



**TRUCKEE DONNER
PUBLIC UTILITY DISTRICT**

**FY16 & FY17
BUDGET**

November 4, 2015

Resolution 2015-22

TABLE OF CONTENTS

<i>Executive Summary</i>	1
<i>Part I - Mission Statement and Goals</i>	4
<i>Part II – Operating, Repair and Maintenance Plan – Electric Utility</i>	7
<i>Electric Operations Introduction</i>	8
<i>Electric Operations Revenue Statement</i>	9
<i>Summary of Electric Revenues and Expenses</i>	10
<i>Electric Expenditure Detail:</i>	
<i>Board of Directors</i>	11
<i>General Management</i>	13
<i>Administrative Services</i>	15
<i>Public Information/Conservation</i>	17
<i>Electric Operations</i>	20
<i>Information Technology (IT)</i>	22
<i>Part III – Operating, Repair and Maintenance Plan – Water Utility</i>	24
<i>Water Operations Introduction</i>	25
<i>Water Operations Revenue Statement</i>	26
<i>Summary of Water Revenues and Expenses</i>	27
<i>Water Expenditure Detail:</i>	
<i>Board of Directors</i>	28
<i>General Management</i>	30
<i>Administrative Services</i>	32
<i>Public Information/Conservation</i>	34
<i>Water Operations</i>	37
<i>Information Technology (IT)</i>	39

TABLE OF CONTENTS Continued:

Part IV – Capital Improvement Plan – Electric and Water Utilities	41	
Part V – Appendices:	47	
Appendix 1	Interdepartmental Rent	48
Appendix 2	Budgeted Positions by Department	50
Appendix 3	Labor Overhead	52
Appendix 4	Transportation Overhead	54
Appendix 5	Administrative Overhead	56
Appendix 6	Construction Overhead	58
Appendix 7	Electric Debt Schedule	60
Appendix 8	Water Debt Schedule	61
Appendix 9	Vehicle Replacement Schedule	62

EXECUTIVE SUMMARY

Truckee Donner Public Utility District (District) provides electric power to 13,300 customers and water to 12,600 customers. This service, along with capital replacements, is paid by rates. Expanding electric and water systems in response to growth in the community is paid by developer fees.

This District budget for years ending December 31, 2016 and 2017 (FY16 and FY17) reflects past performance, current requirements, and future opportunities and risks. The budgets for both the District's Electric Utility and Water Utility are balanced. That is to say, the revenue and transfers from reserves are equal to the sum of expenses, debt service, capital projects, and transfers to reserves.

There is no electric rate increase proposed for FY16 and FY17. An annual 6% water rate increase was adopted for FY16 and a 5% increase for FY17 is proposed. The Electric Utility continues to transition from traditional electric resources to renewable generation. The Water Utility is improving infrastructure while maximizing the benefits of investments in water meters and pipeline replacement. Both utilities are improving the reliability of the District's SCADA and communication systems. The District continues to emphasize return on equity for all programs, resulting in stable rates and improvements in the District's and customers' bottom lines.

This budget consists of five distinct parts.

Part I	Mission Statement
Part II	Electric Utility's operations, maintenance and repairs
Part III	Water Utility's operations, maintenance and repairs
Part IV	Capital budget for the electric and water systems
Part V	Appendices

The following table is a comparison of the FY16 and FY17 Budget to the FY15 Budget:

	FY15 Budget			FY16 Budget			FY17 Budget			FY16 vs FY15 % Variance			FY17 vs FY16 % Variance		
	Electric	Water	Total	Electric	Water	Total	Electric	Water	Total	Elec	Water	Total	Elec	Water	Total
Revenue	\$23,560	\$11,213	\$34,773	\$22,731	\$11,875	\$34,606	\$22,960	\$12,562	\$35,522	-4%	6%	0%	1%	6%	3%
Expenses	20,910	7,850	28,760	20,674	7,976	28,650	21,595	8,272	29,867	-1%	2%	0%	4%	4%	4%
Income	\$ 2,650	\$ 3,363	\$ 6,013	\$ 2,057	\$ 3,899	\$ 5,956	\$ 1,365	\$ 4,290	\$ 5,655						
Plus:															
From Funds	\$ 2,000	\$ 2,770	\$ 4,770	\$ 3,929	\$ 2,379	\$ 6,308	\$ 4,003	\$ 2,023	\$ 6,026	96%	-14%	32%	2%	-15%	-4%
Less:															
Debt Service	890	3,330	4,220	927	3,193	4,120	961	3,195	4,156	4%	-4%	-2%	4%	0%	1%
Capital Projects	2,850	2,653	5,503	4,553	2,930	7,483	4,216	2,958	7,174	60%	10%	36%	-7%	1%	-4%
To Reserves	910	150	1,060	506	155	661	191	160	351	-44%	3%	-38%	-62%	3%	-47%
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						

Budget Assumptions

The key assumptions used in the FY16 and FY17 Budget were:

- 3% inflation for FY17
- No new debt
- No planned electric rate increase in FY16 & FY17
- Water rate increase of 6% in FY16
- Maximum water rate increase of 5% in FY17
- Contract negotiations set union labor increases at 5% for FY16 and 3% for FY17
- An electrician is expected to be added in FY16
- An engineer is expected to be added in FY17

Overall Budget

The Electric budget is balanced with revenue collections, Carbon Cap & Trade (AB32) proceeds, and use of reserve funds. The Water budget is balanced with revenue collections and the use of reserve funds.

The Electric revenue is projected to decrease 4% due to lighter winter weather patterns, decrease in joint pole revenue based on the current contract and aggressive conservation & energy efficiency programs. The Water customer revenue is projected to have a 6% increase in FY16 due to a rate increase. A 6% projected revenue increase in FY17 is due to a maximum rate increase of 5% and a 1% growth increase.

Electric expenses are budgeted to decrease 1% due to reduced purchase power usage correlated with the reduced sales. A 4% FY17 increase compared to FY16 is attributed to 3% inflation along with the addition of an engineer. Water expenses increased 2% in FY16 and 4% in FY17 due to inflation.

Electric Utility

The utility continues to focus on system maintenance, tree trimming and a high level of RPS. The capital projects include Master Plan, Meter Replacement Program (AMI), and new construction anticipated to increase compared to recent years.

Water Utility

The utility continues to focus on the Water SCADA Project, Meter Installations, Pipeline Replacements and Ponderosa Palisades Pump Station Replacement.

PART I
THE FY16 & FY17
MISSION STATEMENT

MISSION STATEMENT

The mission of Truckee Donner Public Utility District is to provide reliable, high quality water and electrical power services while meeting customer demand, and to manage District resources in a safe, open, responsible, environmentally sound manner at the lowest practical cost.

1.05.020 Objectives:

1. Responsibly serve the public.
2. Provide a healthy and safe work environment for all District employees.
3. Provide reliable and high quality water supply and distribution system to meet current and future needs.
4. Provide reliable and high quality electric supply and distribution system to meet current and future needs.
5. Manage the District in an environmentally sound manner.
6. Manage the District in an effective, efficient, and fiscally responsible manner.

1.05.030 Goals:

1. Responsibly serve the public.
 - 1.1 Conduct the District's business in a legal, ethical, open, and transparent manner.
 - 1.2 Implement a proactive public outreach program.
 - 1.3 Promote communication and cooperation with other public and private agencies.
 - 1.4 Develop and implement high standards of customer service.
 - 1.5 Develop and implement high operational standards, procedures, and Codes of Conduct.
2. Provide a healthy and safe work environment for all District employees.
 - 2.1 Reduce the OSHA reportable injury frequency and severity rates relative to previous reporting year.
 - 2.2 Comply with all State and Federal regulations regarding worker safety.
 - 2.3 Maintain the District's wellness program.
 - 2.4 Reduce employee injuries by maintaining an active and effective safety program.
3. Provide reliable and high quality water supply and distribution system to meet current and future needs.
 - 3.1 Maintain and implement a current Urban Water Management Plan which includes current and future projections of water quality, demand, and supply.
 - 3.2 Maintain and implement a current Water Master Plan, including the required facilities to meet current and future demand and supply.
 - 3.3 Secure the necessary water rights and other legally required documentation.
 - 3.4 Conduct effective and efficient operations, maintenance, and replacement programs.

4. Provide reliable and high quality electric supply and distribution system to meet current and future needs.
 - 4.1 Develop and implement Risk Management Policy that considers quality and quantity of all energy supply and transmission contracts and facilities.
 - 4.2 Maintain and implement a long-term energy and load forecast consistent with Risk Management Policy.
 - 4.3 Procure and contract for low cost electric power supplies to reliably meet current and future loads, consistent with the Renewable Portfolio Standards and Risk Management Policy.
 - 4.4 Maintain and implement an Electric System Master Plan, including the required facilities to meet the current and future demand and reliable supply.
 - 4.5 Provide effective and efficient maintenance and replacement programs.
 - 4.6 Provide an effective, efficient, and safe operations program.

5. Manage the District in an environmentally sound manner.
 - 5.1 Seek power supply from a resource mix that satisfies its Renewable Portfolio Standard.
 - 5.2 Develop and implement a program of water and electric power use efficiency and conservation.
 - 5.3 Support a program of distributed generation within the District's service area.
 - 5.4 Conduct District business in an environmentally lawful manner.
 - 5.5 Minimize negative impact of District operations on the environment.
 - 5.6 Provide key leadership in the stewardship of the District's aquifer, watershed, and natural infrastructure.

