long Canyon Line Extension Project. The combined cost of these three items is \$1,521,702, which is more than the overall Budget increase. Keep in mind that the District will recover much of the Long Canyon extension cost over time. Debt Service cost is increasing due to the requirement to begin payment of the interest portion of the 2010 Bonds during FY 13/14.

The current Fiscal Year is projected to end with Reserve Balances that are \$843,562 greater than the FY 12/13 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 lower than budgeted expenditures across a number of Budget line items.

FY 13/14 should begin with more than \$11.5 million in Contingency Reserves. However, this reserve will fall rapidly if 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 2019 timeframe. These projections assume modest Load Growth and normal water years.

The current water year is below normal and the Five Year Financial Plan assumes that the Drought Relief Surcharge will end in April of 2014. 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 are the initiatives outlined in Secretary of Energy Chu's Memo of March 16, 2012. Chu's Memo outlines Department of Energy's (DOE) 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 severe detrimental effect on the District's cost of power as well as the amount of unused First Preference allocation left for future load growth. While these efforts have slowed of late with the transition to a new Secretary of Energy, these initiatives have not been suspended.

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 solid electric consumption growth from existing customers over the past year, it is difficult to forecast if this trend will continue. Of course, normal weather variations have a significant year-to-year influence on customer's electric usage.

Total Labor Costs are projected to decrease from FY 12/13 to FY 13/14 by \$62,020 due to an open Customer Service Clerk position. 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 13/14 are:

1. Scheduled replacement of the 2004 Liftall Bucket Truck (\$230,000);
2. Scheduled replacement of the 2005 Line Truck (\$225,000);
3. Purchase of Pole Inspection Software (\$60,000);
4. Replacing the office generator (\$70,000);
5. Substation improvements at Big Bar (\$60,000);

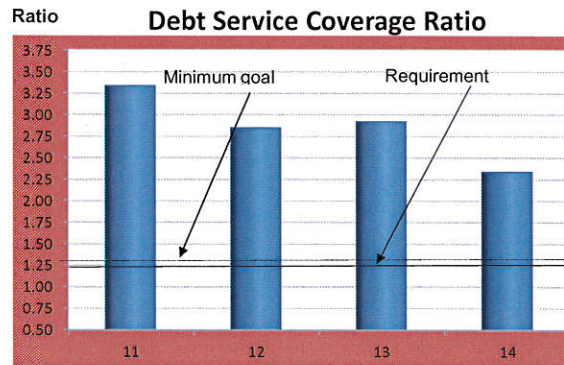
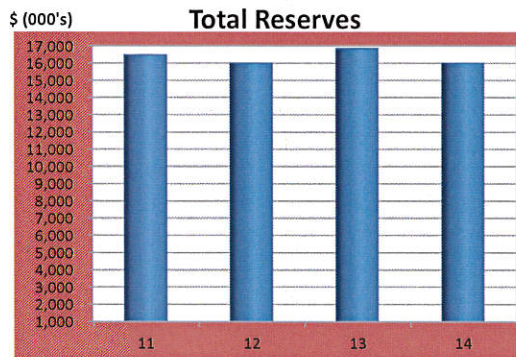
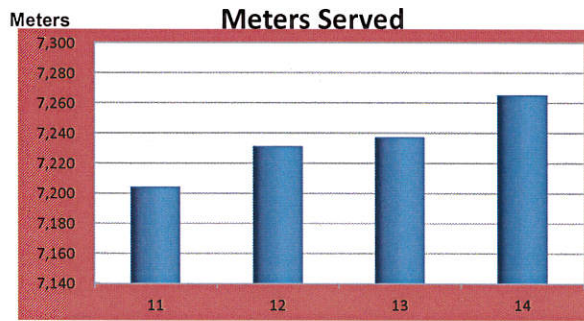
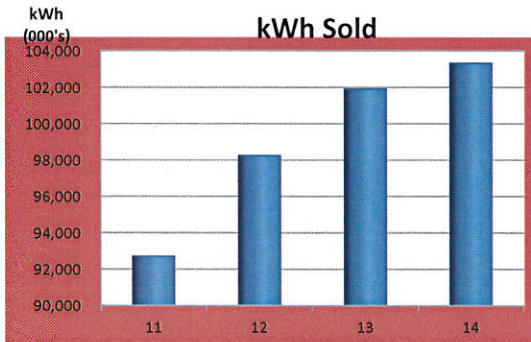
The Five-Year Financial Forecast (which does not include Lewiston) projects a positive financial outlook for the District. The District should be able to easily maintain its Standard and Poors rating of A+ and Moody's A2 rating. However, it should be noted that any number of events, particularly legislative or regulatory mandates like those proposed in the Chu Memo, can drastically alter the financial outlook. It should also be noted that with the commencement of interest payments on the 2010 Bonds and no offsetting revenue source, reserves are projected to steadily decline. This situation will be mitigated by either the construction of the Lewiston Project with revenues from the sale of energy produced or a decision to repay some of the debt if Lewiston is cancelled. Nevertheless, the District is in little danger of losing its favorable comparison of rates with other California utilities.

Trinity Public Utilities District

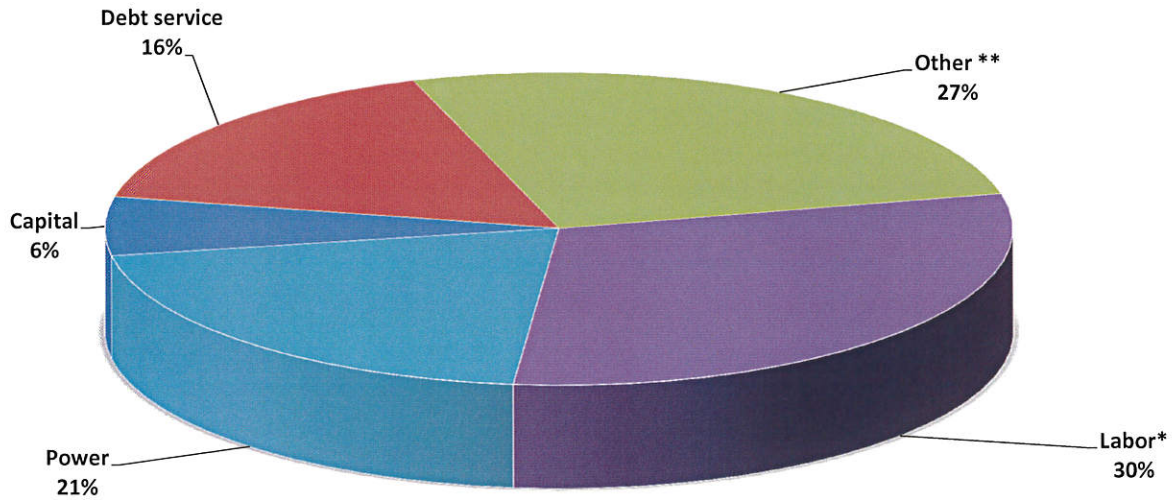
Budget Overview

FY 13/14 Budget

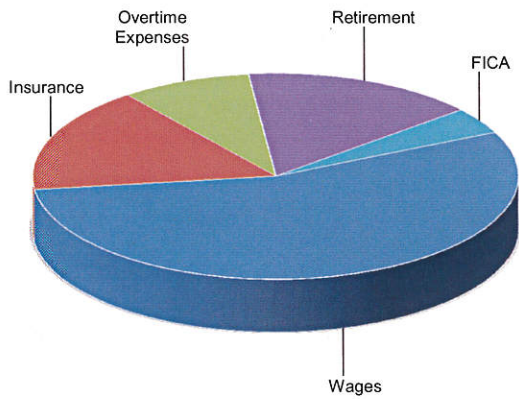
	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Operating receipts	10,323,807	9,913,042	-4.0%	10,132,960	2.2%	11,793,364	16.4%
Operating expenditures	7,338,921	7,547,919	2.8%	7,668,694	1.6%	8,988,052	17.2%
Available for capital	2,984,885	2,365,124	-20.8%	2,464,266	4.2%	2,805,312	13.8%
County/MCMS transactions	151,049	149,376	-1.1%	150,000	0.4%	150,000	0.0%
Capital outlay	7,059,618	2,980,457	-57.8%	1,770,703	-40.6%	3,793,310	114.2%
Bond/loan proceeds	16,012,053	-	-	-	-	-	-
Change in reserves	12,088,370	(465,958)	-103.9%	843,562	-281.0%	(837,999)	-199.3%
Reserves balances (end of year)							
Restricted	7,614,111	5,570,265	-26.8%	4,067,887	-27.0%	2,573,729	-36.7%
Encumbered	916,955	891,159	-2.8%	582,798	-34.6%	1,179,234	102.3%
Customer funds	138,176	77,018	-44.3%	90,913	18.0%	88,808	-2.3%
Dedicated	638,300	525,833	-17.6%	438,800	-16.6%	572,200	30.4%
Total other reserves	9,307,542	7,064,275	-24.1%	5,180,398	-26.7%	4,413,971	-14.8%
Contingency reserves	7,156,338	8,933,647	24.8%	11,661,086	30.5%	11,589,515	-0.6%
Total reserves	16,463,880	15,997,922	-2.8%	16,841,484	5.3%	16,003,486	-5.0%
Debt service coverage ratio	3.34	2.85	-14.7%	2.92	-12.5%	2.34	-19.9%



