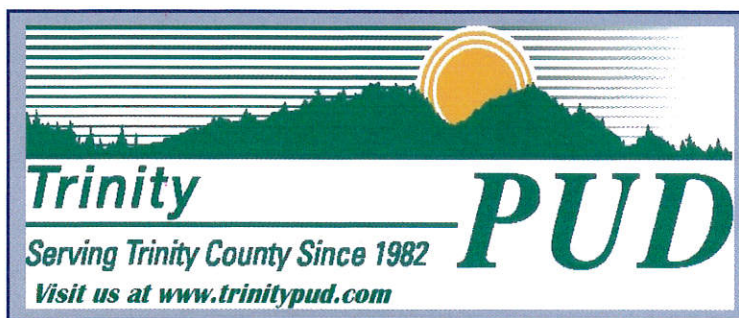


FISCAL YEAR 2017/2018 BUDGET



P.O. Box 1216
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TRINITY PUBLIC UTILITIES DISTRICT

FY 17/18 BUDGET

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BUDGET MEMORANDUM



Trinity Public Utilities District

Memorandum

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

From: Paul Hauser, General Manager

Date: June 12, 2017

Re: Fiscal Year 17/18 Budget

The Fiscal Year 17/18 Budget estimates operating receipts to be \$11,443,412 or approximately 9.1% less than last year's operating receipts of \$12,595,527. This includes \$8,114,694 for Operating Expenses and \$5,316,911 for Capital Expenditures. \$1,838,193 from Reserves and the County's annual loan repayment \$150,000 are necessary in order to balance the Budget. The Budget includes replacing the District's metering system (\$2,175,000), installing a second radio repeater (\$20,000), replacing the 1998 Caterpillar Fork-lift (\$45,000), and replacing a vehicle (\$40,000), as well as on-going maintenance of the System. The reason for the reduction in revenues is Staff's recommendation to eliminate the Drought Relief Surcharge.

The current Fiscal Year is expected to end with reserve balances that are approximately \$1.5 million greater than projected in the Fiscal Year 16/17 Budget. The main reason for the reduction to reserves not being as great as forecasted is that power costs began to decline in April 2017 and capital improvements have been delayed.

Fiscal Year 17/18 should begin with nearly \$6.5 million in Contingency Reserves. However, this reserve is forecasted to decline each year dipping to \$2.9 million by Fiscal Year 21/22.

The current water year is an above average water year due to the significant precipitous weather. The Five Year Financial Forecast assumes that the Drought Relief Surcharge will be eliminated beginning in September 2017. The Surcharge is also removed for all subsequent years for budget and planning purposes.

The 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 an increase to electric consumption over the past year, weather adjusted load growth is still below pre-drought growth. 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.

The 17/18 budgeted Total Labor Costs continue to provide for overtime wages due to normal weather conditions. Fiscal Year 16/17 witnessed one major storm and many small power outages that resulted in normal overtime activity. The Fiscal Year 17/18 Budget also assumes that there are raises for District personnel after two years of no increases.

Without some combination of increased load growth and permanently reduced power costs, a rate increase will be necessary in order to maintain operations and maintenance of the District's infrastructure. Any combination of decreased electric consumption and drought will hasten the need for a rate increase to prevent reserves from falling too low or having our debt service coverage ratio decrease below the minimum requirement.

The District should be able to maintain its Standard and Poor's rating of AA- and Moody's A2 rating. However, it should be noted that any number of events, particularly legislative or regulatory mandates can 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.

BUDGET

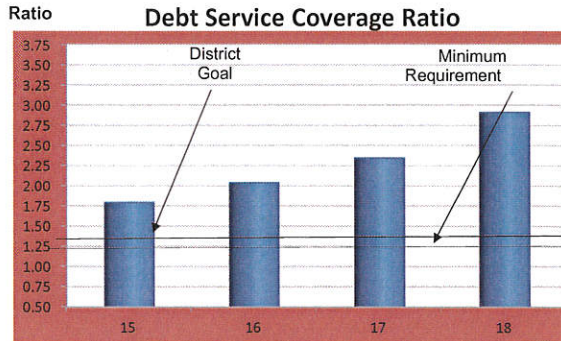
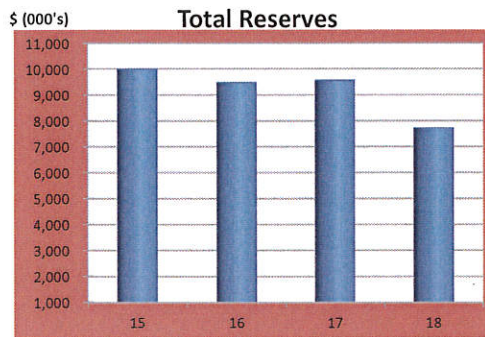
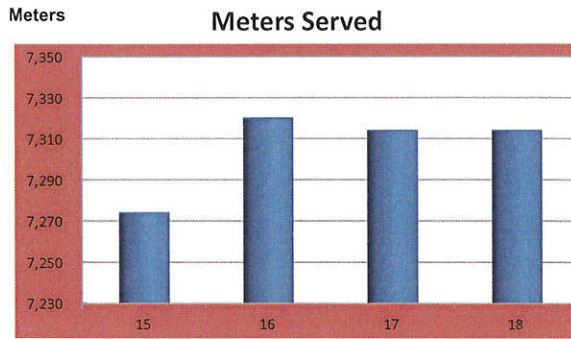
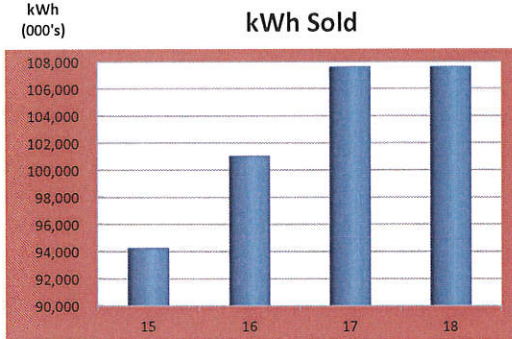
FY 17/18

Trinity Public Utilities District

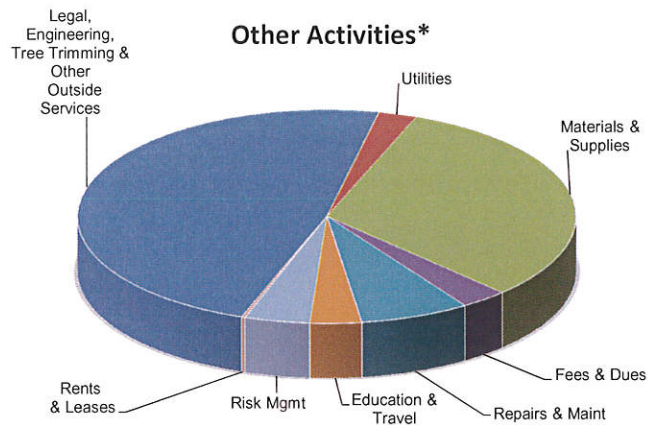
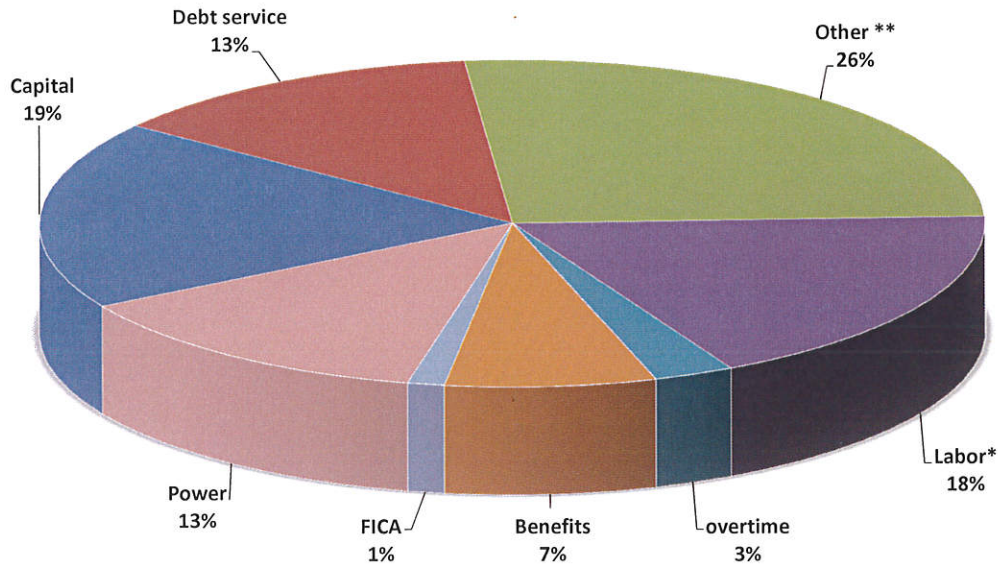
Budget Overview

FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Operating receipts	10,674,404	12,214,968	14.4%	12,595,527	3.1%	11,443,412	-9.1%
Operating expenditures	9,290,496	10,400,576	11.9%	10,253,329	-1.4%	8,114,694	-20.9%
Available for capital	1,383,908	1,814,392	31.1%	2,342,198	29.1%	3,328,718	42.1%
County/MCMS transactions	150,509	145,827	-3.1%	150,000	2.9%	150,000	0.0%
Capital outlay	2,000,902	2,484,498	24.2%	2,410,007	-3.0%	5,316,911	120.6%
Bond/loan proceeds	-	-	-	-	-	-	-
Change in reserves	(466,485)	(524,279)	12.4%	82,191	-115.7%	(1,838,193)	-2336.5%
Reserves balances (end of year)							
Restricted	1,777,528	1,791,133	0.8%	1,800,080	0.5%	1,771,356	-1.6%
Encumbered	857,873	592,836	-30.9%	826,669	39.4%	1,281,429	55.0%
Customer funds	198,529	203,035	2.3%	246,380	21.3%	240,447	-2.4%
Dedicated	100,334	36,667	-63.5%	168,333	359.1%	405,667	141.0%
Total other reserves	2,934,264	2,623,671	-10.6%	3,041,462	15.9%	3,698,899	21.6%
Contingency reserves	7,066,452	6,852,767	-3.0%	6,517,166	-4.9%	4,021,536	-38.3%
Total reserves	10,000,716	9,476,438	-5.2%	9,558,628	0.9%	7,720,435	-19.2%
Debt service coverage ratio	1.79	2.04	13.7%	2.35	30.7%	2.91	24.2%



