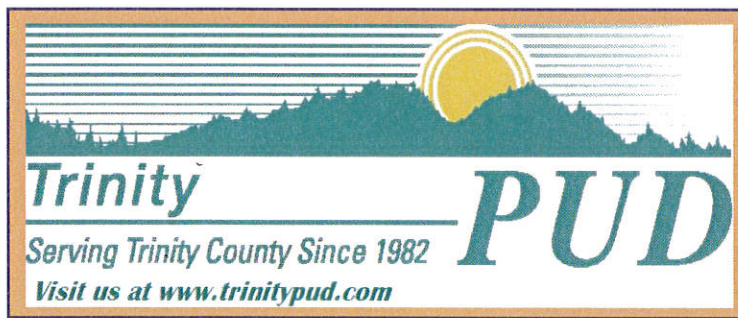


FISCAL YEAR 2018/2019 BUDGET



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Weaverville, CA 96093
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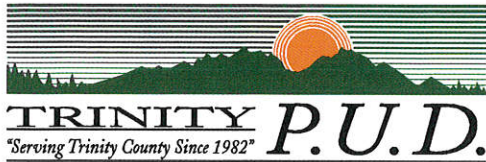
TRINITY PUBLIC UTILITIES DISTRICT

FY 18-19 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 *Paul Hauser*

Date: June 14, 2018

Re: Fiscal Year 18/19 Budget

The Fiscal Year 18/19 Budget estimates operating receipts to be \$12,741,635 or approximately 8.4% greater than last year's operating receipts of \$11,749,886. The Budget also includes \$8,732,490 for Operating Expenses and \$3,909,494 for Capital Expenditures. With the County's annual loan repayment of \$150,000 the Budget reflects a \$249,651 increase to reserves. The primary reason for the increase in revenues is the implementation of the Drought Relief Surcharge in May 2018. The Capital Expenditures include replacing three pick-up trucks (\$122,000), replacing the 2010 Freightliner Bucket truck (\$240,000), replacing the 2007 Polaris 4x4 OHV (\$20,000), purchasing an excavator (\$75,000), as well as on-going maintenance of the System.

The current Fiscal Year is expected to end with reserve balances that are approximately \$0.203 million greater than projected in the Fiscal Year 17/18 Budget. *(The District refinanced its debt during FY 17/18 which was not accounted for in the original Budget due to the timing of the refinancing project.)* The main reason for the reduction to reserves not being as great as forecasted is that capital improvements have been delayed.

Fiscal Year 18/19 should begin with nearly \$6.6 million in Contingency Reserves. This reserve is forecasted to remain stable due to the implementation of the Drought Relief Surcharge in May 2018.

The current water year is a below average water year due to the return of drought conditions. The Five Year Financial Forecast assumes that the Drought Relief Surcharge will remain for all future years.

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 in 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 our customer's electric usage.

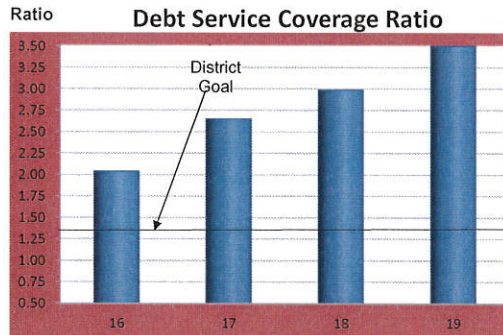
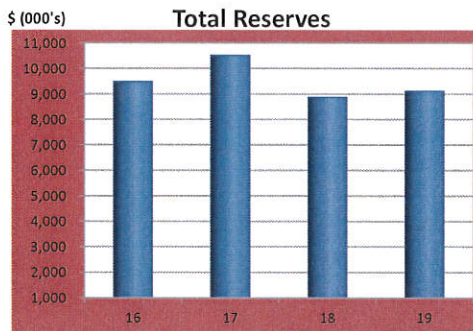
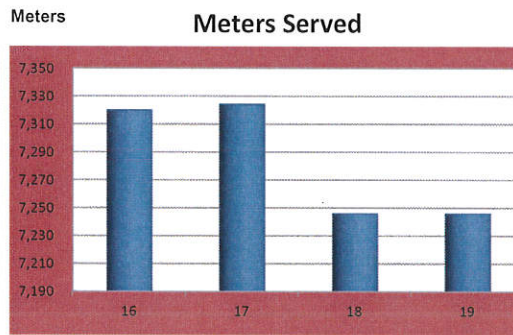
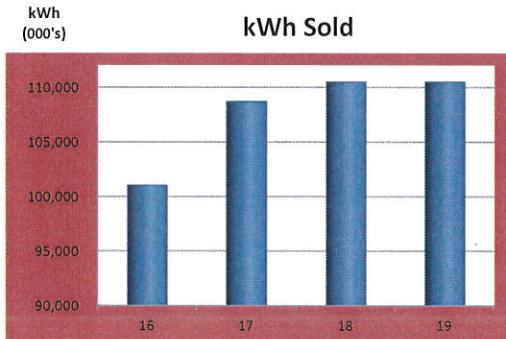
Without some combination of increased load growth and permanently reduced power costs, a rate increase will be necessary in order to maintain operations and maintenance of the District's infrastructure. Any combination of decreased electric consumption and drought will hasten the need for a rate increase 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.

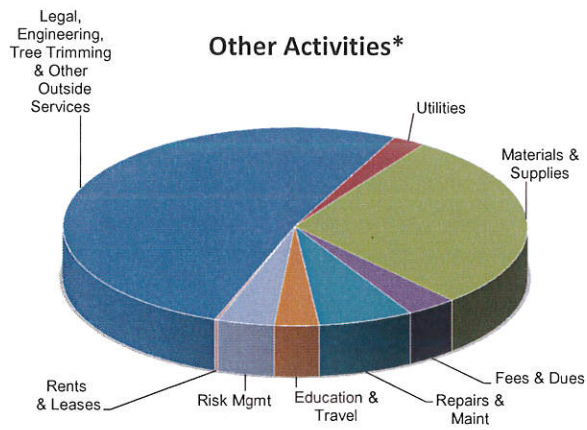
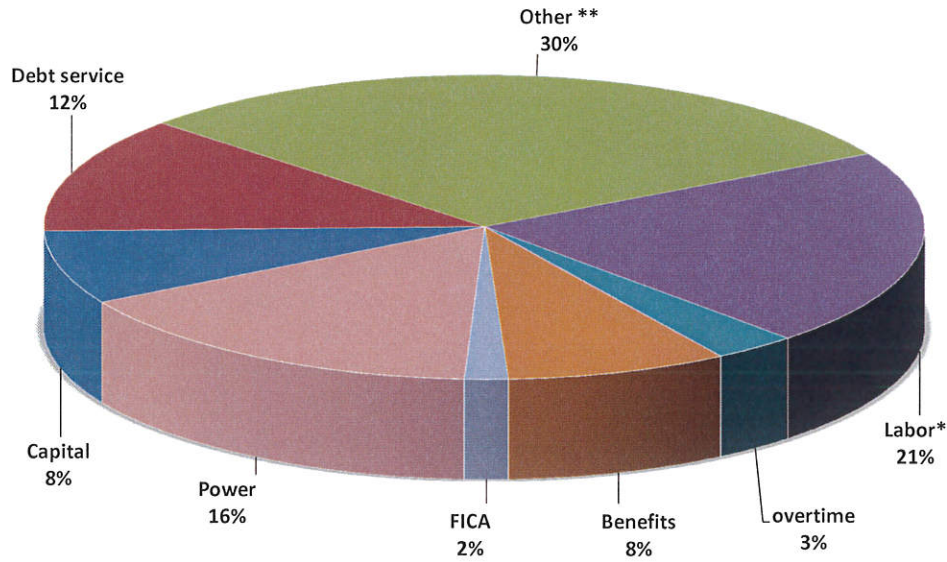
BUDGET
FY 18/19

Trinity Public Utilities District Budget Overview FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Operating receipts	12,214,968	12,692,562	3.9%	11,749,886	-7.4%	12,741,635	8.4%
Operating expenditures	10,400,576	9,818,944	-5.6%	7,951,895	-19.0%	8,732,490	9.8%
Available for capital	1,814,392	2,873,618	58.4%	3,797,991	32.2%	4,009,145	5.6%
County/MCMS transactions	145,827	150,831	3.4%	150,000	-0.6%	150,000	0.0%
Capital outlay	2,484,498	1,994,277	-19.7%	4,398,495	120.6%	3,909,494	-11.1%
Bond/loan proceeds	-	-		(1,185,024)		-	
Change in reserves	(524,279)	1,030,172	-296.5%	(1,635,528)	-258.8%	249,651	-115.3%
Reserves balances (end of year)							
Restricted	1,791,133	1,790,202	-0.1%	616,449	-65.6%	592,781	-3.8%
Encumbered	592,836	601,128	1.4%	927,295	54.3%	1,035,932	11.7%
Customer funds	203,035	382,052	88.2%	393,155	2.9%	384,284	-2.3%
Dedicated	36,667	153,333	318.2%	362,333	136.3%	518,667	43.1%
Total other reserves	2,623,671	2,926,715	11.6%	2,299,232	-21.4%	2,531,664	10.1%
Contingency reserves	6,852,767	7,579,894	10.6%	6,571,849	-13.3%	6,589,069	0.3%
Total reserves	9,476,438	10,506,610	10.9%	8,871,082	-15.6%	9,120,733	2.8%
Debt service coverage ratio	2.04	2.65	29.9%	2.99	46.4%	3.56	19.1%