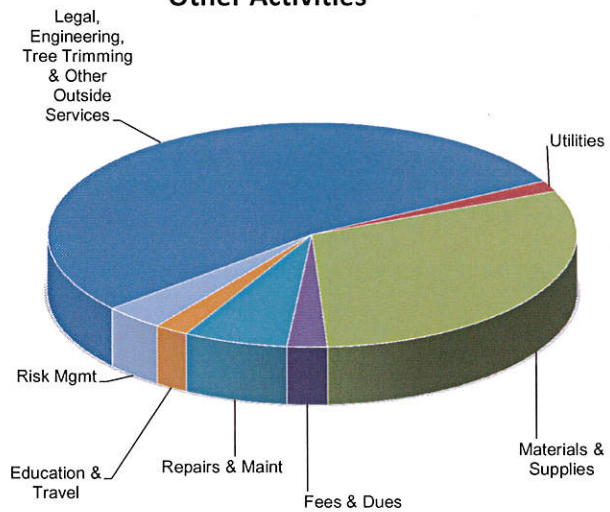
Trinity Public Utilities District Costs by Activities FY 13/14 Budget



Labor*



Other Activities**



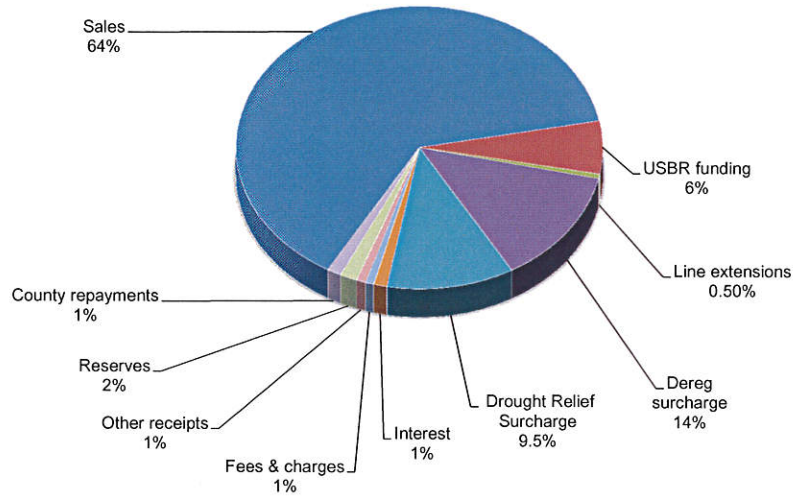
Trinity Public Utilities District Budget Summary FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Revenues							
Energy sales	6,943,859	7,318,068	5.4%	7,471,983	2.1%	7,614,799	1.9%
Surcharge receipts	2,056,790	1,477,897	-28.1%	1,436,896	-2.8%	2,920,799	103.3%
Other receipts	1,323,158	1,117,077	-15.6%	1,224,081	9.6%	1,257,766	2.8%
Total	10,323,807	9,913,042	-4.0%	10,132,960	2.2%	11,793,364	16.4%
Expenses							
Power acquisition	2,520,646	2,239,334	-11.2%	2,656,905	18.6%	2,836,596	6.8%
Operations & maintenance	1,672,059	2,050,987	22.7%	2,175,655	6.1%	2,206,479	1.4%
Customer accounts	770,737	757,762	-1.7%	730,657	-3.6%	681,262	-6.8%
Administrative & general	1,090,036	1,164,242	6.8%	776,905	-33.3%	1,113,132	43.3%
Debt & financing	1,285,443	1,335,594	3.9%	1,328,572	-0.5%	2,150,583	61.9%
Total	7,338,921	7,547,919	2.8%	7,668,694	1.6%	8,988,052	17.2%
Available for capital	2,984,885	2,365,124	-20.8%	2,464,266	4.2%	2,805,312	13.8%
Capital outlay							
Distribution/Transmission	6,933,849	2,804,305	-59.6%	1,656,403	-40.9%	3,413,870	106.1%
Substations	-	-	-	-	-	60,000	-
Customer accounts	116,077	173,597	49.6%	108,539	-37.5%	239,440	120.6%
Property and facilities	9,692	2,555	-	5,762	-	80,000	1288.4%
Total	7,059,618	2,980,457	-57.8%	1,770,703	-40.6%	3,793,310	114.2%
Bond proceeds	16,012,053	-	-	-	-	-	-
County/MCMS transactions	151,049	149,376	-	150,000	-	150,000	-
Change in reserves	12,088,370	(465,958)	-103.9%	843,562	-281.0%	(837,999)	-199.3%
Reserves balances (end of year)							
Restricted	7,614,111	5,570,265	-26.8%	4,067,887	-27.0%	2,573,729	-36.7%
Encumbered	916,955	891,159	-2.8%	582,798	-34.6%	1,179,234	102.3%
Customer funds	138,176	77,018	-44.3%	90,913	18.0%	88,808	-2.3%
Dedicated	638,300	525,833	-17.6%	438,800	-16.6%	572,200	30.4%
Contingency	7,156,338	8,933,647	24.8%	11,661,086	30.5%	11,589,515	-0.6%
Total reserves	16,463,880	15,997,922	-2.8%	16,841,484	5.3%	16,003,486	-5.0%

Trinity Public Utilities District Fund Sources and Uses Summary FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Fund Sources							
Receipts							
Energy sales	6,943,859	7,318,068	5.4%	7,471,983	2.1%	7,614,799	1.9%
Other receipts	3,379,948	2,594,974	-23.2%	2,660,977	2.5%	4,178,566	57.0%
Total	10,323,807	9,913,042	-4.0%	10,132,960	2.2%	11,793,364	16.4%
Reserves/proceeds							
County/MCMS repayments	151,049	148,835	-1.5%	150,000	0.8%	150,000	0.0%
Bond/Loan proceeds	16,012,053	-	-	-	-	-	-
Line extension loans	6,042	14,066	132.8%	11,436	-18.7%	2,010	-82.4%
Restricted reserves	-	-	-	-	-	-	-
Dedicated reserves	219,844	273,500	24.4%	245,100	-10.4%	180,000	-26.6%
Total	16,388,988	436,401	-97.3%	406,536	-6.8%	332,010	-18.3%
Total sources	26,712,794	10,349,443	-61.3%	10,539,496	-60.5%	12,125,374	15.0%
Fund Uses							
Operating expenditures	7,338,921	7,547,919	2.8%	7,668,694	1.6%	8,988,052	17.2%
Capital outlay	7,059,618	2,980,457	-57.8%	1,770,703	-40.6%	3,793,310	114.2%
County/MCMS funding	-	-	-	-	-	-	-
Fund transfers	6,569,876	(1,956,242)	-129.8%	(1,627,341)	-16.8%	(584,417)	-64.1%
Total uses	20,968,414	8,572,134	-59.1%	7,812,057	-8.9%	12,196,946	56.1%
Change in contingency reserves	5,744,380	1,777,309	-69.1%	2,727,439	53.5%	(71,571)	-102.6%