Trinity Public Utilities District Costs by Activities FY 17/18 Budget



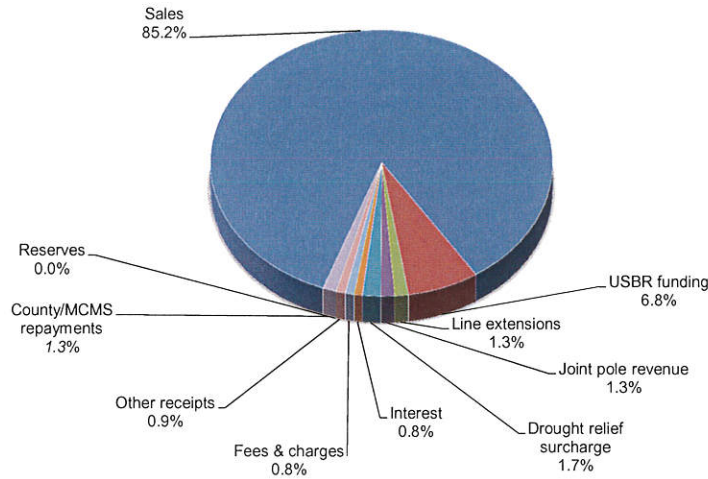
Trinity Public Utilities District Budget Summary FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Revenues							
Energy sales	7,110,762	8,922,073	25.5%	9,896,616	10.9%	9,896,616	0.0%
Surcharge receipts	2,452,531	1,294,938	-47.2%	1,305,801	0.8%	199,787	-84.7%
Other receipts	1,111,111	1,997,957	79.8%	1,393,110	-30.3%	1,347,009	-3.3%
Total	10,674,404	12,214,968	14.4%	12,595,527	3.1%	11,443,412	-9.1%
Expenses							
Power acquisition	3,537,064	4,210,653	19.0%	3,539,471	-15.9%	1,948,779	-44.9%
Operations & maintenance	2,168,556	2,527,206	16.5%	2,667,314	5.5%	2,506,285	-6.0%
Customer accounts	780,340	863,070	10.6%	867,359	0.5%	598,388	-31.0%
Administrative & general	1,005,315	994,691	-1.1%	1,378,228	38.6%	1,259,164	-8.6%
Debt & financing	1,799,221	1,804,956	0.3%	1,800,957	-0.2%	1,802,079	0.1%
Total	9,290,496	10,400,576	11.9%	10,253,329	-1.4%	8,114,694	-20.9%
Available for capital	1,383,908	1,814,392	31.1%	2,342,198	29.1%	3,328,718	42.1%
Capital outlay							
Distribution/Transmission	1,860,492	1,815,897	-2.4%	1,996,525	9.9%	2,726,671	36.6%
Substations	-	602,385		255,837		136,240	
Customer accounts	124,656	65,218	-47.7%	144,019	120.8%	2,373,000	1547.7%
Property and facilities	15,754	998		13,627		81,000	494.4%
Total	2,000,902	2,484,498	24.2%	2,410,007	-3.0%	5,316,911	120.6%
Bond proceeds	-	-		-		-	
County/MCMS transactions	150,509	145,827		150,000		150,000	
Change in reserves	(466,485)	(524,279)	12.4%	82,191	-115.7%	(1,838,193)	-2336.5%
Reserves balances (end of year)							
Restricted	1,777,528	1,791,133	0.8%	1,800,080	0.5%	1,771,356	-1.6%
Encumbered	857,873	592,836	-30.9%	826,669	39.4%	1,281,429	55.0%
Customer funds	198,529	203,035	2.3%	246,380	21.3%	240,447	-2.4%
Dedicated	100,334	36,667	-63.5%	168,333	359.1%	405,667	141.0%
Contingency	7,066,452	6,852,767	-3.0%	6,517,166	-4.9%	4,021,536	-38.3%
Total reserves	10,000,716	9,476,438	-5.2%	9,558,628	0.9%	7,720,435	-19.2%

Trinity Public Utilities District Fund Sources and Uses Summary FY 17/18 Budget

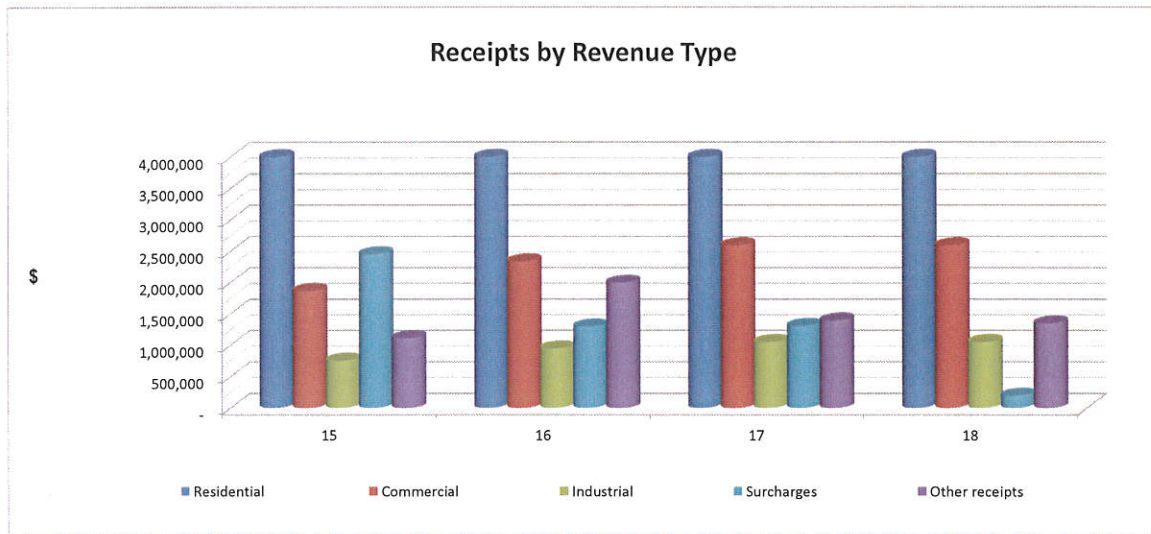
	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Fund Sources							
Receipts							
Energy sales	7,110,762	8,922,073	25.5%	9,896,616	10.9%	9,896,616	0.0%
Other receipts	3,563,642	3,292,895	-7.6%	2,698,911	-18.0%	1,546,796	-42.7%
Total	10,674,404	12,214,968	14.4%	12,595,527	3.1%	11,443,412	-9.1%
Reserves/proceeds							
County/MCMS repayments	150,510	145,827	-3.1%	150,000	2.9%	150,000	0.0%
Bond/Loan proceeds	-	-	-	-	-	-	-
Line extension loans	17,995	11,445	-36.4%	10,585	-7.5%	5,349	-49.5%
Restricted reserves	-	-	-	-	-	-	-
Dedicated reserves	100,334	94,444	-5.9%	54,074	-42.7%	-	-100.0%
Total	268,839	251,716	-6.4%	214,659	-14.7%	155,349	-27.6%
Total sources	10,943,243	12,466,684	13.9%	12,810,186	2.8%	11,598,761	-9.5%
Fund Uses							
Operating expenditures	9,290,496	10,400,576	11.9%	10,253,329	-1.4%	8,114,694	-20.9%
Capital outlay	2,000,902	2,484,498	24.2%	2,410,007	-3.0%	5,316,911	120.6%
County/MCMS funding	-	-	-	-	-	-	-
Fund transfers	(113,818)	(204,706)	79.9%	482,451	-335.7%	662,786	37.4%
Total uses	11,177,580	12,680,369	13.4%	13,145,787	3.7%	14,094,391	7.2%
Change in contingency reserves	(234,337)	(213,685)	-8.8%	(335,601)	57.1%	(2,495,630)	643.6%

**Sources
FY 17/18**



Trinity Public Utilities District Receipts Summary FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Sales							
Zone A	3,687,036	4,681,303	27.0%	5,060,141	8.1%	5,060,141	0.0%
Zone B	3,423,726	4,240,770	23.9%	4,836,475	14.0%	4,836,475	0.0%
Total Sales	7,110,762	8,922,073	25.5%	9,896,616	10.9%	9,896,616	0.0%
Surcharges							
Deregulation surcharge	1,321,131	104,877	-92.1%	-	-	-	-
Drought Relief surcharge	1,131,400	1,190,061	100.0%	1,305,801	9.7%	199,787	-84.7%
	2,452,531	1,294,938	-47.2%	1,305,801	0.8%	199,787	-84.7%
Other receipts							
Fees and charges	104,916	100,815	-3.9%	104,396	3.6%	97,561	-6.5%
Line extensions	188,930	229,698	21.6%	92,174	-59.9%	144,004	56.2%
Line extension amortizations	-	1,938	0.0%	5,349	0.0%	5,349	
Interest	23,725	30,546	28.8%	42,827	40.2%	87,880	105.2%
USBR funding	760,874	755,436	-0.7%	757,074	0.2%	787,178	4.0%
Joint pole/pole contact income	18,904	677,280	3482.7%	400,124	-40.9%	146,809	-63.3%
Other misc. income	13,762	202,244	1369.6%	10,988	-94.6%	100,000	810.1%
Uncollectibles	-	-	0.0%	(19,822)	0.0%	(21,773)	
Total	1,111,111	1,997,957	79.8%	1,393,110	-30.3%	1,347,009	-3.3%
Total	10,674,404	12,214,968	14.4%	12,595,527	3.1%	11,443,412	-9.1%
Bond/Loan proceeds	-	-		-		-	
Total receipts	10,674,404	12,214,968	14.4%	12,595,527	3.1%	11,443,412	-9.1%



