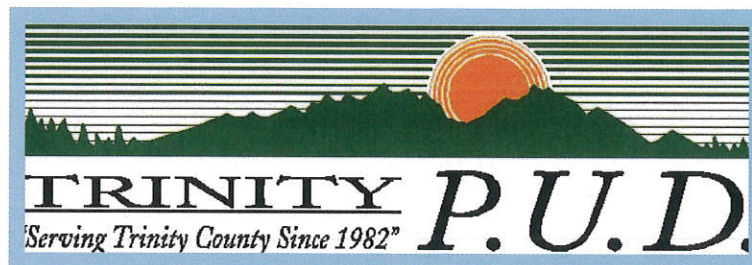


FISCAL YEAR 2019/2020 BUDGET



P.O. Box 1216
26 Ponderosa Lane
Weaverville, CA 96093
(530) 623-5536 * fax (530) 623-5549
or visit us at www.trinitypud.com

TABLE OF CONTENTS

TRINITY PUBLIC UTILITIES DISTRICT

FY 19-20 BUDGET

TABLE OF CONTENTS

- I. Budget Memorandum
- II. Budget – Fiscal Year 2019-2020
- III. Five-Year Financial Forecast
- IV. Mission Statement and Goals
- V. Organizational Chart
- VI. Other Financial Information

BUDGET MEMORANDUM



Trinity Public Utilities District

Memorandum

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

From: Paul Hauser, General Manager

Date: June 13, 2019

Re: Fiscal Year 19/20 Budget

The Fiscal Year 19/20 Budget estimates operating receipts to be \$11,154,519 or approximately 13.7% less than last year's operating receipts of \$12,930,389. The Budget also includes \$10,254,803 for Operating Expenses and \$4,195,386 for Capital Expenditures. With the County's annual loan repayment of \$150,000 the Budget reflects a \$3,145,670 decrease to reserves. The primary reason for the decrease in revenues is the removal of the Drought Relief Surcharge (\$1,090,000) in May 2019. During FY 18/19 the District also received a reimbursement from the Office of Emergency Services for the 2017 winter storm (\$676,000) which was a one-time payment. The Capital Expenditures for FY 19/20 include vehicles and equipment budgeted in 18/19 but not received before year-end (replacement of 2010 Freightliner Bucket truck (\$240,000) and the Radio Repeater (\$30,000)). The Trouble Truck (\$190,000) and two Foreman Pick-up Trucks (\$50,000 each) are scheduled for replacement during FY 19/20 and improvements necessary for the Hayfork Substation (\$500,000).

The current Fiscal Year is expected to end with reserve balances that are approximately \$0.089 million greater than projected in the Fiscal Year 18/19 Budget. The main reason for the additional increase to reserves is that capital improvements have been delayed.

Fiscal Year 19/20 should begin with nearly \$7.8 million in Contingency Reserves. This reserve is forecasted to decrease due to the removal of the Drought Relief Surcharge in May 2019 and necessary Capital Improvements.

The current water year is an above average water year due to the significant rainy season. The Five-Year Financial Forecast assumes that the Drought Relief Surcharge will not be implemented 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. The District saw a significant decrease in electric consumption over the past year. Weather adjusted load growth is still below pre-drought growth. 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.

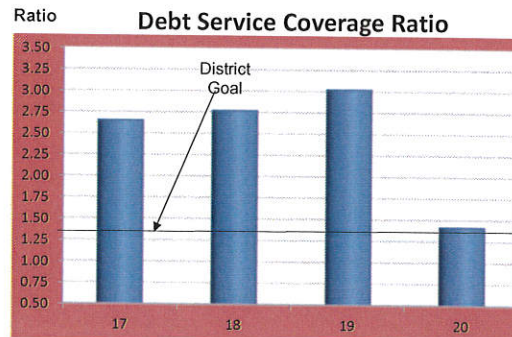
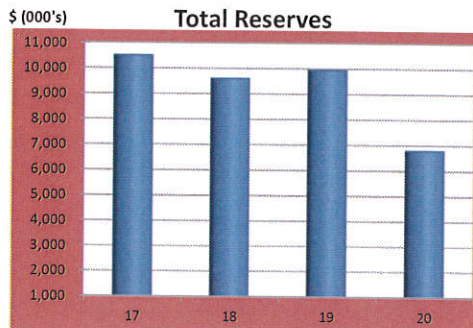
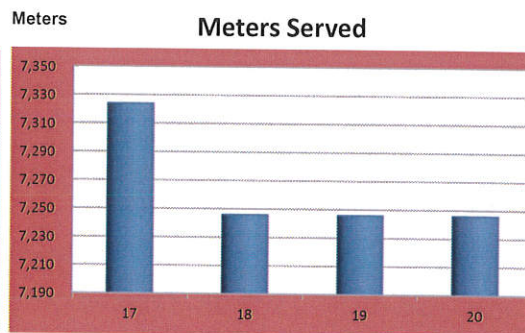
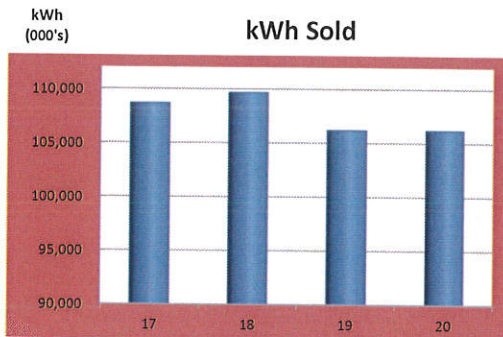
During FY 18/19, the State of California witnessed many devastating fires. PG&E has been blamed for a few of these fires and has admitted to causing at least one. The District has received ratings downgrades from both Moody's and S&P as a consequence of the approximately \$138 million in claims resulting from the Helena fire that occurred in 2017. While the District does not believe its equipment was responsible for the fire, costs associated with defending against these claims could have rate implications.

The District provides power in some of the highest fire risk areas of the State. The strict liability standard that California continues to apply significantly increases the District's fire liability exposure.

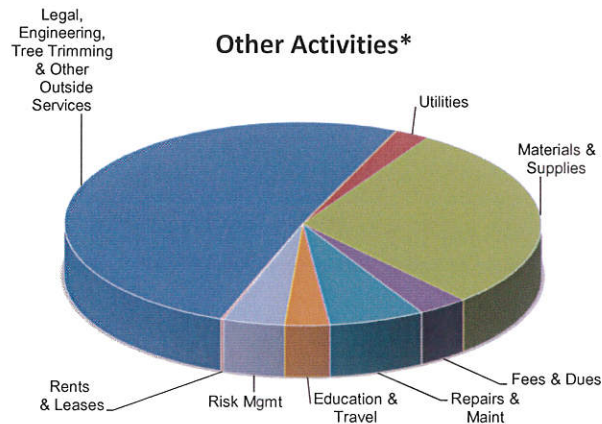
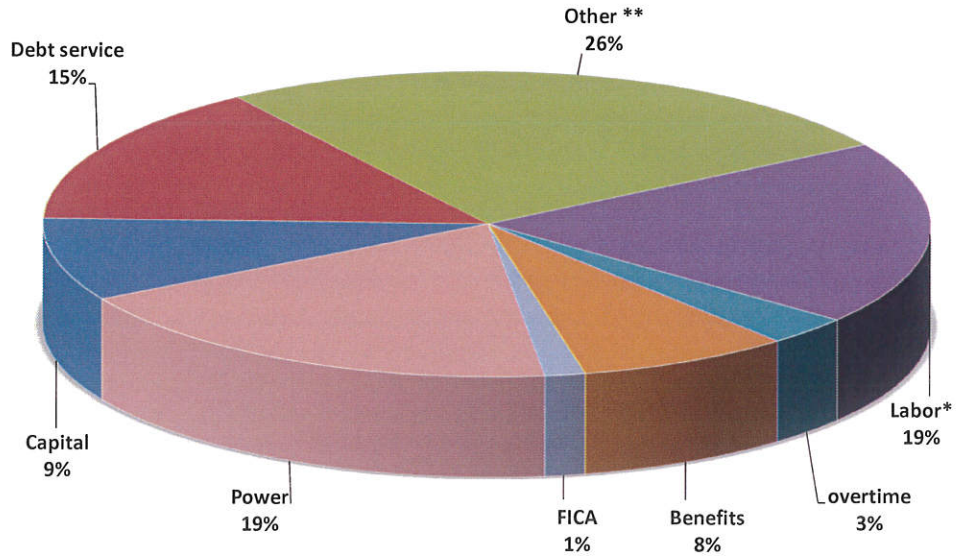
BUDGET
FY 19/20

Trinity Public Utilities District Budget Overview FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Operating receipts	12,690,797	11,505,892	-9.3%	12,930,389	12.4%	11,154,519	-13.7%
Operating expenditures	9,818,944	8,149,043	-17.0%	9,761,384	19.8%	10,254,803	5.1%
Available for capital	2,871,853	3,356,849	16.9%	3,169,006	-5.6%	899,716	-71.6%
County/MCMS transactions	150,831	148,464	-1.6%	150,000	1.0%	150,000	0.0%
Capital outlay	1,994,277	4,408,381	121.1%	2,979,932	-32.4%	4,195,386	40.8%
Bond/loan proceeds	-	-	-	-	-	-	-
Change in reserves	1,028,407	(903,068)	-187.8%	339,073	-137.5%	(3,145,670)	-1027.7%
Reserves balances (end of year)							
Restricted	1,790,202	610,607	-65.9%	595,000	-2.6%	581,000	-2.4%
Encumbered	601,128	779,059	29.6%	721,550	-7.4%	918,205	27.3%
Customer funds	382,052	438,172	14.7%	515,738	17.7%	509,380	-1.2%
Dedicated	153,333	219,000	42.8%	297,000	35.6%	334,167	12.5%
Total other reserves	2,926,715	2,046,838	-30.1%	2,129,288	4.0%	2,342,752	10.0%
Contingency reserves	7,578,129	7,554,939	-0.3%	7,811,563	3.4%	4,452,428	-43.0%
Total reserves	10,504,845	9,601,777	-8.6%	9,940,851	3.5%	6,795,180	-31.6%
Debt service coverage ratio	2.65	2.77	4.5%	3.02	14.0%	1.42	-53.1%