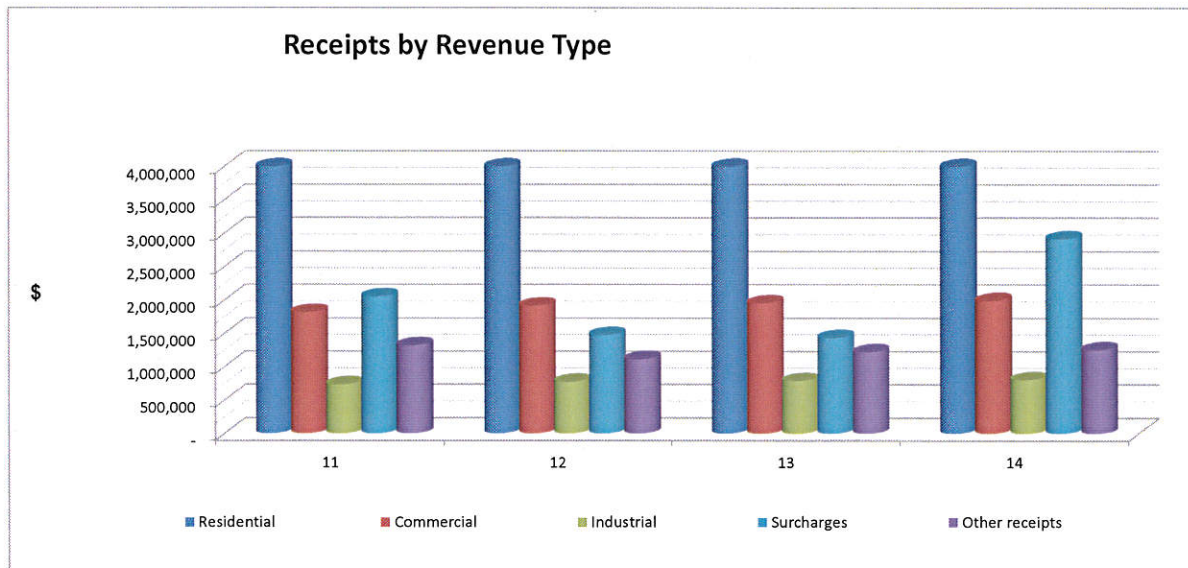
**Sources
FY 13/14**



Trinity Public Utilities District Receipts Summary

FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Sales							
Zone A	3,454,828	3,720,939	7.7%	3,813,440	2.5%	3,930,187	3.1%
Zone B	3,489,031	3,597,129	3.1%	3,658,543	1.7%	3,684,611	0.7%
Total Sales	6,943,859	7,318,068	5.4%	7,471,983	2.1%	7,614,799	1.9%
Surcharges							
Deregulation surcharge	1,593,403	1,477,897	-7.2%	1,436,896	-2.8%	1,577,666	9.8%
Drought Relief surcharge	463,387	-		-		1,343,134	
	2,056,790	1,477,897	-28.1%	1,436,896	-2.8%	2,920,799	103.3%
Other receipts							
Fees and charges	84,745	89,704	5.9%	94,714	5.6%	87,255	-7.9%
Line extensions	100,573	56,410	-43.9%	46,396	-17.8%	57,544	24.0%
Line extension amortizations	10,948	-	-100.0%	-		2,010	
Interest	41,829	59,337	41.9%	54,893	-7.5%	138,795	152.8%
USBR funding	685,083	699,797	2.1%	721,961	3.2%	725,269	0.5%
Joint pole/pole contact income	119,107	161,714	35.8%	281,429	74.0%	163,331	-42.0%
Other misc. income	296,152	50,115	-83.1%	24,688	-50.7%	100,000	305.1%
Uncollectibles	(15,279)	-	-100.0%	-		(16,438)	
Total	1,323,158	1,117,077	-15.6%	1,224,081	9.6%	1,257,766	2.8%
Total	10,323,807	9,913,042	-4.0%	10,132,960	2.2%	11,793,364	16.4%
Bond/Loan proceeds	16,012,053	-		-		-	
Total receipts	26,335,860	9,913,042	-62.4%	10,132,960	2.2%	11,793,364	16.4%



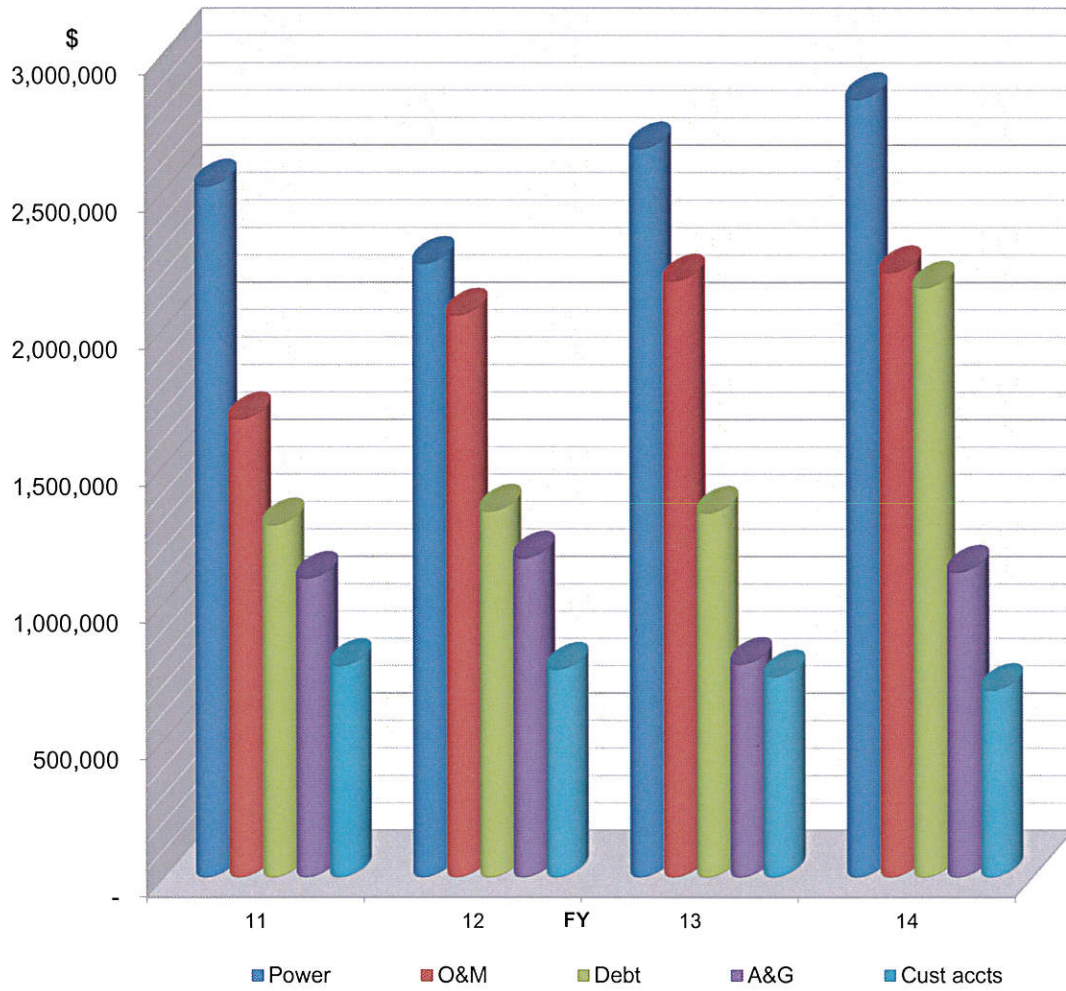
Trinity Public Utilities District Operating Expenditures Summary

FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Power acquisition							
Purchased power	2,254,850	2,131,005	-5.5%	2,479,590	16.4%	2,607,013	5.1%
Transmission	102,450	(59,566)	-158.1%	(141)	-99.8%	-	-100.0%
USBR/WAPA O&M	-	-		-		-	
Revenue adjustment clause	-	-		-		-	
Other	163,346	167,895	2.8%	177,456	5.7%	229,584	29.4%
Total	2,520,646	2,239,334	-11.2%	2,656,905	18.6%	2,836,596	6.8%
Operations & maintenance							
System	131,499	92,039	-30.0%	19,543	-78.8%	215,184	1001.1%
Overhead distribution	1,427,694	1,861,280	30.4%	2,065,560	11.0%	1,810,473	-12.3%
Transmission & UG distribution	46,589	29,368	-37.0%	19,488	-33.6%	42,701	119.1%
Lighting	4,000	4,492	12.3%	4,000	-11.0%	10,961	100%
Buildings/property	25,871	16,045	-38.0%	24,773	54.4%	17,249	-30.4%
Other	36,407	47,762	31.2%	42,291	-11.5%	109,910	159.9%
Total	1,672,059	2,050,987	22.7%	2,175,655	6.1%	2,206,479	1.4%
Customer accounts							
Account maintenance	553,635	547,992	-1.0%	566,448	3.4%	486,617	-14.1%
Meter reading/turtle maint.	161,468	152,652	-5.5%	107,993	-29.3%	133,571	23.7%
Customer relations	51,849	55,394	6.8%	55,056	-0.6%	59,074	7.3%
Other	3,784	1,724	-54.5%	1,160	-32.7%	2,000	72.4%
Total	770,737	757,762	-1.7%	730,657	-3.6%	681,262	-6.8%
Administrative and general							
Utilities	49,496	45,653	-7.8%	47,447	3.9%	55,200	16.3%
Accounting	267,975	206,854	-22.8%	153,149	-26.0%	186,714	21.9%
Risk management	209,729	264,389	26.1%	187,617	-29.0%	219,351	16.9%
Community investment	20,325	20,000	-1.6%	-	-100.0%	20,000	0.0%
Dues and publications	55,369	41,723	-24.6%	42,184	1.1%	43,210	2.4%
Education and travel	38,242	70,275	83.8%	40,094	-42.9%	70,000	74.6%
Supervision	95,000	110,000	15.8%	104,407	-5.1%	111,226	6.5%
Planning	82,880	84,121	1.5%	78,515	-6.7%	89,371	13.8%
Legal	48,039	86,975	81.1%	56,567	-35.0%	83,430	47.5%
Economic Development	-	5,201		25,991	100.0%	183,430	605.7%
Misc. outside services	75,270	34,259	-54.5%	12,292	-64.1%	17,700	44.0%
Other	147,711	194,792	31.9%	28,643	-85.3%	33,500	17.0%
Total	1,090,036	1,164,242	6.8%	776,905	-33.3%	1,113,132	43.3%
Debt and financing							
Interest	630,158	605,734	-3.9%	576,253	-4.9%	984,355	70.8%
Principal	647,058	674,077	4.2%	706,334	4.8%	1,108,838	57.0%
Other	8,227	55,783	578.0%	45,985	-17.6%	57,391	24.8%
Total	1,285,443	1,335,594	3.9%	1,328,572	-0.5%	2,150,583	61.9%
Total operating expenditures	7,338,921	7,547,919	2.8%	7,668,694	1.6%	8,988,052	17.2%