Trinity Public Utilities District

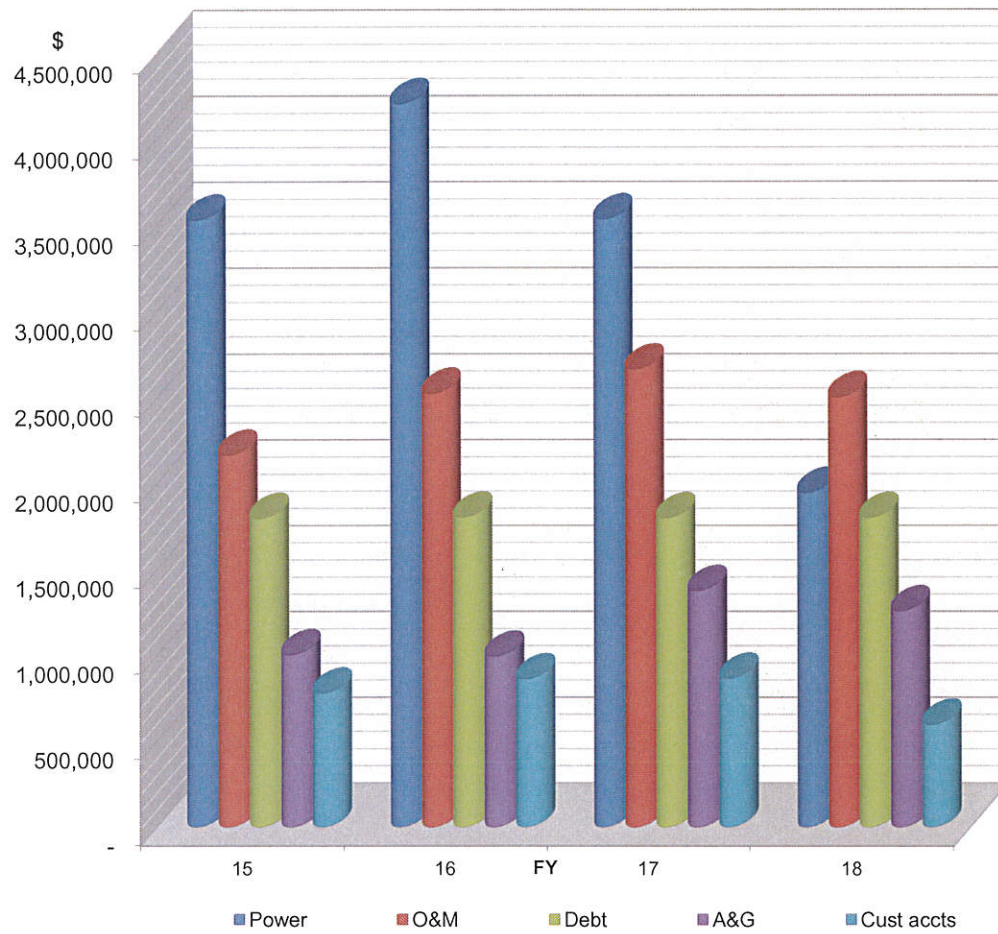
Operating Expenditures Summary

FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Power acquisition							
Purchased power	3,318,857	3,979,409	19.9%	3,312,898	-16.7%	1,732,968	-47.1%
Transmission	-	-		-	0.0%	-	0.0%
USBR/WAPA O&M	-	-		-	0.0%	-	0.0%
Revenue adjustment clause	-	-		-	0.0%	-	0.0%
Other	218,207	231,244	6.0%	226,573	-2.0%	215,811	-4.8%
Total	3,537,064	4,210,653	19.0%	3,539,471	-15.9%	1,948,779	-44.9%
Operations & maintenance							
System	67,608	57,940	-14.3%	207,057	257.4%	231,079	11.6%
Overhead distribution	1,969,056	2,353,982	19.5%	2,366,684	0.5%	2,080,760	-12.1%
Transmission & UG distribution	18,188	30,755	69.1%	36,197	17.7%	38,986	7.7%
Lighting	2,911	2,930	0.7%	4,000	36.5%	15,444	100%
Buildings/property	5,150	5,691	10.5%	8,776	54.2%	27,691	215.5%
Other	105,643	75,908	-28.1%	44,599	-41.2%	112,324	151.9%
Total	2,168,556	2,527,206	16.5%	2,667,314	5.5%	2,506,285	-6.0%
Customer accounts							
Account maintenance	546,297	604,319	10.6%	620,791	2.7%	501,092	-19.3%
Meter reading/turtle maint.	171,714	192,364	12.0%	194,724	1.2%	51,487	-73.6%
Customer relations	62,329	66,387	6.5%	51,844	-21.9%	43,809	-15.5%
Other	-	-		-	0.0%	2,000	0.0%
Total	780,340	863,070	10.6%	867,359	0.5%	598,388	-31.0%
Administrative and general							
Utilities	63,097	70,163	11.2%	73,524	4.8%	83,300	13.3%
Accounting	181,727	186,094	2.4%	230,024	23.6%	226,134	-1.7%
Risk management	195,195	187,741	-3.8%	221,662	18.1%	236,128	6.5%
Community investment	2,175	-	-100.0%	4,617	0.0%	20,000	333.1%
Dues and publications	56,182	53,347	-5.0%	60,825	14.0%	71,440	17.5%
Education and travel	95,055	80,125	-15.7%	74,277	-7.3%	110,000	48.1%
Supervision	165,854	160,711	-3.1%	156,016	-2.9%	112,992	-27.6%
Planning	90,004	96,493	7.2%	93,079	-3.5%	83,900	-9.9%
Legal	57,155	47,841	-16.3%	57,124	19.4%	86,785	51.9%
Economic Development	45,079	46,897	4.0%	336,938	618.5%	161,785	-52.0%
Misc. outside services	27,988	34,031	21.6%	27,180	-20.1%	22,500	-17.2%
Other	25,804	31,248	21.1%	42,961	37.5%	44,200	2.9%
Total	1,005,315	994,691	-1.1%	1,378,228	38.6%	1,259,164	-8.6%
Debt and financing							
Interest	1,055,558	1,024,901	-2.9%	992,718	-3.1%	964,199	-2.9%
Principal	686,595	719,616	4.8%	747,908	3.9%	776,482	3.8%
Other	57,068	60,439	5.9%	60,331	-0.2%	61,398	1.8%
Total	1,799,221	1,804,956	0.3%	1,800,957	-0.2%	1,802,079	0.1%
Total operating expenditures	9,290,496	10,400,576	11.9%	10,253,329	-1.4%	8,114,694	-20.9%

Trinity Public Utilities District

Operating Expenditures



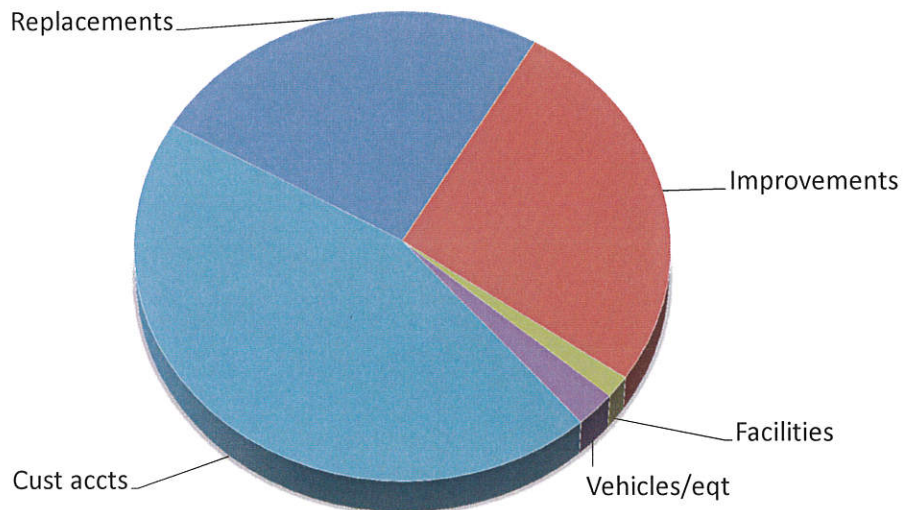
Trinity Public Utilities District

Capital Expenses

FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Distribution/Transmission							
Replacements	1,060,384	975,271	-8.0%	1,049,532	7.6%	1,334,461	27.1%
Improvements	501,330	417,481	-16.7%	632,889	51.6%	1,263,211	99.6%
CIP	-	-	-	-	-	-	-
Direct Western tie	-	-	-	-	-	-	-
Lewiston generation	-	-	-	-	-	-	-
Long Canyon Project	298,778	159,336	-46.7%	21,765	-86.3%	-	-100.0%
#21 - 2016 Chevy Silverado	-	-	-	34,681	-	-	-
#15 - 2012 Ford F250	-	-	-	-	-	-	-
#20 - 2012 Ford F-350 4x4 Pickup	-	-	-	8,741	-	40,000	357.6%
#67 - 2017 Tucker-Terra Snocat	-	-	-	201,213	-	-	-
#60 - 1998 Caterpillar Fork Lift	-	-	-	-	-	45,000	-
#57 - 2003 Maxi-lift snowcat trailer	-	-	-	-	-	-	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	-	-	-
#59 - 2007 Butler Pole Trailer	-	-	-	-	-	-	-
#45 - 2015 Freightliner line truck	-	263,809	-	-	-	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	-	-	-
#53 - 1985 Altec pole trailer	-	-	-	-	-	24,000	-
#34 - 2014 F-550 Trouble truck	-	-	-	-	-	-	-
Radio Equipment - Repeater	-	-	-	47,704	-	20,000	-
Other/Previous years	-	-	-	-	-	-	-
Total	1,860,492	1,815,897	-2.4%	1,996,525	9.9%	2,726,671	36.6%
Substations							
CIP/Other	-	602,385	-	255,837	-	136,240	-
Total	-	602,385	-	255,837	-57.5%	136,240	-46.7%
Customer accounts							
Data processing/computers	55,519	54,356	-2.1%	73,675	35.5%	140,000	90.0%
Office machinery	-	-	100.0%	-	-	-	-
Automated meter reading/turtles	-	-	-	-	-	2,181,000	-
NISC CIS software conversion	-	-	-	-	-	-	-
Mapping system	69,137	-	-100.0%	70,344	-	52,000	-26.1%
Other	-	10,862	100.0%	-	-	-	-
Total	124,656	65,218	-47.7%	144,019	120.8%	2,373,000	1547.7%
Property/facilities							
Yard	15,754	998	-	13,627	-	70,000	413.7%
Facilities	-	-	-	-	-	11,000	-
Total	15,754	998	-93.7%	13,627	1265.4%	81,000	494.4%
Total capital outlay	2,000,902	2,484,498	24.2%	2,410,007	-3.0%	5,316,911	120.6%