Trinity Public Utilities District Costs by Activities FY 19/20 Budget

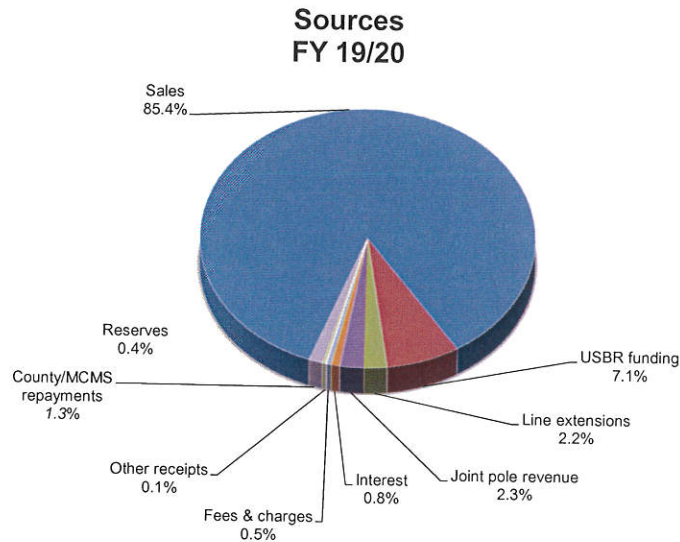


Trinity Public Utilities District Budget Summary FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Revenues							
Energy sales	9,789,242	9,893,492	1.1%	9,693,406	-2.0%	9,693,406	0.0%
Surcharge receipts	1,291,278	381,510	-70.5%	1,090,148	185.7%	-	-100.0%
Other receipts	1,610,277	1,230,890	-23.6%	2,146,835	74.4%	1,461,113	-31.9%
Total	12,690,797	11,505,892	-9.3%	12,930,389	12.4%	11,154,519	-13.7%
Expenses							
Power acquisition	3,243,996	1,570,385	-51.6%	2,706,807	72.4%	2,948,615	8.9%
Operations & maintenance	2,673,277	2,715,801	1.6%	3,384,078	24.6%	2,752,510	-18.7%
Customer accounts	894,235	682,428	-23.7%	628,364	-7.9%	918,736	46.2%
Administrative & general	1,204,666	1,219,960	1.3%	1,417,038	16.2%	1,413,812	-0.2%
Debt & financing	1,802,770	1,960,469	8.7%	1,625,097	-17.1%	2,221,130	36.7%
Total	9,818,944	8,149,043	-17.0%	9,761,384	19.8%	10,254,803	5.1%
Available for capital	2,871,853	3,356,849	16.9%	3,169,006	-5.6%	899,716	-71.6%
Capital outlay							
Distribution/Transmission	1,936,603	1,957,902	1.1%	2,311,400	18.1%	3,261,253	41.1%
Substations	26,681	27,535	3.2%	21,744	-21.0%	646,133	2871.5%
Customer accounts	17,366	2,389,724	13660.9%	536,788	-77.5%	238,000	-55.7%
Property and facilities	13,627	33,220	143.8%	110,000	231.1%	50,000	-54.5%
Total	1,994,277	4,408,381	121.1%	2,979,932	-32.4%	4,195,386	40.8%
Bond proceeds	-	-	-	-	-	-	-
County/MCMS transactions	150,831	148,464	-1.6%	150,000	1.0%	150,000	0.0%
Change in reserves	1,028,407	(903,068)	-187.8%	339,073	-137.5%	(3,145,670)	-1027.7%
Reserves balances (end of year)							
Restricted	1,790,202	610,607	-65.9%	595,000	-2.6%	581,000	-2.4%
Encumbered	601,128	779,059	29.6%	721,550	-7.4%	918,205	27.3%
Customer funds	382,052	438,172	14.7%	515,738	17.7%	509,380	-1.2%
Dedicated	153,333	219,000	42.8%	297,000	35.6%	334,167	12.5%
Contingency	7,578,129	7,554,939	-0.3%	7,811,563	3.4%	4,452,428	-43.0%
Total reserves	10,504,845	9,601,777	-8.6%	9,940,851	3.5%	6,795,180	-31.6%

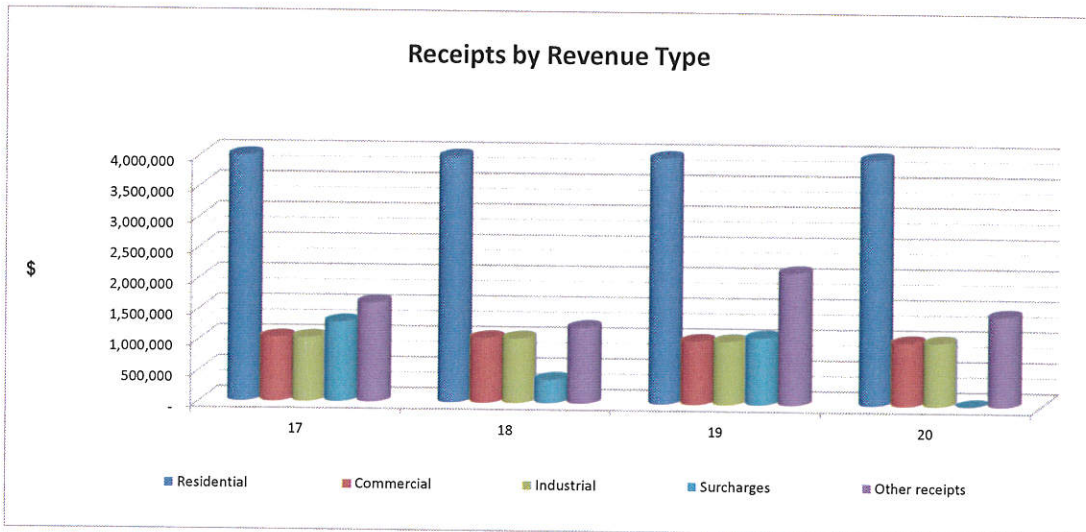
Trinity Public Utilities District Fund Sources and Uses Summary FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Fund Sources							
Receipts							
Energy sales	9,789,242	9,893,492	1.1%	9,693,406	-2.0%	9,693,406	0.0%
Other receipts	2,901,555	1,612,400	-44.4%	3,236,983	100.8%	1,461,113	-54.9%
Total	12,690,797	11,505,892	-9.3%	12,930,389	12.4%	11,154,519	-13.7%
Reserves/proceeds							
County/MCMS repayments	150,831	148,464	-1.6%	150,000	1.0%	150,000	0.0%
Bond/Loan proceeds	-	-	-	-	-	-	-
Line extension loans	10,517	6,885	-34.5%	4,092	-40.6%	(28,897)	-806.1%
Restricted reserves	1,308,452	579,305	-56.5%	570,000	-9.6%	570,000	0.0%
Dedicated reserves	124,333	-	-100.0%	40,000	32.2%	42,000	5.0%
Total	1,594,133	734,654	-53.9%	764,092	4.0%	733,103	-4.1%
Total sources	14,284,930	12,240,546	-14.3%	13,694,482	11.9%	11,887,622	-13.2%
Fund Uses							
Operating expenditures	9,818,944	8,149,043	-17.0%	9,761,384	19.8%	10,254,803	5.1%
Capital outlay	1,994,277	4,408,381	121.1%	2,979,932	-32.4%	4,195,386	40.8%
County/MCMS funding	-	-	-	-	-	-	-
Fund transfers	1,746,347	(293,688)	-116.8%	696,542	-337.2%	796,568	14.4%
Total uses	13,559,568	12,263,736	-9.6%	13,437,858	9.6%	15,246,757	13.5%
Change in contingency reserves	725,362	(23,190)	-103.2%	256,624	-1206.6%	(3,359,135)	-1409.0%



Trinity Public Utilities District Receipts Summary FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Sales							
Zone A	4,993,565	4,953,533	-0.8%	4,778,639	-3.5%	4,778,639	0.0%
Zone B	4,795,677	4,939,959	3.0%	4,914,767	-0.5%	4,914,767	0.0%
Total Sales	9,789,242	9,893,492	1.1%	9,693,406	-2.0%	9,693,406	0.0%
Surcharges							
Deregulation surcharge	-	-	-	-	-	-	-
Drought Relief surcharge	1,291,278	381,510	100.0%	1,090,148	185.7%	-	-100.0%
	1,291,278	381,510	-70.5%	1,090,148	185.7%	-	-100.0%
Other receipts							
Fees and charges	118,270	52,023	-56.0%	38,599	-25.8%	51,425	33.2%
Line extensions	247,254	360,950	46.0%	248,827	-31.1%	248,839	0.0%
Line extension amortizations	(1,765)	(1,597)	0.0%	(29,230)	0.0%	(765)	
Interest	46,362	72,205	55.7%	162,516	125.1%	93,755	-42.3%
USBR funding	757,074	775,194	2.4%	786,897	1.5%	805,007	2.3%
Joint pole/pole contact income	433,974	114,201	-73.7%	262,945	130.2%	262,945	0.0%
Other misc. income	9,108	57,631	532.8%	676,281	1073.5%	8,880	-98.7%
Uncollectibles	-	(199,717)	0.0%	-	0.0%	(8,973)	
Total	1,610,277	1,230,890	-23.6%	2,146,835	74.4%	1,461,113	-31.9%
Total	12,690,797	11,505,892	-9.3%	12,930,389	12.4%	11,154,519	-13.7%
Bond/Loan proceeds	-	-	-	-	-	-	-
Total receipts	12,690,797	11,505,892	-9.3%	12,930,389	12.4%	11,154,519	-13.7%