Trinity Public Utilities District

Operating Expenditures



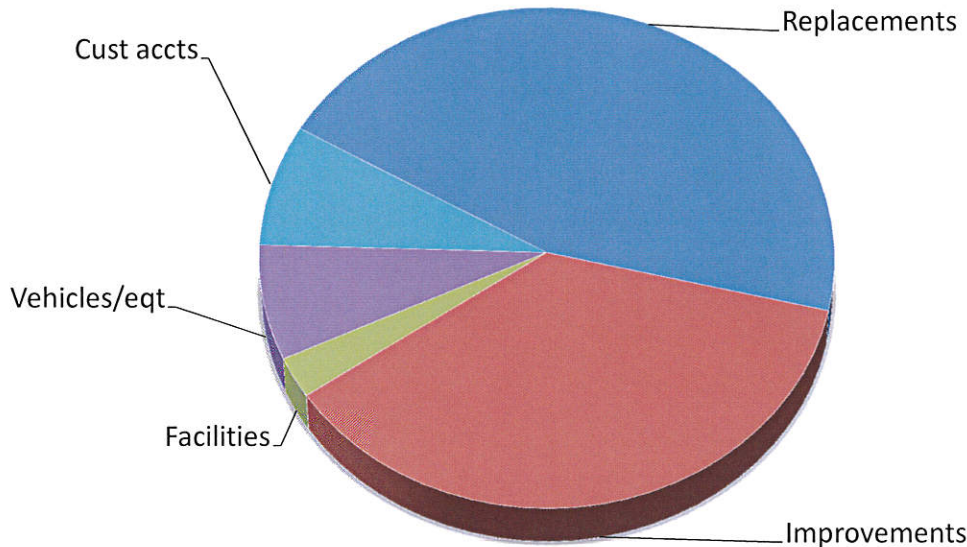
Trinity Public Utilities District

Capital Expenses

FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Distribution/Transmission							
Replacements	751,688	1,287,754	71.3%	1,168,570	-9.3%	1,320,543	13.0%
Improvements	466,921	457,997	-1.9%	384,821	-16.0%	1,118,328	190.6%
CIP	29,041	21,995	-24.3%	23,640	7.5%	520,000	2099.7%
Direct Western tie	4,340,719	-	-100.0%	-	-	-	-
Lewiston generation	1,304,345	919,478	-29.5%	-	-100.0%	-	-
#44 - 2010 Freightliner line truck	-	-	-	-	-	-	-
#27- 2004 Chevy 1 ton flatbed	-	-	-	-	-	-	100.0%
#28 - 2005 Dodge 2500 4X4	-	-	-	-	-	-	-
#29 - 2005 Dodge 2500 4X4	-	-	-	-	-	-	-
Future large field vehicle replacement	-	-	-	-	-	230,000	-
#43 - 2005 Freightliner line truck	-	-	-	-	-	225,000	-
#37 - 2010 Freightliner LG bucket truck	25,056	-	-	-	-	-	100.0%
#33 - 2009 F-550 Trouble truck	-	-	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	-	-	-
Other/Previous years	16,079	117,081	628.2%	79,372	-32.2%	-	100.0%
Total	6,933,849	2,804,305	-59.6%	1,656,403	-40.9%	3,413,870	106.1%
Substations							
CIP/Other	-	-	-	-	-	60,000	-
Total	-	-	-	-	-	60,000	-
Customer accounts							
Data processing/computers	51,442	116,724	126.9%	48,383	-58.5%	121,440	151.0%
Copy machine	-	-	-	-	-	-	-
Automated meter reading/turtles	12,665	-	-100.0%	-	-	6,000	-
NISC CIS software conversion	-	-	-	-	-	-	-
Mapping system	48,503	56,873	17.3%	60,156	5.8%	112,000	86.2%
Other	3,467	-	-	-	-	-	-
Total	116,077	173,597	49.6%	108,539	-37.5%	239,440	120.6%
Property/facilities							
Yard	6,192	2,555	-58.7%	5,762	125.5%	80,000	1288.4%
Facilities	3,500	-	-100.0%	-	-	-	-
Total	9,692	2,555	-57.8%	5,762	-40.6%	80,000	1288.4%
Total capital outlay	7,059,618	2,980,457	-57.8%	1,770,703	-40.6%	3,793,310	114.2%

Capital Outlay



Trinity Public Utilities District Reserves Summary

FY 13/14 Budget

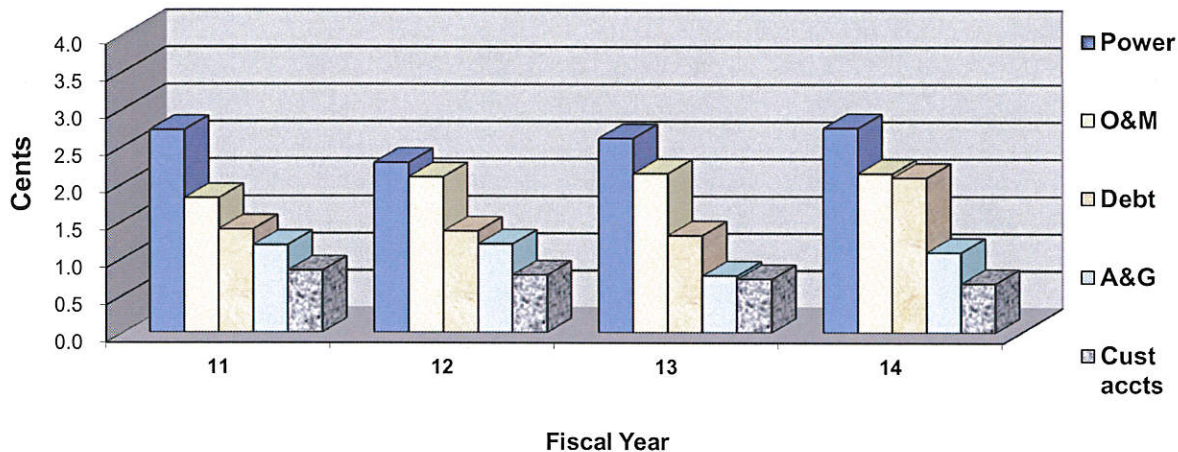
	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	% Growth	13/14 (Budgeted)	Change
Restricted							
Bond/loan reserves	7,592,276	5,550,260	-26.9%	4,040,144	-27.2%	2,558,163	-36.7%
Cafeteria plan	21,835	20,005	-8.4%	27,743	38.7%	15,566	-43.9%
Total	7,614,111	5,570,265	-26.8%	4,067,887	-27.0%	2,573,729	-36.7%
Encumbered							
Payables	629,009	595,939	-5.3%	286,092	-52.0%	884,418	209.1%
Line extension loan fund	287,946	295,220	2.5%	296,706	0.5%	294,816	-0.6%
Total	916,955	891,159	-2.8%	582,798	-34.6%	1,179,234	102.3%
Customer funds							
Security deposits	51,740	55,320	6.9%	69,215	25.1%	69,490	0.4%
Construction advances	77,436	12,698	-83.6%	12,698	0.0%	10,317	-18.7%
Community investments	2,000	2,000	0.0%	2,000	0.0%	2,000	0.0%
Maintenance agreements	7,000	7,000	0.0%	7,000	0.0%	7,000	0.0%
Total	138,176	77,018	-44.3%	90,913	18.0%	88,808	-2.3%
Dedicated	638,300	525,833	-17.6%	438,800	-16.6%	572,200	30.4%
Contingency	7,156,338	8,933,647	24.8%	11,661,086	30.5%	11,589,515	-0.6%
Total reserves	16,463,880	15,997,922	-2.8%	16,841,484	5.3%	16,003,486	-5.0%

Trinity Public Utilities District Performance Factors

FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Average rate (cents/kWh)	7.49	7.37	-1.6%	7.37	0.0%	7.37	0.0%
Growth							
Demand (mw)	20.48	22.24	8.6%	22.47	1.0%	22.69	1.0%
KWh purchased	102,918,086	107,747,026	4.7%	108,824,496	1.0%	109,912,741	1.0%
KWh sold	92,716,850	98,246,102	6.0%	101,898,224	3.7%	103,317,977	1.4%
Energy losses (%)	9.91%	6.73%		6.36%		6.00%	
Meters							
Meters served	7,204	7,231	0.4%	7,237	0.1%	7,265	0.4%
Costs (\$/meter)							
Customer accounts	107	105	-2.1%	101	-3.7%	94	-7.1%
Labor	513	525	2.5%	542	3.2%	532	-2.0%
Operating expenditures	1,019	1,044	2.5%	1,060	1.5%	1,237	16.8%
Expenditures including capital	1,999	1,456	-27.2%	1,304	-10.4%	1,759	34.9%
Distribution							
Miles of distribution line	567	569	0.4%	571	0.4%	573	0.4%
O&M cost including labor/mile	2,949	3,605	22.2%	3,810	5.7%	3,851	1.1%
Labor/mile	1,610	1,725	7.2%	1,719	-0.4%	1,713	-0.3%
Costs/kWh sold (cents/kWh)							
Power acquisition	2.7	2.3	-16.2%	2.6	14.4%	2.7	5.3%
Operations & maintenance	1.8	2.1	15.8%	2.1	2.3%	2.1	0.0%
Customer accounts	0.8	0.8	-7.2%	0.7	-7.0%	0.7	-8.0%
Administrative & general	1.2	1.2	0.8%	0.8	-35.7%	1.1	41.3%
Debt & financing	1.4	1.4	-1.9%	1.3	-4.1%	2.1	59.6%
Uncollectible sales (\$)	15,276	16,100	5.4%	16,438	2.1%	16,753	1.9%
Debt service coverage ratio	3.34	2.85	-14.7%	2.92	2.6%	2.34	-19.9%
Committed/mandated costs (debt service, power, mandated O&M req.)	4,132,274	3,929,342	-4.9%	4,374,623	11.3%	5,371,084	22.8%
Discretionary/variable costs (all other operating expenses, capital outlay)	10,266,265	6,599,033	-35.7%	5,064,775	-23.2%	7,410,278	46.3%
Capital replacements, System	751,688	1,287,754	71.3%	1,168,570	-9.3%	1,380,543	18%