Capital Outlay



Trinity Public Utilities District Reserves Summary

FY 17/18 Budget

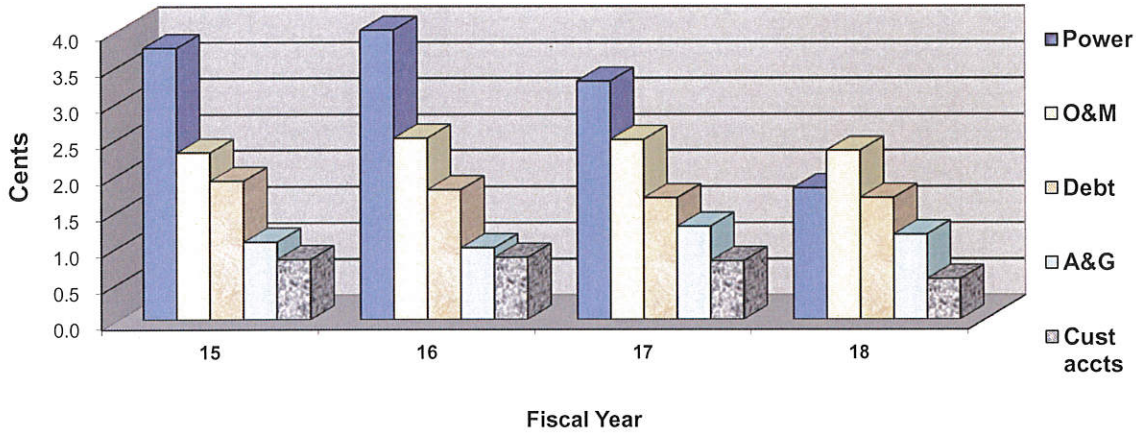
	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	% Growth	17/18 (Budgeted)	Change
Restricted							
Bond/loan reserves	1,752,606	1,755,249	0.2%	1,759,441	0.2%	1,758,575	0.0%
Cafeteria plan	24,922	35,884	44.0%	40,639	13.3%	12,781	-68.5%
Total	1,777,528	1,791,133	0.8%	1,800,080	0.5%	1,771,356	-1.6%
Encumbered							
Payables	560,579	295,600	-47.3%	528,933	78.9%	982,244	85.7%
Line extension loan fund	297,294	297,236	0.0%	297,736	0.2%	299,185	0.5%
	857,873	592,836	-30.9%	826,669	39.4%	1,281,429	55.0%
Customer funds							
Security deposits	108,577	113,083	4.2%	159,375	40.9%	159,375	0.0%
Construction advances	80,952	80,952	0.0%	78,005	-3.6%	72,072	-7.6%
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	198,529	203,035	2.3%	246,380	21.3%	240,447	-2.4%
Dedicated	100,334	36,667	-63.5%	168,333	359.1%	405,667	141.0%
Contingency	7,066,452	6,852,767	-3.0%	6,517,166	-4.9%	4,021,536	-38.3%
Total reserves	10,000,716	9,476,438	-5.2%	9,558,628	0.9%	7,720,435	-19.2%

Trinity Public Utilities District Performance Factors

FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Average rate (cents/kWh)	9.15	9.13	-0.2%	9.51	4.1%	8.57	-9.9%
Growth							
Demand (mw)	20,694	22,066	6.6%	22,066	0.0%	22,066	0.0%
KWh purchased	104,516,781	111,855,571	7.0%	117,857,395	5.4%	117,857,395	0.0%
KWh sold	94,241,352	101,034,659	7.2%	107,616,776	6.5%	107,616,776	0.0%
Energy losses (%)	7.09%	7.40%	4.5%	7.40%	0.0%	7.40%	0.0%
Meters							
Meters served	7,274	7,320	0.6%	7,314	-0.1%	7,314	0.0%
Costs (\$/meter)							
Customer accounts	107	118	9.9%	119	0.6%	82	-31.0%
Labor	525	550	4.7%	558	1.5%	561	0.6%
Operating expenditures	1,277	1,421	11.2%	1,402	-1.3%	1,109	-20.9%
Expenditures including capital	1,560	1,760	12.8%	1,731	-1.6%	1,836	6.1%
Distribution							
Miles of distribution line	575	577	0.3%	579	0.3%	581	0.3%
O&M cost including labor/mile	3,771	4,380	16.1%	4,607	5.2%	4,314	-6.4%
Labor/mile	1,770	1,764	-0.3%	1,758	-0.3%	1,752	-0.3%
Costs/kWh sold (cents/kWh)							
Power acquisition	3.8	4.2	11.0%	3.3	-21.1%	1.8	-44.9%
Operations & maintenance	2.3	2.5	8.7%	2.5	-0.9%	2.3	-6.0%
Customer accounts	0.8	0.9	3.2%	0.8	-5.6%	0.6	-31.0%
Administrative & general	1.1	1.0	-7.7%	1.3	30.1%	1.2	-8.6%
Debt & financing	1.9	1.8	-6.4%	1.7	-6.3%	1.7	0.1%
Uncollectible sales (\$)							
	15,644	19,629	25.5%	21,773	10.9%	21,773	0.0%
Debt service coverage ratio							
	1.79	2.04	13.7%	2.35	15.0%	2.91	24.2%
Committed/mandated costs (debt service, power, mandated O&M req.)							
	5,712,928	6,460,611	13.1%	5,813,560	-10.0%	4,190,716	-27.9%
Discretionary/variable costs (all other operating expenses, capital outlay)							
	5,633,431	6,424,463	14.0%	6,849,776	6.6%	9,240,889	34.9%
Capital replacements, System							
	1,060,384	975,271	-8.0%	1,049,532	7.6%	1,334,461	27%

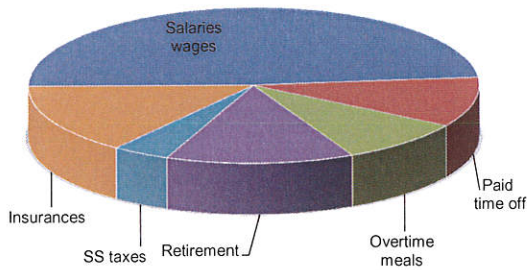
Costs in Cents per kWh



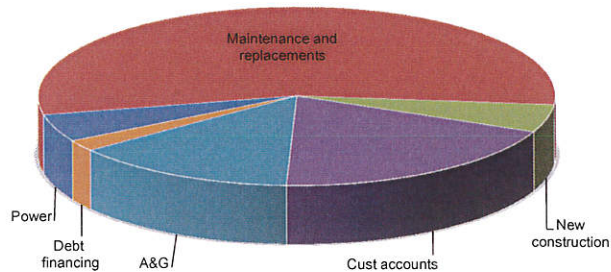
Trinity Public Utilities District Labor Factors FY 17/18 Budget

	14/15 (Actual)	15/16 (Actual)	Change	16/17 (Preliminary)	Change	17/18 (Budgeted)	Change
Labor components							
Salaries and wages	1,812,914	1,914,565	5.6%	1,911,726	-0.1%	1,989,693	4.1%
Paid time off	363,640	436,378	20.0%	408,713	-6.3%	423,018	3.5%
Overtime/meals/standby	263,235	285,836	8.6%	415,096	45.2%	369,933	-10.9%
Retirement	606,252	605,773	-0.1%	569,602	-6.0%	551,483	-3.2%
Social Security taxes	155,475	165,502	6.4%	167,497	1.2%	169,373	1.1%
Insurance	615,149	614,627	-0.1%	606,712	-1.3%	598,810	-1.3%
Total	3,816,665	4,022,681	5.4%	4,079,345	1.4%	4,102,309	0.6%
Labor distribution							
Power acquisition	190,833	201,134	5.4%	203,967	1.4%	205,115	0.6%
Maintenance/replacements	2,099,166	2,212,475	5.4%	2,243,640	1.4%	2,256,270	0.6%
New construction	190,833	201,134	5.4%	203,967	1.4%	205,115	0.6%
Customer accounts	725,166	764,309	5.4%	775,076	1.4%	779,439	0.6%
Administrative & general	534,333	563,175	5.4%	571,108	1.4%	574,323	0.6%
Debt & financing	76,333	80,454	5.4%	81,587	1.4%	82,046	0.6%
Total	3,816,665	4,022,681	5.4%	4,079,345	1.4%	4,102,309	0.6%
Labor costs per:							
Mile of line	6,638	6,972	5.0%	7,046	1.1%	7,061	0.2%
KWh sold (cents)	4.05	3.98	-1.7%	4	-4.8%	3.81	0.6%
Meter (\$)	525	550	4.7%	558	1.5%	561	0.6%
Percent of total receipts	35.8%	32.9%	-7.9%	32.4%	-1.7%	35.8%	10.7%