Trinity Public Utilities District Costs by Activities FY 18/19 Budget



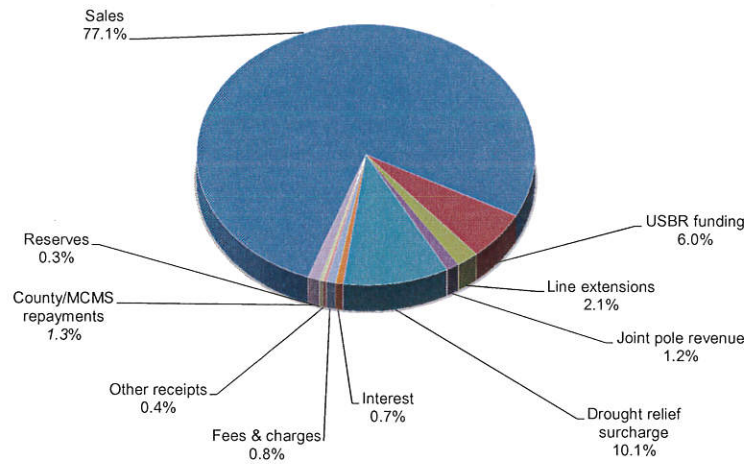
Trinity Public Utilities District Budget Summary FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Revenues							
Energy sales	8,922,073	9,789,242	9.7%	9,980,098	1.9%	9,980,098	0.0%
Surcharge receipts	1,294,938	1,291,278	-0.3%	394,386	-69.5%	1,303,740	230.6%
Other receipts	1,997,957	1,612,042	-19.3%	1,375,402	-14.7%	1,457,797	6.0%
Total	12,214,968	12,692,562	3.9%	11,749,886	-7.4%	12,741,635	8.4%
Expenses							
Power acquisition	4,210,653	3,243,996	-23.0%	1,568,377	-51.7%	2,258,299	44.0%
Operations & maintenance	2,527,206	2,673,277	5.8%	2,487,496	-6.9%	2,688,643	8.1%
Customer accounts	863,070	894,235	3.6%	649,639	-27.4%	781,256	20.3%
Administrative & general	994,691	1,204,666	21.1%	1,275,204	5.9%	1,385,557	8.7%
Debt & financing	1,804,956	1,802,770	-0.1%	1,971,179	9.3%	1,618,734	-17.9%
Total	10,400,576	9,818,944	-5.6%	7,951,895	-19.0%	8,732,490	9.8%
Available for capital	1,814,392	2,873,618	58.4%	3,797,991	32.2%	4,009,145	5.6%
Capital outlay							
Distribution/Transmission	1,815,897	1,936,603	6.6%	1,749,084	-9.7%	3,187,849	82.3%
Substations	602,385	26,681		11,429		301,645	
Customer accounts	65,218	17,366	-73.4%	2,590,151	14815.1%	300,000	-88.4%
Property and facilities	998	13,627		47,830		120,000	150.9%
Total	2,484,498	1,994,277	-19.7%	4,398,495	120.6%	3,909,494	-11.1%
Bond proceeds	-	-		(1,185,024)		-	
County/MCMS transactions	145,827	150,831		150,000		150,000	
Change in reserves	(524,279)	1,030,172	-296.5%	(1,635,528)	-258.8%	249,651	-115.3%
Reserves balances (end of year)							
Restricted	1,791,133	1,790,202	-0.1%	616,449	-65.6%	592,781	-3.8%
Encumbered	592,836	601,128	1.4%	927,295	54.3%	1,035,932	11.7%
Customer funds	203,035	382,052	88.2%	393,155	2.9%	384,284	-2.3%
Dedicated	36,667	153,333	318.2%	362,333	136.3%	518,667	43.1%
Contingency	6,852,767	7,579,894	10.6%	6,571,849	-13.3%	6,589,069	0.3%
Total reserves	9,476,438	10,506,610	10.9%	8,871,082	-15.6%	9,120,733	2.8%

Trinity Public Utilities District Fund Sources and Uses Summary FY 18/19 Budget

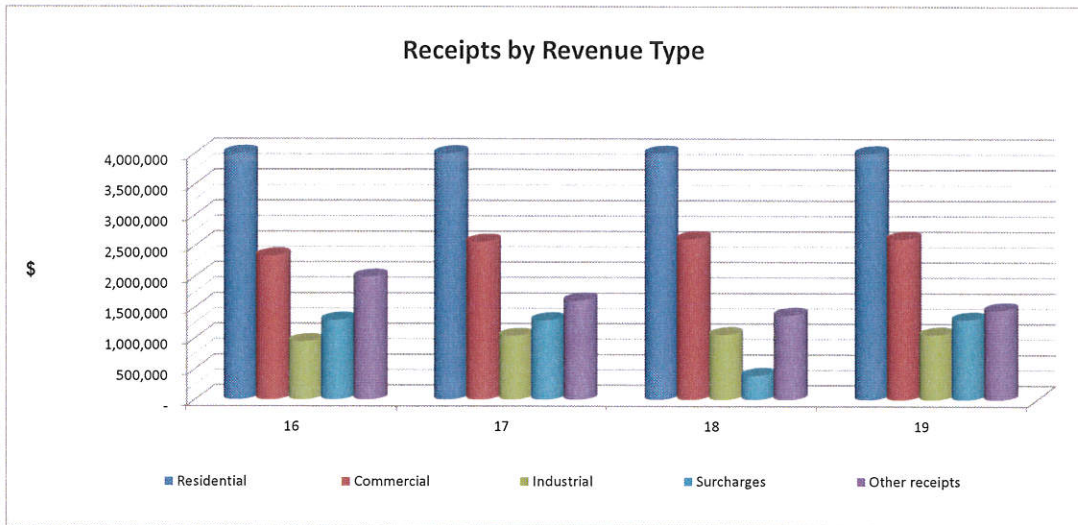
	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Fund Sources							
Receipts							
Energy sales	8,922,073	9,789,242	9.7%	9,980,098	1.9%	9,980,098	0.0%
Other receipts	3,292,895	2,903,320	-11.8%	1,769,788	-39.0%	2,761,537	56.0%
Total	12,214,968	12,692,562	3.9%	11,749,886	-7.4%	12,741,635	8.4%
Reserves/proceeds							
County/MCMS repayments	145,827	150,831	3.4%	150,000	-0.6%	150,000	0.0%
Bond/Loan proceeds	-	-	-	-	-	-	-
Line extension loans	11,445	10,517	-8.1%	7,069	-32.8%	1,629	-77.0%
Restricted reserves	-	-	-	-	-	-	-
Dedicated reserves	18,667	124,333	566.1%	-	-100.0%	40,000	-
Total	175,939	285,681	62.4%	157,069	-45.0%	191,629	22.0%
Total sources	12,390,907	12,978,243	4.7%	11,906,955	-8.3%	12,933,264	8.6%
Fund Uses							
Operating expenditures	10,400,576	9,818,944	-5.6%	7,951,895	-19.0%	8,732,490	9.8%
Capital outlay	2,484,498	1,994,277	-19.7%	4,398,495	120.6%	3,909,494	-11.1%
County/MCMS funding	-	-	-	-	-	-	-
Fund transfers	(280,483)	437,895	-256.1%	564,610	28.9%	274,061	-51.5%
Total uses	12,604,592	12,251,116	-2.8%	12,915,000	5.4%	12,916,045	0.0%
Change in contingency reserves	(213,685)	727,127	-440.3%	(1,008,045)	-238.6%	17,219	-101.7%

**Sources
FY 18/19**



Trinity Public Utilities District Receipts Summary FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Sales							
Zone A	4,681,303	4,993,565	6.7%	5,081,221	1.8%	5,081,221	0.0%
Zone B	4,240,770	4,795,677	13.1%	4,898,877	2.2%	4,898,877	0.0%
Total Sales	8,922,073	9,789,242	9.7%	9,980,098	1.9%	9,980,098	0.0%
Surcharges							
Deregulation surcharge	104,877	-	-100.0%	-	-	-	-
Drought Relief surcharge	1,190,061	1,291,278	100.0%	394,386	-69.5%	1,303,740	230.6%
	1,294,938	1,291,278	-0.3%	394,386	-69.5%	1,303,740	230.6%
Other receipts							
Fees and charges	100,815	118,270	17.3%	77,473	-34.5%	109,279	41.1%
Line extensions	229,698	247,254	7.6%	273,982	10.8%	273,994	0.0%
Line extension amortizations	1,938	-	0.0%	1,597	0.0%	1,629	0.0%
Interest	30,546	46,362	51.8%	76,870	65.8%	93,406	21.5%
USBR funding	755,436	757,074	0.2%	775,194	2.4%	778,789	0.5%
Joint pole/pole contact income	677,280	433,974	-35.9%	159,674	-63.2%	159,674	0.0%
Other misc. income	202,244	9,108	-95.5%	10,612	16.5%	50,000	371.2%
Uncollectibles	-	-	0.0%	-	0.0%	(8,973)	-
Total	1,997,957	1,612,042	-19.3%	1,375,402	-14.7%	1,457,797	6.0%
Total	12,214,968	12,692,562	3.9%	11,749,886	-7.4%	12,741,635	8.4%
Bond/Loan proceeds	-	-	-	(1,185,024)	-	-	-
Total receipts	12,214,968	12,692,562	3.9%	10,564,862	-16.8%	12,741,635	20.6%