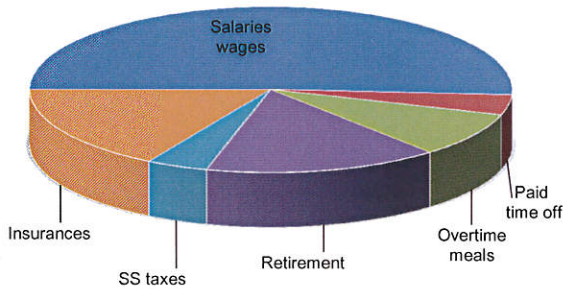
Costs in Cents per kWh



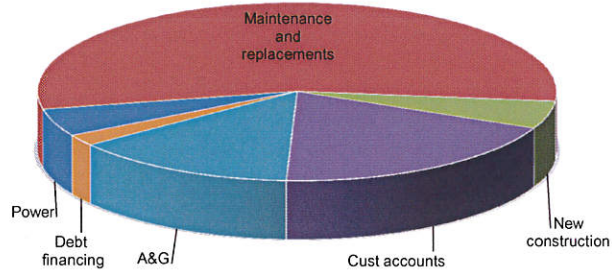
Trinity Public Utilities District Labor Factors FY 13/14 Budget

	10/11 (Actual)	11/12 (Actual)	Change	12/13 (Preliminary)	Change	13/14 (Budgeted)	Change
Labor components							
Salaries and wages	2,053,938	2,010,212	-2.1%	2,082,979	3.6%	1,967,014	-5.6%
Paid time off	152,087	151,306	-0.5%	145,809	-3.6%	152,217	4.4%
Overtime/meals/standby	244,645	296,435	21.2%	328,513	10.8%	335,017	2.0%
Retirement	526,772	548,726	4.2%	573,129	4.4%	606,280	5.8%
Social Security taxes	157,797	155,666	-1.4%	150,356	-3.4%	160,035	6.4%
Insurance	557,693	635,287	13.9%	642,685	1.2%	640,888	-0.3%
Total	3,692,932	3,797,631	2.8%	3,923,471	3.3%	3,861,451	-1.6%
Labor distribution							
Power acquisition	184,647	189,882	2.8%	196,174	3.3%	193,073	-1.6%
Maintenance/replacements	2,031,112	2,088,697	2.8%	2,157,909	3.3%	2,123,798	-1.6%
New construction	184,647	189,882	2.8%	196,174	3.3%	193,073	-1.6%
Customer accounts	701,657	721,550	2.8%	745,459	3.3%	733,676	-1.6%
Administrative & general	517,010	531,668	2.8%	549,286	3.3%	540,603	-1.6%
Debt & financing	73,859	75,953	2.8%	78,469	3.3%	77,229	-1.6%
Total	3,692,932	3,797,631	2.8%	3,923,471	3.3%	3,861,451	-1.6%
Labor costs per:							
Mile of line	6,513	6,674	2.5%	6,871	3.0%	6,739	-1.9%
KWh sold (cents)	3.98	3.87	-3.0%	3.85	-0.4%	3.74	-2.9%
Meter (\$)	513	525	2.5%	542	3.2%	532	-2.0%
Percent of total receipts	35.8%	38.3%	7.1%	38.7%	1.1%	32.7%	-15.4%

**Breakdown of Labor Dollar
FY 13/14**



**Labor by Cost Center
FY 13/14**



Trinity Public Utilities District

Projected Costs By Activity

Power acquisition	
Purchased power	2,607,013
Transmission	-
USBR O&M funding/BANC Costs	-
Metering	-
Other	25,000
	<u>2,632,013</u>
Labor	
Wages and salaries	2,145,364
Health insurance	594,736
Cafeteria plan	720
Retirement	606,280
Overtime and standby pay	293,999
Social Security taxes	151,264
Workers compensation	45,432
Retirement annuity	8,771
Meals/per diem	14,886
	<u>3,861,451</u>
Materials and supplies	
Operation supplies	35,000
System materials	733,000
Billing and Office supplies	15,000
Postage	35,000
Fuel	110,000
Tires	40,000
Small tools	25,000
Construction eqt	40,000
	<u>1,033,000</u>
Outside services	
Tree trimming/pole clearing	440,000
Road maint/right of way clearing	45,000
Hazardous waste disposal	10,000
Training	11,500
Storm assistance	100,000
Engineering, systems testing/routine maint	210,000
Power acquisition consulting	585,000
Human resources/consulting	5,000
Economic Development/consulting	150,000
Legal	75,000
Backhoes and excavators	40,000
All others	62,700
Auditing	30,000
Bill processing, collections	31,700
Janitorial	14,400
Computer programming	6,000
	<u>1,816,300</u>

Trinity Public Utilities District

Projected Costs By Activity

Utilities	
Electric	17,000
Water	2,300
Telephone	23,600
Garbage	10,000
Sewer	1,500
	<u>54,400</u>
Rents and leases	
Facilities rents	1,000
Equipment rents	4,100
	<u>5,100</u>
Education and travel	
	<u>70,000</u>
Fees and permits	
Land use permits	30,000
Pole contact fees	10,000
Dues and subscriptions	43,210
	<u>83,210</u>
Risk management	
Liability insurance	80,000
Damages	10,000
Safety	30,000
Wellness/cafeateria program	4,000
	<u>124,000</u>
Repairs and maintenance	
Repairs	131,500
Licensing agreements	70,000
Maintenance agreements	15,000
	<u>216,500</u>
Debt service	
Principal	1,108,838
Interest	984,355
Issuance costs	19,196
	<u>2,112,389</u>
Capital outlay	
Real property/facilities	80,000
System Improvements	-
Equipment	178,000
Capital projects	60,000
Vehicles	455,000
	<u>773,000</u>
Total	<u><u>12,781,363</u></u>

Fiscal Year 2013/2014 Budget Notes

Receipts

Sales:

Retail kWh sales are estimated to increase 3.7% from FY 11/12 to FY 12/13. Retail Sales revenue increased by approximately 2.1%. Staff is forecasting a 1.0% growth factor for FY 13/14 as well as 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 2013, the Bureau of Reclamation declared that the current water year was a Below Normal Water Year. In compliance with District Policy, after two consecutive years of Below Normal Water, the Drought Relief Surcharge has been factored in to the 13/14 Budget Year.

The Deregulation Surcharge was decreased from \$0.0172 per kWh to \$0.01527 in January 2012. The FY 13/14 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 increased by 18.6% FY 11/12 to FY 12/13. This increase follows the 11.2% drop from FY 10/11 to FY 11/12. Originally the District forecasted a decrease of 6.3%, however received an unexpected refund (\$97,000) of CAISO charges which contributed to the larger percentage drop. For FY 13/14, the District is forecasting a 6.8% increase to power costs. This increase is primarily anticipated due to the consecutive two year below average hydro generation.

"Other Power Acquisition Costs" include \$230,000 for legislative advocacy (\$60,000), labor (\$115,000), Energy Consulting (\$5,000), legal costs (\$25,000) associated with general wholesale power issues and costs associated with BANC (\$25,000).

Operations and Maintenance:

O&M costs increased by approximately 6.1%, which is mainly due to one significant winter storm. The Budget for FY 13/14 is factoring in a more conservative 1.4% increase from FY12/13 to FY 13/14.

Customer Accounts:

Customer Accounts are projected to decrease by approximately 6.8% mainly due to a projected decrease in Customer Account maintenance. The District is currently in the process of launching a website which will enable customers to pay their bills on-line which should reduce staff time in connection with customer account maintenance.

Fiscal Year 2013/2014 Budget Notes

Administrative and General:

Costs are projected to increase by approximately 43.3%. However, this increase follows a 33% decrease from FY 10/11 to FY 11/12. During FY 12/13, the District budgeted \$100,000 to complete a land exchange. The transaction did not occur and therefore the budgeted amount was carried forward resulting in the appearance of a large percentage increase. The Administrative and General Budget for FY 13/14 is slightly less than prior years when the land exchange expense is removed.

Debt and Financing:

Debt and financing will increase significantly due to the fact that the payment of the interest portion of the 2010 Bonds commences during FY 13/14.

Capital Outlay

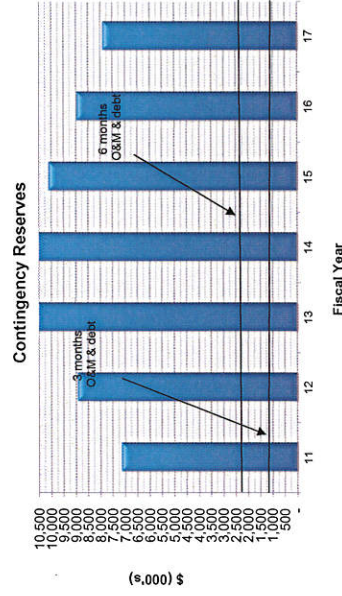
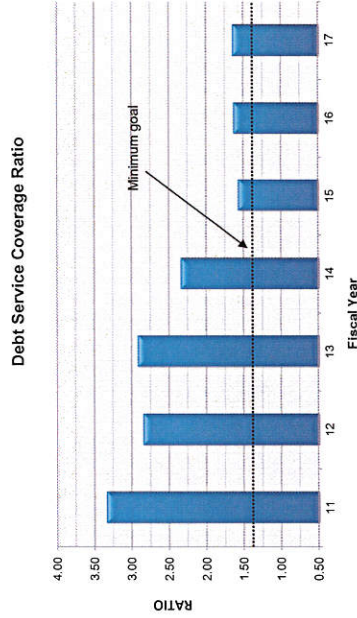
The FY 13/14 Budget reflects the following:

- System Improvements including pole and distribution line replacements as well as system upgrades, which for the next three months will be funded through Bond proceeds;
- The Lewiston Hydroelectric Project is on hold and therefore not included in the FY 13/14 budget;
- Nonrecurring Capital Costs for FY 13/14 that have been previously included in dedicated funds are the purchase of a new bucket truck (\$230,000) (carried forward from FY 12/13) and replacing the 2005 line Truck. Capital costs budgeted in FY 12/13 but not spent are carried forward to FY 13/14 including replacing the office generator (\$70,000) and material substation work in Big Bar (\$60,000).