**Breakdown of Labor Dollar
FY 17/18**



**Labor by Cost Center
FY 17/18**



Trinity Public Utilities District

Projected Costs By Activity

Power acquisition	
Purchased power	1,732,968
Transmission	-
USBR O&M funding	-
Metering	-
BANC Costs	25,000
	<u>1,757,968</u>
Labor	
Wages and salaries	2,351,319
Health insurance	597,460
Cafeteria plan	1,350
Retirement	551,483
Overtime and standby pay	326,080
Social Security taxes	159,551
Workers compensation	90,808
Retirement annuity	9,821
Meals/per diem	14,436
	<u>4,102,309</u>
Materials and supplies	
Operation supplies	25,000
System materials	757,500
Billing and Office supplies	15,000
Postage	35,000
Fuel	110,000
Tires	45,000
Small tools	30,000
Construction eqt	35,000
	<u>1,052,500</u>
Outside services	
Tree trimming/pole clearing	535,000
Road maint/right of way clearing	60,000
Hazardous waste disposal	10,000
Training	8,000
Storm assistance	220,000
Engineering, systems testing/routine maint	275,000
Power acquisition consulting	40,000
Human resources/consulting	3,000
Economic Development/consulting	125,000
Legal	75,000
Backhoes and excavators	50,000
All others	67,400
Auditing	45,000
Bill processing, collections	35,000
Janitorial	15,000
Computer programming	20,000
	<u>1,583,400</u>

Trinity Public Utilities District

Projected Costs By Activity

Utilities	
Electric	20,000
Water	2,500
Telephone	44,000
Garbage	12,000
Propane	1,000
Sewer	2,500
	<u>82,000</u>
Rents and leases	
Facilities rents	1,000
Equipment rents	6,500
	<u>7,500</u>
Education and travel	<u>110,000</u>
Fees and permits	
Land use permits	20,000
Pole contact fees	10,000
Dues and subscriptions	71,440
	<u>101,440</u>
Risk management	
Liability insurance	90,000
Damages	10,000
Safety	35,000
Wellness/cafeateria program	5,000
	<u>140,000</u>
Repairs and maintenance	
Repairs	125,000
Licensing agreements	87,000
Maintenance agreements	22,500
	<u>234,500</u>
Debt service	
Principal	776,482
Interest	964,199
Issuance costs	16,308
	<u>1,756,988</u>
Capital outlay	
Real property/facilities	81,000
Equipment	2,313,000
Vehicles	109,000
	<u>2,503,000</u>
Total	<u><u>13,431,605</u></u>

Fiscal Year 2017/2018 Budget Notes

Receipts

Sales:

Retail kWh sales are estimated to increase 6.5% from FY 15/16 to FY 16/17. Retail Sales revenue is estimated to increase 10.9%. Staff is forecasting a 0.0% kWh sales growth factor for FY 17/18. A 0.0% kWh sales growth factor is predicted for future years.

Surcharges:

In April 2017, the Department of Water Resources declared the current water year an above average water year. Although the District requires two consecutive above average water years before the Drought Relief Surcharge can be removed, Staff is recommending removal of the surcharge as of September 2017.

Operating Expenses

Power Acquisition:

The District's costs to purchase power decreased 15.9% FY 15/16 to FY 16/17. This decrease follows the 53.3% increase from FY 13/14 to FY 15/16. This is a net 37.4% increase over the last three years.

For FY 17/18, the District is forecasting power costs to be reduced even more. Western's calculation of the District's First Preference Percentage (FPP) decreased 39.8% from 4.32% to 2.60% beginning April 2017. The decrease to the FPP is primarily due to the increased hydro generation resulting from significant precipitous weather.

"Other Power Acquisition Costs" of \$215,000 include legislative advocacy (\$35,000), Staff labor (\$125,000), energy consulting (\$5,000), legal costs (\$25,000) associated with general wholesale power issues and costs associated with the Balancing Authority of Northern California (\$25,000).

Operations and Maintenance:

O&M costs increased from FY 15/16 to FY 16/17 by approximately 5.5%, which is mainly due to the very mild winter with only one significant storm in January. The Budget for FY 17/18 is factoring in a conservative 6.0% decrease from FY16/17 mainly due to Staff time being directed towards capital projects and away from Operations & Maintenance.

Customer Accounts:

Customer Accounts are projected to decrease by approximately 31.0% mainly due to a projected decrease in customer account maintenance. The District will be replacing its meter system and therefore more Staff time will directed to Capital Projects and away from Customer Accounts.

Fiscal Year 2017/2018 Budget Notes

Administrative and General:

The projected 19.7% increase to costs from FY 15/16 to 16/17 is now amounting to a 38.6% increase mainly due to Economic Development projects progressing. The FY 17/18 Budget includes an 8.6% decrease mainly due to fewer Economic Development opportunities.

Debt and Financing:

The District's long-term debt consists of a loan from the California Infrastructure & Economic Development Bank (\$5.7 million) and 2010 Electric Utility Revenue Bonds (\$18.5 million).

Capital Outlay

The FY 17/18 Budget reflects the following:

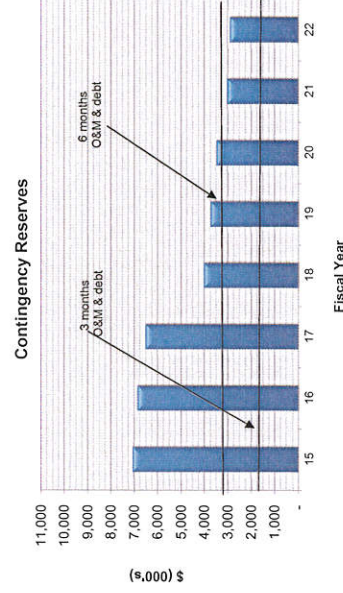
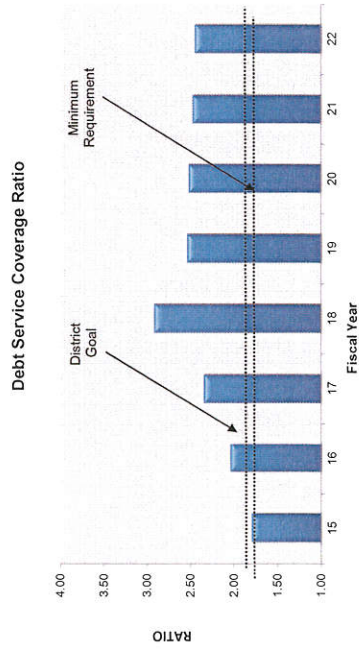
- Nonrecurring Capital Costs for FY 17/18 include replacing the District's Meter System (\$2,175,000), 1998 Caterpillar Fork-lift (\$45,000), Pickup truck (\$40,000), 1985 Altec Pole Trailer (\$24,000) and installing a second repeater for the radios (\$20,000);
- The Budget and Five Year Financial Forecast include, on a yearly basis, funding for a six year plan to replace circuit breakers and replace regulator controls (\$100,000 annually).

FIVE-YEAR FINANCIAL FORECAST

Trinity Public Utilities District

Financial Forecast Overview

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Operating receipts	10,674,404	12,214,968	12,595,527	9.0%	11,443,412	11,120,693	11,190,176	11,263,499	11,334,419	-0.2%
Operating expenditures	9,290,496	10,400,576	10,253,329	5.2%	8,114,694	8,449,439	8,551,970	8,702,170	8,824,850	2.2%
Available for capital	1,383,908	1,814,392	2,342,198	34.6%	3,328,718	2,671,254	2,638,206	2,561,330	2,509,569	-6.2%
Capital outlay	2,055,863	2,484,498	2,410,007	8.6%	5,316,911	3,244,637	3,091,186	3,069,329	2,885,074	-11.4%
Bond/loan proceeds	-	-	-	-	-	-	-	-	-	-
Net County/MCMS repayments	150,509	145,827	150,000	-0.2%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	(521,446)	(524,279)	82,191	-57.9%	(1,838,193)	(423,383)	(302,980)	(357,959)	(225,504)	-21.9%
Reserves balances (end of year)	2,834,264	2,623,671	3,041,462	1.8%	3,698,899	3,570,057	3,525,201	3,620,618	3,458,264	-2%
Other reserves	7,066,452	6,852,767	6,517,166	-3.9%	4,021,536	3,726,995	3,468,871	3,015,455	2,902,305	-7.0%
Contingency reserves	10,000,716	9,476,438	9,558,628	-2.2%	7,720,435	7,297,052	6,994,072	6,636,073	6,360,568	-4.4%
Total reserves	1.79	2.04	2.35	15.4%	2.91	2.54	2.52	2.47	2.44	-4.0%
Debt service coverage ratio										



Trinity Public Utilities District
Forecast Summary

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Revenues										
Energy sales	7,110,762	8,922,073	9,896,616	19.6%	9,896,616	9,812,581	9,863,359	9,915,661	9,915,661	0.0%
Surcharge receipts	2,452,531	1,294,938	1,305,801	-23.4%	199,787	-	-	-	-	-25.0%
Other receipts	1,111,111	1,997,957	1,393,110	12.7%	1,347,009	1,357,411	1,377,595	1,400,140	1,418,759	1.3%
Total	10,674,404	12,214,968	12,595,527	9.0%	11,443,412	11,170,693	11,190,176	11,263,499	11,334,419	-23.6%
Expenses										
Power acquisition	3,537,064	4,210,653	3,539,471	0.0%	1,948,779	2,272,828	2,301,418	2,371,441	2,419,529	6.0%
Operations & maintenance	2,168,556	2,527,206	2,867,314	11.5%	2,506,285	2,547,992	2,590,449	2,633,669	2,677,669	1.7%
Customer accounts	780,340	863,070	867,359	5.6%	598,388	607,364	616,474	625,721	635,107	1.5%
Administrative & general	1,005,315	994,691	1,378,228	18.5%	1,259,164	1,263,302	1,288,041	1,313,398	1,339,389	1.6%
Debt & financing	1,799,221	1,804,956	1,800,957	0.0%	1,802,079	1,757,954	1,755,587	1,757,940	1,753,156	-0.7%
Total	9,290,496	10,400,576	10,253,329	5.2%	8,114,694	8,449,439	8,551,970	8,702,170	8,824,850	2.2%
Available for capital	1,383,908	1,814,392	2,342,198	34.6%	3,328,718	2,671,254	2,638,206	2,561,330	2,509,569	-6.2%
Capital outlay	2,055,863	2,484,498	2,410,007	8.6%	5,316,911	3,244,637	3,091,186	3,069,329	2,885,074	-11.4%
Bond proceeds	-	-	-	-	-	-	-	-	-	-
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
County/MCMS repayments	150,509	145,827	150,000	-0.2%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	(521,446)	(524,279)	82,191	-57.9%	(1,838,193)	(423,383)	(302,980)	(357,999)	(225,504)	-21.9%
Reserves balances										
(end of year)										
Encumbered	857,873	592,836	828,669	-1.8%	1,281,429	1,296,163	1,310,897	1,325,851	1,341,027	1.2%
Restricted Reserves	1,777,528	1,791,133	1,800,080	0.6%	1,771,356	1,771,994	1,772,951	1,773,293	1,773,644	0.0%
Customer funds	198,529	203,035	246,380	12.1%	240,447	232,686	232,686	229,806	226,926	-1.4%
Dedicated	100,334	36,667	168,333	33.9%	405,667	266,333	208,667	291,667	116,667	-17.8%
Total other reserves	2,934,264	2,623,671	3,041,462	1.8%	3,698,899	3,570,057	3,525,201	3,620,618	3,458,264	-1.6%
Contingency fund	7,066,452	6,852,767	6,517,166	-3.9%	4,021,536	3,726,995	3,468,871	3,015,455	2,902,305	-7.0%
Total reserves	10,000,716	9,476,438	9,558,628	-2.2%	7,720,435	7,297,052	6,994,072	6,636,073	6,360,568	-4.4%