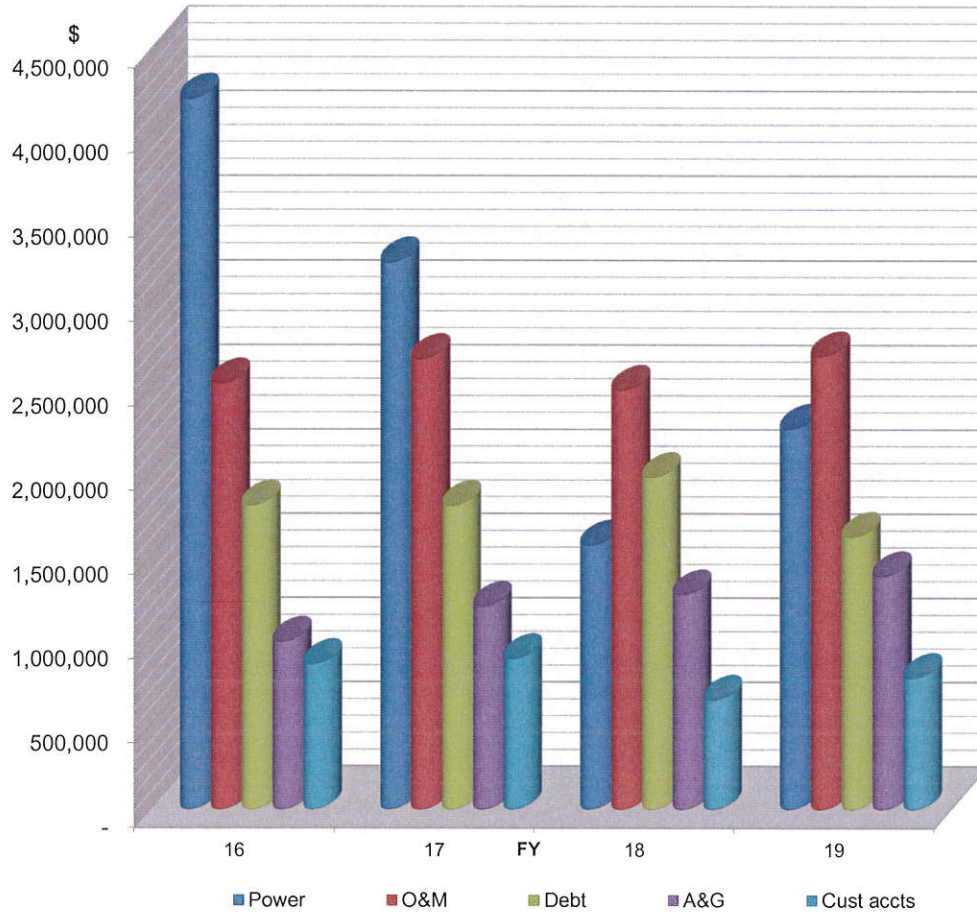


Trinity Public Utilities District Operating Expenditures Summary FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Power acquisition							
Purchased power	3,979,409	3,020,017	-24.1%	1,360,867	-54.9%	1,988,763	46.1%
Other	231,244	223,979	-3.1%	207,510	-7.4%	269,536	29.9%
Total	4,210,653	3,243,996	-23.0%	1,568,377	-51.7%	2,258,299	44.0%
Operations & maintenance							
System	57,940	21,411	-63.0%	169,023	689.4%	231,297	36.8%
Overhead distribution	2,353,982	2,568,957	9.1%	2,158,997	-16.0%	2,264,540	4.9%
Transmission & UG distribution	30,755	28,656	-6.8%	44,068	53.8%	39,910	-9.4%
Lighting	2,930	-	-100.0%	4,000		10,810	100%
Buildings/property	5,691	5,547	-2.5%	25,347	356.9%	28,893	14.0%
Other	75,908	48,706	-35.8%	86,062	76.7%	113,193	31.5%
Total	2,527,206	2,673,277	5.8%	2,487,496	-6.9%	2,688,643	8.1%
Customer accounts							
Account maintenance	604,319	655,146	8.4%	568,364	-13.2%	648,530	14.1%
Meter reading/turtle maint.	192,364	189,716	-1.4%	36,221	-80.9%	65,854	81.8%
Customer relations	66,387	49,373	-25.6%	45,053	-8.7%	63,373	40.7%
Other	-	-	-	-	0.0%	3,500	0.0%
Total	863,070	894,235	3.6%	649,639	-27.4%	781,256	20.3%
Administrative and general							
Utilities	70,163	72,794	3.7%	86,288	18.5%	81,800	-5.2%
Accounting	186,094	219,263	17.8%	241,507	10.1%	243,464	0.8%
Risk management	187,741	202,370	7.8%	236,128	16.7%	240,525	1.9%
Community investment	-	3,463		2,545	0.0%	20,000	685.7%
Dues and publications	53,347	60,509	13.4%	110,444	82.5%	94,378	-14.5%
Education and travel	80,125	74,035	-7.6%	82,520	11.5%	110,000	33.3%
Supervision	160,711	153,937	-4.2%	178,631	16.0%	123,786	-30.7%
Planning	96,493	89,793	-6.9%	83,900	-6.6%	98,685	17.6%
Legal	47,841	55,026	15.0%	101,084	83.7%	137,759	36.3%
Economic Development	46,897	199,594	325.6%	75,000	-62.4%	162,759	117.0%
Misc. outside services	34,031	35,466	4.2%	23,692	-33.2%	22,500	-5.0%
Other	31,248	38,416	22.9%	53,465	39.2%	49,900	-6.7%
Total	994,691	1,204,666	21.1%	1,275,204	5.9%	1,385,557	8.7%
Debt and financing							
Interest	1,024,901	992,718	-3.1%	1,104,367	11.2%	717,428	-35.0%
Principal	719,616	747,908	3.9%	806,481	7.8%	850,000	5.4%
Other	60,439	62,144	2.8%	60,331	-2.9%	51,306	-15.0%
Total	1,804,956	1,802,770	-0.1%	1,971,179	9.3%	1,618,734	-17.9%
Total operating expenditures	10,400,576	9,818,944	-5.6%	7,951,895	-19.0%	8,732,490	9.8%

Trinity Public Utilities District

Operating Expenditures

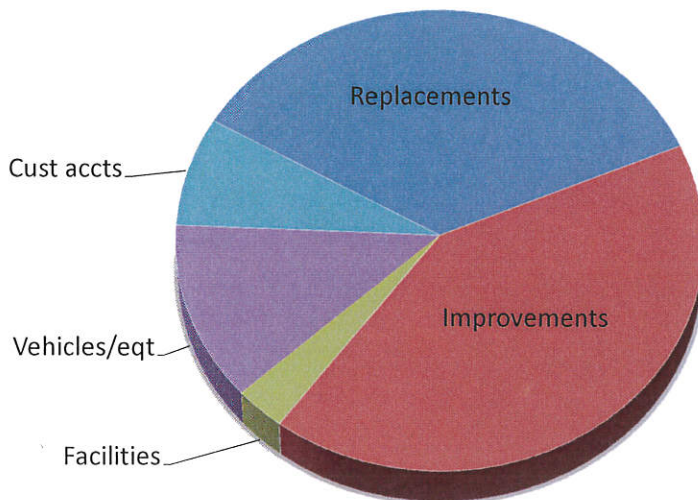


Trinity Public Utilities District Capital Expenses

FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Distribution/Transmission							
Replacements	975,271	1,090,772	11.8%	981,695	-10.0%	1,376,280	40.2%
Improvements	417,481	536,741	28.6%	735,181	37.0%	1,324,569	80.2%
CIP	-	-	-	-	-	-	-
Direct Western tie	-	-	-	-	-	-	-
Lewiston generation	-	-	-	-	-	-	-
Long Canyon Project	159,336	16,324	-89.8%	-	-100.0%	-	-
#21 - 2016 Chevy Silverado	-	34,681	-	-	-	-	-
#15 - 2012 Ford F250	-	-	-	-	-	-	-
#20 - 2012 Ford F-350 4x4 Pickup	-	-	-	-	-	-	-
#67 - 2017 Tucker-Terra Snocat	-	201,212	-	-	-	-	-
#20 - 2012 Ford F-350 4x4 Pickup	-	-	-	-	-	40,000	-
#16 - 2011 Ford F-150	-	-	-	-	-	40,000	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	-	-	-
#59 - 2007 Butler Pole Trailer	-	-	-	-	-	-	-
#45 - 2015 Freightliner line truck	263,809	-	-	-	-	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	-	-	20,000	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	-	42,000	-
#53 - 1985 Altec pole trailer	-	-	-	-	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	-	-	240,000	-
#38 - 2014 International bucket truck	-	8,741	-	-	-	-	-
2018 Excavator	-	-	-	-	-	75,000	-
Radio Equipment - Repeater	-	48,132	-	32,208	-	30,000	-
Other/Previous years	-	-	-	-	-	-	-
Total	1,815,897	1,936,603	6.6%	1,749,084	-9.7%	3,187,849	82.3%
Substations							
CIP/Other	602,385	26,681	-	11,429	-	301,645	-
Total	602,385	26,681	-	11,429	-57.2%	301,645	2539.2%
Customer accounts							
Data processing/computers	54,356	10,945	-79.9%	93,795	757.0%	215,000	129.2%
Office machinery	-	-	100.0%	-	-	-	-
Automated meter reading/turtles	-	-	-	2,415,558	-	10,000	-
NISC CIS software conversion	-	-	-	-	-	-	-
Mapping system	-	6,421	-	80,799	-	75,000	-7.2%
Other	10,862	-	100.0%	-	-	-	-
Total	65,218	17,366	-73.4%	2,590,151	14815.1%	300,000	-88.4%
Property/facilities							
Yard	998	13,627	-	47,830	-	110,000	130.0%
Facilities	-	-	-	-	-	10,000	-
Total	998	13,627	1265.4%	47,830	251.0%	120,000	150.9%
Total capital outlay	2,484,498	1,994,277	-19.7%	4,398,495	120.6%	3,909,494	-11.1%