6. Manage the District in an effective, efficient and fiscally responsible manner.
 - 6.1 Utilize modern, cost effective work methods and equipment.
 - 6.2 Employ a qualified and productive workforce.
 - 6.3 Provide safe work conditions and procedures that encourage employee growth, productivity and retention.
 - 6.4 Control the growth of the District's discretionary-operational spending to a rate less than the rate of inflation.
 - 6.5 Review and update the Financial Goals policy to achieve a stable financial condition to include planning, revenue, debt, and reserve goals.
 - 6.6 Develop appropriate financial procedures to assure responsible financial management.

PART II
THE FY16 & FY17
OPERATING, MAINTENANCE, AND REPAIR
ELECTRIC UTILITY

ELECTRIC OPERATING, MAINTENANCE & REPAIR PLAN INTRODUCTION

The electric budget projects total operating expenditures and transfers to reserve funds for FY16 and FY17 in the amounts of \$22,107,805 and \$22,745,812 respectively. Capital expenditures are budgeted for FY16 and FY17 in the amounts of \$4,553,450 and \$4,215,833 respectively. Total operating revenues and transfers from various reserve funds total \$26,661,255 and \$26,961,645. Of the \$4,553,450 for FY16 capital expenditures, \$2,693,191 is paid by operating funds. Of the \$4,215,833 for FY17 capital expenditures, \$2,764,581 is paid by operating funds. The FY16 and FY17 budget does not propose an electric rate increase and achieves an overall balanced budget.

During FY16 and FY17, the District continues along the path of a balanced, diversified power supply, including increased renewable energy purchases. This change began with the expiration of the Constellation contract in FY07.

In FY16 and FY17, we continue to commit resources to improving reliability in our service area and addressing back-logged maintenance projects.

No new debt will be acquired.

ELECTRIC OPERATIONS REVENUE STATEMENT

OPERATING REVENUE	BUDGET FY15	PRIOR 12 MOS ENDING 7.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE
<i>Residential Sales</i>	\$12,128,092	\$11,270,290	\$11,588,514	(\$539,578)	-4%	\$11,704,400	\$115,885
<i>Commercial Sales</i>	9,198,288	8,695,182	8,981,341	(216,947)	-2%	9,071,155	89,813
<i>Interdepartmental Sales</i>	1,212,000	1,138,896	1,200,000	(12,000)	-1%	1,212,000	12,000
<i>Miscellaneous Operating Revenue</i>	185,574	175,903	164,668	(20,905)	-11%	166,315	1,647
<i>Standby Revenue</i>	25,490	23,860	23,171	(2,319)	-9%	23,171	0
<i>Pole Replacements and Contacts</i>	407,778	143,305	160,000	(247,778)	-61%	160,000	0
<i>Interdepartmental Rent</i>	388,795	385,619	553,602	164,807	42%	561,479	7,877
TOTAL OPERATING REVENUE	\$23,546,017	\$21,833,055	\$22,671,297	(\$874,720)	-4%	\$22,898,519	\$227,222
<i>Interest Income</i>	14,692	67,473	60,000	45,308	308%	60,600	600
<i>Transfer in from Vehicle Reserve Fund</i>	68,011	239,180	150,000	81,989	121%	338,432	188,432
<i>Transfer in from Capital Reserve Fund</i>	0	0	1,710,258	1,710,258	100%	1,236,019	(474,239)
<i>Transfer in from overhead to cover CalPers sidefund debt</i>	894,725	881,569	927,300	32,575	4%	960,675	33,375
<i>Transfer in from AB32 Reserve Fund</i>	860,000	861,068	965,000	105,000	12%	1,290,000	325,000
<i>Transfer in from CA Solar Initiative</i>	177,400	177,400	177,400	0	0%	177,400	0
TOTAL ELECTRIC REVENUE & TRANSFERS	\$25,560,846	\$24,059,744	\$26,661,255	\$1,100,409	4%	\$26,961,645	\$300,390

SUMMARY OF ELECTRIC REVENUES AND EXPENSES

RECAP REVENUES LESS EXPENSES	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
ELECTRIC REVENUES & TRANSFERS	\$25,560,846	\$24,059,744	\$26,661,255	\$1,100,409	4%	\$26,961,645	\$300,390	1%
LESS EXPENSES:								
<i>Board of Directors</i>	126,957	95,625	131,675	4,718	4%	127,900	(3,775)	-3%
<i>General Management</i>	465,727	501,434	502,861	37,134	8%	518,830	15,969	3%
<i>Administrative Services</i>	1,365,268	1,288,833	1,457,014	91,746	7%	1,506,870	49,856	3%
<i>Conservation</i>	1,406,248	1,064,282	1,285,654	(120,594)	-9%	1,321,285	35,631	3%
<i>Electric Operations</i>	4,010,867	3,843,201	4,221,899	211,032	5%	4,539,426	317,528	8%
<i>Power Supply/GIS</i>	613,273	691,403	622,189	8,916	1%	646,619	24,430	4%
<i>Purchased Power</i>	12,414,610	11,646,720	11,945,170	(469,440)	-4%	12,425,649	480,479	4%
<i>Building Maintenance (managed by Water Ops)</i>	505,193	452,415	507,980	2,787	1%	507,927	(53)	0%
TOTAL OPERATING EXPENSES	\$20,908,143	\$19,583,913	\$20,674,442	(\$233,701)	-1%	\$21,594,507	\$920,064	4%
<i>Debt Service (Appendix VIII)</i>	894,725	881,569	927,300	32,575	4%	960,675	33,375	4%
<i>Transfer to Vehicle Reserve</i>	179,687	177,507	185,078	5,391	3%	190,630	5,552	3%
<i>Transfer to Electric Rate Reserve Fund</i>	426,527	424,768	320,985	(105,542)	-25%	0	(320,985)	-100%
<i>Transfer to Electric Capital Fund</i>	300,274	308,151	0	(300,274)	-100%	0	0	-
TOTAL EXPENSES & TRANSFERS	22,709,356	21,375,907	22,107,805	(601,551)	-3%	22,745,812	638,007	3%
NET AVAILABLE FOR CAPITAL	\$2,851,490	\$2,683,837	\$4,553,450	\$1,701,960	60%	\$4,215,833	(\$337,617)	-7%

BOARD OF DIRECTORS (Electric Budget)

The Board of Directors consists of five elected members who serve four-year terms. The Board generally meets twice each month on the first and third Wednesdays. The Board conducts its business in a legal, ethical, open, and transparent manner.

The Board's basic responsibility is to represent the customers of the District. The Board establishes policy and goals for the proper governing of the District and grants authority to staff to perform the day-by-day tasks necessary to serve customer needs. The Board reviews the overall District performance by conducting regularly scheduled performance reviews with the *General Manager*. The policies adopted by the Board represent the values that the District seeks to achieve in providing service to its owner/customers.

The Board adopted a Mission Statement and Statement of Objectives and Goals, which were used to form the FY16 and FY17 Budget. Staff has conducted a series of workshops starting on September 2, 2015 covering the major budget expenditures prior to presenting the draft budget. The purpose of these workshops was to educate the Board and the Public, and to receive input and direction from the Board in completing the FY16 and FY17 Budget.

Staff is continuing its public outreach policy as directed by the Board of Directors. The Board continues its dedication to transparency. Board meetings are televised and streamed over the Internet. Prior meetings are also available online for viewing through the District's website. There is time set aside within each agenda item for public input. The Board conducts workshops before taking action on significant issues. All of these actions help manage the District in an effective, efficient and fiscally responsible manner. For the budget, a public hearing was scheduled on November 4, 2015.

ELECTRIC EXPENDITURE DETAIL

BOARD OF DIRECTORS	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Outside Services Employed	\$12,500	\$3,834	\$12,500	\$0	0%	\$12,875	\$375	3%
This account is utilized to reflect costs associated with the District's general counsel attendance at board meetings and his performance of research on legal issues presented at the board level.								
Miscellaneous General Expenses	114,457	91,791	119,175	4,718	4%	115,025	(4,150)	-3%
This account covers compensation and benefits paid to directors, election, annual employee recognition dinner, training and conferences attended by directors, minor office supplies and equipment.								
TOTAL	\$126,957	\$95,625	\$131,675	\$4,718	4%	\$127,900	(\$3,775)	-3%

GENERAL MANAGEMENT (Electric Budget)

The District's General Management Department consists of the *General Manager; Executive Secretary & Deputy District Clerk; Special Projects Administrator; and Human Resources Manager*. The *General Manager* is the administrative head of the District with responsibility for managing the day-by-day affairs of the organization. The *Executive Secretary* assists the *General Manager* in various aspects of his duties, especially in arranging for Board meetings, legislative actions, and keeping proper custody of the records of the District. She also provides administrative assistance to other members of the District's management and professional staff. The *Special Projects Administrator* manages the District's solar and safety programs, acts as the District's real property representative and oversees the District complex facilities. The *Human Resources Manager* is responsible for managing employee benefits, workers compensation claims and coverage, ensuring compliance with the International Brotherhood Local Electrical Workers 1245 MOU, and keeping all employee documentation current.

The primary role of the *General Manager* is to lead the District and serve as the primary contact between the elected Board and the District staff. This includes overall fiscal responsibility, negotiating with the Union, and ensuring that the District is meeting its goals and objectives. The *General Manager* prepares Board agendas, and makes certain that matters appearing on the agenda are adequately researched and presented to the Directors in a meaningful way.