Trinity Public Utilities District Financial Forecast Overview

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Operating receipts	10,323,807	9,913,042	10,132,960	-0.9%	11,793,364	10,598,423	10,760,433	10,901,286	11,046,840	-1.6%
Operating expenditures	7,338,921	7,547,919	7,668,694	2.2%	8,988,052	9,174,534	9,192,366	9,287,041	9,385,796	1.1%
Available for capital	2,984,885	2,365,124	2,464,266	-8.7%	2,805,312	1,423,889	1,568,068	1,614,245	1,661,044	-10.2%
Capital outlay	7,059,618	2,980,457	1,770,598	-37.5%	3,793,310	3,195,572	2,974,456	2,991,548	2,868,876	-6.1%
Bond/loan proceeds	16,012,053	-	-	-	150,000	150,000	150,000	150,000	150,000	0.0%
Net County/MCMS repayments	151,049	149,376	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	12,088,370	(465,958)	843,668	-46.5%	(837,999)	(1,621,683)	(1,256,388)	(1,227,303)	(1,057,832)	6.6%

Reserves balances (end of year)	10/11	11/12	12/13	11-13	13/14	14/15	15/16	16/17	17/18	14-18
Other reserves	9,307,542	7,064,275	5,180,398	-22.2%	4,413,971	4,277,821	4,131,096	3,976,762	3,950,552	-3%
Contingency reserves	7,156,338	8,933,647	11,661,086	31.5%	11,589,515	10,103,982	8,976,318	7,903,350	6,871,727	-10.2%
Total reserves	16,463,880	15,997,922	16,841,484	1.1%	16,003,486	14,381,803	13,107,415	11,880,112	10,822,279	-8.1%
Debt service coverage ratio	3.34	2.85	2.92	-6.2%	2.34	1.57	1.63	1.65	1.67	-7.2%



Trinity Public Utilities District Forecast Summary

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Revenues										
Energy sales	6,943,859	7,318,068	7,471,983	3.8%	7,614,799	7,690,947	7,767,856	7,845,535	7,923,990	1.0%
Surcharge receipts	2,056,790	1,477,897	1,436,896	-15.1%	2,920,799	1,639,393	1,716,867	1,768,373	1,821,424	-9.4%
Other receipts	1,323,158	1,117,077	1,224,081	-3.7%	1,257,766	1,268,083	1,275,711	1,287,379	1,301,426	0.9%
Total	10,323,807	9,913,042	10,132,960	-0.9%	11,793,364	10,598,423	10,760,433	10,901,286	11,046,840	-7.5%
Expenses										
Power acquisition	2,520,646	2,239,334	2,856,905	2.7%	2,836,596	2,732,463	2,695,144	2,736,459	2,778,427	-0.5%
Operations & maintenance	1,672,059	2,050,987	2,175,655	15.1%	2,206,479	2,235,633	2,265,202	2,295,194	2,325,615	1.3%
Customer accounts	770,737	757,762	730,657	-2.6%	681,262	689,369	697,572	705,874	714,273	1.2%
Administrative & general	1,090,036	1,164,242	776,905	-14.4%	1,113,132	1,009,637	1,026,481	1,043,672	1,061,217	-1.2%
Debt & financing	1,285,443	1,335,594	1,328,572	1.7%	2,150,583	2,507,433	2,507,967	2,505,842	2,506,263	4.1%
Total	7,338,921	7,547,919	7,668,694	2.2%	8,988,052	9,174,534	9,192,366	9,287,041	9,385,796	1.1%
Available for capital	2,984,885	2,365,124	2,464,266	-8.7%	2,805,312	1,423,889	1,568,068	1,614,245	1,661,044	-10.2%
Capital outlay	7,059,618	2,980,457	1,770,598	-37.5%	3,793,310	3,195,572	2,974,456	2,991,548	2,868,876	-6.1%
Bond proceeds	16,012,053	-	-	-	-	-	-	-	-	-
County/MCMS funding	151,049	149,376	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	0.0%
County/MCMS repayments	12,088,370	(465,958)	843,668	-46.5%	(837,999)	(1,621,683)	(1,256,388)	(1,227,303)	(1,057,832)	6.6%
Reserves balances (end of year)										
Encumbered	916,955	891,159	582,798	-18.2%	1,179,234	1,189,670	1,200,106	1,210,668	1,221,354	0.9%
Restricted Reserves	7,614,111	5,570,265	4,067,887	-9.9%	2,573,729	2,574,100	2,574,479	2,574,867	2,575,265	2.5%
Customer funds	138,176	77,018	90,913	-17.1%	88,808	85,785	84,751	83,707	82,653	-1.7%
Dedicated	638,300	525,633	438,800	-15.6%	572,200	428,267	271,760	107,520	71,280	-21.9%
Total other reserves	9,307,542	7,064,275	5,180,398	-22.2%	4,413,971	4,277,821	4,131,096	3,976,762	3,950,552	-2.6%
Contingency fund	7,156,338	8,933,647	11,661,086	31.5%	11,589,515	10,103,982	8,976,318	7,903,350	6,871,727	-10.2%
Total reserves	16,463,880	15,997,922	16,841,484	1.1%	16,003,486	14,381,803	13,107,415	11,880,112	10,822,279	-8.1%

Trinity Public Utilities District Forecast of Fund Sources and Uses

Fund Sources	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Receipts										
Energy sales	6,943,859	7,318,068	7,471,383	3.8%	7,614,799	7,680,947	7,767,856	7,845,535	7,923,980	1.0%
Surcharge receipts	2,056,790	1,477,897	1,436,896	-15.1%	2,920,799	1,639,393	1,716,867	1,768,373	1,821,424	-9.4%
Other receipts	1,323,158	1,117,077	1,224,081	-3.7%	1,257,766	1,268,083	1,275,711	1,287,379	1,301,426	0.9%
Total	10,323,807	9,913,042	10,132,960	-0.9%	11,793,364	10,598,423	10,760,433	10,901,286	11,046,840	-1.6%
Reserves/proceeds										
County/MCMS repayments	151,049	148,835	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	0.0%
Bond/Loan proceeds	16,012,053	-	-	-	-	-	-	-	-	-
Line extension loans	6,042	14,066	11,436	44.6%	2,010	8,844	8,842	8,839	8,837	84.9%
Restricted reserves	-	-	-	-	-	-	-	-	-	-
Dedicated reserves	219,844	273,500	245,100	5.7%	180,000	284,000	252,267	208,000	60,000	-16.7%
Total	16,388,988	436,401	406,536	-48.8%	332,010	442,844	411,109	366,839	218,837	-8.5%
Total sources	26,712,794	10,349,443	10,539,496	-30.3%	12,125,374	11,041,267	11,171,542	11,268,125	11,265,676	-1.8%
Fund Uses										
Operating expenditures	7,338,921	7,547,919	7,668,694	2.2%	8,988,052	9,174,534	9,192,366	9,287,041	9,385,796	1.1%
Capital outlay	7,059,618	2,980,457	1,770,598	-37.5%	3,793,310	3,195,572	2,974,456	2,991,548	2,868,876	-6.1%
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
Fund transfers	6,569,876	(1,956,242)	(1,627,341)	-62.4%	(584,417)	(584,417)	156,695	114,384	62,505	-27.7%
Total uses	20,968,414	8,572,134	7,811,951	-31.4%	12,196,946	11,785,689	12,323,516	12,392,973	12,317,177	0.2%
Change in contingency reserves	5,744,380	1,777,309	2,727,544	-26.3%	(71,571)	(744,421)	(1,151,974)	(1,124,848)	(1,051,501)	342.3%