Capital Outlay



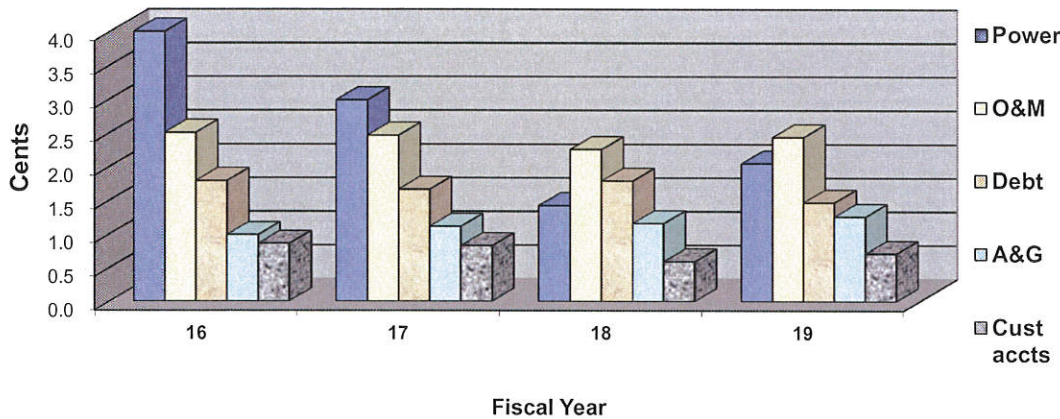
Trinity Public Utilities District Reserves Summary FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	% Growth	18/19 (Budgeted)	Change
Restricted							
Bond/loan reserves	1,755,249	1,762,818	0.4%	580,000	-67.1%	580,000	0.0%
Cafeteria plan	35,884	27,384	-23.7%	36,449	33.1%	12,781	-64.9%
Total	1,791,133	1,790,202	-0.1%	616,449	-65.6%	592,781	-3.8%
Encumbered							
Payables	295,600	303,392	2.6%	629,059	107.3%	739,967	17.6%
Line extension loan fund	297,236	297,736	0.2%	298,236	0.2%	295,965	-0.8%
	592,836	601,128	1.4%	927,295	54.3%	1,035,932	11.7%
Customer funds							
Security deposits	113,083	171,516	51.7%	182,619	6.5%	182,619	0.0%
Construction advances	80,952	201,536	149.0%	201,536	0.0%	192,665	-4.4%
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	203,035	382,052	88.2%	393,155	2.9%	384,284	-2.3%
Dedicated	36,667	153,333	318.2%	362,333	136.3%	518,667	43.1%
Contingency	6,852,767	7,579,894	10.6%	6,571,849	-13.3%	6,589,069	0.3%
Total reserves	9,476,438	10,506,610	10.9%	8,871,082	-15.6%	9,120,733	2.8%

Trinity Public Utilities District Performance Factors FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Average rate (cents/kWh)	9.13	9.20	0.7%	8.48	-7.9%	9.22	8.8%
Growth							
Demand (mw)	22,066	24,274	10.0%	24,286	0.0%	24,286	0.0%
KWh purchased	111,855,571	120,423,040	7.7%	122,357,225	1.6%	122,357,225	0.0%
KWh sold	101,034,659	108,676,572	7.6%	110,487,661	1.7%	110,487,661	0.0%
Energy losses (%)	7.40%	6.90%	-6.8%	6.90%	0.0%	6.90%	0.0%
Meters							
Meters served	7,320	7,324	0.1%	7,246	-1.1%	7,246	0.0%
Costs (\$/meter)							
Customer accounts	118	122	3.6%	90	-26.6%	108	20.3%
Labor	550	556	1.1%	577	3.8%	623	8.1%
Operating expenditures	1,421	1,341	-5.6%	1,097	-18.1%	1,205	9.8%
Expenditures including capital	1,760	1,613	-8.4%	1,704	5.7%	1,745	2.4%
Distribution							
Miles of distribution line	577	579	0.3%	581	0.3%	583	0.3%
O&M cost including labor/mile	4,380	4,617	5.4%	4,281	-7.3%	4,612	7.7%
Labor/mile	1,870	1,863	-0.3%	1,857	-0.3%	1,851	-0.3%
Costs/kWh sold (cents/kWh)							
Power acquisition	4.2	3.0	-28.4%	1.4	-52.4%	2.0	44.0%
Operations & maintenance	2.5	2.5	-1.7%	2.3	-8.5%	2.4	8.1%
Customer accounts	0.9	0.8	-3.7%	0.6	-28.5%	0.7	20.3%
Administrative & general	1.0	1.1	12.6%	1.2	4.1%	1.3	8.7%
Debt & financing	1.8	1.7	-7.1%	1.8	7.5%	1.5	-17.9%
Uncollectible sales (\$)							
	19,629	21,536	9.7%	21,956	1.9%	21,956	0.0%
Debt service coverage ratio							
	2.04	2.65	29.9%	2.99	12.7%	3.56	19.1%
Committed/mandated costs							
	6,460,611	5,519,277	-14.6%	3,976,724	-27.9%	4,363,456	9.7%
<small>(debt service, power, mandated O&M req.)</small>							
Discretionary/variable costs							
	6,424,463	6,293,944	-2.0%	8,373,666	33.0%	8,278,528	-1.1%
<small>(all other operating expenses, capital outlay)</small>							
Capital replacements, System							
	975,271	1,090,772	11.8%	981,695	-10.0%	1,376,280	40%

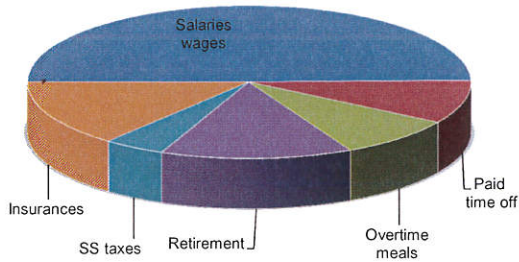
Costs in Cents per kWh



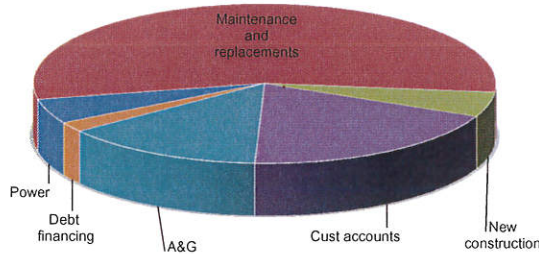
Trinity Public Utilities District Labor Factors FY 18/19 Budget

	15/16 (Actual)	16/17 (Actual)	Change	17/18 (Preliminary)	Change	18/19 (Budgeted)	Change
Labor components							
Salaries and wages	1,914,565	1,956,380	2.2%	2,156,005	10.2%	2,241,857	4.0%
Paid time off	436,378	431,402	-1.1%	401,457	-6.9%	415,508	3.5%
Overtime/meals/standby	285,836	335,059	17.2%	290,525	-13.3%	390,121	34.3%
Retirement	605,773	590,890	-2.5%	567,581	-3.9%	629,882	11.0%
Social Security taxes	165,502	167,524	1.2%	163,404	-2.5%	203,056	24.3%
Insurance	614,627	588,050	-4.3%	599,413	1.9%	636,791	6.2%
Total	4,022,681	4,069,305	1.2%	4,178,384	2.7%	4,517,214	8.1%
Labor distribution							
Power acquisition	201,134	203,465	1.2%	208,919	2.7%	225,861	8.1%
Maintenance/replacements	2,212,475	2,238,118	1.2%	2,298,111	2.7%	2,484,468	8.1%
New construction	201,134	203,465	1.2%	208,919	2.7%	225,861	8.1%
Customer accounts	764,309	773,168	1.2%	793,893	2.7%	858,271	8.1%
Administrative & general	563,175	569,703	1.2%	584,974	2.7%	632,410	8.1%
Debt & financing	80,454	81,386	1.2%	83,568	2.7%	90,344	8.1%
Total	4,022,681	4,069,305	1.2%	4,178,384	2.7%	4,517,214	8.1%
Labor costs per:							
Mile of line	6,972	7,028	0.8%	7,192	2.3%	7,748	7.7%
KWh sold (cents)	3.98	3.74	-6.0%	4	1.0%	4.09	8.1%
Meter (\$)	550	556	1.1%	577	3.8%	623	8.1%
Percent of total receipts	32.9%	32.1%	-2.6%	35.6%	10.9%	35.5%	-0.3%

**Breakdown of Labor Dollar
FY 18//19**



**Labor by Cost Center
FY 18/19**



Trinity Public Utilities District

Projected Costs By Activity

Power acquisition	
Purchased power	1,988,763
BANC Costs	<u>25,000</u>
	<u>2,013,763</u>
Labor	
Wages and salaries	2,591,017
Health insurance	624,266
Cafeteria plan	12,525
Retirement	629,882
Overtime and standby pay	345,079
Social Security taxes	192,600
Workers compensation	96,955
Retirement annuity	10,456
Meals/per diem	<u>14,436</u>
	<u>4,517,214</u>
Materials and supplies	
Operation supplies	25,000
System materials	752,500
Billing and Office supplies	15,000
Postage	30,000
Fuel	100,000
Tires	40,000
Small tools	30,000
Construction eqt	<u>35,000</u>
	<u>1,027,500</u>
Outside services	
Tree trimming/pole clearing	615,000
Road maint/right of way clearing	80,000
Hazardous waste disposal	10,000
Training	8,000
Storm assistance	220,000
Engineering, systems testing/routine maint	275,000
Power acquisition consulting	65,000
Human resources/consulting	4,000
Economic Development/consulting	125,000
Legal	150,000
Backhoes and excavators	50,000
All others	75,200
Auditing	45,000
Bill processing, collections	35,000
Janitorial	15,000
Computer programming	<u>60,000</u>
	<u>1,832,200</u>

Trinity Public Utilities District

Projected Costs By Activity

Utilities	
Electric	20,000
Water	2,500
Telephone	44,000
Garbage	12,000
Propane	500
Sewer	1,500
	<u>80,500</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	94,378
	<u>124,378</u>
Risk management	
Liability insurance	90,000
Damages	10,000
Safety	35,000
Wellness/cafeteria 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	850,000
Interest	717,428
	<u>1,567,428</u>
Capital outlay	
Real property/facilities	120,000
Equipment	250,000
Capital projects	160,000
Vehicles	457,000
	<u>987,000</u>
Total	<u><u>12,641,984</u></u>

Fiscal Year 2018/2019 Budget Notes

Receipts

Sales:

Retail kWh sales are estimated to increase 1.7% from FY 16/17 to FY 17/18. Retail Sales revenue is estimated to increase 1.9%. Staff is forecasting a 0.0% kWh sales growth factor for FY 18/19. A 0.0% kWh sales growth factor is predicted for future years.