Trinity Public Utilities District Forecast of Fund Sources and Uses

	14/15	15/16	16/17	15-17	17/18	18/19	19/20	20/21	21/22	18-22
	(Actual)	(Actual)	(Preliminary)	% Growth	(Budgeted)	(Projected)	(Projected)	(Projected)	(Projected)	% Growth
Fund Sources										
Receipts										
Energy sales	7,110,762	8,922,073	9,896,616	19.6%	9,896,616	9,763,282	9,812,581	9,863,359	9,915,661	0.0%
Surcharge receipts	2,452,531	1,294,938	1,305,801	-23.4%	199,787	-	-	-	-	-25.0%
Other receipts	1,111,111	1,997,957	1,393,110	12.7%	1,347,009	1,357,411	1,377,595	1,400,140	1,418,759	1.3%
Total	10,674,404	12,214,968	12,595,527	9.0%	11,443,412	11,120,693	11,190,176	11,263,499	11,334,419	-0.2%
Reserves/proceeds										
County/MCMS repayments	150,510	145,827	150,000	-0.2%	150,000	150,000	150,000	150,000	150,000	0.0%
Bond/Loan proceeds	-	-	-	-	-	-	-	-	-	-
Line extension loans	17,995	11,445	10,585	-20.6%	5,349	8,976	8,976	8,976	8,976	16.9%
Restricted reserves	-	-	-	-	-	-	-	-	-	-
Dedicated reserves	100,334	94,444	54,074	-23.1%	-	310,000	163,333	42,000	225,000	#DIV/0!
Total	268,839	251,716	214,659	-10.1%	155,349	468,976	322,309	200,976	383,976	36.8%
Total sources	10,943,243	12,466,684	12,810,186	8.5%	11,598,761	11,589,668	11,512,485	11,464,475	11,718,395	0.3%
Fund Uses										
Operating expenditures	9,290,496	10,400,576	10,253,329	5.2%	8,114,694	8,449,439	8,551,970	8,702,170	8,824,850	2.2%
Capital outlay	2,055,863	2,484,498	2,410,007	8.6%	5,316,911	3,244,637	3,091,186	3,069,329	2,885,074	-11.4%
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
Fund transfers	(113,818)	(204,706)	482,451	-261.9%	662,786	190,134	127,453	146,392	71,621	-22.3%
Total uses	11,232,541	12,680,369	13,145,787	8.5%	14,094,391	11,884,210	11,770,609	11,917,891	11,781,545	-4.1%
Change in contingency reserves	(289,298)	(213,685)	(335,601)	8.0%	(2,495,630)	(294,541)	(258,124)	(453,416)	(63,150)	-24.4%

Trinity Public Utilities District Forecast of Capital Outlay

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Distribution/Transmission										
Replacements	1,060,384	975,271	1,049,532	-0.5%	1,334,461	1,354,477	1,374,795	1,395,417	1,416,348	1.5%
Improvements	501,330	417,481	632,889	13.1%	1,263,211	1,282,159	1,301,391	1,320,912	1,340,726	1.5%
CIP	-	-	-	-	-	-	-	-	-	-
Direct Western Ite	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	0.0%
Lewislon generation	-	-	-	-	-	-	-	-	-	-
Long Canyon Project	298,778	159,336	21,765	-	-	-	-	-	-	-
#44 - 2010 Freightliner line truck	-	-	34,681	-	-	-	245,000	-	-	-
#21 - 2016 Chevy Silverado	-	-	-	-	-	-	-	-	-	-
#34 - 2014 F-550 Trouble truck	-	-	-	-	-	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	-	-	42,000	-	-	-
#52 - 2001 Wells Cargo trailer	-	-	-	-	-	-	-	-	-	-
#60 - 1998 Caterpillar Fork Lift	-	-	-	-	45,000	-	-	-	-	-
#20 - 2012 Ford F-350 4x4 Pickup	-	-	-	-	40,000	-	-	-	-	-
#54 - 2002 Big Tex utility trailer	-	-	-	-	-	-	-	-	-	-
#56 - 2003 Big Tex utility trailer	-	-	-	-	-	-	-	-	-	-
#67 - 2017 Tucker-Terra Snocat	-	-	201,213	-	-	-	-	225,000	-	-
#25 - 2012 Ford F-350 4x4 Utility truck	-	-	-	-	-	-	-	-	-	-
#57 - 2003 Maxi-tilt snowcat trailer	-	-	-	-	-	-	-	-	-	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	-	-	-	-	-	-
#53 - 1985 Altec pole trailer	-	-	-	-	24,000	-	-	-	-	-
#16 - 2011 Ford F-150	-	-	-	-	-	40,000	-	-	-	-
#17 - 2011 Ford F-150	-	-	-	-	-	40,000	-	-	-	-
#24 - 2014 Ford F-350 4x4 truck	54,961	-	-	-	-	-	-	-	-	-
#14 - 2012 Ford F250	-	-	-	-	-	40,000	-	-	-	-
#15 - 2012 Ford F250	-	-	8,741	-	-	40,000	-	-	-	-
#45 - 2015 Freightliner line truck	-	263,809	-	-	-	-	-	-	-	-
#21 - 2016 Chevy Silverado	-	-	-	-	-	-	-	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	-	-	225,000	-	-	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	-	-	-	-	-	-	-
Future large field vehicle replacement	-	-	-	-	-	-	-	-	-	-
Other	-	-	47,704	-	20,000	20,000	-	-	-	-
Total	1,915,453	1,815,897	1,996,525	2.1%	2,726,671	3,041,637	2,963,186	2,941,329	2,757,074	0.3%
Substations	-	602,385	255,837	-	136,240	-	-	-	-	0.0%
Customer accounts										
Data processing/computers	55,519	54,356	73,675	16.4%	140,000	135,000	60,000	60,000	60,000	-14.3%
Office machinery	-	-	-	-	-	-	-	-	-	-
Automated meter reading/turibles	-	-	-	-	2,181,000	6,000	6,000	6,000	6,000	0.0%
Manning system	69,137	-	70,344	0.9%	52,000	52,000	52,000	52,000	52,000	0.0%
NISC CIS software conversion	-	-	-	-	-	-	-	-	-	-
Other	-	10,862	-	-	-	-	-	-	-	-
Total	124,656	65,218	144,019	7.8%	2,373,000	193,000	118,000	118,000	118,000	-23.8%
Property/facilities										
	15,754	998	13,627	-6.8%	81,000	10,000	10,000	10,000	10,000	-21.9%
Total capital outlay	2,055,863	2,484,498	2,410,007	8.6%	5,316,911	3,244,637	3,091,186	3,069,329	2,885,074	-11.4%

Trinity Public Utilities District
Forecast of Reserves

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Restricted										
Bond/loan reserves	1,752,806	1,755,249	1,759,441	0.2%	1,758,575	1,758,575	1,758,575	1,758,575	1,758,575	0.0%
Cafeteria plan	24,922	35,884	40,639	31.5%	12,781	13,419	14,376	14,718	15,069	4.5%
Total	1,777,528	1,791,133	1,800,080	0.6%	1,771,356	1,771,994	1,772,951	1,773,293	1,773,644	0.0%
Encumbered										
Line extension loan fund	297,294	297,236	297,736	0.1%	299,185	299,185	299,185	299,185	299,185	0.0%
Payables	560,579	295,600	528,933	-2.8%	982,244	996,978	1,011,712	1,026,666	1,041,842	1.5%
Total	857,873	592,836	826,669	-1.8%	1,281,429	1,296,163	1,310,897	1,325,851	1,341,027	1.2%
Customer funds										
Security deposits	108,577	113,083	159,375	23.4%	159,375	159,375	159,375	159,375	159,375	0.0%
Construction advances	80,952	80,952	78,005	-1.8%	72,072	69,192	66,311	63,431	60,551	-4.0%
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	198,529	203,035	246,380	12.1%	240,447	235,567	232,686	229,806	226,926	-1.4%
Dedicated	100,334	36,667	168,333	33.9%	405,667	266,333	208,667	291,667	116,667	-17.8%
Contingency fund										
Contingency	7,066,452	6,852,767	6,517,166	-3.9%	4,021,536	3,726,995	3,468,871	3,015,455	2,902,305	-7.0%
Total	7,066,452	6,852,767	6,517,166	-3.9%	4,021,536	3,726,995	3,468,871	3,015,455	2,902,305	-7.0%
Total reserves	10,000,716	9,476,438	9,558,628		7,720,435	7,297,052	6,994,072	6,636,073	6,360,568	