During FY14 and FY15, the *General Manager's* focus was to expand the purchase of renewable sources of energy for the District, enhance the District's electric and water conservation programs, and investigate and propose a new multi-tiered rate structure for the Electric Utility. All of these goals were achieved. The main District goals for FY16 and FY17 are:

- 6.1 *Utilize modern, cost effective work methods and equipment;*
- 6.2 *Employ a qualified and productive workforce;*
- 6.3 *Provide safe work conditions and procedures that encourage employee growth, productivity and retention;*
- 6.4 *Control the growth of the District's discretionary-operational spending to a rate less than the rate of inflation; and*
- 6.5 *Ensure that the Districts various capital projects are implemented in a smooth and cost effective manner.*

In order to maintain the improved reporting relationship between the *General Manager* to the *Board of Directors*, the *General Manager* will continue to hold semi-annual performance reviews with the Board. An end-of-year performance review is scheduled February 2016 to review all of the *General Manager's* accomplishments over the past year.

The District's is revising its safety program and goals to meet the District's goal of providing a safe and healthy work environment to all District employees. We now have a safety incentive program, and have ongoing training and seminars for District staff. The fiscal impact of these safety programs is to reduce our workers' compensation insurance cost.

ELECTRIC EXPENDITURE DETAIL

GENERAL MANAGEMENT	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Administrative & General - Salaries	\$352,857	\$372,435	\$360,579	\$7,722	2%	\$370,406	\$9,827	3%
This account is used to charge general administrative staff time other than safety and board related activities.								
Office Supplies & Expenses	17,465	29,344	34,250	\$16,785	96%	35,670	\$1,420	4%
This account is used to cover cell phone use, computer expenses, dues & memberships including LAFCO and NCPA, industry meetings, office supplies, postage, training, assessment, personnel expenses and safety .								
Outside Services Employed	32,000	38,698	37,500	\$5,500	17%	38,625	\$1,125	3%
This account is used to charge the costs of general counsel to review contracts and agreements, property issues, insurance claims, bid issues, capital contract issues and union matters.								
Injuries & Damages	22,114	16,697	20,409	(\$1,705)	-8%	21,051	\$642	3%
This account includes labor for department safety meetings and training and the organization's wellness program.								
General Advertising Expenses	3,986	3,083	3,427	(\$559)	-14%	3,614	\$188	5%
This account is used for the cost of publishing ordinances, surplus material, and other legal ad requirements.								
Misc General Expenses	37,305	41,177	46,697	\$9,392	25%	49,464	\$2,768	6%
This account is used to perform board related activities such as preparing meeting minutes, resolutions and ordinances; it is also charged with dues and memberships in electric utility organizations.								
TOTAL	\$465,727	\$501,434	\$502,861	\$37,134	8%	\$518,830	\$15,969	3%

ADMINISTRATIVE SERVICES (Electric Budget)

The Administrative Services Department supports both the electric and water utilities and is organized into seven functional areas including customer services, collections, billing, meter reading, accounting, finance, and purchasing. It is staffed by 17 people and lead by the *Administrative Services Manager*. For FY16 and FY17 the *Administrative Services Manager* will be integrating the Conservation Department with Customer Services. We look forward to this integration to utilize staff efficiently and effectively and enhance the level of customer service we are able to offer our customers. To help facilitate this integration and to provide the District with depth in accounting, the vacant position of *Finance and Accounting Manager* has been filled.

The department will continue to utilize technology to increase customer engagement and internal accuracy. The implementation of a new web-based portal, called, "Smart Hub," enables customers to have easy, remote access to their power and water consumption, in addition to the already existing capability of paying bills on-line and establishing automatic recurring payments. Staff will continue to optimize this and other tools to minimize costs and still provide excellent customer service.

Staff will continue to take advantage of opportunities to lower costs and improve internal controls and operating procedures for billing, accounting and computer operations.

Staff will continue to be trained and developed to provide safe work conditions and encourage employee growth, productivity and retention.

The District's financial goals will be reviewed annually to achieve a stable financial condition including planning, revenue, debt, and reserve goals.

ELECTRIC EXPENDITURE DETAIL

ADMINISTRATIVE SERVICES	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Meters/Services Operations Expenses	\$94,297	\$86,553	\$89,897	(\$4,400)	-5%	\$92,542	\$2,645	3%
This account is used by the meter readers to charge their time to perform meter connects, disconnects and service transfers.								
Customer Installation Expense	11,697	10,857	10,161	(1,536)	-13%	10,562	401	4%
This account includes charges for GO165 inspections for the electric department as well as investigations of energy diversion.								
Customer Account Operations Expense-Salaries	80,697	77,811	82,313	1,616	2%	84,313	2,000	2%
This account includes the management staff supervision of the customer service and billing functions.								
Meter Reading Expense	69,031	70,195	65,334	(3,697)	-5%	67,684	2,350	4%
This account is used to charge meter reading expenses which includes meter reader labor, overheads, and the hardware and software that supports the meter readers; it also includes their clothing allowance, uniform expenses, vehicle expenses and training.								
Customer Records & Collections Expense	440,578	432,549	476,546	35,968	8%	497,436	20,890	4%
This account includes the major expenses involved in serving our customers. Included are answering and directing phone calls, answering customer questions, customer account setup expenses, taking and processing customer payments, creating connect, disconnect and transfer paperwork for the crews, creating and reviewing bills, expenses related to the printing and mailing of the bills, account collection expense, billing software and hardware support, standby billing expenses, billing equipment maintenance expenses, printed billing and collection forms, billing postage and customer service staff training.								
Customer Records & Collections - Meter Readers	36,177	17,694	18,251	(17,926)	-50%	18,890	640	4%
This account includes the meter readers labor and overheads to deliver 48 hour notices and perform disconnect and reconnects relating to non-payment of utility bills.								
Provision for Bad Debts	24,154	8,889	18,760	(5,394)	-22%	18,760	0	0%
This account represents the amount of uncollectable bills for the year.								
Administrative & Operations General-Salaries	364,209	327,438	455,733	91,524	25%	469,451	13,717	3%
This account includes most of the labor for the administration department except meter reading and customer account related expenses. It includes preparation of the budget and financial statements, accounts payable and payroll, construction accounting, cash management activities and processing the daily mail.								
Office Supplies & Expenses	71,188	68,653	70,383	(805)	-1%	72,494	2,111	3%
This account includes bank charges, answering service charges, phone charges, computer and network operating expenses, software maintenance and support for the accounting system, printed forms and material, office equipment leases and equipment maintenance expenses.								
Outside Services Employed	29,180	22,138	24,250	(\$4,930)	-17%	24,978	\$728	3%
This account includes any professional services hired from the outside such as audit or accounting services, trust services for our certificates of participation and community facilities districts and arbitrage calculation services for the same.								
Insurance	139,445	157,586	137,135	(2,310)	-2%	141,250	4,114	3%
This account Includes annual insurance premiums for property, liability, umbrella liability, directors & officers liability, difference in conditions, boiler & machinery coverage insurance.								
Injuries & Damages (Safety)	4,615	8,470	8,253	3,638	79%	8,511	259	3%
This account Includes costs for safety training, Department of Transportation Drug and Alcohol training, worker's compensation expenses for employees who have been injured and safety related equipment.								
TOTAL	\$1,365,268	\$1,288,833	\$1,457,014	\$91,746	7%	\$1,506,870	\$49,856	3%

PUBLIC INFORMATION AND CONSERVATION (Electric Budget)

The Public Information and Conservation Department is responsible for outreach to the public, providing energy and water conservation services, administration of the District's public benefits and solar photovoltaic (PV) programs, and tracking of State and Federal energy/water legislation.

The department staff consists of a *Public Information and Conservation Manager*, a *Conservation Program Administrator*, a *Conservation Program Specialist*, and a part-time *Conservation Customer Service Representative*.

The department has a very successful, large portfolio of energy efficiency and conservation programs and also supports the District's increasing communications and outreach efforts. Significant progress has been made developing the District's energy conservation programs with a continued emphasis on return on investment. New and emerging technologies, such as LED lighting and energy controls, will be important for continued cost-effective programs. Key business programs include: Commercial Lighting Rebate; Business Green Partners; and special projects. Key residential programs include: Residential Energy Survey (RES); Residential Green Partners; Energy Savings Program (ESP) for income-qualified customers; Appliance Rebates; Refrigerator Recycle; Neighborhood Resource Mobilization (Block Party); and the School Conservation Education 'Trashion Shows'. Pursuant to SB1, the California Solar Initiative, the District continued to administer its Solar PV Rebate Program for residential, commercial, and non-profit/government customers. The SB1 program is winding down as per State statute.

For FY16 and FY17, the department plans to consolidate our many programs and to focus on the delivery of these benefits to our customers. Staff must also develop new, cost-effective energy efficiency programs to replace our existing residential lighting programs (CFL's). There is also an increased emphasis in educational programs to help our customers navigate the many energy choices available. Current staff is fully utilized supporting the many program, customer interactions, and events in which the District participates.

The FY16 and FY17 budget reflects an increased emphasis on Legislation & Regulation (L&R), communications and outreach, and special projects. This budget also reflects early signs of saturation for some of the District's energy conservation programs and added challenges to maintaining cost-effective programs given the current regulatory and political environment. The Solar PV Rebate Program will continue but at a lower budget. Plug-in Electric Vehicles (PEV's) is a growing area of investment for the District. The demands on the Public Information Officer continue to grow and, as the State responds to climate change with legislation (AB32) and new Renewable Portfolio Standards/Energy Efficiency targets (SB 350), so will the District through our partnerships with NCPA, CMUA, and UAMPS.

To maintain and enhance the District's public outreach programs, the Department will enhance communication to our customers through community involvement, events, the web-site and social media (Facebook and Twitter), and traditional communications and outreach. The Department will continue to build relationships with local and state partners while conducting our business in an open and transparent manner.