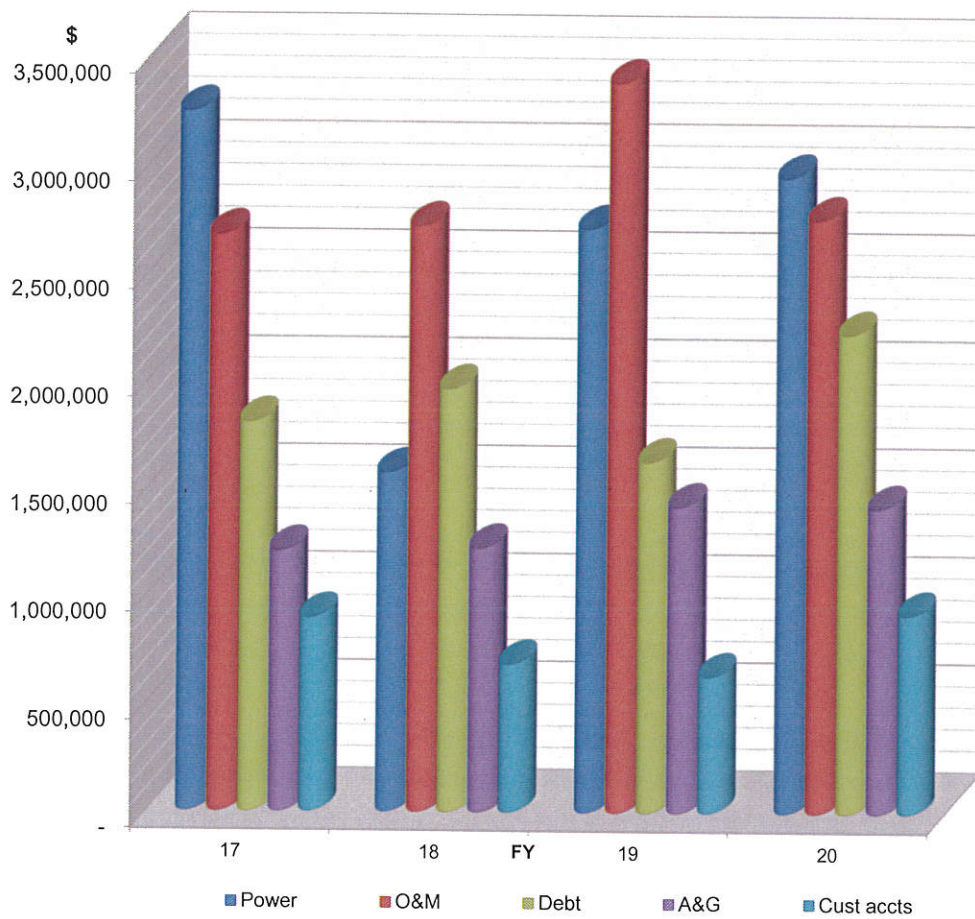


FY 19/20 Budget -Approved
June 13, 2019

Trinity Public Utilities District Operating Expenditures Summary FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Power acquisition							
Purchased power	3,020,017	1,360,867	-54.9%	2,404,853	76.7%	2,680,409	11.5%
Other	223,979	209,518	-6.5%	301,954	44.1%	268,206	-11.2%
Total	3,243,996	1,570,385	-51.6%	2,706,807	72.4%	2,948,615	8.9%
Operations & maintenance							
System	21,411	40,358	88.5%	223,608	454.1%	231,294	3.4%
Overhead distribution	2,568,957	2,556,405	-0.5%	3,017,668	18.0%	2,327,296	-22.9%
Transmission & UG distribution	28,656	34,931	21.9%	29,099	-16.7%	40,227	38.2%
Lighting	-	3,165		9,056		10,882	100%
Buildings/property	5,547	22,688	309.0%	19,340	-14.8%	29,133	50.6%
Other	48,706	58,254	19.6%	85,307	46.4%	113,678	33.3%
Total	2,673,277	2,715,801	1.6%	3,384,078	24.6%	2,752,510	-18.7%
Customer accounts							
Account maintenance	655,146	605,952	-7.5%	531,983	-12.2%	778,515	46.3%
Meter reading/turtle maint.	189,716	31,971	-83.1%	33,495	4.8%	69,145	106.4%
Customer relations	49,373	44,505	-9.9%	62,887	41.3%	67,576	7.5%
Other	-	-		-	0.0%	3,500	0.0%
Total	894,235	682,428	-23.7%	628,364	-7.9%	918,736	46.2%
Administrative and general							
Utilities	72,794	85,182	17.0%	81,920	-3.8%	84,800	3.5%
Accounting	219,263	231,605	5.6%	266,385	15.0%	254,363	-4.5%
Risk management	202,370	208,491	3.0%	240,525	15.4%	250,296	4.1%
Community investment	3,463	1,909	-44.9%	20,000	947.7%	20,000	0.0%
Dues and publications	60,509	102,138	68.8%	118,365	15.9%	94,378	-20.3%
Education and travel	74,035	81,674	10.3%	95,925	17.4%	110,000	14.7%
Supervision	153,937	167,212	8.6%	195,709	17.0%	127,145	-35.0%
Planning	89,793	83,327	-7.2%	98,685	18.4%	101,182	2.5%
Legal	55,026	89,464	62.6%	135,188	51.1%	137,124	1.4%
Economic Development	199,594	53,888	-73.0%	75,000	39.2%	162,124	116.2%
Misc. outside services	35,466	39,000	10.0%	18,000	-53.8%	22,500	25.0%
Other	38,416	76,070	98.0%	71,335	-6.2%	49,900	-30.0%
Total	1,204,666	1,219,960	1.3%	1,417,038	16.2%	1,413,812	-0.2%
Debt and financing							
Interest	992,718	1,090,175	9.8%	717,428	-34.2%	686,905	-4.3%
Principal	747,908	806,481	7.8%	850,000	5.4%	1,475,000	73.5%
Other	62,144	63,813	2.7%	57,669	-9.6%	59,225	2.7%
Total	1,802,770	1,960,469	8.7%	1,625,097	-17.1%	2,221,130	36.7%
Total operating expenditures	9,818,944	8,149,043	-17.0%	9,761,384	19.8%	10,254,803	5.1%

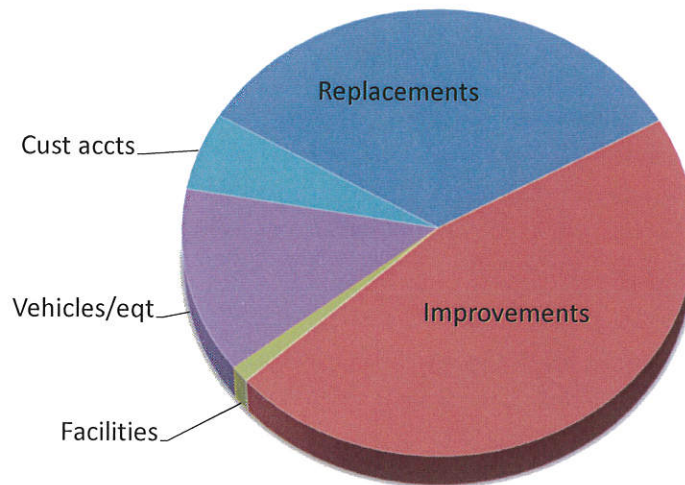
Trinity Public Utilities District Operating Expenditures



Trinity Public Utilities District Capital Expenses FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Distribution/Transmission							
Replacements	1,090,772	1,140,056	4.5%	1,436,594	26.0%	1,404,630	-2.2%
Improvements	536,741	770,534	43.6%	652,535	-15.3%	1,296,624	98.7%
CIP	-	-	-	-	-	-	-
Direct Western tie	-	-	-	-	-	-	-
Lewiston generation	-	-	-	-	-	-	-
Long Canyon Project	16,324	-	-	-	-	-	-
#21 - 2016 Chevy Silverado	34,681	-	-	-	-	-	-
#14 - 2012 Ford F250	-	-	-	-	-	50,000	-
#15 - 2012 Ford F250	-	-	-	-	-	50,000	-
#67 - 2017 Tucker-Terra Snocat	201,212	-	-	-	-	-	-
#20 - 2012 Ford F-350 4x4 Pickup	-	-	-	40,000	-	-	-
#23 - 2019 Ram 1500 4x4 Pickup	-	-	-	31,990	-	-	-
#65 - 2003 Tucker-Terra boom Snowcat	-	-	-	-	-	-	-
#59 - 2007 Butler Pole Trailer	-	-	-	-	-	-	-
#45 - 2015 Freightliner line truck	-	-	-	-	-	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	-	23,186	-	-	-
#34 - 2014 F-550 Trouble truck	-	-	-	42,000	-	190,000	-
#53 - 1985 Altec pole trailer	-	-	-	-	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	15,191	-	240,000	-
#38 - 2014 International bucket truck	8,741	-	-	-	-	-	-
2018 Excavator	-	-	-	56,451	-	-	-
Radio Equipment - Repeater	48,132	-	-	-	-	30,000	-
Other/Previous years	-	47,312	-	13,453	-	-	-
Total	1,936,603	1,957,902	1.1%	2,311,400	18.1%	3,261,253	41.1%
Substations							
CIP/Other	26,681	27,535	-	21,744	-	646,133	-
Total	26,681	27,535	-	21,744	-21.0%	646,133	2871.5%
Customer accounts							
Data processing/computers	10,945	28,440	159.8%	136,595	380.3%	163,000	19.3%
Office machinery	-	-	-	-	-	-	-
Automated meter reading/turtles	-	2,312,321	-	310,879	-86.6%	10,000	-96.8%
NISC CIS software conversion	-	-	-	-	-	-	-
Mapping system	6,421	48,963	-	89,315	82.4%	65,000	-27.2%
Other	-	-	100.0%	-	-	-	-
Total	17,366	2,389,724	13660.9%	536,788	-77.5%	238,000	-55.7%
Property/facilities							
Yard	13,627	22,960	68.5%	110,000	379.1%	50,000	-54.5%
Facilities	-	10,260	-	-	-	-	-
Total	13,627	33,220	143.8%	110,000	231.1%	50,000	-54.5%
Total capital outlay	1,994,277	4,408,381	121.1%	2,979,932	-32.4%	4,195,386	40.8%