Surcharges:

In April 2018, the Department of Water Resources declared the current water year a below average water year. In accordance with District policy, the Drought Relief Surcharge was implemented on the May 2018 bills. This is after the Surcharge was removed in September 2017 due to significant precipitation.

Operating Expenses

Power Acquisition:

The District's costs to purchase power decreased 54.9% FY 16/17 to FY 17/18. This decrease follows the 24.1% decrease from FY 15/16 to FY 16/17. This is a net 65.8% decrease over the last three years.

For FY 18/19, the District is forecasting purchased power costs to increase 46.1%. Western's calculation of the District's First Preference Percentage (FPP) increased 25.4% from 2.60% to 3.26% beginning October 2017. The increase to the FPP is primarily due to the decreased hydro generation resulting from less precipitous weather.

"Other Power Acquisition Costs" of \$270,000 include legislative advocacy (\$60,000), Staff labor (\$130,000), energy consulting (\$5,000), legal costs (\$50,000) associated with general wholesale power issues and costs associated with the Balancing Authority of Northern California (\$25,000).

Operations and Maintenance:

O&M costs decreased from FY 16/17 to FY 17/18 by approximately 6.9%, which is mainly due to Staff time being directed towards capital projects and away from Operations & Maintenance. The Budget for FY 18/19 is factoring in a conservative 8.1% increase from FY 17/18 mainly due to Staff time being directed back towards Operations & Maintenance and away from capital projects.

Customer Accounts:

Customer Accounts are projected to decrease by approximately 27.4% from FY 16/17 to FY 17/18 mainly due to the District replacing its meter system and therefore more Staff time was directed to Capital Projects and away from Customer Accounts. The Budget for FY 18/19 is factoring in a 20.3% increase from FY 17/18 mainly due to Staff time being directed towards Customer Accounts and away from capital projects.

Fiscal Year 2018/2019 Budget Notes

Administrative and General:

A & G costs increased from FY 16/17 to FY 17/18 by approximately 5.9%, which is mainly due to an increase to legal costs due to the Helena Fire. The District also joined the Golden State Power Cooperative and was back billed three years for LAFCO. The FY 18/19 Budget includes an 8.7% increase mainly due to Legal and Economic Development costs.

Debt and Financing:

The District's long-term debt was refinanced in October 2017. The loan from the California Infrastructure & Economic Development Bank (\$5.2 million) and 2010 Electric Utility Revenue Bonds (\$15.9 million) were refinanced through partially taxable, predominately non-taxable bond issues. The refinancing saves the District approximately \$3.22 million (\$2.57 million net present value) over the next 22 years.

Capital Outlay

During FY 17/18 capital expenditures consisted of many replacements and improvements due to the Helena Fire. The District also commenced work on replacing the entire meter system. The only other capital purchase was for a Drone (\$33,000).

The FY 18/19 Budget reflects the following:

- Nonrecurring Capital Costs for FY 18/19 include replacing the 2010 Freightliner bucket truck (\$240,000), three Pickup trucks originally purchased from 2010-2012 (\$122,000), 2007 Polaris OHV (\$20,000) purchasing an Excavator (\$75,000), installing an additional repeater for the radios (\$30,000), replacing office computers and paving part of the yard (\$110,000);
- 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).

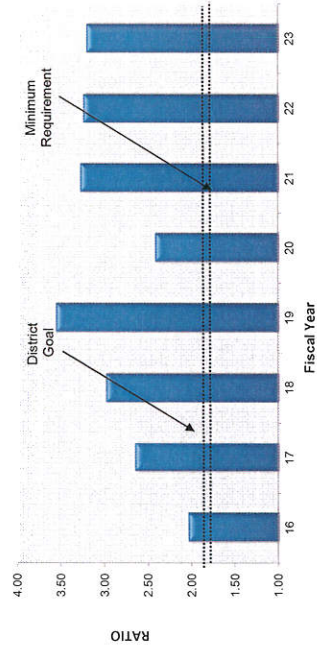
**FIVE-YEAR
FINANCIAL
FORECAST**

Trinity Public Utilities District Financial Forecast Overview

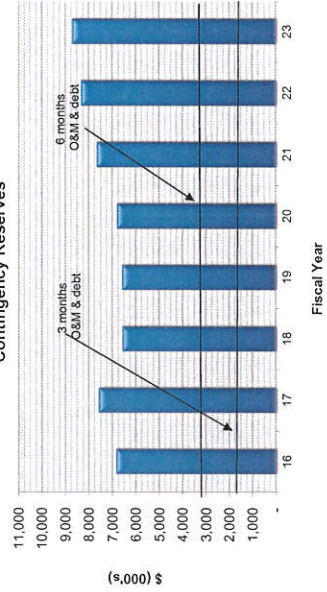
	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Operating receipts	12,214,968	12,692,562	11,749,886	-1.9%	12,741,635	12,717,882	12,741,111	12,774,360	12,805,911	0.1%
Operating expenditures	10,400,576	9,818,944	7,951,895	-11.8%	8,732,490	9,651,951	9,166,782	9,259,046	9,353,571	1.8%
Available for capital	1,814,392	2,873,618	3,797,991	54.7%	4,009,145	3,065,931	3,574,328	3,515,314	3,452,339	-3.5%
Capital outlay	2,484,498	1,994,277	4,398,495	38.5%	3,909,494	3,156,361	3,172,482	2,969,219	3,276,582	-4.0%
Bond/loan proceeds	-	-	(1,185,024)	-	-	-	-	-	-	-
Net County/MCMS repayments	145,827	150,831	150,000	1.4%	150,000	150,000	150,000	150,000	150,000	0.0%
Change in total reserves	(524,279)	1,030,172	(1,635,528)	106.0%	249,651	59,570	551,847	696,095	325,757	7.6%

Reserves balances (end of year)	2,623,671	2,926,715	2,299,232	-6.2%	2,531,664	2,367,349	2,064,539	2,084,161	2,050,628	-5%
Other reserves										
Contingency reserves	6,852,767	7,579,894	6,571,849	-2.0%	6,589,069	6,812,954	7,667,610	8,344,083	8,703,373	8.0%
Total reserves	9,476,438	10,506,610	8,871,082	-3.2%	9,120,733	9,180,302	9,732,149	10,428,244	10,754,001	4.5%
Debt service coverage ratio	2.04	2.65	2.99	23.2%	3.56	2.42	3.28	3.25	3.21	-2.5%

Debt Service Coverage Ratio



Contingency Reserves



Trinity Public Utilities District
Forecast Summary

	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Revenues										
Energy sales	8,922,073	9,789,242	9,980,098	5.9%	9,980,098	9,946,262	9,946,262	9,946,262	9,946,262	-0.1%
Surcharge receipts	1,294,938	1,291,278	394,386	-34.8%	1,303,740	1,303,740	1,303,740	1,303,740	1,303,740	0.0%
Other receipts	1,997,957	1,612,042	1,375,402	-15.6%	1,457,797	1,467,880	1,491,109	1,524,358	1,555,909	1.7%
Total	12,214,968	12,692,562	11,749,886	-1.9%	12,741,635	12,717,882	12,741,111	12,774,360	12,805,911	1.6%
Expenses										
Power acquisition	4,210,653	3,243,996	1,568,377	-31.4%	2,258,299	2,566,656	2,573,439	2,580,427	2,587,623	3.6%
Operations & maintenance	2,527,206	2,673,277	2,487,496	-0.8%	2,688,643	2,733,038	2,778,221	2,824,207	2,871,012	1.7%
Customer accounts	863,070	894,235	649,639	-12.4%	781,256	792,975	804,870	816,943	829,197	1.5%
Administrative & general	994,691	1,204,666	1,275,204	14.1%	1,385,557	1,394,876	1,441,452	1,470,470	1,500,226	2.1%
Debt & financing	1,804,956	1,802,770	1,971,179	4.6%	1,618,734	2,164,405	1,568,800	1,567,000	1,565,513	-0.8%
Total	10,400,576	9,818,944	7,951,895	-11.8%	8,732,490	9,651,951	9,166,782	9,259,046	9,353,571	1.8%
Available for capital	1,814,392	2,873,618	3,797,991	54.7%	4,009,145	3,065,931	3,574,328	3,515,314	3,452,339	-3.5%
Capital outlay	2,484,488	1,994,277	4,398,495	38.5%	3,909,494	3,156,361	3,172,482	2,969,219	3,276,582	-4.0%
Bond proceeds	-	-	(1,185,024)	-	-	-	-	-	-	-
County/MCMS funding	145,827	150,831	150,000	1.4%	150,000	150,000	150,000	150,000	150,000	0.0%
County/MCMS repayments	(524,279)	1,030,172	(1,635,528)	106.0%	249,651	59,570	551,847	696,095	325,757	7.6%
Reserves balances (end of year)										
Encumbered	592,836	601,128	927,295	28.2%	1,035,932	1,058,131	1,069,397	1,080,830	1,092,431	1.4%
Restricted Reserves	1,791,133	1,790,202	616,449	-32.8%	592,781	593,821	594,150	594,487	594,832	0.1%
Customer funds	203,035	382,052	393,155	46.8%	384,284	377,063	374,325	368,845	363,365	-1.4%
Dedicated	36,667	153,333	362,333	444.1%	518,667	338,333	26,667	40,000	-	-25.0%
Total other reserves	2,623,671	2,926,715	2,299,232	-6.2%	2,531,664	2,367,349	2,064,539	2,084,161	2,050,628	-4.8%
Contingency fund	6,852,767	7,579,894	6,571,849	-2.0%	6,589,069	6,812,954	7,667,610	8,344,083	8,703,373	8.0%
Total reserves	9,476,438	10,506,610	8,871,082	-3.2%	9,120,733	9,180,302	9,732,149	10,428,244	10,754,001	4.5%