ELECTRIC EXPENDITURE DETAIL

CONSERVATION	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Public Benefits - Conservation	\$534,790	\$473,282	\$533,801	(\$989)	0%	\$557,720	\$23,919	4%
The account includes general energy conservation and efficiency programs and wire to water.								
Public Benefits - Research & Development	6,508	11,829	3,564	(2,944)	-45%	3,657	92	3%
This account includes energy conservation and efficiency R&D activities.								
Public Benefits - Income-Qualified	71,447	38,057	83,727	12,280	17%	86,161	2,434	3%
This account includes income-qualified programs.								
Public Benefits - Renewable Power	185,295	113,026	182,882	(2,413)	-1%	182,882	0	0%
This account includes renewable purchases and programs.								
Public Benefits - Rebates	178,257	101,466	139,946	(38,311)	-21%	144,058	4,112	3%
This account includes energy conservation and efficiency rebates.								
Public Information	94,564	69,797	69,853	(24,711)	-26%	71,558	1,706	2%
This account includes the activities of the PIO plus the website and newsletter.								
Admin & General Salaries	38,658	18,212	43,302	4,644	12%	44,245	942	2%
This account includes the administrative salaries to perform various administrative								
Office Supplies & Expenses	14,420	8,807	12,504	(1,916)	-13%	12,879	375	3%
This account includes office supplies, dues, memberships and meeting and training expenses.								
Office Supplies & Expenses - Leg & Reg	24,699	30,643	28,777	4,078	17%	29,493	716	2%
This account is for legislation and regulation tracking labor.								
General Advertising	30,643	39,277	35,019	4,376	14%	36,069	1,051	3%
This account includes TDPUD marketing and media activities.								
Misc General Expense	5,768	17,057	9,450	3,682	64%	9,734	284	3%
This account includes support of community activities such as sponsorship of the Truckee Home Show, Chamber activities, etc.								
SUB TOTAL	\$1,185,049	\$921,453	\$1,142,825	(\$42,224)	-4%	\$1,178,456	\$35,631	3%
CA Solar Initiative - SB1	221,199	142,829	142,829	(78,370)	-35%	142,829	0	0%
This account includes District solar rebates.								
TOTAL	\$1,406,248	\$1,064,282	\$1,285,654	(\$120,594)	-9%	\$1,321,285	\$35,631	3%

ELECTRIC OPERATIONS

The Electric Operations Department is responsible for operating, maintaining, repairing and expanding the District's electric distribution system. A primary department responsibility is to provide effective and efficient maintenance and replacement programs and provide an effective, efficient and safe operations program.

The FY16 and FY17 Budget staffs the Department with an *Electric Utility Manager* (also serving as *Power Supply Engineer* and *Assistant General Manager*), a *Superintendent*, a *Superintendent/Project Administrator*, a *Senior Mechanic*, a *Mechanic*, two *Electric System Engineers*, an *additional Electric Engineer to be hired in 2017*, two *Electrician / Meter Technicians*, one additional *Electrician to be hired in mid-2016 to help with Water SCADA*, three *Foremen*, a *Lead Lineman*, a *Substation Lineman*, seven *Lineman*, two *Apprentices* and a *Contract Administrator*.

The department provides work conditions and procedures that encourage employee safety, growth, productivity, and retention. *Apprentices* are trained both internally and externally. *Journeyman* are trained to utilize approved rubber gloving practices. Employees are trained on underground practices and materials, as the District transitions to becoming more of an underground utility.

During FY15, District growth continued to be sluggish and is forecasted to slowly recover in FY16 and FY17. As the economy starts to recover, the department will concentrate efforts on system maintenance. Right-of-way maintenance to reduce outages will be maintained, and approximately fifty poles have been identified for replacement each year. Replacement of existing drive-by AMR meters with a fixed base collector system for AMI meter system is budgeted for implementation in FY16 and FY17.

Capital improvements will be implemented as identified in the Electric System Master Plan.

ELECTRIC EXPENDITURE DETAIL

ELECTRIC OPERATIONS	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Operations/PM Sup & Engineering	\$956,985	\$968,928	\$1,004,697	\$47,712	5%	\$1,234,425	\$229,729	23%
This account is utilized by the electric superintendent and electric engineer for supervision, engineering and management of District electric operations and electric projects. It also includes design and engineering labor of District electric projects.								
Substation Operations/PM	162,624	187,107	178,681	16,057	10%	183,046	4,365	2%
This account Includes all work done on, and within, substations including snow removal, maintenance, repairs and associated materials and employee training.								
Distribution Operations/PM	1,208,625	950,857	1,210,406	1,781	0%	1,243,530	33,124	3%
This account Includes all maintenance work such as mandated programs, pole testing, tree trimming, pole clearing, small tools and employee training.								
Security/Street Light Operations/PM	811	3,260	1,278	467	58%	1,306	28	2%
This account Includes the purchase and installation of street and security lights throughout the District.								
Meter Operations/PM	41,799	90,715	87,254	45,455	109%	89,241	1,987	2%
This account includes connecting and disconnecting meters, checking the operation of demand meters, meter audits where we verify the wiring and accuracy of commercial meter installations, rebuilding of old commercial meter installations and training of meter technicians.								
Customer Installation Operations/PM	185,926	185,989	204,496	18,570	10%	209,048	4,552	2%
This account primarily includes the inspection of new residential services including checks of wiring code compliance. It is also used to do field investigations of customer high bill complaints, voltage irregularities and energy diversion.								
Misc General Operations/PM	480,767	426,358	520,709	39,942	8%	536,888	16,179	3%
This account includes testing of transformer oil to determine PCB content, GIS mapping of the electric system, SCADA repairs and maintenance, cell phones qne pages. It also includes computer hardware and software maintenance, clothing allowance, DMV physicals, meals, uniforms, land fill charges, meeting expenses, advertising, new employee testing, employee development and training, and Underground Service Alert marking of utilities.								
Maintenance of Station Equipment	12,394	5,647	4,157	(8,237)	-66%	4,269	112	3%
This account Includes labor and material to maintain the reclosers and regulators within the substations.								
Maintenance of Distribution Lines	458,869	450,691	477,063	18,194	4%	489,006	11,942	3%
This account primarily includes labor and material material for recloser repair, distribution line repair, damage tree clearing, standby labor and storm damage repair.								
Maintenace of Security/Street Lights	10,637	3,348	3,346	(7,291)	-69%	3,439	93	3%
This account includes labor, materials and supplies (replacement bulbs, photocells and fixtures) for the maintenance and repair of security and street lights.								
Professional Services	121,580	139,525	144,000	22,420	18%	148,320	4,320	3%
This account includes payments to Energy Source and Power Supply consultants. It also includes UAMPS expenditures.								
Injuries & Damages (Safety)	258,293	292,177	254,812	(3,481)	-1%	262,231	7,419	3%
This account Includes labor for safety meetings, safety equipment and safety meeting/training expenses.								
Regulatory Commission Expense	111,557	138,599	130,999	19,442	17%	134,677	3,678	3%
This account includes staff labor and legal fees for any FERC activity.								
TOTAL	\$4,010,867	\$3,843,201	\$4,221,899	\$211,032	5%	\$4,539,426	\$317,528	8%

INFORMATION TECHNOLOGY (IT) (Electric Budget)

The Information Technology (IT) Department is headed by the IT/IS/GIS Operations Manager and also includes the positions IT/GIS Analyst, IT/SCADA Engineer, and the Network & Systems Administrator position, responsible for network, storage and personal devices. Having internal IT staff helps reduce outside contractor costs for the District's IT needs, increase IT knowledge of systems security, and provide additional accountability and redundancy. In FY16 and FY17, the IT/GIS Analyst position will become an unrepresented professional employee.

The highest priority for this Department is to enable the Electric Department to operate faster, better, and more cost efficiently, while providing secure access to critical control, mapping, and information systems. The departments aim is to provide timely, relevant, and accurate information, when and where it is needed, to support sound decisions that improve the quality, efficiency, cost, safety, and environmental footprint of the products and services the District delivers and uses.

To achieve the goals and implement the strategies in this plan, the ten guiding principles below focus on leadership and excellence through quality of service, responsiveness, innovation, professionalism, and teamwork. These principles require commitment not only from the District's IT professionals, but from all District employees.

1. Consult and advise department heads to drive IT initiatives according to business needs, goals, and objectives, and developing a sound business case before making any new investment.
2. Foster interdepartmental cooperation in everything we do.
3. View IT from the perspective of the entire district and not from the perspective of individual departments.
4. Acquire, manage, and use technology resources economically and efficiently through standardized information technology selection and implementation processes.
5. Securely hold and manage technology assets to protect private information.
6. Develop mechanisms and processes to share information easily within the organization and with customers and partners.
7. Understand that availability and access to technology is a given, and design and build systems accordingly.
8. Aggregate, where feasible, to reduce duplication, and employ information technology that is flexible and interoperable to respond quickly and efficiently to changing business needs.
9. Devise strategies to leverage investments in the District's existing technology.
10. Train the workforce in the skills needed to effectively use IT systems and the information they contain.