Capital Outlay



FY 19/20 Budget -Approved
June 13, 2019

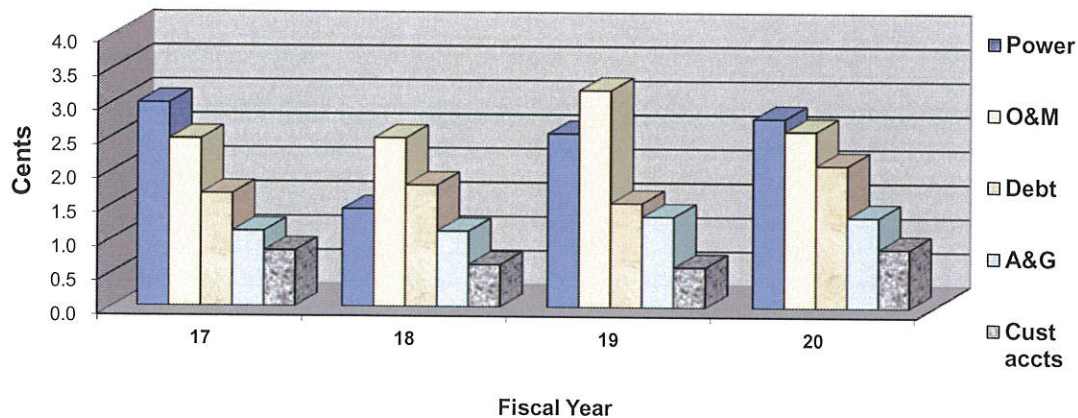
Trinity Public Utilities District Reserves Summary FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	% Growth	19/20 (Budgeted)	Change
Restricted							
Bond/loan reserves	1,762,818	579,304	-67.1%	570,000	-1.6%	570,000	0.0%
Cafeteria plan	27,384	31,303	14.3%	25,000	-20.1%	11,000	-56.0%
Total	1,790,202	610,607	-65.9%	595,000	-2.6%	581,000	-2.4%
Encumbered							
Payables	303,392	629,059	107.3%	601,365	-4.4%	826,917	37.5%
Line extension loan fund	297,736	150,000	-49.6%	120,185	-19.9%	91,288	-24.0%
	601,128	779,059	29.6%	721,550	-7.4%	918,205	27.3%
Customer funds							
Security deposits	171,516	308,041	79.6%	322,844	4.8%	322,844	0.0%
Construction advances	201,536	121,131	-39.9%	183,894	51.8%	177,536	-3.5%
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	382,052	438,172	14.7%	515,738	17.7%	509,380	-1.2%
Dedicated	153,333	219,000	42.8%	297,000	35.6%	334,167	12.5%
Contingency	7,578,129	7,554,939	-0.3%	7,811,563	3.4%	4,452,428	-43.0%
Total reserves	10,504,845	9,601,777	-8.6%	9,940,851	3.5%	6,795,180	-31.6%

Trinity Public Utilities District Performance Factors FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Average rate (cents/kWh)	9.20	8.52	-7.4%	9.15	7.4%	8.23	-10.1%
Growth							
Demand (mw)	24,274	24,286	0.0%	24,176	-0.5%	24,176	0.0%
KWh purchased	120,423,040	120,577,301	0.1%	117,798,504	-2.3%	117,798,504	0.0%
KWh sold	108,676,572	109,676,241	0.9%	106,192,703	-3.2%	106,192,703	0.0%
Energy losses (%)	6.90%	6.90%	0.0%	6.90%	0.0%	6.90%	0.0%
Meters							
Meters served	7,324	7,246	-1.1%	7,246	0.0%	7,246	0.0%
Costs (\$/meter)							
Customer accounts	122	94	-22.9%	87	-7.9%	127	46.2%
Labor	556	581	4.6%	646	11.1%	650	0.6%
Operating expenditures	1,341	1,125	-16.1%	1,347	19.8%	1,415	5.1%
Expenditures including capital	1,613	1,733	7.4%	1,758	1.5%	1,994	13.4%
Distribution							
Miles of distribution line	565	566	0.2%	567	0.2%	568	0.2%
O&M cost including labor/mile	4,731	4,798	1.4%	5,968	24.4%	4,846	-18.8%
Labor/mile	1,967	1,963	-0.2%	1,960	-0.2%	1,956	-0.2%
Costs/kWh sold (cents/kWh)							
Power acquisition	3.0	1.4	-52.0%	2.5	78.0%	2.8	8.9%
Operations & maintenance	2.5	2.5	0.7%	3.2	28.7%	2.6	-18.7%
Customer accounts	0.8	0.6	-24.4%	0.6	-4.9%	0.9	46.2%
Administrative & general	1.1	1.1	0.3%	1.3	20.0%	1.3	-0.2%
Debt & financing	1.7	1.8	7.8%	1.5	-14.4%	2.1	36.7%
Uncollectible sales (\$)	21,536	21,766	1.1%	21,325	-2.0%	21,325	0.0%
Debt service coverage ratio	2.65	2.77	4.5%	3.02	9.1%	1.42	-53.1%
Committed/mandated costs <small>(debt service, power, mandated O&M req.)</small>	5,519,277	4,010,201	-27.3%	4,951,051	23.5%	5,661,022	14.3%
Discretionary/variable costs <small>(all other operating expenses, capital outlay)</small>	6,293,944	8,547,223	35.8%	7,790,265	-8.9%	8,789,167	12.8%
Capital replacements, System	1,090,772	1,161,950	6.5%	1,436,594	23.6%	1,404,630	-2%

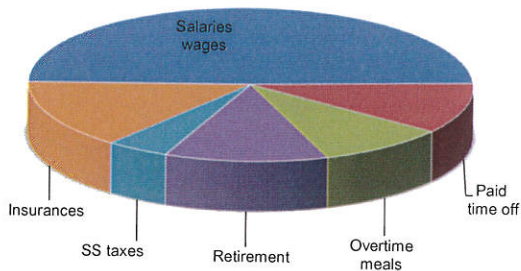
Costs in Cents per kWh



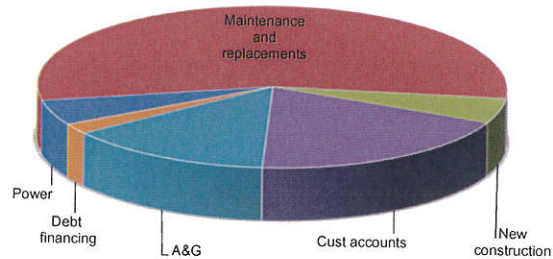
Trinity Public Utilities District Labor Factors FY 19/20 Budget

	16/17 (Actual)	17/18 (Actual)	Change	18/19 (Preliminary)	Change	19/20 (Budgeted)	Change
Labor components							
Salaries and wages	1,956,379	2,129,726	8.9%	2,324,412	9.1%	2,315,797	-0.4%
Paid time off	431,403	412,083	-4.5%	485,731	17.9%	502,731	3.5%
Overtime/meals/standby	335,059	310,705	-7.3%	444,980	43.2%	446,245	0.3%
Retirement	590,890	569,978	-3.5%	631,293	10.8%	558,089	-11.6%
Social Security taxes	167,524	172,221	2.8%	195,036	13.2%	212,508	9.0%
Insurance	588,050	616,845	4.9%	599,151	-2.9%	674,075	12.5%
Total	4,069,305	4,211,558	3.5%	4,680,602	11.1%	4,709,445	0.6%
Labor distribution							
Power acquisition	203,465	210,578	3.5%	234,030	11.1%	235,472	0.6%
Maintenance/replacements	2,238,118	2,316,357	3.5%	2,574,331	11.1%	2,590,195	0.6%
New construction	203,465	210,578	3.5%	234,030	11.1%	235,472	0.6%
Customer accounts	773,168	800,196	3.5%	889,314	11.1%	894,795	0.6%
Administrative & general	569,703	589,618	3.5%	655,284	11.1%	659,322	0.6%
Debt & financing	81,386	84,231	3.5%	93,612	11.1%	94,189	0.6%
Total	4,069,305	4,211,558	3.5%	4,680,602	11.1%	4,709,445	0.6%
Labor costs per:							
Mile of line	7,202	7,441	3.3%	8,255	10.9%	8,291	0.4%
KWh sold (cents)	3.74	3.84	2.6%	4	14.8%	4.43	0.6%
Meter (\$)	556	581	4.6%	646	11.1%	650	0.6%
Percent of total receipts	32.1%	36.6%	14.2%	36.2%	-1.1%	42.2%	16.6%