Trinity Public Utilities District Forecast of Capital Outlay

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Distribution/Transmission										
Replacements	751,688	1,287,754	1,168,570	27.7%	1,320,543	1,349,620	1,379,337	1,409,708	1,440,749	2.3%
Improvements	466,921	457,997	384,821	-8.8%	1,118,328	1,142,952	1,166,119	1,193,840	1,220,127	2.3%
CIP	29,041	21,995	23,640	-9.3%	520,000	-	-	-	-	-
Direct Western tie	4,340,719	-	-	-50.0%	-	-	-	-	-	-
Transmission										
Lewis generation	1,304,345	919,478	-	-50.0%	-	-	-	245,000	-	0.0%
#44 - 2010 Freightliner line truck	-	-	-	-	-	-	-	-	-	-
#11 - 1999 Chrysler sedan	-	-	-	-	-	-	-	-	-	-
#33 - 2009 F-350 Trouble truck	-	-	-	-	125,000	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	-	-	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 Snocat	-	34,922	34,448	-	180,000	-	-	-	-	-
#59 - 2007 Butler pole trailer	-	-	-	-	-	-	-	15,000	-	-
#57 - 2003 Maxi-lift snowcat trailer	-	-	-	-	30,000	-	-	-	-	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	185,000	-	-	-	-	-
#53 - 1985 Altec pole trailer	-	-	-	-	15,000	-	-	-	-	-
#23 - 2004 GMC Sierra 4x4	-	28,263	22,409	-	-	-	-	-	-	-
#26 - 2004 GMC Sierra 4x4	-	28,263	22,409	-	-	-	-	-	-	-
#27 - 2004 Chevy 1 ton flatbed	-	-	-	-	-	-	-	-	-	-
#28 - 2005 Dodge 2500 4X4	-	-	-	-	-	-	-	-	-	-
#29 - 2005 Dodge 2500 4X4	-	-	-	-	-	-	-	-	-	-
#43 - 2005 Freightliner line truck	-	-	-	-	225,000	-	-	-	-	-
#19 - 2007 Chevy Silverado	-	-	-	-	-	-	22,000	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	-	-	-	225,000	-	-	-
#66 - 2007 Polaris 4x4 OHV	25,056	-	-	-	-	-	-	-	-	-
Future large field vehicle replacement	-	-	-	-	-	-	-	-	-	-
Other	16,079	25,633	-	-	230,000	-	-	-	-	-
Total	6,933,849	2,804,305	1,656,297	-38.1%	3,413,870	3,067,572	2,846,456	2,863,548	2,660,876	-5.5%
Substations										
	-	-	-	-	60,000	-	-	-	-	0.0%
Customer accounts										
Data processing/computers	51,442	116,724	48,383	-3.0%	121,440	60,000	60,000	60,000	140,000	3.8%
Copy machine	-	-	-	-	-	-	-	-	-	-
Automated meter reading/turibles	12,865	-	-	-50.0%	6,000	6,000	6,000	6,000	6,000	-
Mapping system	48,503	56,873	60,156	12.0%	112,000	52,000	52,000	52,000	52,000	-13.4%
NISC CIS software conversion	-	-	-	-	-	-	-	-	-	-
Other	3,467	-	-	-	-	-	-	-	-	-
Total	116,077	173,597	108,539	-3.2%	239,440	118,000	118,000	118,000	198,000	-4.3%
Property/facilities										
	9,692	2,555	5,762	-	80,000	10,000	10,000	10,000	10,000	-21.9%
Total capital outlay	7,059,618	2,980,457	1,770,598	-37.5%	3,793,310	3,195,572	2,974,456	2,991,548	2,868,876	-6.1%

**Trinity Public Utilities District
Forecast of Reserves**

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Restricted										
Bond/loan reserves	7,592,276	5,550,260	4,040,144	-23.4%	2,556,163	2,556,163	2,556,163	2,556,163	2,556,163	0.0%
Cafeteria plan	21,835	20,005	27,743	13.5%	15,566	15,936	16,316	16,704	17,102	2.5%
Total	7,614,111	5,570,265	4,067,887	-9.9%	2,573,729	2,574,100	2,574,479	2,574,867	2,575,265	2.5%
Encumbered										
Line extension loan fund	287,946	295,220	296,706	1.5%	294,816	294,728	294,639	294,551	294,462	0.0%
Payables	629,009	595,939	286,092	-27.3%	884,418	894,942	905,467	916,117	926,892	1.2%
Total	916,955	891,159	582,798	-25.7%	1,179,234	1,189,670	1,200,106	1,210,668	1,221,354	1.2%
Customer funds										
Security deposits	51,740	55,320	69,215	16.9%	69,490	69,630	69,770	69,912	70,055	0.2%
Construction advances	77,436	12,698	12,698	-41.8%	10,317	9,155	7,981	6,795	5,598	-11.4%
Community investments	2,000	2,000	2,000	0.0%	2,000	-	-	-	-	-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	138,176	77,018	90,913	-17.1%	88,808	85,785	84,751	83,707	82,653	-1.7%
Dedicated	638,300	525,833	438,800	-15.6%	572,200	428,267	271,760	107,520	71,280	-21.9%
Contingency fund										
Contingency	7,156,338	8,933,647	11,661,086	31.5%	11,589,515	10,103,982	8,976,318	7,903,350	6,871,727	-10.2%
Total	7,156,338	8,933,647	11,661,086	31.5%	11,589,515	10,103,982	8,976,318	7,903,350	6,871,727	-10.2%
Total reserves	16,463,880	15,997,922	16,841,484		16,003,486	14,381,803	13,107,415	11,880,112	10,822,279	

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

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Average rate (cents/kWh)	7.49	7.37	7.37	-0.8%	7.37	7.37	7.37	7.37	7.37	0.0%
Growth										
Demand (mw)	20,483	22,244	22,466	4.8%	22,691	22,918	23,147	23,379	23,612	1.0%
KWh purchased (000's)	102,918	107,747	108,824	2.9%	109,913	111,012	112,122	113,243	114,376	1.0%
KWh sold (000's)	92,717	98,246	101,898	5.0%	103,318	104,351	105,395	106,449	107,513	1.0%
Energy/losses (%)	9.91%	6.73%	6.36%	-17.9%	6.00%	6.00%	6.00%	6.00%	6.00%	0.0%
Meters										
Meters served	7,204	7,231	7,237	0.2%	7,265	7,293	7,321	7,349	7,378	0.4%
Costs (\$/meter)	107	105	101	-2.8%	94	95	95	96	97	0.8%
Customer accounts	513	525	542	2.9%	532	559	572	584	597	3.1%
Labor										
Distribution										
Miles of distribution line	567	569	571	0.4%	573	575	577	579	581	0.3%
O&M cost including labor/mile	2,949	3,605	3,810	14.6%	3,851	3,888	3,926	3,964	4,003	1.0%
Labor/mile	1,610	1,725	1,719	3.4%	1,713	1,707	1,702	1,696	1,690	-0.3%
Costs/kWh sold (cents/kWh)										
Power acquisition	2.7	2.3	2.6	-2.0%	2.7	2.6	2.6	2.6	2.6	-1.5%
Operations & maintenance	1.8	2.1	2.1	9.2%	2.1	2.1	2.1	2.2	2.2	0.3%
Customer accounts	0.8	0.8	0.7	-6.9%	0.7	0.7	0.7	0.7	0.7	0.2%
Administrative & general	1.2	1.2	0.8	-17.6%	1.1	1.0	1.0	1.0	1.0	-2.1%
Debt & financing	1.4	1.4	1.3	-3.0%	2.1	2.4	2.4	2.4	2.3	3.0%
Uncollectible sales (\$)	15,276	16,100	16,438	3.8%	16,753	16,920	17,089	17,260	17,433	1.0%
Debt service coverage ratio	3.34	2.85	2.92	-6.2%	2.34	1.57	1.63	1.65	1.67	-7.2%
Capital replacements, System	751,688	1,287,754	1,168,570	27.7%	1,380,543	1,349,620	1,379,337	1,409,708	1,440,749	1.1%

Trinity Public Utilities District Forecast of Labor Factors

	10/11 (Actual)	11/12 (Actual)	12/13 (Preliminary)	11-13 % Growth	13/14 (Budgeted)	14/15 (Projected)	15/16 (Projected)	16/17 (Projected)	17/18 (Projected)	14-18 % Growth
Labor components										
Salaries and wages	2,053,938	2,010,212	2,082,979	0.7%	1,967,014	2,104,001	2,149,383	2,195,833	2,243,377	3.5%
Paid time off	152,087	151,306	145,809	-2.1%	152,217	158,907	165,891	173,182	180,793	4.7%
Overtime/meals/standby	244,645	296,435	328,513	17.1%	335,017	349,741	365,112	381,169	397,911	4.7%
Retirement	526,772	548,726	573,129	4.4%	606,280	633,304	646,964	660,946	675,256	2.8%
Social Security taxes	157,797	155,666	150,356	-2.4%	160,035	170,364	174,781	179,332	184,021	3.7%
Insurance	557,693	635,287	642,685	7.6%	640,888	661,300	682,363	704,096	726,521	3.3%
Total	3,692,932	3,797,631	3,923,471	3.1%	3,861,451	4,077,618	4,184,495	4,294,547	4,407,879	3.5%
Labor distribution										
Power acquisition	184,647	189,882	196,174	3.1%	193,073	203,881	209,225	214,727	220,394	3.5%
Maintenance/replacements	2,031,112	2,088,697	2,157,909	3.1%	2,123,798	2,242,680	2,301,472	2,362,001	2,424,334	3.5%
New construction	184,647	189,882	196,174	3.1%	193,073	203,881	209,225	214,727	220,394	3.5%
Customer accounts	701,657	721,550	745,459	3.1%	733,676	774,747	795,054	815,964	837,497	3.5%
Administrative & general	517,010	531,668	549,286	3.1%	540,603	570,867	585,829	601,237	617,103	3.5%
Debt & financing	73,859	75,953	78,469	3.1%	77,229	81,552	83,690	85,891	88,158	3.5%
Total	3,692,932	3,797,631	3,923,471	3.1%	3,861,451	4,077,618	4,184,495	4,294,547	4,407,879	3.5%
Labor costs per:										
Mile of line	6,513	6,674	6,871	2.7%	6,739	7,092	7,252	7,417	7,587	3.1%
KWh sold (cents)	4	4	4	-1.7%	4	4	4	4	4	2.4%
Meter (\$)	513	525	542	2.9%	532	559	572	584	597	3.1%
Percent of total receipts	35.8%	38.3%	38.7%	4.1%	32.7%	36.5%	38.9%	39.4%	39.9%	5.5%

Fiscal Year 2013/2014 Financial Forecast Notes

Assumptions

The following assumptions were used to prepare the Forecast:

1. Inflation 3.0% per year.
2. Load Growth 1.0% each year.
3. Western Rates Power costs are expected to increase 6.8% from FY 12/13 to FY 13/14 and level off in future years. 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. The remaining System Improvement funds are scheduled to be utilized by October 2013.
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 \$2,558,000 and accrued costs not yet paid, at an amount of approximately \$884,000 per year. The available reserve for Line Extension loans is \$295,000. The Budget is cash based. Inclusion of the Encumbered Funds and exclusion of Accrued Revenues provides a safety margin in the Budget.
8. Remaining With few exceptions, expenses are projected to either grow Expenses 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 2018.
- 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 13/14

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 Regional Transmission Organization's (RTO).
 - Defend against Power Marketing Administration (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.
 - Support a return to cost based services and obligation to serve.