ELECTRIC EXPENDITURE DETAIL

<i>IT</i>	<i>BUDGET FY15</i>	<i>PRIOR 12 MOS ENDING 5.2015</i>	<i>BUDGET FY16</i>	<i>\$ BUDGET CHANGE</i>	<i>% BUDGET CHANGE</i>	<i>BUDGET FY17</i>	<i>\$ BUDGET CHANGE</i>	<i>% BUDGET CHANGE</i>
Engineering & SCADA Operations	\$109,356	\$52,107	\$69,447	(\$39,909)	-36%	\$71,487	\$2,040	3%
This account is for the operational use of SCADA, Outage Management and Engineering support.								
GIS/Engineering Operations	131,690	166,975	125,268	(6,421)	-5%	131,848	6,579	5%
This account is for the maintenance of software and data that supports engineering and SCADA.								
Meter Reading	13,652	6,073	13,057	(595)	-4%	13,484	428	3%
This account is for the maintenance of software and data that supports meter technology and AMI.								
Customer Records	94,696	116,964	107,318	12,622	13%	110,735	3,417	3%
This account is for the maintenance of software and data that supports Customer Information and Customers.								
Administrative & General IT Ops	213,005	308,819	257,801	44,796	21%	268,235	10,434	4%
This account is for the maintenance of hardware and software infrastructure that supports data transport, storage and security.								
Office Supplies & Expenses	20,506	24,600	21,889	1,383	7%	22,546	657	3%
This account includes office supplies, dues, memberships, meeting and training expenses.								
Outside Services Employed	29,680	15,865	23,849	(5,831)	-20%	24,565	715	3%
This account is for outside professional services contracted to maintain hardware, software and data.								
Safety	689	0	3,559	2,870	417%	3,719	160	4%
This account includes department labor for safety meetings, safety equipment and training expenses.								
TOTAL	\$613,273	\$691,403	\$622,189	\$8,916	1%	\$646,619	\$24,430	4%

PART III
THE FY16 & FY17
OPERATING, MAINTENANCE AND REPAIR
WATER UTILITY

WATER OPERATIONS INTRODUCTION

The water budget projects total operating expenditures and transfers to reserve funds for FY16 and FY17 in the amount of \$11,323,527 and \$11,626,923 respectively. The water budget also forecasts capital expenditures for FY16 and FY17 in the amount of \$2,929,790 and \$2,958,189 respectively. For capital expenditures, \$1,975,545 and \$2,356,502 will be paid by rates each year. The remaining costs will be paid from reserve funds. Operating revenues and transfers from various reserve funds total \$14,253,317 for FY16 and \$14,585,112 for FY17. The water budget proposes a 6% rate increase in FY16 and a maximum 5% rate increase in FY17, achieving an overall balanced budget.

The mechanics and hydraulics of water utility service is very complex in a mountain environment. A majority of the District's water supply comes from the Martis Valley in the southeast portion of the service territory. The customer base is spread over forty-six square miles and covers an elevation change from 5,800 feet to 7,500 feet. The system currently consists of 13 wells, 215 miles of pipeline, 36 storage tanks, and 24 pump stations. This complex system is expensive to operate, maintain, repair and replace. It is important that the department control the operating costs to minimize future rate increases. In FY16 and FY17, the District is receiving a return on equity of the pipeline replacement and Wire to Water efficiency programs with a reduction in total energy usage. The *General Manager* will continue as the acting *Water Utility Manager*.

During FY16 and FY17, the department will continue with operations and maintenance programs, system replacement and capital projects, installation of water meters, SCADA replacement and an on-going conservation program.

WATER OPERATIONS REVENUE STATEMENT

OPERATING REVENUE	BUDGET FY15	PRIOR 12 MOS ENDING 7.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
<i>Residential Sales</i>	\$9,268,618	\$8,911,036	\$10,125,616	\$856,998	9%	\$10,727,529	\$601,913	6%
<i>Commercial Sales</i>	1,470,724	1,243,624	1,283,892	(186,832)	-13%	1,356,673	72,781	6%
<i>Misc. Operating Revenue</i>	225,374	155,705	229,881	4,507	2%	234,479	4,598	2%
<i>Miscellaneous Rents</i>	38,000	43,319	38,760	760	2%	39,535	775	2%
<i>Standby Revenue</i>	157,440	146,150	145,840	(11,600)	-7%	145,840	0	0%
TOTAL OPERATING REVENUE	\$11,160,156	\$10,499,835	\$11,823,989	\$663,833	6%	\$12,504,056	680,067	6%
<i>Interest Income</i>	52,933	49,072	51,161	(1,772)	-3%	57,541	6,380	12%
<i>Transfer in from Facilities Fees & Reserve - Debt - 2006 COP</i>	0	0	356,594	356,594	-	356,070	(524)	0%
<i>Transfer in from Glenshire billing surcharge-Pipeline loan</i>	166,786	166,786	166,786	0	0%	166,786	0	0%
<i>Transfer in from DLAD surcharge for debt payment</i>	800,852	800,852	800,852	0	0%	800,852	0	0%
<i>Transfer in from DLAD billing surcharge - 2006 COPs</i>	96,615	97,199	99,692	3,077	3%	98,120	(1,572)	-2%
<i>Transfer in from Meter Reserve Fund</i>	450,379	427,162	285,275	(165,104)	-37%	285,933	658	0%
<i>Transfer in from Capital Reserve Fund</i>	1,154,737	1,231,016	668,968	(485,769)	-42%	224,356	(444,612)	-66%
<i>Transfer in from Vehicle Reserve Fund</i>	95,523	75,562	0	(95,523)	-100%	91,398	91,398	-
TOTAL WATER REVENUE & TRANSFERS	\$13,977,981	\$13,347,484	\$14,253,317	\$275,336	2%	\$14,585,112	\$331,795	2%

SUMMARY OF WATER REVENUES AND EXPENSES

RECAP REVENUES LESS EXPENSES	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
WATER REVENUES & TRANSFERS	\$13,977,981	\$13,347,484	\$14,253,317	\$275,336	2%	\$14,585,112	\$331,795	2%
LESS EXPENSES								
<i>Board of Directors</i>	126,957	95,356	131,675	4,718	4%	127,900	(\$3,775)	-3%
<i>General Management</i>	462,307	468,597	489,540	27,233	6%	505,110	\$15,570	3%
<i>Administrative Services</i>	1,184,378	1,185,363	1,313,358	128,980	11%	1,358,631	\$45,273	3%
<i>Conservation</i>	332,151	317,560	292,481	(39,670)	-12%	300,134	\$7,653	3%
<i>Water Operations</i>	4,741,387	4,403,826	4,632,943	(108,444)	-2%	4,835,726	\$202,783	4%
<i>IT/GIS</i>	613,292	614,366	561,788	(51,504)	-8%	583,287	\$21,500	4%
<i>Interdepartmental Rent (Appendix I)</i>	388,795	370,070	553,602	164,807	42%	561,479	\$7,877	1%
TOTAL OPERATING EXPENSES	\$7,849,267	\$7,455,138	\$7,975,386	\$126,120	2%	\$8,272,268	\$296,882	4%
<i>Debt Service (Appendix IX)</i>	3,325,365	3,319,365	3,192,914	(132,451)	-4%	3,194,771	\$1,857	0%
<i>Transfer to Vehicle Reserve Fund</i>	150,706	142,055	155,227	4,521	3%	159,884	\$4,657	3%
TOTAL EXPENSES & TRANSFERS	\$11,325,338	\$10,916,558	\$11,323,527	(\$1,810)	0%	\$11,626,923	\$303,396	3%
NET AVAILABLE FOR CAPITAL	\$2,652,643	\$2,430,926	\$2,929,790	\$277,147	10%	\$2,958,189	\$28,399	1%

BOARD OF DIRECTORS (Water Budget)

This section will describe specific water issues within the FY16 and FY17 budget. The narrative contained in the electric portion of the budget describes the general function and organization of the Board of Directors. These descriptions apply to the Water Division also.

Several challenges exist for the Water Utility in FY16 and FY17. These challenges include: 1) continue to monitor and manage the cash position; 2) continue to build the SCADA replacement project and 3) continue to repair deteriorated water distribution pipelines. The District Pipeline Replacement – 2016 project includes a number of pipeline segments. Planned funding source is the Operating Reserve Fund.

WATER EXPENDITURE DETAIL

BOARD OF DIRECTORS	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Outside Services Employed	\$12,500	\$3,834	\$12,500	\$0	0%	\$12,875	\$375	3%
This account is utilized to reflect costs associated with the District's general counsel attendance at Board meetings and his performance of research on legal issues presented at the Board level.								
Miscellaneous General Expenses	114,457	91,522	119,175	4,718	4%	115,025	(\$4,150)	-3%
This account covers compensation and benefits paid to Directors, election, annual employee recognition dinner, training and conferences attended by Directors, minor office supplies and equipment.								
TOTAL	\$126,957	\$95,356	\$131,675	\$4,718	4%	\$127,900	(\$3,775)	-3%

GENERAL MANAGEMENT (Water Budget)

This section will describe specific water issues within the FY16 and FY17 budget. The narrative contained in the electric portion of the budget describes the general function and organization of the General Management. These descriptions apply to the Water Utility also.

The largest issues facing the Water Department in FY16 and FY17 will be continued work on the water distribution pipelines and SCADA Replacement Project. Field work for the SCADA Replacement Project started in FY13 and will continue through several budget cycles.

The *General Manager* has been working with the Board, the Community, and the Public Information and Conservation Department in developing both consumer based and system wide conservation measures. The success of these measures has, and will continue to have a significant impact on rates and future Water Department Budget. Overall water production is down 35% compared to 2013. Water Department revenues for FY16 and FY17 are projected to be 6% more than the FY15 budget due to a 6% rate increase in FY16 and a 5% maximum rate increase FY17.

The Water Utility achieved a stable financial condition by planning; setting revenue; debt and reserve goals; and implementing appropriate financial procedures to assure responsible financial management. The Vehicle Replacement Fund was established in 2009 to finance the replacement of District vehicles without adding additional external debt. Nine vehicles were replaced during FY14 and FY15. Five vehicles are planned for replacement during the upcoming budget cycle.