**Trinity Public Utilities District
Forecast of Fund Sources and Uses**

Fund Sources	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Receipts										
Energy sales	8,922,073	9,789,242	9,980,098	5.9%	9,980,098	9,946,262	9,946,262	9,946,262	9,946,262	-0.1%
Surcharge receipts	1,294,938	1,291,278	394,386	-34.8%	1,303,740	1,303,740	1,303,740	1,303,740	1,303,740	1.7%
Other receipts	1,997,957	1,612,042	1,375,402	-15.6%	1,457,797	1,467,880	1,491,109	1,524,358	1,555,909	1.7%
Total	12,214,968	12,692,562	11,749,886	-1.9%	12,741,635	12,717,882	12,741,111	12,774,360	12,805,911	0.1%
Reserves/proceeds										
County/MCMS repayments	145,827	150,831	150,000	1.4%	150,000	150,000	150,000	150,000	150,000	0.0%
Bond/Loan proceeds	-	-	-	-	-	-	-	-	-	-
Line extension loans	11,445	10,517	7,069	-19.1%	1,629	8,879	8,879	8,879	8,879	111.3%
Restricted reserves	-	-	-	-	-	-	-	-	-	-
Dedicated reserves	18,667	124,333	-	-50.0%	40,000	282,000	325,000	-	40,000	0.0%
Total	175,939	285,681	157,069	-5.4%	191,629	440,879	483,879	158,879	198,879	0.9%
Total sources	12,390,907	12,978,243	11,906,955	-2.0%	12,933,264	13,158,761	13,224,990	12,933,239	13,004,790	0.1%
Fund Uses										
Operating expenditures	10,400,576	9,818,944	7,951,895	-11.8%	8,732,490	9,651,951	9,166,782	9,259,046	9,353,571	1.8%
Capital outlay	2,484,498	1,994,277	4,398,495	38.5%	3,909,494	3,156,361	3,172,482	2,969,219	3,276,582	-4.0%
County/MCMS funding	(280,483)	-	-	-	-	-	-	-	-	-
Fund transfers	12,604,592	12,251,116	12,915,000	1.2%	12,916,045	12,934,876	12,370,333	12,256,766	12,645,499	-0.5%
Total uses	12,604,592	12,251,116	12,915,000	1.2%	12,916,045	12,934,876	12,370,333	12,256,766	12,645,499	-0.5%
Change in contingency reserves	(213,685)	727,127	(1,008,045)	185.9%	17,219	223,885	854,657	676,473	359,290	496.6%

Trinity Public Utilities District
Forecast of Capital Outlay

	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Distribution/Transmission										
Replacements	975,271	1,090,772	981,695	0.3%	1,376,280	1,396,924	1,417,878	1,439,146	1,460,733	1.5%
Improvements	417,481	536,741	735,181	38.0%	1,324,569	1,344,437	1,364,604	1,385,073	1,405,849	1.5%
CIP	-	-	-	-	-	-	-	-	-	-
Direct Western tie	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	0.0%
Lewislon generation	-	-	-	-	-	-	-	-	-	-
Long Canyon Project	159,336	16,324	-	-	-	-	-	-	-	-
#44 - 2010 Freightliner line truck	-	-	-	-	-	-	245,000	-	-	-
#21 - 2016 Chevy Silverado	-	34,681	-	-	-	190,000	-	-	-	-
#34 - 2014 F-550 Trouble truck	-	-	-	-	-	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	-	-	42,000	-	-	-	-	-
#52 - 2001 Wells Cargo trailer	-	-	-	-	-	-	-	-	-	-
#60 - 1998 Caterpillar Fork Lift	-	-	-	-	-	-	-	-	-	-
#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	-	201,212	-	-	-	-	-	-	-	-
#25 - 2015 Ford F-350 4x4 Utility truck	-	-	-	-	-	-	-	40,000	-	-
#57 - 2003 Maxi-lift snowcat trailer	-	-	-	-	-	-	-	-	-	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	-	-	-	-	-	-
#53 - 1985 Alltec pole trailer	-	-	-	-	-	-	-	-	-	-
#16 - 2011 Ford F-150	-	-	-	-	40,000	-	-	-	-	-
#17 - 2011 Ford F-150	-	-	-	-	-	-	-	-	-	-
#24 - 2014 Ford F-350 4x4 truck	-	-	-	-	-	-	-	-	-	-
#14 - 2012 Ford F250	-	-	-	-	-	40,000	-	-	-	-
#15 - 2012 Ford F250	-	-	-	-	-	40,000	-	-	-	-
#45 - 2015 Freightliner line truck	-	-	-	-	-	-	-	-	-	-
#21 - 2016 Chevy Silverado	263,809	-	-	-	-	-	-	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	-	240,000	-	-	-	-	-
#38 - 2014 International bucket truck	-	8,741	-	-	-	-	-	-	225,000	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	-	20,000	-	-	-	-	-
Future large field vehicle replacement	-	-	-	-	75,000	-	-	-	-	-
Other	-	48,132	32,208	-	30,000	-	-	-	-	-
Total	1,815,897	1,936,603	1,749,084	-1.8%	3,187,849	3,011,361	3,027,482	2,824,219	3,131,582	-0.4%
Substations	602,385	26,681	11,429		301,645					0.0%
Customer accounts										
Data processing/computers	54,356	10,945	93,795	36.3%	215,000	60,000	60,000	60,000	60,000	-18.0%
Office machinery	-	-	-	-	-	-	-	-	-	-
Automated meter reading/turtles	-	-	2,415,558	-	10,000	10,000	10,000	10,000	10,000	-3.3%
Mapping system	-	6,421	80,799	-	75,000	65,000	65,000	65,000	65,000	-
NISC CIS software conversion	-	-	-	-	-	-	-	-	-	-
Other	10,862	-	-	-	-	-	-	-	-	-
Total	65,218	17,366	2,590,151	1935.8%	300,000	135,000	135,000	135,000	135,000	-13.8%
Property/facilities										
	998	13,627	47,830	2346.3%	120,000	10,000	10,000	10,000	10,000	-22.9%
Total capital outlay	2,484,498	1,994,277	4,398,495	38.5%	3,909,494	3,156,361	3,172,482	2,969,219	3,276,582	-4.0%

Trinity Public Utilities District
Forecast of Reserves

	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Restricted										
Bond/loan reserves	1,755,249	1,762,818	580,000	-33.5%	580,000	580,000	580,000	580,000	580,000	0.0%
Cafeteria plan	35,884	27,384	36,449	0.8%	12,781	13,821	14,150	14,487	14,832	4.0%
Total	1,791,133	1,790,202	616,449	-32.8%	592,781	593,821	594,150	594,487	594,832	0.1%
Encumbered										
Line extension loan fund	297,236	297,736	298,236	0.2%	295,965	295,965	295,965	295,965	295,965	0.0%
Payables	295,600	303,392	629,059	56.4%	739,967	762,166	773,432	784,865	796,466	1.9%
Total	592,836	601,128	927,295	28.2%	1,035,932	1,058,131	1,069,397	1,080,830	1,092,431	1.4%
Customer funds										
Security deposits	113,083	171,516	182,619	30.7%	182,619	182,619	182,619	182,619	182,619	0.0%
Construction advances	80,952	201,536	201,536	74.5%	192,665	187,185	181,706	176,226	170,746	-2.8%
Community investments	2,000	2,000	2,000	0.0%	2,000	258	3,000	3,000	3,000	12.5%
Maintenance agreements	7,000	7,000	7,000	0.0%	7,000	7,000	7,000	7,000	7,000	0.0%
Total	203,035	382,052	393,155	46.8%	384,284	377,063	374,325	368,845	363,365	-1.4%
Dedicated	36,667	153,333	362,333	444.1%	518,667	338,333	26,667	40,000	-	-25.0%
Contingency fund										
Contingency	6,852,767	7,579,894	6,571,849	-2.0%	6,589,069	6,812,954	7,667,610	8,344,083	8,703,373	8.0%
Total	6,852,767	7,579,894	6,571,849	-2.0%	6,589,069	6,812,954	7,667,610	8,344,083	8,703,373	8.0%
Total reserves	9,476,438	10,506,610	8,871,082		9,120,733	9,180,302	9,732,149	10,428,244	10,754,001	