**Breakdown of Labor Dollar
FY 19/20**



**Labor by Cost Center
FY 19/20**



FY 19/20 Budget -Approved
June 13, 2019

Trinity Public Utilities District

Projected Costs By Activity

Power acquisition	
Purchased power	2,680,409
BANC Costs	<u>25,000</u>
	<u>2,705,409</u>
Labor	
Wages and salaries	2,719,579
Health insurance	661,648
Cafeteria plan	12,427
Retirement	558,089
Overtime and standby pay	402,920
Social Security taxes	201,945
Workers compensation	104,873
Retirement annuity	10,563
Meals/per diem	<u>20,400</u>
	<u>4,692,444</u>
Materials and supplies	
Operation supplies	25,000
System materials	792,500
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>1,067,500</u>
Outside services	
Tree trimming/pole clearing	615,000
Road maint/right of way clearing	88,500
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	75,650
Auditing	45,000
Bill processing, collections	35,000
Janitorial	15,000
Computer programming	<u>60,000</u>
	<u>1,841,150</u>

FY 19/20 Budget -Approved
 June 13, 2019

Trinity Public Utilities District

Projected Costs By Activity

Utilities	
Electric	20,000
Water	2,500
Telephone	47,000
Garbage	12,000
Propane	500
Sewer	1,500
	83,500
Rents and leases	
Facilities rents	1,000
Equipment rents	6,500
	7,500
Education and travel	
	110,000
Fees and permits	
Land use permits	20,000
Pole contact fees	10,000
Dues and subscriptions	94,378
	124,378
Risk management	
Liability insurance	100,003
Damages	10,000
Safety	35,000
Wellness/cafeteria program	5,000
	150,003
Repairs and maintenance	
Repairs	125,000
Licensing agreements	87,000
Maintenance agreements	22,500
	234,500
Debt service	
Principal	1,475,000
Interest	686,905
Issuance costs	3,900
	2,165,805
Capital outlay	
Real property/facilities	50,000
Equipment	188,000
Capital projects	500,000
Vehicles	530,000
	1,268,000
Total	14,450,189

Fiscal Year 2019/2020 Budget Notes

Receipts

Sales:

Retail kWh sales are estimated to decrease 3.2% from FY 17/18 to FY 18/19. Retail Sales revenue is estimated to decrease 2%. Staff is forecasting a 0.0% kWh sales growth factor for FY 19/20. A 0.0% kWh sales growth factor is projected for future years.

Surcharges:

In April 2019, the Department of Water Resources declared the current water year an above average water year. In accordance with District policy, the Drought Relief Surcharge was suspended beginning with the May 2019 billing cycle. This is after the Surcharge was implemented in May 2018 due to the lack of precipitation.

Operating Expenses

Power Acquisition:

The District's costs to purchase power increased 76.7% during FY 17/18 to FY 18/19. This increase follows the 54.9% decrease from FY 16/17 to FY 17/18. Purchased power costs have fluctuated between \$1.361 million to \$3.020 million over the last three years.

For FY 19/20, the District is forecasting purchased power costs to increase 11.5%. Western's calculation of the District's First Preference Percentage (FPP) decreased but not enough to meet the mandated threshold. Therefore, the Budget forecasts power costs to remain in close proximity to FY 18/19 costs.

"Other Power Acquisition Costs" of \$268,000 include legislative advocacy (\$60,000), Staff labor (\$128,000), 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:

Operations & Maintenance costs increased from FY 17/18 to FY 18/19 by approximately 24.6%, which is mainly due to Staff time being directed towards Operations & Maintenance during the winter storms. The Budget for FY 19/20 is factoring in an 18.7% decrease from FY 18/19 mainly due to Staff time being directed back towards capital projects.

Customer Accounts:

Customer Accounts are projected to decrease by approximately 7.9% from FY 17/18 to FY 18/19 mainly due to less account maintenance while installing the new meter system. The Budget for FY 19/20 is factoring in a 46.2% increase from FY 18/19 mainly due to Staff time being directed back towards Customer Accounts and away from capital projects.

Fiscal Year 2019/2020 Budget Notes

Administrative and General:

Administrative & General costs increased 16.2% from FY 17/18 to FY 18/19 due to: ongoing legal costs related to the 2017 Helena Fire, increased insurance and accounting costs as well as increased costs of dues related to memberships. The FY 19/20 Budget projects no increase to A&G 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 three partially taxable, predominately non-taxable bond issues. FY 19/20 is the final payment for two of the issues and is also the highest debt payment year.

Capital Outlay

During FY 18/19 capital expenditures consisted of many replacements and improvements due to the heavy winter storm. The District also wrapped up work on replacing the entire meter system.

The FY 19/20 Budget reflects the following:

- Nonrecurring Capital Costs for FY 19/20 include replacing the Freightliner Bucket Truck [\$240,000 which was previously budgeted in the 18/19 Budget], two 2012 Ford F-250's for the Senior Estimator and Vegetation Program Manager [\$50,000 each], Radio Repeater [\$30,000], and Hayfork Substation upgrades/improvements [\$500,000].
- The Budget and Five-Year Financial Forecast include, on a yearly basis, funding for a six year plan to replace system circuit breakers and replace regulator controls [\$100,000 annually].

FIVE-YEAR FINANCIAL FORECAST

Trinity Public Utilities District Financial Forecast Overview

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Operating receipts	12,690,797	11,505,892	12,930,369	0.9%	11,154,519	11,152,010	11,163,168	11,179,109	11,188,976	0.1%
Operating expenditures	9,818,944	8,149,043	9,781,384	-0.3%	10,254,803	9,625,573	9,719,483	9,815,665	9,921,340	-0.8%
Available for capital	2,871,853	3,356,849	3,169,006	5.2%	899,716	1,526,437	1,443,685	1,363,444	1,267,636	10.2%
Capital outlay	1,994,277	4,408,381	2,979,932	24.7%	4,195,386	3,131,772	2,977,899	3,234,642	3,012,012	-7.1%
Bond/loan proceeds	-	-	-	-	150,000	150,000	150,000	150,000	150,000	-
Net County/MCMS repayments	150,831	148,464	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	-25.0%
Change in total reserves	1,028,407	(903,068)	339,073	-33.5%	(3,145,670)	(1,455,335)	(1,384,214)	(1,721,198)	(1,744,376)	-11.1%

Reserves balances (end of year)

Other reserves	2,926,715	2,046,838	2,129,288	-13.6%	2,342,752	2,404,769	2,264,131	2,257,050	2,040,163	-3%
----------------	-----------	-----------	-----------	--------	-----------	-----------	-----------	-----------	-----------	-----

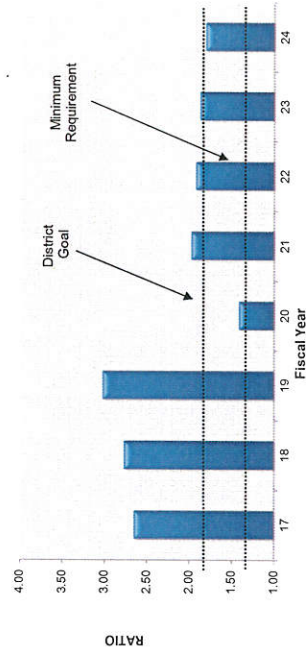
Contingency reserves

Total reserves	7,578,129	7,554,939	7,811,563	1.5%	4,452,428	2,935,076	1,891,501	(22,617)	(1,550,105)	-33.7%
----------------	-----------	-----------	-----------	------	-----------	-----------	-----------	----------	-------------	--------

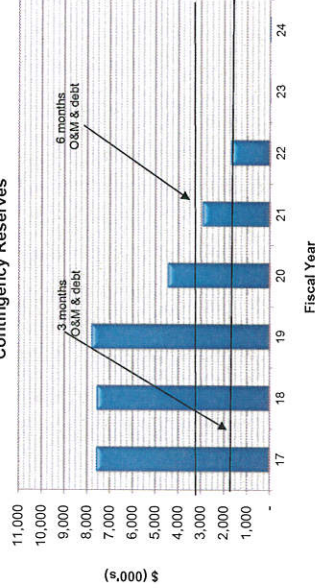
Debt service coverage ratio

	2.65	2.77	3.02	7.0%	1.42	1.97	1.92	1.87	1.81	6.9%
--	------	------	------	------	------	------	------	------	------	------