WATER EXPENDITURE DETAIL

GENERAL MANAGEMENT	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Administrative & General - Salaries	\$352,857	\$378,303	\$360,579	\$7,722	2%	\$370,406	\$9,827	3%
This account is used to charge general administrative staff time other than safety and board related activities.								
Office Supplies & Expenses	31,805	28,845	34,250	2,445	8%	35,670	1,420	4%
This account is used to cover cell phone use, computer expenses, dues & memberships including LAFCO, industry meetings, office supplies, postage, training, assessment, personnel expenses and safety .								
Outside Services Employed	32,000	19,199	37,500	5,500	17%	38,625	1,125	3%
This account is used to charge the costs of general counsel to review contracts and agreements, property issues, insurance claims, bid issues, capital contract issues and union matters.								
Injuries & Damages (Safety)	22,114	16,542	20,409	(1,705)	-8%	21,051	642	3%
This account includes labor for department safety meetings and training and the organization's wellness program.								
General Advertising Expenses	3,986	2,924	3,427	(559)	-14%	3,614	188	5%
This account is used for the cost of publishing ordinances, surplus material, and other legal ad requirements.								
Misc General Expenses	19,545	22,784	33,377	13,832	71%	35,745	2,368	7%
This account is used to perform board related activities such as preparing meeting minutes, resolutions and ordinances; it is also charged with dues and memberships in electric utility industry organizations.								
TOTAL	\$462,307	\$468,597	\$489,541	\$27,234	6%	\$505,110	\$15,569	3%

ADMINISTRATIVE SERVICES (Water Budget)

This section will describe specific water issues within the FY16 and FY17 budget. The narrative contained in the electric section of the budget describes the general function and organization of Administrative Services, which also apply to the Water Utility.

Beginning in FY09, residential water meters were installed. Over 96% of all customers have a meter and are being billed volumetrically. The remaining 4% will be installed by FY18 by existing Water Utility employees.

The newly installed residential water meters identify continuous flow including malfunctioning stop-and-drain valves. Letters have been sent to customers who have possible leaks so that they may quickly identify and correct problems. The District has implemented custom software in FY15 called the "Water Tool" that allows customers to view their own water consumption over the Internet to help identify leaks and monitor water conservation efforts. In FY16 we will have enhanced this process even further with automated constant flow notifications via email.

WATER EXPENDITURE DETAIL

ADMINISTRATIVE SERVICES	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Meters/Services Operations Expenses	\$4,963	\$0	\$4,731	(\$232)	-5%	\$4,871	\$139	3%
This account is used by the meter readers to charge their time to perform meter connects, disconnects and service transfers. It is also used for investigating customer high bill complaints.								
Customer Account Operations Expense-Salaries	80,697	77,944	82,313	1,616	2%	84,313	2,000	2%
This account includes the management staff supervision of the customer service and billing functions.								
Meter Reading Expense	3,604	782	4,417	813	23%	4,546	129	3%
This account is used to charge meter reading expenses which includes meter reader labor, overheads, and the hardware and software that supports the meter readers; it also includes their clothing allowance, uniform expenses, vehicle expenses and training.								
Customer Records & Collections Expense	440,578	425,694	476,546	35,968	8%	497,436	20,890	4%
This account includes the major expenses involved in serving our customers. Included are answering and directing phone calls, answering customer questions, customer account setup expenses, taking and processing customer payments, creating connect, disconnect and transfer paperwork for the crews, creating and reviewing bills, expenses related to the printing and mailing of the bills, account collection expense, billing software and hardware support, standby billing expenses, billing equipment maintenance expenses, printed billing and collection forms, billing postage and customer service staff training.								
Provision for Bad Debts	11,897	4,384	9,240	(2,657)	-22%	9,240	0	0%
This account represents the amount of uncollectable bills for the year.								
Administrative & Operations General-Salaries	364,209	405,476	455,733	91,524	25%	469,451	13,717	3%
This account includes most of the labor for the administration department except meter reading and customer account related expenses. It includes preparation of the budget and financial statements, accounts payable and payroll, construction accounting, cash management activities, processing the daily mail.								
Office Supplies & Expenses	71,188	66,116	70,383	(805)	-1%	72,494	2,111	3%
This account includes bank charges, answering service charges, phone charges, computer and network operating expenses, software maintenance and support for the accounting system, printed forms and material, office equipment leases and equipment maintenance expenses.								
Outside Services Employed	29,180	37,818	39,010	\$9,830	34%	40,180	1,170	3%
This account includes any professional services hired from the outside such as audit or accounting services, trust services for our certificates of participation and community facilities districts and arbitrage calculation services for the same.								
Insurance	175,826	162,870	167,306	(8,520)	-5%	172,325	5,019	3%
This account includes annual insurance premiums for property, liability, umbrella liability, directors & officers liability, difference in conditions, boiler & machinery coverage insurance.								
Injuries & Damages (Safety)	2,236	4,279	3,679	1,443	65%	3,776	97	3%
This account includes costs for safety training, Department of Transportation Drug and Alcohol training, worker's compensation expenses for employees who have been injured and safety related equipment.								
TOTAL	\$1,184,378	\$1,185,363	\$1,313,358	\$128,980	11%	\$1,358,631	\$45,273	3%

PUBLIC INFORMATION AND CONSERVATION (Water Budget)

This section will describe specific water conservation issues within the FY16 and FY17 budgets. The narrative contained in the electric section of the budget describes the general function and organization of Public Information and Conservation. These descriptions apply to the water division also.

Significant progress has been made delivering water conservation programs such as Water Efficient Toilet Rebate, Water Efficient Toilet Exchange, Customer Water Leak Repair Rebate, and Green Partners Water programs. In addition, the District continues to develop the Patricia S. Sutton Conservation Garden, including the new Garden Party & Seminar, and has used this educational tool to host multiple events and educate the public on how to have beautiful landscaping and save water.

The combined impacts of water main-line replacements, the water-meter effect, and water conservation programs have lowered water consumption by over 30% in recent years. This dramatic reduction has allowed the District to maximize existing infrastructure and avoid capital expenses. However, the reduced water use also means that existing and future water conservation efforts need to be more targeted towards maximizing return on investment while addressing the District's peak summer water use due, mostly, to customer irrigation. The well-documented California drought and the series of Executive Orders from Governor Brown spawning a series of California State Water Resources Control Board (SWRCB) Emergency Drought Regulations has put a strain on the department's capacity and resources.

The District is facing significant change and uncertainty regarding the Legislative and Regulatory environment at local, State, and Federal levels. Historically, significant public outreach was conducted around the new Martis Valley Groundwater Management Plan (GMP)/model and the collaborative effort between the partner agencies (Placer County Water Agency, Northstar CSD, and TDPUD). Over the last 2-years, the District has actively participated in the implementation of the Truckee River Operating Agreement (TROA), the US Bureau of Reclamations Truckee River Basin Study, and more recently California's Sustainable Groundwater Management Act of 2014 (SGMA). All of these laws, regulations, or studies could have significant impact on the District's water utility and our customers; and are taking an increasing amount of the PIO and Conservation Managers capacity.

The District continues to track water related legislative and regulatory activities mainly through our membership and participation in the California Municipal Utilities Association (CMUA) and California/Nevada American Water Works Association (CA/NV AWWA). Key current and pending issues include the drought, groundwater regulation, California

Bay/Delta Plan, the need for a new water bond or public benefits charge, emerging water quality standards, and State of California's conservation mandates.

The FY16 and FY17 budgets reflect an increased emphasis on Legislation & Regulation, communications & outreach, and leveraging existing programs. Outdoor irrigation remains the biggest conservation target going forward. These budgets also reflect early signs of saturation on some of our programs and the need to fund main line replacement projects.

WATER EXPENDITURE DETAIL

CONSERVATION	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Water Conservation This account includes water conservation & efficiency programs.	\$188,648	\$186,799	\$168,820	(19,828)	-11%	\$173,369	4,549	3%
Public Information This account includes the activities of the PIO plus the website and newsletter.	94,564	69,523	69,853	(24,711)	-26%	71,558	1,706	2%
Admin & General Salaries This account includes the administrative salaries to perform various administrative projects.	16,568	6,737	18,558	1,990	12%	18,962	404	2%
Office Supplies & Expenses This account includes office supplies, dues, memberships and meeting and training expenses.	6,180	2,380	5,359	(821)	-13%	5,520	161	3%
Office Supplies & Expenses - Leg & Reg This account is for legislation and regulation tracking labor.	10,586	21,044	12,333	1,747	17%	12,640	307	2%
General Advertising This account includes TDPUD marketing and media activities.	13,133	29,577	15,008	1,875	14%	15,458	450	3%
Misc General Expense This account includes support of community activities such as sponsorship of the Truckee Home Show, Chamber activities, etc.	2,472	1,500	2,550	78	3%	2,627	77	3%
TOTAL	\$332,151	\$317,560	\$292,481	(\$39,670)	-12%	\$300,134	\$7,653	3%

WATER OPERATIONS

The main objective for Water Operations is to provide an adequate, reliable and high quality water supply and distribution system to meet current and future needs. The objective will be accomplished by maintaining and implementing the current Water Master Plan, including the required facilities to supply current and future demands, and by providing effective and efficient operation, maintenance and replacement programs.

The Water Department is organized into three groups: 1) Distribution system operations, maintenance and repairs; 2) Facilities operation, maintenance and repair, water quality, and treatment facilities; and 3) System engineering and planning.

The FY16 and FY17 Budget staffs the department with a *Water Utility Manager* (also serving as *General Manager*), a *System Engineer*, a *Superintendent*, a *Senior Water Quality and Testing Inspector*, an *Operations Foreman*, an *Operations Leadman*, two *Operations Service Technicians*, a *Distribution Foreman*, a *Distribution Leadman*, and *Distribution Service Technicians*.