Trinity Public Utilities District

Forecast of Performance Factors

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Average rate (cents/kWh)	9.15	9.13	9.51	1.9%	8.57	8.28	8.33	8.37	8.41	-0.4%
Growth										
Demand (mw)	20,694	22,066	22,066	3.3%	22,066	22,066	22,066	22,066	22,066	0.0%
KWh purchased (000's)	104,517	111,856	117,857	6.4%	117,857	117,857	117,857	117,857	117,857	0.0%
KWh sold (000's)	94,241	101,035	107,617	7.1%	107,617	107,617	107,617	107,617	107,617	0.0%
Energy losses (%)	7.09%	7.40%	7.40%	2.2%	7.40%	7.40%	7.40%	7.40%	7.40%	0.0%
Meters										
Meters served	7,274	7,320	7,314	0.3%	7,314	7,314	7,314	7,314	7,314	0.0%
Costs (\$/meter)	107	118	119	5.3%	82	83	84	86	87	1.5%
Customer accounts	525	550	558	3.1%	561	571	588	606	649	3.9%
Labor										
Distribution										
Miles of distribution line	575	577	579	0.3%	581	583	585	587	589	0.3%
O&M cost including labor/mile	3,771	4,380	4,607	11.1%	4,314	4,370	4,428	4,487	4,546	1.3%
Labor/mile	1,770	1,764	1,758	-0.3%	1,752	1,746	1,740	1,734	1,757	0.1%
Costs/kWh sold (cents/kWh)										
Power acquisition	3.8	4.2	3.3	-6.2%	1.8	2.1	2.1	2.2	2.2	6.0%
Operations & maintenance	2.3	2.5	2.5	3.9%	2.3	2.4	2.4	2.4	2.5	1.7%
Customer accounts	0.8	0.9	0.8	-1.3%	0.6	0.6	0.6	0.6	0.6	1.5%
Administrative & general	1.1	1.0	1.3	10.0%	1.2	1.2	1.2	1.2	1.2	1.6%
Debt & financing	1.9	1.8	1.7	-6.2%	1.7	1.6	1.6	1.6	1.6	-0.7%
Uncollectible sales (\$)	15,644	19,629	21,773	19.6%	21,773	21,479	21,588	21,699	21,814	0.0%
Debt service coverage ratio	1.79	2.04	2.35	15.4%	2.91	2.54	2.52	2.47	2.44	-4.0%
Capital replacements, System	1,060,384	975,271	1,049,532	-0.5%	1,334,461	1,354,477	1,374,795	1,395,417	1,416,348	1.5%

Trinity Public Utilities District Forecast of Labor Factors

	14/15 (Actual)	15/16 (Actual)	16/17 (Preliminary)	15-17 % Growth	17/18 (Budgeted)	18/19 (Projected)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	18-22 % Growth
Labor components										
Salaries and wages	1,812,914	1,914,565	1,911,726	2.7%	1,989,693	2,049,383	2,110,865	2,174,191	2,370,331	4.8%
Paid time off	363,640	436,378	408,713	6.2%	423,018	435,709	448,780	462,243	482,559	3.5%
Overtime/meals/standby	263,235	285,936	415,096	28.8%	369,933	381,031	392,461	404,235	422,001	3.5%
Retirement	606,252	605,773	569,602	-3.0%	551,483	514,395	529,827	545,722	594,963	2.0%
Social Security taxes	155,475	165,502	167,497	3.9%	169,373	174,454	179,687	185,078	199,335	4.4%
Insurance	615,149	614,627	606,712	-0.7%	599,810	617,882	637,562	657,868	678,821	3.3%
Total	3,816,665	4,022,681	4,079,345	3.4%	4,102,309	4,172,854	4,299,183	4,429,338	4,748,001	3.9%
Labor distribution										
Power acquisition	190,833	201,134	203,967	3.4%	205,115	208,643	214,959	221,467	237,400	3.9%
Maintenance/replacements	2,099,166	2,212,475	2,243,640	3.4%	2,256,270	2,295,070	2,364,550	2,436,136	2,611,400	3.9%
New construction	190,833	201,134	203,967	3.4%	205,115	208,643	214,959	221,467	237,400	3.9%
Customer accounts	725,166	764,309	775,076	3.4%	779,439	792,842	816,845	841,574	902,120	3.9%
Administrative & general	534,333	563,175	571,108	3.4%	574,323	584,200	601,886	620,107	664,720	3.9%
Debt & financing	76,333	80,454	81,587	3.4%	82,046	83,457	85,984	88,587	94,960	3.9%
Total	3,816,665	4,022,681	4,079,345	3.4%	4,102,309	4,172,854	4,299,183	4,429,338	4,748,001	3.9%
Labor costs per:										
Mile of line	6,638	6,972	7,046	3.1%	7,061	7,158	7,349	7,546	8,061	3.5%
KWh sold (cents)	4	4	4	-3.2%	4	4	4	4	4	3.9%
Meter (\$)	525	550	558	3.1%	561	571	588	606	649	3.9%
Percent of total receipts	35.8%	32.9%	32.4%	-4.7%	35.8%	37.5%	38.4%	39.3%	41.9%	4.2%

Fiscal Year 2016/2017 Financial Forecast Notes

Assumptions

The following assumptions were used to prepare the Forecast:

1. Inflation 3.0% per year.
2. Load Growth 0.0% each year.
3. Western Rates Power Acquisition Costs increased 19.7% from FY 14/15 to FY 15/16. Power costs are expected to remain stable from FY 15/16 to FY 16/17 due to the expiration of Western's favorable true-up (\$252,406) of FY 13/14 power costs. Staff is projecting power costs to increase 1% annually for purposes of the Five-Year Forecast. Actual annual costs could swing by minus \$1 million to plus \$2 million depending on rainfall and Trinity River water diversions.
4. Capital Expend The forecasted Capital Improvements include a five year System Improvement Plan that identifies major system improvements along with routine and ordinary improvements. The System Improvements are to be funded by the monies originally earmarked for the Lewiston Hydro Project; all remaining Capital Improvements are to be funded by net revenues. There are no new projects planned until Staff catches up with previously slated projects.
5. Interest Earnings
Rate Bond Reserves 1.00%
 CIEDB Reserves 1.00%
 Line Ext. Fund 7.26%
 Remaining Funds 1.00%
6. Restricted Funds Consists of Bond and Loan Reserves of \$1,752,700 and accrued costs not yet paid, at an amount of approximately \$985,000 per year. The available reserve for Line Extension loans is \$299,000. The Budget is cash based. Inclusion of the Encumbered Funds and exclusion of Accrued Revenues provides a safety margin in the Budget.
7. Remaining
Expenses With few exceptions, expenses are projected to either grow at the rate of inflation, or a compounding of inflation, depending on whether the expense is a factor of the level of sales/number of customers. The few exceptions are expenses directly impacted by the extended drought.
8. Revenue Average System Rate of \$0.096 per kWh.

Fiscal Year 2016/2017 Financial Forecast Notes

9. Deregulation Surcharge
The Deregulation Surcharge was rescinded effective July 2015 and a revenue neutral System Access Charge was implemented.

10. County Surcharge
The County is currently paying a \$0.0815 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. The County Surcharge is projected to be paid off in 2023.

**MISSION
STATEMENT AND
GOALS**

DISTRICT GOALS
FY 17/18

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

GOAL:

1. Rate parity and stability-more closely align District rates with District costs.
2. Reduce the rate differential between different parts of the District's service area.
3. Reduce the rate differential between residential and commercial accounts.

OBJECTIVES:

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.

GOAL:

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

OBJECTIVES:

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.
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

GOAL:

1. Improve system reliability and efficiency.

OBJECTIVES:


1. Continue assertive vegetation line clearing practices.
2. Improve customer satisfaction.
3. Consider providing electric service to properties within the District boundaries that are currently off the grid.

GOAL:

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

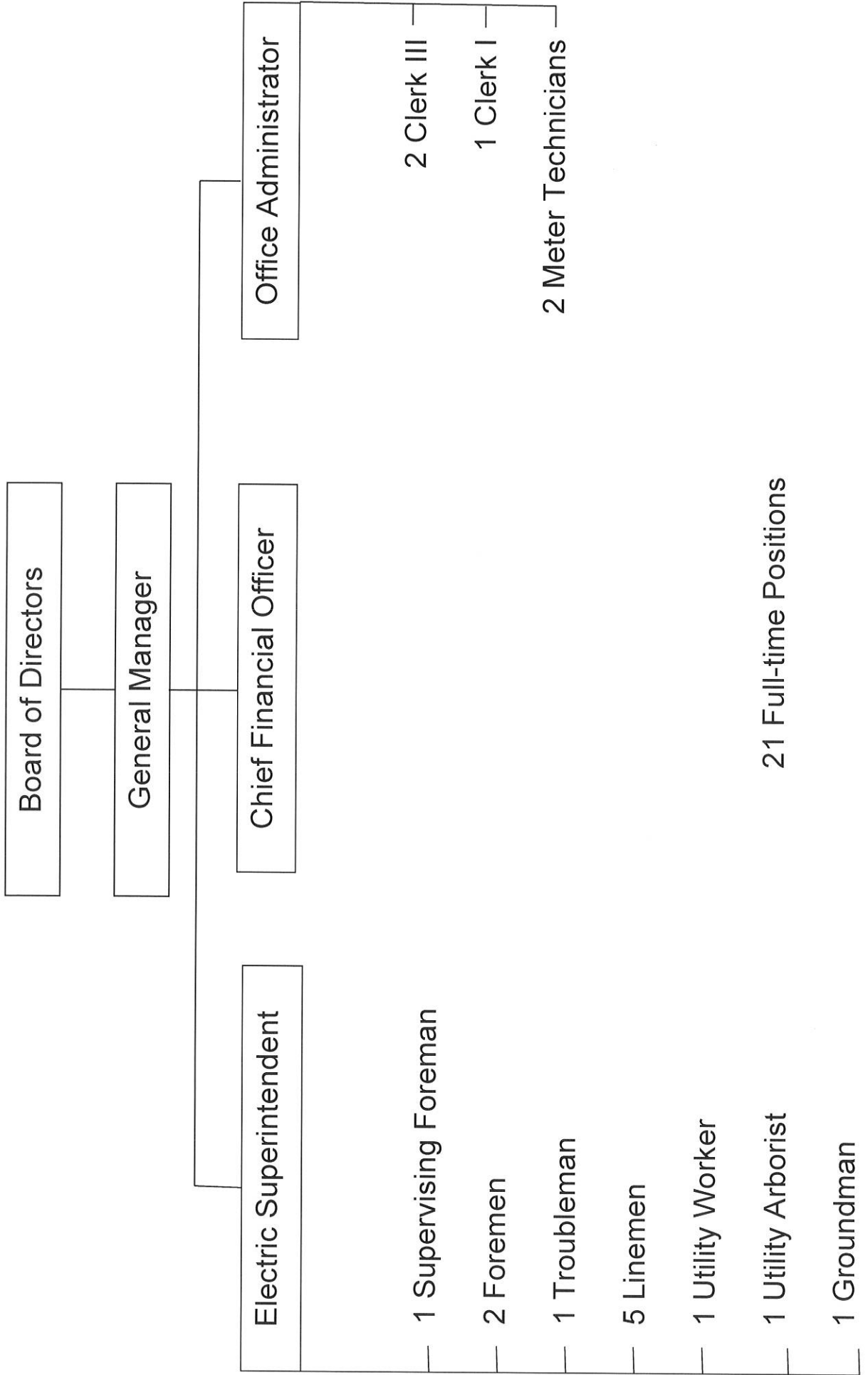
OBJECTIVES:

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.