Debt Service Coverage Ratio



Contingency Reserves



Trinity Public Utilities District
Forecast Summary

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Revenues										
Energy sales	9,789,242	9,893,492	9,693,406	-0.5%	9,693,406	9,693,406	9,693,406	9,693,406	9,693,406	0.0%
Surcharge receipts	1,291,278	381,510	1,090,148	-7.8%	-	-	-	-	-	-
Other receipts	1,610,277	1,230,890	2,146,835	16.7%	1,461,113	1,458,604	1,469,762	1,485,703	1,495,570	0.6%
Total	12,690,797	11,505,892	12,930,389	0.9%	11,154,519	11,152,010	11,163,168	11,179,109	11,188,976	0.6%
Expenses										
Power acquisition	3,243,996	1,570,385	2,706,807	-8.3%	2,948,615	2,904,468	2,911,210	2,918,155	2,925,308	-0.2%
Operations & maintenance	2,673,277	2,715,801	3,384,078	13.3%	2,752,510	2,797,867	2,844,027	2,891,005	2,938,817	1.7%
Customer accounts	894,235	682,428	628,364	-14.9%	918,736	932,517	946,505	960,702	975,113	1.5%
Administrative & general	1,204,666	1,219,960	1,417,038	8.8%	1,413,812	1,421,921	1,450,740	1,480,290	1,510,589	1.7%
Debt & financing	1,802,770	1,960,469	1,625,097	-4.9%	2,221,130	1,568,800	1,567,000	1,565,513	1,571,513	-7.3%
Total	9,818,944	8,149,043	9,761,384	-0.3%	10,254,803	9,625,573	9,719,483	9,815,665	9,921,340	-0.8%
Available for capital	2,871,853	3,356,849	3,169,006	5.2%	899,716	1,526,437	1,443,685	1,363,444	1,267,636	10.2%
Capital outlay	1,994,277	4,408,381	2,979,932	24.7%	4,195,386	3,131,772	2,977,899	3,234,642	3,012,012	-7.1%
Bond proceeds	-	-	-	-	-	-	-	-	-	-
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
County/MCMS repayments	150,831	148,464	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	-25.0%
Change in total reserves	1,028,407	(903,068)	339,073	-33.5%	(3,145,670)	(1,455,335)	(1,384,214)	(1,721,198)	(1,744,376)	-11.1%
Reserves balances (end of year)										
Encumbered	601,128	779,059	721,550	10.0%	918,205	932,770	945,174	957,796	970,605	1.4%
Restricted Reserves	1,790,202	610,607	595,000	-33.4%	581,000	581,262	581,530	581,804	582,085	0.0%
Customer funds	382,052	438,172	515,738	17.5%	509,380	502,403	497,427	492,450	487,473	-1.1%
Dedicated	153,333	219,000	297,000	46.8%	334,167	388,333	240,000	225,000	-	-25.0%
Total other reserves	2,926,715	2,046,838	2,129,288	-13.6%	2,342,752	2,404,769	2,264,131	2,257,050	2,040,163	-3.2%
Contingency fund	7,578,129	7,554,939	7,811,563	1.5%	4,452,428	2,935,076	1,691,501	(22,617)	(1,550,105)	-33.7%
Total reserves	10,504,845	9,601,777	9,940,851	-2.7%	6,795,180	5,339,845	3,955,632	2,234,434	490,058	-23.2%

Trinity Public Utilities District
Forecast of Fund Sources and Uses

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Fund Sources										
Receipts	9,789,242	9,893,492	9,693,406	-0.5%	9,693,406	9,693,406	9,693,406	9,693,406	9,693,406	0.0%
Energy sales	1,291,278	381,510	1,090,148	-7.8%	-	-	-	-	-	-
Surcharge receipts	1,610,277	1,230,890	2,146,835	16.7%	1,461,113	1,458,604	1,469,762	1,485,703	1,495,570	0.6%
Other receipts	12,690,797	11,505,892	12,930,389	0.9%	11,154,519	11,152,010	11,163,168	11,179,109	11,188,976	0.1%
Total										
150,831	148,464	150,000	-0.3%	150,000	150,000	150,000	150,000	150,000	-	-25.0%
10,517	6,885	4,092	-30.5%	(28,897)	2,739	2,739	2,739	2,739	2,739	-27.4%
1,308,452	579,305	570,000	-	570,000	-	-	-	-	-	-
124,333	-	40,000	-33.9%	42,000	304,167	245,000	90,000	225,000	225,000	108.9%
1,594,133	734,654	764,092	-26.0%	733,103	456,905	397,739	242,739	227,739	227,739	-17.2%
Total sources	14,284,930	12,240,546	13,694,482	-2.1%	11,887,622	11,608,916	11,560,907	11,421,848	11,416,715	-1.0%
Fund Uses										
Operating expenditures	9,818,944	8,149,043	9,761,384	-0.3%	10,254,803	9,625,573	9,719,483	9,815,665	9,921,340	-0.8%
Capital outlay	1,994,277	4,408,381	2,979,932	24.7%	4,195,386	3,131,772	2,877,899	3,234,642	3,012,012	-7.1%
County/MCMS funding	-	-	-	-	-	-	-	-	-	-
Fund transfers	1,746,347	(293,688)	696,542	-30.1%	796,568	368,922	107,100	85,659	10,851	-24.7%
Total uses	13,559,568	12,263,736	13,437,858	-0.4%	15,246,757	13,126,267	12,804,482	13,135,966	12,944,203	-3.8%
Change in contingency reserves	725,362	(23,190)	256,624	-32.3%	(3,359,135)	(1,517,352)	(1,243,575)	(1,714,118)	(1,527,488)	-13.6%

Trinity Public Utilities District
Forecast of Capital Outlay

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Distribution/Transmission										
Replacements	1,090,772	1,140,056	1,436,594	15.9%	1,404,630	1,425,699	1,447,084	1,468,791	1,490,823	1.5%
Improvements	536,741	770,534	652,535	10.8%	1,296,624	1,316,073	1,335,814	1,355,852	1,376,189	1.5%
CIP	-	-	-	-	-	-	-	-	-	-
Direct Western tie	-	-	-	-	-	-	-	-	-	-
Transmission	-	-	-	-	-	-	-	-	-	-
Transmission generation	-	-	-	-	-	-	-	-	-	-
Long Canyon Project	16,324	-	-	-	-	-	-	-	-	-
#44 - 2010 Freightliner line truck	-	-	-	-	-	245,000	-	-	-	-
#21 - 2016 Chevy Silverado	34,681	-	-	-	-	-	-	-	-	-
#34 - 2014 F-550 Trouble truck	-	-	-	-	190,000	-	-	-	-	-
#18 - 2010 Ford F350 4x4 Pickup	-	-	42,000	-	-	-	-	-	-	-
#52 - 2001 Wells Cargo trailer	-	-	-	-	-	-	50,000	-	-	-
#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 Altec pole trailer	-	-	31,990	-	-	-	-	-	-	-
#23 - 2019 Ram 1500 4x4 Pickup	-	-	-	-	-	-	-	-	-	-
#17 - 2011 Ford F-150	-	-	-	-	-	-	-	-	-	-
#24 - 2014 Ford F-350 4x4 truck	-	-	-	-	-	-	-	-	-	-
#14 - 2012 Ford F250	-	-	-	-	50,000	-	-	-	-	-
#15 - 2012 Ford F250	-	-	-	-	50,000	-	-	-	-	-
#45 - 2015 Freightliner line truck	-	-	-	-	-	-	-	-	-	-
#21 - 2016 Chevy Silverado	-	-	15,191	-	240,000	-	-	-	-	-
#37 - 2010 Freightliner LG bucket truck	-	-	-	-	-	-	-	-	-	-
#38 - 2014 International bucket truck	8,741	-	23,186	-	-	-	-	225,000	-	-
#66 - 2007 Polaris 4x4 OHV	-	-	56,451	-	-	-	-	-	-	-
2018 Excavator	-	-	13,453	-	30,000	-	-	-	-	-
Other	48,132	47,312	13,453	-	30,000	-	-	-	-	-
Total	1,936,603	1,957,902	2,311,400	9.7%	3,261,253	2,986,772	2,832,899	3,089,642	2,867,012	-3.0%
Substations	26,681	27,535	21,744		646,133					0.0%
Customer accounts										
Data processing/computers	10,945	28,440	136,595	574.0%	163,000	60,000	60,000	60,000	60,000	
Office machinery	-	-	-	-	-	-	-	-	-	-
Automated meter reading/turtles	-	2,312,321	310,879	-	10,000	10,000	10,000	10,000	10,000	
Mapping system	6,421	48,863	89,315	-	65,000	65,000	65,000	65,000	65,000	
NISC CIS software conversion	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	17,366	2,389,724	536,788	1495.5%	238,000	135,000	135,000	135,000	135,000	-10.8%
Property/facilities										
	13,627	33,220	110,000	353.6%	50,000	10,000	10,000	10,000	10,000	-20.0%
Total capital outlay	1,994,277	4,408,381	2,979,932	24.7%	4,195,386	3,131,772	2,977,899	3,234,642	3,012,012	-7.1%

Trinity Public Utilities District
Forecast of Reserves

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Restricted										
Bond/loan reserves	1,762,818	579,304	570,000	-33.8%	570,000	570,000	570,000	570,000	570,000	0.0%
Cafeteria plan	27,384	31,303	25,000	-4.4%	11,000	11,262	11,530	11,804	12,085	2.5%
Total	1,790,202	610,607	595,000	-33.4%	581,000	581,262	581,530	581,804	582,085	0.0%
Encumbered										
Line extension loan fund	297,736	150,000	120,185	-29.8%	91,288	91,288	91,288	91,288	91,288	0.0%
Payables	303,392	629,059	601,365	49.1%	826,917	841,482	853,886	866,508	879,317	1.6%
Total	601,128	779,059	721,550	10.0%	918,205	932,770	945,174	957,796	970,605	1.4%
Customer funds										
Security deposits	171,516	308,041	322,844	44.1%	322,844	322,844	322,844	322,844	322,844	0.0%
Construction advances	201,536	121,131	183,894	-4.4%	177,536	172,559	167,583	162,606	157,629	-2.8%
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	382,052	438,172	515,738	17.5%	509,380	502,403	497,427	492,450	487,473	-1.1%
Dedicated	153,333	219,000	297,000	46.8%	334,167	388,333	240,000	225,000	-	-25.0%
Contingency fund										
Contingency	7,578,129	7,554,839	7,811,563	1.5%	4,452,428	2,935,076	1,691,501	(22,617)	(1,550,105)	-33.7%
Total	7,578,129	7,554,839	7,811,563	1.5%	4,452,428	2,935,076	1,691,501	(22,617)	(1,550,105)	-33.7%
Total reserves	10,504,845	9,601,777	9,940,851		6,795,180	5,339,845	3,955,632	2,234,434	490,058	