The Water Department's operational, distribution, and engineering staffs are licensed by the California State Water Resources Control Board to operate and maintain the District water system. This requires staff to participate regularly in updated education and training to maintain water system operator certifications. Staff is also continually trained on water system safety procedures and OSHA standards. This training ensures the workforce is qualified and productive, and it provides safe work conditions and procedures that encourage employee growth, productivity and retention.

The main challenges for the Operations Group in FY16 and FY17 will be the continued progress toward completing the SCADA replacement project and water meter installation program. The department will continue to upgrade aging and undersized water distribution mains through the Capital Pipeline Replacement Projects and pursue the development of an additional water supply, both of which are multi-year programs.

WATER EXPENDITURE DETAIL

WATER OPERATIONS	BUDGET FY15	PRIOR 12 MOS ENDING 5.2015	BUDGET FY16	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY17	\$ BUDGET CHANGE	% BUDGET CHANGE
Operations Supervision & Engineering	\$267,092	\$298,529	\$255,313	(\$11,779)	-4%	\$265,639	\$10,325	4%
This account is utilized by the water manager, superintendent and engineer for supervision, engineering and management of District water system.								
Facilities Operations	648,355	786,908	766,945	118,590	18%	794,066	27,121	4%
This account includes the operation of wells, pump stations, water treatment, water quality, DHS reports and fees and water quality reports. It also includes snow removal and related employee training.								
Power Supply	1,306,649	1,229,439	1,204,043	(102,606)	-8%	1,216,119	12,076	1%
This account includes the cost of electrical power for the operation of the wells and pump stations.								
Distribution Operations/PM	608,396	593,803	670,891	62,495	10%	679,544	8,653	1%
This account includes the labor and materials to operate the water distribution system.								
Misc General Operations/PM	260,439	313,754	350,673	90,234	35%	347,083	(3,590)	-1%
This account includes a variety of items such as environmental compliance, GIS mapping of the water system, SCADA repairs and maintenance, cell phones, pagers, computer hardware and software, clothing allowance, DMV physicals, meals, uniforms, land fill charges, meeting expenses, advertising and testing for new employees, training, and Underground Service Alert marking of utilities and associated fees and costs.								
Meters/Service Operation	90,136	87,900	120,760	30,624	34%	135,531	14,770	12%
Maintenance of Operations Sup & Engineering	101,365	125,016	127,069	25,704	25%	129,947	2,878	2%
Used by water manager, superintendent and engineer for supervision, engineering and management of District water system.								
Maintenance of Sources	844,184	520,606	632,624	(211,560)	-25%	747,235	114,611	18%
This account includes the maintenance and repair of pumps, motors, electrical control equipment and building repair.								
Maintenance of Distribution Lines	494,789	326,942	406,716	(88,073)	-18%	420,020	13,304	3%
This account includes the maintenance and repair of distribution line leaks, broken fire hydrants, etc.								
Injuries & Damages	119,982	120,929	97,909	(22,073)	-18%	100,543	2,634	3%
This account includes labor for safety meetings, equipment and training expenses.								
Maintenance of District Office Building (Div 1)	505,193	452,415	507,980	2,787	1%	507,927	(53)	0%
TOTAL	\$5,246,580	\$4,856,241	\$5,140,923	(105,657)	-2%	\$5,343,653	\$202,730	4%

INFORMATION TECHNOLOGY (IT) (Water Budget)

The Information Technology (IT) Department is headed by the IT/IS/GIS Operations Manager and also includes the positions IT/GIS Analyst, IT/SCADA Engineer, and the Network & Systems Administrator position, responsible for network, storage and personal devices. Having internal IT staff helps reduce outside contractor costs for the District's IT needs, increase IT knowledge of systems security, and provide additional accountability and redundancy. In FY16 and FY17, the IT/GIS Analyst position will become an unrepresented professional employee.

The highest priority for this Department is to enable the Water Department to operate faster, better, and more cost efficiently, while providing secure access to critical control, mapping, and information systems. The departments aim is to provide timely, relevant, and accurate information, when and where it is needed, to support sound decisions that improve the quality, efficiency, cost, safety, and environmental footprint of the products and services the District delivers and uses.

To achieve the goals and implement the strategies in this plan, the ten guiding principles below focus on leadership and excellence through quality of service, responsiveness, innovation, professionalism, and teamwork. These principles require commitment not only from the District's IT professionals, but from all District employees.

1. Consult and advise department heads to drive IT initiatives according to business needs, goals, and objectives, and developing a sound business case before making any new investment.
2. Foster interdepartmental cooperation in everything we do.
3. View IT from the perspective of the entire district and not from the perspective of individual departments.
4. Acquire, manage, and use technology resources economically and efficiently through standardized information technology selection and implementation processes.
5. Securely hold and manage technology assets to protect private information.
6. Develop mechanisms and processes to share information easily within the organization and with customers and partners.
7. Understand that availability and access to technology is a given, and design and build systems accordingly.
8. Aggregate, where feasible, to reduce duplication, and employ information technology that is flexible and interoperable to respond quickly and efficiently to changing business needs.
9. Devise strategies to leverage investments in the District's existing technology.
10. Train the workforce in the skills needed to effectively use IT systems and the information they contain.

WATER EXPENDITURE DETAIL

<i>IT</i>	<i>BUDGET FY15</i>	<i>PRIOR 12 MOS ENDING 5.2015</i>	<i>BUDGET FY16</i>	<i>\$ BUDGET CHANGE</i>	<i>% BUDGET CHANGE</i>	<i>BUDGET FY17</i>	<i>\$ BUDGET CHANGE</i>	<i>% BUDGET CHANGE</i>
Engineering & SCADA Operations	\$156,903	\$83,752	\$83,629	(\$73,274)	-47%	\$86,139	\$2,510	3%
This account is for the operational use of SCADA, Outage Management and Engineering support.								
GIS/Engineering Operations	99,401	111,741	83,512	(15,888)	-16%	87,899	4,386	5%
This account is for the maintenance of software and data that supports engineering and SCADA.								
Meter Reading	33,555	5,924	14,941	(18,614)	-55%	15,421	479	3%
This account is for the maintenance of software and data that supports meter technology and AMI.								
Customer Records	84,248	105,401	98,989	14,741	17%	102,141	3,152	3%
This account is for the maintenance of software and data that supports Customer Information and Customers.								
Administrative & General IT Ops	196,126	271,858	236,798	40,672	21%	246,403	9,605	4%
This account is for the maintenance of hardware and software infrastructure that supports data transport, storage and security.								
Office Supplies & Expenses	16,090	22,100	19,411	3,321	21%	19,993	582	3%
This account includes office supplies, dues, memberships, meeting and training expenses.								
Outside Services Employed	26,320	13,590	21,150	(5,170)	-20%	21,784	634	3%
This account is for outside professional services contracted to maintain hardware, software and data.								
Safety	649	0	3,358	2,708	417%	3,508	150	4%
This account includes department labor for safety meetings, safety equipment and training expenses.								
TOTAL	\$613,292	\$614,366	\$561,788	(\$51,504)	-8%	\$583,287	\$21,500	4%

PART IV
THE FY16 & FY17
CAPITAL IMPROVEMENT PLAN
ELECTRIC PORTION

ELECTRIC UTILITY CAPITAL PLAN

<u>SOURCE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY16</u>	<u>BUDGET FY17</u>
Operations (OP)	OP	\$2,693,191	\$2,764,581
Customer Contributions (CC)	CC	675,313	693,315
Capital Reserve (CR)	CR	1,710,258	1,112,820
Vehicle Reserve (VR)	VR	150,000	338,432
Total Source of Funds		\$5,228,762	\$4,909,148

USE OF FUNDS

ELECTRIC OPERATIONS:

<u>SOURCE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY16</u>	<u>BUDGET FY17</u>
New Services - BWO	CC	\$ 48,268	\$ 49,409
Commercial Services - BWO	CC	17,578	17,944
Meter Test & Purchase - BWO	CC	76,273	78,459
Purchase & Ins. Transformers - BWO	CC	68,411	70,392
Development Agreements	CC	433,176	444,593
Flat Fee Construction - BWO	CC	25,159	25,928
Secondary Poles & Conductors - BWO	CC	6,448	6,590
Conduit & Boxes - BWO	OP	8,136	8,330
Line Extension & Upgrades	OP	263,876	270,424
Pole Replacements	OP	237,027	243,322
Various District Projects	OP	147,141	150,977
Electric Master Plan Projects	OP	583,835	592,247
Reclosers & Regs - Field Scada	OP	97,234	97,983
Distribution Repl & Improvement	OP	434,012	445,538
Meter Replacement Program (AMI)	CR	1,710,258	1,112,820
Vehicles	VR	150,000	338,432
Subtotal		\$4,306,832	\$3,953,388

ELECTRIC UTILITY CAPITAL PLAN

BUILDING MAINTENANCE:

	SOURCE OF FUNDS	BUDGET FY16	BUDGET FY17
Mechanics Bay Door	OP	\$ 160,000	\$ 200,000
Update Lobby & Board Room	OP	112,500	112,500
Employee Parking Gate	OP	0	50,000
Subtotal		\$272,500	\$362,500

CONSERVATION:

	SOURCE OF FUNDS	BUDGET FY16	BUDGET FY17
District Building Warehouse Lighting	OP	\$60,821	\$0
Capital PEV	OP	86,227	87,508
Subtotal		\$147,048	\$87,508

Information Technology (IT):

	SOURCE OF FUNDS	BUDGET FY16	BUDGET FY17
Network Infrastructure Improvement	OP	\$ 379,388	\$ 381,908
Various IT Projects	OP	122,994	123,845
Subtotal		\$502,382	\$505,752