Clarence W. Rose, President

ORGANIZATIONAL CHART

**TRINITY PUD
ORGANIZATIONAL CHART
June 2017**



**OTHER
FINANCIAL
INFORMATION**

**Trinity Public Utilities District
Other Financial Information**

	FY 12-13 ACTUAL	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 (ESTIMATED)
Energy Sales and Customers					
Customers (average)					
Residential	6,051	6,039	6,081	6,120	6,115
Commercial	1,186	1,184	1,192	1,199	1,198
Industrial	1	1	1	1	1
Total	7,238	7,224	7,274	7,320	7,314
Energy Hours Sold (MWh)					
Residential	60,397	60,480	58,053	62,237	66,292
Commercial	29,185	29,237	27,553	30,075	32,515
Industrial	8,465	8,465	8,636	8,722	8,810
Total	98,047	98,182	94,241	101,035	107,617
Sales of Electric Energy (\$000's)					
Residential	\$ 4,523	\$ 4,584	\$ 4,410	\$ 5,532	\$ 6,136
Commercial	2,225	2,263	2,156	2,838	3,203
Industrial	547	547	547	552	558
Total	\$ 7,296	\$ 7,394	\$ 7,113	\$ 8,922	\$ 9,897
System Average Base Rate (per kWh)					
	\$ 0.0744	\$ 0.0753	\$ 0.0755	\$ 0.0883	\$ 0.0920
Power purchased (MWh X 1,000)					
Energy Purchased from:					
Western Area Power Administration (Western)	108.2	108.3	104.5	111.9	117.9
Energy Disposition (MWh X 1,000)					
Total Energy Sales	98.0	98.2	94.2	101.0	107.6
Total Power Loss	10.1	10.1	10.3	10.8	10.2
Peak Demand (MW)					
Winter	22.9	21.3	20.6	21.2	21.2
Summer	16.9	18.7	18.7	18.6	18.6
Energy Expenses (000's)					
Purchased Power Expense	\$ 2,480	\$ 2,430	\$ 3,319	\$ 3,979	\$ 3,979
Other Electric Statistics					
Utility Plant (less accumulated depreciation (000's))	\$ 29,253	\$ 29,438	\$ 29,438	\$ 29,438	\$ 29,438
Distribution					
Overhead Circuit Miles	513.5	515.5	515.5	517.5	519.5
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)					
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
	(PROJECTED)	(PROJECTED)	(PROJECTED)	(PROJECTED)	(PROJECTED)
Energy and Demand Requirements					
Peak Demand (MW)	22.066	22.066	22.066	22.066	22.066
Energy (MWh)	117,857	117,857	117,857	117,857	117,857

**Trinity Public Utilities District
Other Financial Information**

Electric Rate Comparison		FY 12-13	FY13-14	FY14-15	FY15-16	FY16-17
Residential Monthly Bill (1,000 kWh)		ACTUAL¹	ACTUAL¹	ACTUAL¹	ACTUAL²	ESTIMATED²
Pacific Gas & Electric	Summer	\$ 277.44	\$ 284.46	\$ 286.87	329.13	292.71
	Winter	\$ 252.37	\$ 258.93	\$ 264.65	296.70	255.20
Sacramento Municipal Utility District	Summer	\$ 122.53	\$ 106.10	\$ 135.70	\$ 135.70	\$ 150.99
	Winter	\$ 123.32	\$ 96.80	\$ 121.80	\$ 121.80	\$ 134.69
Lassen Municipal Utility District	Summer	\$ 130.00	\$ 130.00	\$ 145.00	\$ 150.00	\$ 150.00
	Winter	\$ 130.00	\$ 130.00	\$ 145.00	\$ 150.00	\$ 150.00
City of Redding	Summer	\$ 153.90	\$ 165.80	\$ 165.80	\$ 167.80	\$ 169.34
	Winter	\$ 153.90	\$ 165.80	\$ 165.80	\$ 167.80	\$ 169.34
City of Shasta Lake	Summer	\$ 164.90	\$ 169.20	\$ 169.59	\$ 180.17	\$ 186.14
	Winter	\$ 164.90	\$ 169.20	\$ 169.59	\$ 180.17	\$ 186.14
The District - Zone B	Summer	\$ 85.60	\$ 85.60	\$ 114.68	\$ 114.68	\$ 118.79
	Winter	\$ 85.60	\$ 85.60	\$ 114.68	\$ 114.68	\$ 118.79
The District - Zone A	Summer	\$ 60.30	\$ 60.30	\$ 91.31	\$ 91.31	\$ 95.42
	Winter	\$ 60.30	\$ 60.30	\$ 91.31	\$ 91.31	\$ 95.42

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

\$ amounts reported above include revenues from any applicable taxes or surcharges²

**Historical/Forecasted Debt Service
Coverage and Accumulated Surplus
(Fiscal Year Ending June 30)**

	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>
OPERATING REVENUES¹					
Electric Sales	\$ 7,421,540	\$ 7,110,762	\$ 8,922,073	\$ 9,896,616	\$ 9,896,616
Drought surcharge	\$ 1,185,943	\$ 1,131,400	\$ 1,190,061	\$ 1,305,801	\$ 199,787
Dereg surcharge	\$ 1,385,173	\$ 1,321,131	\$ 104,877	\$ -	\$ -
Lewiston generation income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income ²	1,373,725	1,087,386	1,967,411	1,350,283	1,259,129
Interest Income ³	33,785	23,725	30,546	42,827	87,880
Total Revenues	\$ 11,400,166	\$ 10,674,404	\$ 12,214,968	\$ 12,595,527	\$ 11,443,412
OPERATION AND MAINTENANCE EXPENSES⁴					
Purchased power	\$ 2,429,523	\$ 3,318,857	\$ 3,979,409	\$ 3,312,898	\$ 1,732,968
Transmission (CAISO)	-	-	-	-	-
Other	204,544	218,207	231,244	226,573	215,811
Total Purchased Power	\$ 2,634,067	\$ 3,537,064	\$ 4,210,653	\$ 3,539,471	\$ 1,948,779
Operations and Maintenance	2,371,399	2,168,556	2,527,206	2,667,314	2,506,285
Customer Accounts	811,823	780,340	863,070	867,359	598,388
Administrative and General	1,088,956	1,062,383	1,055,130	1,438,559	1,320,562
Total Other	\$ 4,272,178	\$ 4,011,279	\$ 4,445,406	\$ 4,973,231	\$ 4,425,234
Total Expenses	\$ 6,906,245	\$ 7,548,343	\$ 8,656,059	\$ 8,512,703	\$ 6,374,013
NET REVENUES	\$ 4,493,921	\$ 3,126,061	\$ 3,558,909	\$ 4,082,824	\$ 5,069,399
Lewiston financing	\$ -	\$ -	\$ -	\$ -	\$ -
2010 PG&E	907,019	1,300,406	1,302,906	1,299,156	1,299,356
FareCAL refi	-	-	-	-	-
2003 COPs	265,187	-	-	-	-
CIEDB Installment sale	441,879	441,747	441,611	441,470	441,325
TOTAL DEBT SERVICE	1,614,084	1,742,153	1,744,517	1,740,626	1,740,681
TOTAL DEBT SERVICE COVERAGE	2.78	1.79	2.04	2.35	2.91
SR DEBT SERVICE COVERAGE	3.83	2.40	2.73	3.14	3.90
BEGINNING RESERVES	\$ 15,854,858	\$ 10,899,249	\$ 10,377,804	\$ 9,853,525	\$ 9,935,716
Surplus Revenues	2,879,837	1,383,908	1,814,392	2,342,198	3,328,718
Capital Outlays	(2,242,217)	(2,055,863)	(2,484,498)	(2,410,007)	(5,316,911)
County/MCMS Funding	146,772	150,509	145,827	150,000	150,000
Bond/Loan Proceeds	(5,740,000)	-	-	-	-
Net Surplus	(4,955,608)	(521,446)	(524,279)	82,191	(1,838,193)
TOTAL RESERVES	\$ 10,899,249	\$ 10,377,804	\$ 9,853,525	\$ 9,935,716	\$ 8,097,523
Debt Reserves	(1,751,105)	(1,752,606)	(1,755,249)	(1,759,441)	(1,758,575)
BALANCE AVAILABLE for Capital Outlays or Other Purposes⁵	9,148,144	8,625,198	8,098,276	8,176,275	6,338,948
<i>contingency, payables & lxt fund</i>	<i>8,445,846</i>	<i>7,924,325</i>	<i>7,445,603</i>	<i>7,343,835</i>	<i>5,302,966</i>

¹ Reflects all gross income and revenue received

² Includes Fees and charges, Joint pole/contact inns

³ Interest earned on surplus District funds and on

⁴ Excludes depreciation, amortizations, accruals a

⁵ Excludes funds held for Reserves on Debt