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

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Average rate (cents/kWh)	9.20	8.52	9.15	-0.3%	8.23	8.23	8.23	8.23	8.23	0.0%
Growth										
Demand (mw)	24,274	24,286	24,176	-0.2%	24,176	24,176	24,176	24,176	24,176	0.0%
KWh purchased (000's)	120,423	120,577	117,799	-1.1%	117,799	117,799	117,799	117,799	117,799	0.0%
KWh sold (000's)	108,677	109,676	106,193	-1.1%	106,193	106,193	106,193	106,193	106,193	0.0%
Energy/losses (%)	6.90%	6.90%	6.90%	0.0%	6.90%	6.90%	6.90%	6.90%	6.90%	0.0%
Meters										
Meters served	7,324	7,246	7,246	-0.5%	7,246	7,246	7,246	7,246	7,246	0.0%
Costs (\$/meter)	122	94	87	-14.5%	127	129	131	133	135	1.5%
Customer accounts	556	581	646	8.1%	650	672	687	743	749	3.8%
Labor										
Distribution										
Miles of distribution line	565	566	567	0.2%	568	569	570	571	572	0.2%
O&M cost including labor/mile	4,731	4,798	5,968	13.1%	4,846	4,917	4,990	5,063	5,138	1.5%
Labor/mile	1,967	1,963	1,960	-0.2%	1,956	1,953	1,983	1,979	1,976	0.2%
Costs/kWh sold (cents/kWh)										
Power acquisition	3.0	1.4	2.5	-7.3%	2.8	2.7	2.7	2.7	2.8	-0.2%
Operations & maintenance	2.5	2.5	3.2	14.8%	2.6	2.6	2.7	2.7	2.8	1.7%
Customer accounts	0.8	0.6	0.6	-14.0%	0.9	0.9	0.9	0.9	0.9	1.5%
Administrative & general	1.1	1.1	1.3	10.2%	1.3	1.3	1.4	1.4	1.4	1.7%
Debt & financing	1.7	1.8	1.5	-3.9%	2.1	1.5	1.5	1.5	1.5	-7.3%
Uncollectible sales (\$)	21,536	21,766	21,325	-0.5%	21,325	21,325	21,325	21,325	21,325	0.0%
Debt service coverage ratio	2.65	2.77	3.02	7.0%	1.42	1.97	1.92	1.87	1.81	6.9%
Capital replacements, System	1,090,772	1,161,850	1,436,594	15.9%	1,404,630	1,425,699	1,447,084	1,468,791	1,490,823	1.5%

Trinity Public Utilities District
Forecast of Labor Factors

	16/17 (Actual)	17/18 (Actual)	18/19 (Preliminary)	17-19 % Growth	19/20 (Budgeted)	20/21 (Projected)	21/22 (Projected)	22/23 (Projected)	23/24 (Projected)	20-24 % Growth
Labor components										
Salaries and wages	1,956,379	2,129,726	2,324,412	9.4%	2,315,797	2,362,113	2,409,355	2,581,929	2,557,696	2.6%
Paid time off	431,403	412,083	485,731	6.3%	502,731	517,813	528,169	551,383	575,616	3.6%
Overtime/meals/standby	335,059	310,705	444,980	16.4%	446,245	459,632	468,825	489,429	510,940	3.6%
Retirement	590,890	569,978	631,293	3.4%	558,089	618,873	631,251	790,277	782,860	10.1%
Social Security taxes	167,524	172,221	195,036	8.2%	212,508	217,376	221,724	235,809	237,209	2.9%
Insurance	588,050	616,845	589,151	0.9%	674,075	694,297	715,126	737,903	761,405	3.2%
Total	4,069,305	4,211,558	4,680,602	7.5%	4,709,445	4,870,105	4,974,450	5,386,730	5,425,725	3.8%
Labor distribution										
Power acquisition	203,465	210,578	234,030	7.5%	235,472	243,505	248,722	269,336	271,286	3.8%
Maintenance/replacements	2,238,118	2,316,357	2,574,331	7.5%	2,590,195	2,678,558	2,735,947	2,962,701	2,964,149	3.8%
New construction	203,465	210,578	234,030	7.5%	235,472	243,505	248,722	269,336	271,286	3.8%
Customer accounts	773,168	800,196	889,314	7.5%	894,795	925,320	945,145	1,023,479	1,030,888	3.8%
Administrative & general	569,703	589,618	655,284	7.5%	659,322	681,815	696,423	754,142	759,602	3.8%
Debt & financing	81,386	84,231	93,612	7.5%	94,189	97,402	99,489	107,735	108,515	3.8%
Total	4,069,305	4,211,558	4,680,602	7.5%	4,709,445	4,870,105	4,974,450	5,386,730	5,425,725	3.8%
Labor costs per:										
Mile of line	7,202	7,441	8,255	7.3%	8,291	8,559	8,727	9,434	9,486	3.6%
KWh sold (cents)	4	4	4	8.9%	4	5	5	5	5	3.8%
Meter (\$)	556	581	646	8.1%	650	672	687	743	749	3.8%
Percent of total receipts	32.1%	36.6%	36.2%	6.4%	42.2%	43.7%	44.6%	48.2%	48.5%	3.7%

Fiscal Year 2019/2020 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 increased 72.4% from FY 17/18 to FY 18/19. This follows a 51.6% decrease from FY 16/17 to FY 17/18. These percentages appear significant yet the percentage change from FY 16/17 to FY 18/19 is an 8.3% decrease. Total Power Costs are forecasted to remain at the current level for purposes of the Five-Year Forecast. Actual annual costs could swing by minus \$1 million to plus \$2 million depending on rainfall as witnessed over the last three years.
4. Capital Expense 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	6.00%
Remaining Funds	1.00%
6. Restricted Funds Consists of Bond and Loan Reserves of \$570,000 and accrued costs not yet paid, at an amount of approximately \$824,000 per year. The available reserve for Line Extension loans is \$91,000. 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 (FY 2012-2016). 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 2019/2020 Financial Forecast Notes

8. Revenue Average System Rate of \$0.092 per kWh which is forecasted to decrease to \$0.082 in FY 19/20 with the removal 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 Surcharge was removed in May 2019 due to above an above average water year. The Surcharge is not included in the Five-Year Financial Forecast.

**MISSION
STATEMENT AND
GOALS**

DISTRICT GOALS FY 19-20

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.

OBJECTIVES:

1. Work with Western Area Power Administration (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 right-of-ways 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.

3. GOAL:

1. Improve system reliability and efficiency.

OBJECTIVES:


1. Continue assertive vegetation line clearing practices.
2. Improve customer satisfaction.
3. Where feasible 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.

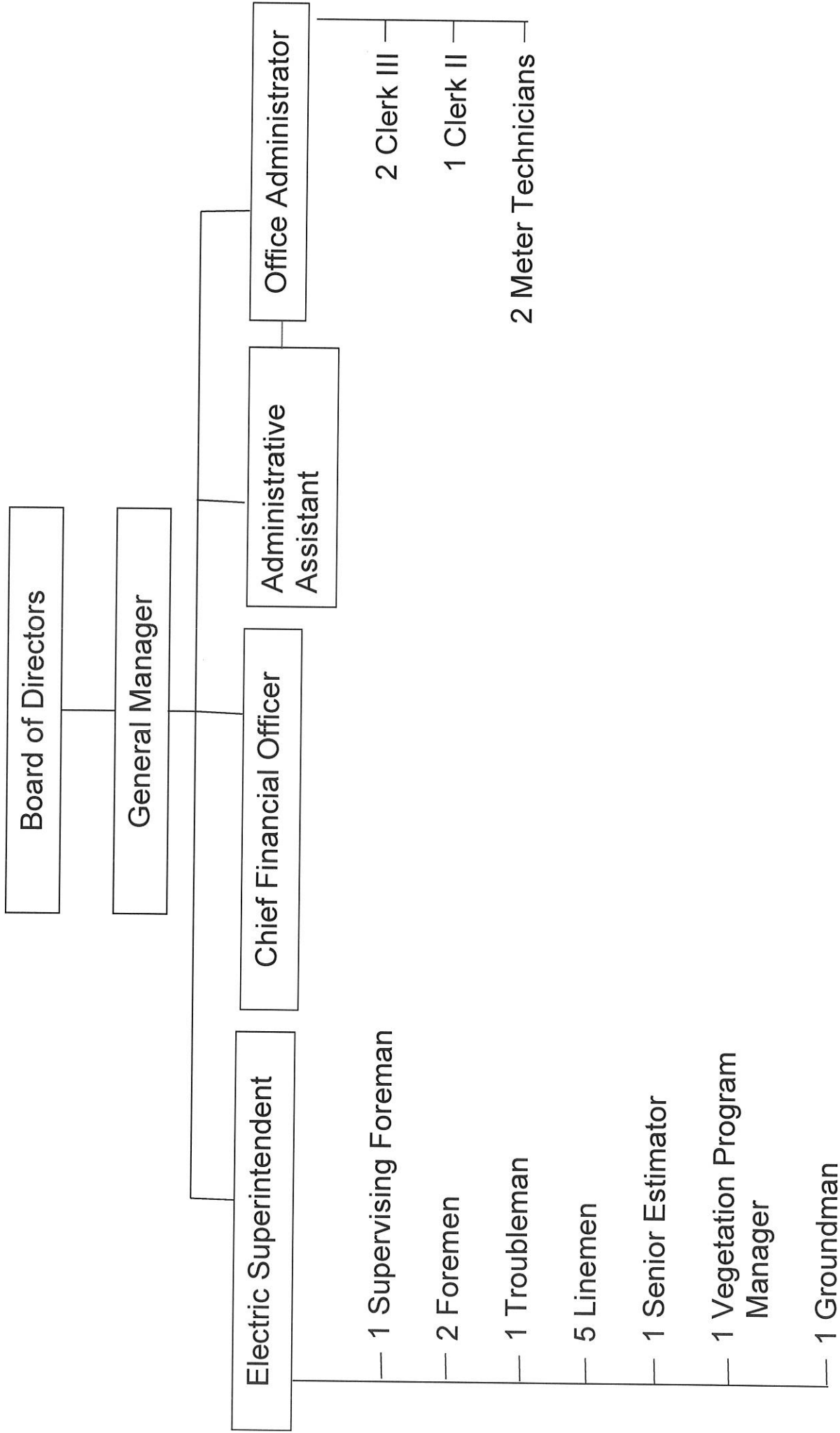
OBJECTIVES:

1. Assist in Community Choice Aggregation District formation when requested by Trinity County citizens served by PG&E.


Clarence W. Rose, President

ORGANIZATIONAL CHART

**TRINITY PUD
ORGANIZATIONAL CHART
June 2019**



22 Full-time Positions

**OTHER
FINANCIAL
INFORMATION**

**Trinity Public Utilities District
Other Financial Information**

	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 ACTUAL	FY17-18 ACTUAL	FY18-19 (ESTIMATED)
Energy Sales and Customers					
Customers (average)					
Residential	6,039	6,081	6,120	6,058	6,058
Commercial	1,184	1,192	1,199	1,187	1,187
Industrial	1	1	1	1	1
Total	7,224	7,274	7,320	7,246	7,246
Energy Hours Sold (MWh)					
Residential	58,053	62,237	66,945	67,561	65,415
Commercial	27,724	30,161	33,009	33,218	31,791
Industrial	8,465	8,636	8,722	8,898	8,987
Total	94,241	101,035	108,677	109,676	106,193
Sales of Electric Energy (\$000's)					
Residential	\$ 4,410	\$ 5,532	\$ 6,069	\$ 6,134	\$ 6,010
Commercial	2,156	2,843	3,167	3,196	3,114
Industrial	547	547	552	564	569
Total	\$ 7,113	\$ 8,922	\$ 9,789	\$ 9,893	\$ 9,693
System Average Base Rate (per kWh)					
	\$ 0.0755	\$ 0.0883	\$ 0.0901	\$ 0.0902	\$ 0.0913
Power purchased (MWh X 1,000)					
Energy Purchased from:					
Western Area Power Administration (Western)	104.5	111.9	120.4	120.6	117.8
Energy Disposition (MWh X 1,000)					
Total Energy Sales	94.2	101.0	108.7	109.7	106.2
Total Power Loss	10.3	10.8	11.7	10.9	11.6
Peak Demand (MW)					
Winter	20.7	22.1	24.3	24.3	24.3
Summer	18.7	18.6	20.2	21.7	21.7
Energy Expenses (000's)					
Purchased Power Expense	\$ 3,319	\$ 3,979	\$ 3,020	\$ 1,361	\$ 2,405
Other Electric Statistics					
Utility Plant (less accumulated depreciation (000's))	\$ 29,306	\$ 29,714	\$ 30,379	\$ 30,379	\$ 30,379
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)

	FY19-20 (PROJECTED)	FY20-21 (PROJECTED)	FY21-22 (PROJECTED)	FY22-23 (PROJECTED)	FY23-24 (PROJECTED)
Energy and Demand Requirements					
Peak Demand (MW)	24.2	24.2	24.2	24.2	24.2
Energy (MWh)	117,799	117,799	117,799	117,799	117,799

**Trinity Public Utilities District
Other Financial Information**

Electric Rate Comparison Residential Monthly Bill (1,000 kWh)		FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 ACTUAL	FY17-18 ACTUAL	FY18-19 ESTIMATED
Pacific Gas & Electric	Summer	\$ 286.87	\$ 329.13	\$ 292.71	\$ 267.10	\$ 263.61
	Winter	\$ 264.65	\$ 296.70	\$ 255.20	\$ 261.23	\$ 258.77
Sacramento Municipal Utility District	Summer	\$ 139.86	\$ 139.86	\$ 153.64	\$ 155.89	\$ 190.78
	Winter	\$ 125.56	\$ 125.56	\$ 136.87	\$ 138.93	\$ 127.32
Lassen Municipal Utility District	Summer	\$ 149.42	\$ 154.57	\$ 154.57	\$ 154.57	\$ 159.72
	Winter	\$ 149.42	\$ 154.57	\$ 154.57	\$ 154.57	\$ 159.72
City of Redding	Summer	\$ 170.82	\$ 172.87	\$ 172.87	\$ 172.87	\$ 172.88
	Winter	\$ 170.82	\$ 172.87	\$ 172.87	\$ 172.87	\$ 172.88
City of Shasta Lake	Summer	\$ 174.42	\$ 174.42	\$ 180.17	\$ 186.14	\$ 186.15
	Winter	\$ 174.42	\$ 174.42	\$ 180.17	\$ 186.14	\$ 186.15
The District - Zone B	Summer	\$ 114.68	\$ 114.68	\$ 118.79	\$ 118.79	\$ 105.43
	Winter	\$ 114.68	\$ 114.68	\$ 118.79	\$ 118.79	\$ 105.43
The District - Zone A	Summer	\$ 91.31	\$ 91.31	\$ 95.42	\$ 95.42	\$ 82.01
	Winter	\$ 91.31	\$ 91.31	\$ 95.42	\$ 95.42	\$ 82.01

\$ 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>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>
OPERATING REVENUES¹					
Electric Sales	\$ 8,922,073	\$ 9,789,242	\$ 9,893,492	\$ 9,693,406	\$ 9,693,406
Drought surcharge	\$ 1,190,061	\$ 1,291,278	\$ 381,510	\$ 1,090,148	\$ -
Dereg surcharge	\$ 104,877	\$ -	\$ -	\$ -	\$ -
Lewiston generation income	\$ -	\$ -	\$ -	\$ -	\$ -
Other Income ²	1,967,411	1,563,915	1,158,685	1,984,319	1,367,358
Interest Income ³	30,546	46,362	72,205	162,516	93,755
Total Revenues	\$ 12,214,968	\$ 12,690,797	\$ 11,505,892	\$ 12,930,389	\$ 11,154,519
OPERATION AND MAINTENANCE EXPENSES⁴					
Purchased power	\$ 3,979,409	\$ 3,020,017	\$ 1,360,867	\$ 2,404,853	\$ 2,680,409
Other	231,244	223,979	209,518	301,954	268,206
Total Purchased Power	\$ 4,210,653	\$ 3,243,996	\$ 1,570,385	\$ 2,706,807	\$ 2,948,615
Operations and Maintenance	2,527,206	2,673,277	2,715,801	3,384,078	2,752,510
Customer Accounts	863,070	894,235	682,428	628,364	918,736
Administrative and General	1,055,130	1,266,810	1,283,773	1,474,707	1,473,037
Total Other	\$ 4,445,406	\$ 4,834,322	\$ 4,682,002	\$ 5,487,148	\$ 5,144,283
Total Expenses	\$ 8,656,059	\$ 8,078,318	\$ 6,252,387	\$ 8,193,956	\$ 8,092,898
NET REVENUES	\$ 3,558,909	\$ 4,612,479	\$ 5,253,505	\$ 4,736,434	\$ 3,061,621
2010 Bonds	1,302,906	1,299,156	1,200,104	573,050	571,650
2017 Bonds			313,272	994,378	1,590,255
CIEDB Installment sale	441,611	441,470	397,472	-	-
TOTAL DEBT SERVICE	1,744,517	1,740,626	1,910,848	1,567,428	2,161,905
TOTAL DEBT SERVICE COVERAGE	2.04	2.65	2.75	3.02	1.42
SR DEBT SERVICE COVERAGE	2.73	3.55	3.47	3.02	1.42
BEGINNING RESERVES	\$ 10,377,804	\$ 9,853,525	\$ 10,881,932	\$ 9,964,672	\$ 10,303,745
Surplus Revenues	1,814,392	2,871,853	3,342,657	3,169,006	899,716
Capital Outlays	(2,484,498)	(1,994,277)	(4,408,381)	(2,979,932)	(4,195,386)
County/MCMS Funding	145,827	150,831	148,464	150,000	150,000
Bond/Loan Proceeds	-	-	-	-	-
Net Surplus	(524,279)	1,028,407	(917,260)	339,073	(3,145,670)
TOTAL RESERVES	\$ 9,853,525	\$ 10,881,932	\$ 9,964,672	\$ 10,303,745	\$ 7,158,075
Debt Reserves	(1,755,249)	(1,762,818)	(579,304)	(570,000)	(570,000)
BALANCE AVAILABLE for Capital Outlays or Other Purposes⁵	8,098,276	9,119,114	9,385,368	9,733,745	6,588,075
<i>contingency, payables & lxt fund</i>	7,445,603	8,179,257	8,333,998	8,533,113	5,370,634

¹ Reflects all gross income and revenue received

² Includes Fees and charges, Joint pole/contact i

³ Interest earned on surplus District funds and on

⁴ Excludes depreciation, amortizations, accruals ;

⁵ Excludes funds held for Reserves on Debt