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.
5. Reduce District liability exposure for safety and environmental issues

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:

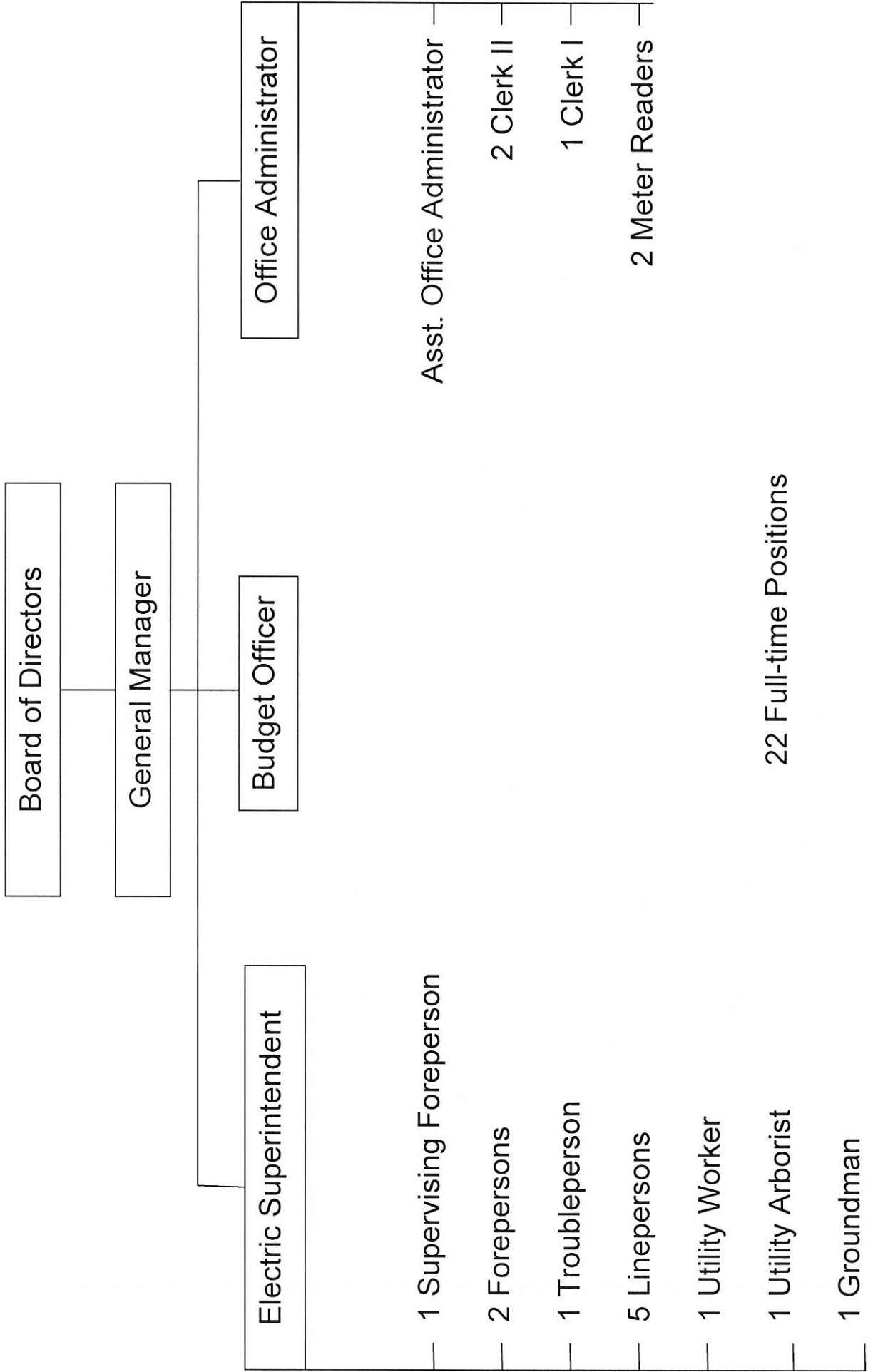
1. Distribute benefits from the 1955 Trinity River Division (TRD) Act to the balance of the County.

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 2013**



**Trinity Public Utilities District
Other Financial Information**

	FY08-09 ACTUAL	FY09-10 ACTUAL	FY10-11 ACTUAL	FY11-12 ACTUAL	FY12-13 (ESTIMATED)
Energy Sales and Customers					
Customers (average)					
Residential	5,890	5,951	6,023	6,045	6,050
Commercial	1,155	1,167	1,180	1,185	1,186
Industrial	1	1	1	1	1
Total	7,046	7,119	7,204	7,231	7,237
Energy Hours Sold (MWh)					
Residential	55,620	54,838	57,114	60,520	62,769
Commercial	27,645	31,363	32,311	30,281	31,377
Industrial	7,027	2,822	3,292	7,446	7,752
Total	90,292	89,023	92,717	98,246	101,898
Sales of Electric Energy (\$000's)					
Residential	\$ 4,103	\$ 4,115	\$ 4,305	\$ 4,515	\$ 4,573
Commercial	2,154	2,368	2,411	2,281	2,289
Industrial	361	154	228	486	514
Total	\$ 6,618	\$ 6,637	\$ 6,944	\$ 7,282	\$ 7,376
System Average Base Rate (per kWh)					
	\$ 0.0733	\$ 0.0746	\$ 0.0749	\$ 0.0741	\$ 0.0724
Power purchased (MWh X 1,000)					
Energy Purchased from:					
Western Area Power Administration (Western)	94.6	94.2	102.9	107.7	108.8
Energy Disposition (MWh X 1,000)					
Total Energy Sales	90.3	89.0	92.7	98.2	101.9
Total Power Loss	4.3	5.2	10.2	9.5	6.9
Peak Demand (MW)					
Winter	17.8	16.0	19.6	22.2	22.9
Summer	15.1	17.1	16.9	17.2	16.9
Energy Expenses (000's)					
Purchased Power Expense	\$ 2,254	\$ 2,513	\$ 2,255	\$ 2,131	\$ 2,480
Other Electric Statistics					
Utility Plant (less accumulated depreciation (000's)	\$ 22,282	\$ 22,552	\$ 28,938	\$ 29,041	\$ 22,286
Distribution					
Overhead Circuit Miles	505.5	507.5	509.5	511.5	513.5
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)					
	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
(PROJECTED) (PROJECTED) (PROJECTED) (PROJECTED) (PROJECTED)					
Energy and Demand Requirements					
Peak Demand (MW)	22,691	22,918	23,147	23,379	23,612
Energy (MWh)	109,913	111,012	112,122	113,243	114,376

**Trinity Public Utilities District
Other Financial Information**

Electric Rate Comparison		FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
Residential Monthly Bill (1,000 kWh)		ACTUAL	ACTUAL	ACTUAL	ACTUAL	(ESTIMATED)
Pacific Gas & Electric						
	Summer	\$ 278.13	\$ 283.12	\$ 286.49	\$ 268.13	\$ 277.44
	Winter	\$ 230.08	\$ 245.71	\$ 249.13	\$ 243.87	\$ 252.37
Sacramento Municipal Utility District						
	Summer	\$ 112.42	\$ 126.08	\$ 128.92	\$ 126.02	\$ 122.53
	Winter	\$ 86.30	\$ 94.60	\$ 96.70	\$ 125.23	\$ 123.32
Lassen Municipal Utility District						
	Summer	\$ 150.00	\$ 140.00	\$ 120.00	\$ 130.00	\$ 130.00
	Winter	\$ 150.00	\$ 140.00	\$ 120.00	\$ 130.00	\$ 130.00
City of Redding						
	Summer	\$ 113.56	\$ 115.00	\$ 123.90	\$ 142.80	\$ 165.80
	Winter	\$ 113.56	\$ 115.00	\$ 123.90	\$ 142.80	\$ 165.80
City of Shasta Lake						
	Summer	\$ 134.33	\$ 122.00	\$ 132.00	\$ 157.70	\$ 164.90
	Winter	\$ 134.33	\$ 122.00	\$ 132.00	\$ 157.70	\$ 164.90
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:	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
	\$ 0.0274	\$ 0.0251	\$ 0.0240	\$ 0.0219	\$ 0.0157

NA = Not available

**LEGISLATED ANNUAL REPORTING REQUIREMENTS
For Calendar Year 2012**

- Expenditures for renewable energy resource development – \$54,634¹
- Expected and actual renewable energy used - 100% hydro energy¹
- Expenditures Energy Efficiency and Demand reduction - \$ 3,405
- 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 -

2007	2008	2009	2010	2011	2012
97,056 kWh	110,537kWh	119,972kWh	130,756kWh	138,844kWh	140,192kWh

- 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.