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

	15/16 (Actual)	16/17 (Actual)	17/18 (Preliminary)	16-18 % Growth	18/19 (Budgeted)	19/20 (Projected)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	19-23 % Growth
Average rate (cents/kWh)	9.13	9.20	8.48	-3.6%	9.22	9.19	9.19	9.19	9.19	-0.1%
Growth										
Demand (mw)	22,066	24,274	24,286	5.0%	24,286	24,286	24,286	24,286	24,286	0.0%
KWh purchased (000's)	111,856	120,423	122,357	4.7%	122,357	122,357	122,357	122,357	122,357	0.0%
KWh sold (000's)	101,035	108,677	110,488	4.7%	110,488	110,488	110,488	110,488	110,488	0.0%
Energy losses (%)	7.40%	6.90%	6.90%	-3.4%	6.90%	6.90%	6.90%	6.90%	6.90%	0.0%
Meters										
Meters served	7,320	7,324	7,246	-0.5%	7,246	7,246	7,246	7,246	7,246	0.0%
Costs (\$/meter)										
Customer accounts	118	122	90	-12.0%	108	109	111	113	114	1.5%
Labor	550	556	577	2.5%	623	636	651	665	737	4.5%
Distribution										
Miles of distribution line	577	579	581	0.3%	583	585	587	589	591	0.3%
O&M cost including labor/mile	4,380	4,617	4,281	-1.1%	4,612	4,672	4,733	4,795	4,858	1.3%
Labor/mile	1,870	1,863	1,857	-0.3%	1,851	1,844	1,838	1,863	1,857	0.1%
Costs/kWh sold (cents/kWh)										
Power acquisition	4.2	3.0	1.4	-33.0%	2.0	2.3	2.3	2.3	2.3	3.6%
Operations & maintenance	2.5	2.5	2.3	-5.0%	2.4	2.5	2.5	2.6	2.6	1.7%
Customer accounts	0.9	0.8	0.6	-15.6%	0.7	0.7	0.7	0.7	0.8	1.5%
Administrative & general	1.0	1.1	1.2	8.6%	1.3	1.3	1.3	1.3	1.4	2.1%
Debt & financing	1.8	1.7	1.8	-0.1%	1.5	2.0	1.4	1.4	1.4	-0.8%
Uncollectible sales (\$)	19,629	21,536	21,956	5.9%	21,956	21,882	21,882	21,882	21,882	-0.1%
Debt service coverage ratio	2.04	2.65	2.99	23.2%	3.56	2.42	3.28	3.25	3.21	-2.5%
Capital replacements, System	975,271	1,090,772	981,695	0.3%	1,376,280	1,396,924	1,417,878	1,439,146	1,460,733	1.5%

Trinity Public Utilities District
Forecast of Labor Factors

	15/16	16/17	17/18	16-18	18/19	19/20	20/21	21/22	22/23	19-23
	(Actual)	(Actual)	(Preliminary)	% Growth	(Budgeted)	(Projected)	(Projected)	(Projected)	(Projected)	% Growth
Labor components										
Salaries and wages	1,914,565	1,956,380	2,156,005	6.3%	2,241,857	2,309,113	2,355,295	2,402,401	2,659,337	4.7%
Paid time off	436,378	431,402	401,457	-4.0%	415,508	427,973	440,812	449,629	469,390	3.2%
Overtime/meals/standby	285,836	335,059	290,525	0.8%	390,121	401,825	413,880	422,157	440,711	3.2%
Retirement	605,773	590,890	567,581	-3.2%	629,882	604,988	617,087	629,429	813,970	7.3%
Social Security taxes	165,502	167,524	163,404	-0.6%	203,056	209,147	213,883	216,161	237,833	4.3%
Insurance	614,627	588,050	599,413	-1.2%	636,791	655,895	675,572	695,839	718,001	3.2%
Total	4,022,681	4,069,305	4,178,384	1.9%	4,517,214	4,608,940	4,716,529	4,817,615	5,339,242	4.5%
Labor distribution										
Power acquisition	201,134	203,465	208,919	1.9%	225,861	230,447	235,826	240,881	266,962	4.5%
Maintenance/replacements	2,212,475	2,238,118	2,298,111	1.9%	2,484,468	2,534,917	2,594,091	2,649,688	2,936,583	4.5%
New construction	201,134	203,465	208,919	1.9%	225,861	230,447	235,826	240,881	266,962	4.5%
Customer accounts	764,309	773,168	793,893	1.9%	858,271	875,699	896,140	915,347	1,014,456	4.5%
Administrative & general	563,175	569,703	584,974	1.9%	632,410	645,252	660,314	674,466	747,494	4.5%
Debt & financing	80,454	81,386	83,568	1.9%	90,344	92,179	94,331	96,352	106,785	4.5%
Total	4,022,681	4,069,305	4,178,384	1.9%	4,517,214	4,608,940	4,716,529	4,817,615	5,339,242	4.5%
Labor costs per:										
Mile of line	6,972	7,028	7,192	1.6%	7,748	7,879	8,035	8,179	9,034	4.1%
KWh sold (cents)	4	4	4	-2.5%	4	4	4	4	5	4.5%
Meter (\$)	550	556	577	2.5%	623	636	651	665	737	4.5%
Percent of total receipts	32.9%	32.1%	35.6%	4.0%	35.5%	36.2%	37.0%	37.7%	41.7%	4.4%

Fiscal Year 2018/2019 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 Total Power Costs decreased 51.7% from FY 16/17 to FY 17/18. An increase to Total Power Costs is expected FY 17/18 to FY 18/19 due to the increase to the District's First Preference Percentage calculated by Western. Staff is projecting Total Power Costs to increase annually for purposes of the Five-Year Forecast mainly due to labor cost increases. Actual annual costs could swing by minus \$1 million to plus \$2 million depending on rainfall.
4. Capital Expend The forecasted Capital Improvements include replacement of various vehicles and the large bucket truck. The Five Year Financial Forecast includes a five year System Improvement Plan that identifies major system improvements along with routine and ordinary improvements. There are no new projects planned until Staff catches up with previously slated projects.
5. Interest Earnings
Rate Bond Reserves 1.00%
 Line Ext. Fund 7.26%
 Remaining Funds 1.00%
6. Restricted Funds Consists of Bond and Loan Reserves of \$580,000 and accrued costs not yet paid, at an amount of approximately \$1,000,000 per year. The available reserve for Line Extension loans is \$296,000. The Budget is cash based. Inclusion of the Encumbered Funds and restriction 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 and load growth, depending on whether the expense is a factor of the level of sales/number of customers. The few exceptions are lingering expenses directly impacted by the extended drought. For example an increase to the tree trimming budget is necessary due to numerous dead or dying trees threatening the District's power lines.

Fiscal Year 2018/2019 Financial Forecast Notes

8. Revenue Average System Rate of \$0.085 per kWh which is forecasted to increase to \$0.092 in FY 18/19 with the implementation of the Drought Relief Surcharge.

9. 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.

10. Drought Relief Surcharge The Financial Forecast assumes that FY 18/19 will continue in drought conditions. The Surcharge was implemented in May 2018 and is forecast in all following years. The Drought Relief Surcharge returns approximately \$1.3 million each year.

**MISSION
STATEMENT AND
GOALS**

DISTRICT GOALS FY 18-19

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

1. 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.

2. GOAL:

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

OBJECTIVES:

1. Continue to maintain maximum rights-of-way for protection of District power lines while advocating at the Federal and State level for enhanced forest management practices along the District's rights-of-way.
2. Reduce District liability exposure for safety and environmental issues.
3. 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.

4. Minimize impact to District customers from changes in Trinity River water transfers; ensure that decision-makers and customers are aware of such impacts.
5. Increase grassroots support for the District; develop informational newsletters and brochures

3. 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.

4. GOAL:

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

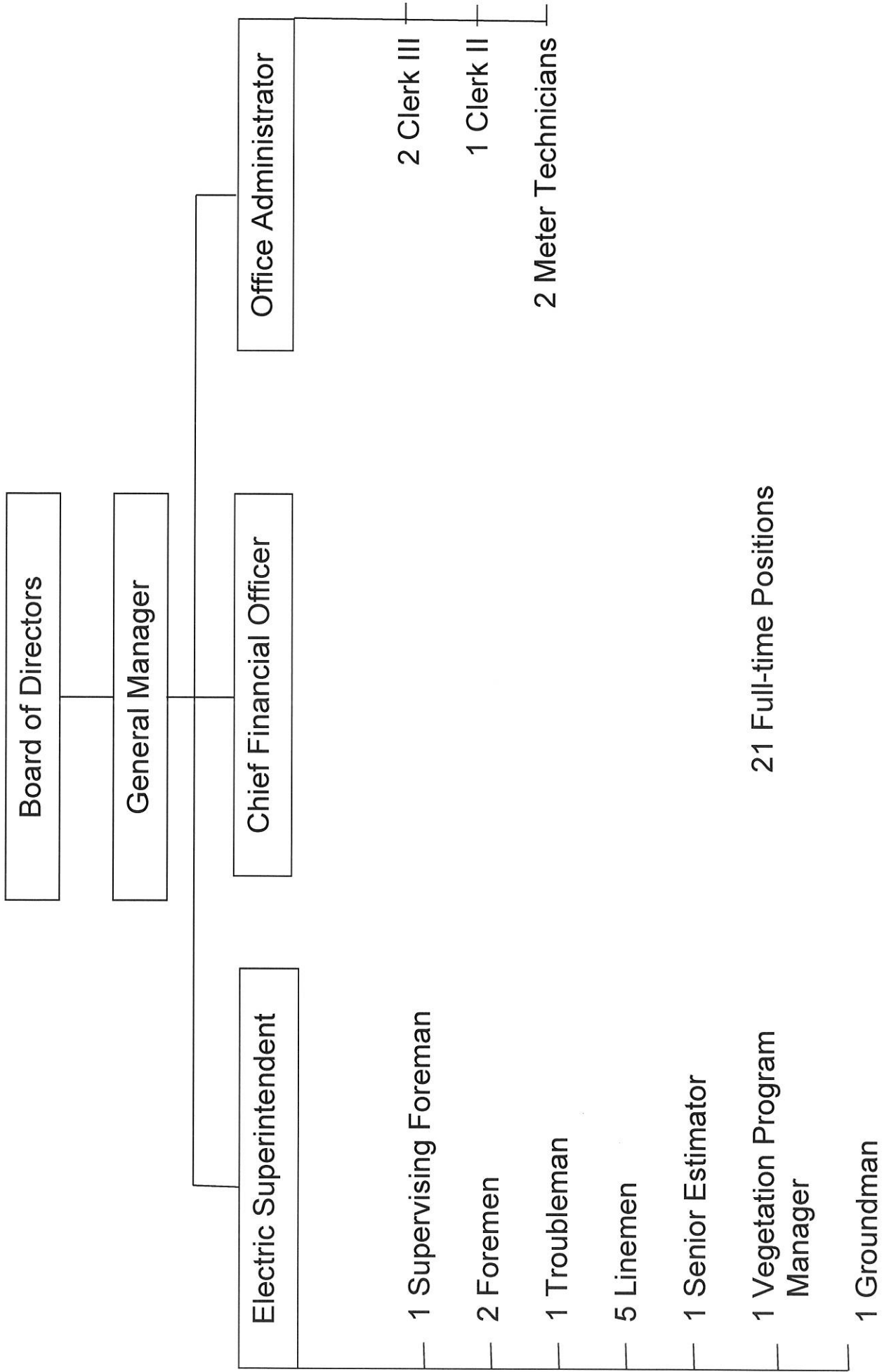
OBJECTIVES:

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 2018**



**OTHER
FINANCIAL
INFORMATION**

**Trinity Public Utilities District
Other Financial Information**

	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 ACTUAL	FY17-18 (ESTIMATED)
Energy Sales and Customers					
Customers (average)					
Residential	6,039	6,081	6,120	6,123	6,058
Commercial	1,184	1,192	1,199	1,200	1,187
Industrial	1	1	1	1	1
Total	7,224	7,274	7,320	7,324	7,246
Energy Hours Sold (MWh)					
Residential	60,480	58,053	62,237	66,945	68,060
Commercial	29,237	27,724	30,161	33,009	33,618
Industrial	8,465	8,465	8,636	8,722	8,810
Total	98,182	94,241	101,035	108,677	110,488
Sales of Electric Energy (\$000's)					
Residential	\$ 4,584	\$ 4,410	\$ 5,532	\$ 6,069	\$ 6,188
Commercial	2,263	2,156	2,843	3,167	3,234
Industrial	547	547	547	552	558
Total	\$ 7,394	\$ 7,113	\$ 8,922	\$ 9,789	\$ 9,980
System Average Base Rate (per kWh)					
	\$ 0.0753	\$ 0.0755	\$ 0.0883	\$ 0.0901	\$ 0.0903
Power purchased (MWh X 1,000)					
Energy Purchased from:					
Western Area Power Administration (Western)	108.3	104.5	111.9	120.4	122.4
Energy Disposition (MWh X 1,000)					
Total Energy Sales	98.2	94.2	101.0	108.7	110.5
Total Power Loss	10.1	10.3	10.8	11.7	11.9
Peak Demand (MW)					
Winter	24.2	20.7	22.1	24.3	24.3
Summer	18.7	18.7	18.6	20.2	21.7
Energy Expenses (000's)					
Purchased Power Expense	\$ 2,430	\$ 3,319	\$ 3,979	\$ 3,020	\$ 1,361
Other Electric Statistics					
Utility Plant (less accumulated depreciation (000's))					
	\$ 29,438	\$ 29,306	\$ 29,714	\$ 30,379	\$ 31,059
Distribution					
Overhead Circuit Miles	425.0	425.0	425.0	425.0	425.0
Underground Circuit Miles	85.0	85.0	85.0	85.0	85.0
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)					
	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
	(PROJECTED)	(PROJECTED)	(PROJECTED)	(PROJECTED)	(PROJECTED)
Energy and Demand Requirements					
Peak Demand (MW)	24.3	24.3	24.3	24.3	24.3
Energy (MWh)	122,357	122,357	122,357	122,357	122,357

**Trinity Public Utilities District
Other Financial Information**

Electric Rate Comparison Residential Monthly Bill (1,000 kWh)		FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 ACTUAL	FY17-18 ESTIMATED
Pacific Gas & Electric						
	Summer	\$ 284.46	\$ 286.87	\$ 329.13	\$ 292.71	\$ 267.10
	Winter	\$ 258.93	\$ 264.65	\$ 296.70	\$ 255.20	\$ 261.23
Sacramento Municipal Utility District						
	Summer	\$ 106.10	\$ 139.86	\$ 139.86	\$ 153.64	\$ 155.89
	Winter	\$ 96.80	\$ 125.56	\$ 125.56	\$ 136.87	\$ 138.93
Lassen Municipal Utility District						
	Summer	\$ 144.28	\$ 149.42	\$ 154.57	\$ 154.57	\$ 154.57
	Winter	\$ 144.28	\$ 149.42	\$ 154.57	\$ 154.57	\$ 154.57
City of Redding						
	Summer	\$ 170.82	\$ 170.82	\$ 172.87	\$ 172.87	\$ 172.87
	Winter	\$ 170.82	\$ 170.82	\$ 172.87	\$ 172.87	\$ 172.87
City of Shasta Lake						
	Summer	\$ 178.43	\$ 174.42	\$ 174.42	\$ 180.17	\$ 186.14
	Winter	\$ 178.43	\$ 174.42	\$ 174.42	\$ 180.17	\$ 186.14
The District - Zone B						
	Summer	\$ 85.60	\$ 114.68	\$ 114.68	\$ 118.79	\$ 118.79
	Winter	\$ 85.60	\$ 114.68	\$ 114.68	\$ 118.79	\$ 118.79
The District - Zone A						
	Summer	\$ 60.30	\$ 91.31	\$ 91.31	\$ 95.42	\$ 95.42
	Winter	\$ 60.30	\$ 91.31	\$ 91.31	\$ 95.42	\$ 95.42

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

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

	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
OPERATING REVENUES¹					
Electric Sales	\$ 7,110,762	\$ 8,922,073	\$ 9,789,242	\$ 9,980,098	\$ 9,980,098
Drought surcharge	\$ 1,131,400	\$ 1,190,061	\$ 1,291,278	\$ 394,386	\$ 1,303,740
Dereg surcharge	\$ 1,321,131	\$ 104,877	\$ -	\$ -	\$ -
Lewiston generation income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income ²	1,087,386	1,967,411	1,565,680	1,298,532	1,364,392
Interest Income ³	23,725	30,546	46,362	76,870	93,406
Total Revenues	\$ 10,674,404	\$ 12,214,968	\$ 12,692,562	\$ 11,749,886	\$ 12,741,635
OPERATION AND MAINTENANCE EXPENSES⁴					
Purchased power	\$ 3,318,857	\$ 3,979,409	\$ 3,020,017	\$ 1,360,867	\$ 1,988,763
Other	218,207	231,244	223,979	207,510	269,536
Total Purchased Power	\$ 3,537,064	\$ 4,210,653	\$ 3,243,996	\$ 1,568,377	\$ 2,258,299
Operations and Maintenance	2,168,556	2,527,206	2,673,277	2,487,496	2,688,643
Customer Accounts	780,340	863,070	894,235	649,639	781,256
Administrative and General	1,062,383	1,055,130	1,266,810	1,335,535	1,436,863
Total Other	\$ 4,011,279	\$ 4,445,406	\$ 4,834,322	\$ 4,472,670	\$ 4,906,763
Total Expenses	\$ 7,548,343	\$ 8,656,059	\$ 8,078,318	\$ 6,041,047	\$ 7,165,062
NET REVENUES	\$ 3,126,061	\$ 3,558,909	\$ 4,614,244	\$ 5,708,839	\$ 5,576,573
2010 Bonds	1,300,406	1,302,906	1,299,156	1,200,104	573,050
2017 Bonds				313,272	994,378
CIEDB Installment sale	441,747	441,611	441,470	397,472	-
TOTAL DEBT SERVICE	1,742,153	1,744,517	1,740,626	1,910,848	1,567,428
TOTAL DEBT SERVICE COVERAGE	1.79	2.04	2.65	2.99	3.56
SR DEBT SERVICE COVERAGE	2.40	2.73	3.55	3.77	3.56
BEGINNING RESERVES	\$ 10,666,249	\$ 10,144,804	\$ 9,620,525	\$ 10,650,697	\$ 9,015,169
Surplus Revenues	1,383,908	1,814,392	2,873,618	3,797,991	4,009,145
Capital Outlays	(2,055,863)	(2,484,498)	(1,994,277)	(4,398,495)	(3,909,494)
County/MCMS Funding	150,509	145,827	150,831	150,000	150,000
Bond/Loan Proceeds	-	-	-	(1,185,024)	-
Net Surplus	(521,446)	(524,279)	1,030,172	(1,635,528)	249,651
TOTAL RESERVES	\$ 10,144,804	\$ 9,620,525	\$ 10,650,697	\$ 9,015,169	\$ 9,264,820
Debt Reserves	(1,752,606)	(1,755,249)	(1,762,818)	(580,000)	(580,000)
BALANCE AVAILABLE for Capital Outlays or Other Purposes⁵	8,392,198	7,865,276	8,887,879	8,435,169	8,684,820
<i>contingency, payables & lxt fund</i>	7,924,325	7,445,603	8,181,022	7,499,144	7,625,001

¹ Reflects all gross income and revenue received by the District

² Includes Fees and charges, Joint pole/contact income, line extensions and other miscellaneous transactions

³ Interest earned on surplus District funds and on Reserve Funds

⁴ Excludes depreciation, amortizations, accruals and other intangible bookkeeping entries

⁵ Excludes funds held for Reserves on Debt