Total Capital Projects & Equipment

	\$5,228,762	\$4,909,148
--	-------------	-------------

PART IV
THE FY16 & FY17
CAPITAL IMPROVEMENT PLAN
WATER PORTION

WATER CAPITAL PLAN

SOURCE OF FUNDS

		BUDGET FY16		BUDGET FY17
<i>Operations (OP)</i>	OP	\$ 1,975,545	\$	2,356,502
<i>Vehicle Reserve Fund (VR)</i>	VR	-		91,398
<i>Meter Reserve (MR)</i>	MR	285,275		285,933
<i>Operating Reserve Fund (OR)</i>	OR	668,968		224,356
<i>Total Source of Funds</i>		\$2,929,789		\$2,958,190

USE OF FUNDS

		BUDGET FY16		BUDGET FY17
--	--	-------------	--	-------------

WATER OPERATIONS:

<i>Ponderosa Palisades Pump</i>	OP	\$ 96,603	\$	103,728
<i>Meter Replacement</i>	MR	285,275		285,933
<i>Water Main Replacement</i>	OR/OP	1,457,846		1,464,080
<i>Water Tank Painting</i>	OP	57,790		60,131
<i>Vehicles</i>	VR	0		91,398
<i>Subtotal</i>		\$ 1,897,515	\$	2,005,271

Information Technology (IT):

<i>SCADA Reliability</i>	OP	277,195		277,096
<i>Water SCADA Replacement</i>	OP	632,085		551,978
<i>Various IT Projects</i>	OP	122,994		123,845
		\$1,032,274		\$952,919

Total Capital Projects & Equipment

\$2,929,789

\$2,958,190

PART V
THE FY16 & FY17
APPENDICES

**FY16 APPENDIX 1
INTERDEPARTMENTAL RENT**

DISTRICT HEADQUARTERS:

<i>Building operation/PM/repair</i>	511,501
<i>Depreciation of jointly used assets</i>	595,903
<i>Building rental income</i>	<u>(200)</u>
TOTAL COSTS	<u><u>\$1,107,204</u></u>

The above costs are paid by the Electric Utility; the Water Utility is charged with 50%, which is \$553,602 through a monthly rental charge of \$46,133

**FY17 APPENDIX 1
INTERDEPARTMENTAL RENT**

DISTRICT HEADQUARTERS:

<i>Building operation/PM/repair</i>	509,377
<i>Depreciation of jointly used assets</i>	613,780
<i>Building rental income</i>	<u>(200)</u>
TOTAL COSTS	<u><u>\$1,122,957</u></u>

The above costs are paid by the Electric Utility; the Water Utility is charged with 50%, which is \$561,479 through a monthly rental charge of \$46,790

**APPENDIX 2
BUDGETED POSITIONS BY DEPARTMENT**

POSITION	BUDGET FY16	BUDGET FY17
<u>ADMINISTRATION</u>		
General Manager	\$241,268	\$248,506
Project Manager	115,617	119,086
Executive Secretary	78,254	84,515
Human Resources Administrator	<u>115,621</u>	<u>119,090</u>
	\$550,759	\$571,197
<u>ADMINISTRATIVE SERVICES</u>		
Admin Services Manager	158,712	163,473
Finance & Accounting Manager	121,387	125,029
Senior Accountant/Accounting Analyst	107,428	110,650
Customer Services Manager	97,436	100,358
Work Order Accounting Supervisor	78,254	80,602
Work Order Clerk	64,341	66,271
Payroll and Accounts Payable Clerk	64,341	66,271
Accounting/Computer Operations Supervisor	78,254	80,602
Customer Billing and CSR Supervisor	82,162	88,735
Billing Clerk	64,341	66,271
Customer Service Representatives (4)	242,599	253,096
Meter Reader Coordinator	78,254	80,602
Meter Reader/Customer Service	51,673	55,806
Wharehouse/Utility Worker	65,936	67,914
Buyer/Clerk	78,254	80,602
Overtime	<u>15,760</u>	<u>17,709</u>
	\$1,449,130	\$1,503,991
<u>CONSERVATION</u>		
Public Information and Conservation Manager	154,929	159,578
Conservation Administrator	90,582	93,298
Conservation Services Representative	67,552	69,578
Conservation Services Representative Water (1/2 FTE)	28,479	29,334
Overtime	<u>8,159</u>	<u>8,404</u>
	\$349,701	\$360,192
<u>ELECTRIC OPERATIONS</u>		
Power Supply Engineer/Asst General Manager	202,557	208,632
Electric Superintendent/Project Administrator	151,147	155,682
Electric Superintendent	151,147	155,682
Electric System Engineer	158,708	163,469
Electric Engineer	127,460	131,283
Electric Engineer (new position FY17)		105,872
Substation Lineman/Inspector	112,782	116,166

**APPENDIX 2
BUDGETED POSITIONS BY DEPARTMENT**

POSITION	BUDGET FY16	BUDGET FY17
<u>ELECTRIC OPERATIONS (continued)</u>		
<i>Electrician/Meter Technician (2.5 FTE FY16 and 3 FTE FY17)</i>	261,206	321,460
<i>Foreman, Power Services (2)</i>	225,564	232,332
<i>Foreman, Service Crew (1)</i>	112,782	116,166
<i>Lead Lineman</i>	107,409	110,631
<i>Journeyman Linemen (7)</i>	733,984	755,999
<i>Apprentice Linemen (2)</i>	164,324	177,470
<i>Mechanic</i>	95,114	97,968
<i>Assistant Mechanic</i>	80,153	82,557
<i>Contract Administrator</i>	78,254	80,602
<i>Standby/Overtime</i>	<u>170,182</u>	<u>175,287</u>
	\$2,932,773	\$3,187,258
<u>POWER SUPPLY</u>		
<i>IT/IS/GIS Operations Manager</i>	140,527	144,743
<i>IT/SCADA Engineer</i>	115,621	119,090
<i>IT/GIS Analyst</i>	80,153	86,565
<i>Network & System Administrator</i>	<u>99,665</u>	<u>107,638</u>
	\$435,966	\$458,037
<u>WATER OPERATIONS</u>		
<i>Water System Engineer</i>	162,687	167,567
<i>Water Superintendent</i>	127,458	131,281
<i>Water Quality Inspector</i>	102,299	105,367
<i>Water Foremen (2)</i>	204,597	210,733
<i>Water Leadmen (2)</i>	181,143	186,576
<i>Water Service Technicians (6)</i>	504,903	520,054
<i>Water Service Technicians - in Training (2)</i>	138,466	149,544
<i>Facilities Maintenance/Relief Utility Worker</i>	69,233	71,311
<i>Summer Intern/Help</i>	19,743	20,336
<i>Standby/Overtime</i>	<u>156,427</u>	<u>161,120</u>
	\$1,666,957	\$1,723,889
TOTAL	<u>\$7,385,286</u>	<u>\$7,804,564</u>

**FY16 APPENDIX 3
LABOR OVERHEAD**

VALUE OF BENEFITS

<i>Medical /Dental insurance</i>	\$2,113,365
<i>Vision insurance</i>	51,000
<i>Long term disability</i>	31,776
<i>Life insurance</i>	48,126
<i>Longevity</i>	20,270
<i>FICA</i>	428,659
<i>Fed Med</i>	107,703
<i>Worker's compensation insurance</i>	286,253
<i>Pension</i>	2,238,483
<i>Other Post Employment Benefits</i>	69,307
<i>Value of non-productive labor (vacation, sick leave, holiday)</i>	1,057,488

TOTAL VALUE OF BENEFITS

\$6,452,430

PRODUCTIVE LABOR

<i>Recommended labor (Appendix 2)</i>	\$7,385,286
<i>Less value of non-productive labor</i>	(1,057,488)

TOTAL PRODUCTIVE LABOR

\$6,327,798

PAYROLL OVERHEAD

(Value of benefits/productive labor)

101.97%

**FY17 APPENDIX 3
LABOR OVERHEAD**

VALUE OF BENEFITS

<i>Medical /Dental insurance</i>	\$2,245,144
<i>Vision insurance</i>	52,530
<i>Long term disability</i>	33,131
<i>Life insurance</i>	50,527
<i>Longevity</i>	20,960
<i>FICA</i>	446,308
<i>Fed Med</i>	112,749
<i>Worker's compensation insurance</i>	303,845
<i>Pension</i>	2,357,260
<i>Other Post Employment Benefits</i>	71,278
<i>Value of non-productive labor (vacation, sick leave, holiday)</i>	1,063,246

TOTAL VALUE OF BENEFITS

\$6,756,978

PRODUCTIVE LABOR

<i>Recommended labor (Appendix 2)</i>	\$7,804,564
<i>Less value of non-productive labor</i>	<u>(1,063,246)</u>

TOTAL PRODUCTIVE LABOR

\$6,741,318

PAYROLL OVERHEAD

(Value of benefits/productive labor)

100.23%

**FY16 APPENDIX 4
TRANSPORTATION OVERHEAD**

This appendix assumes that the cost of operating, maintaining and replacing District vehicles and equipment will be recognized as an overhead charged against direct labor that uses the vehicles.

TRANSPORTATION & EQUIPMENT EXPENSE

<i>Vehicle operation, repair, fuels & misc expenses</i>	\$687,423
<i>Insurance</i>	23,670
<i>Replacement (depreciation expense)</i>	<u>252,467</u>
TOTAL TRANSPORTATION EXPENSE	<u><u>\$963,560</u></u>

DIRECT LABOR HOURS

<i>General Manager</i>	4,658
<i>Administrative Services</i>	2,244
<i>Conservation</i>	592
<i>Electric Operations</i>	37,171
<i>Water Operations</i>	34,326
<i>Power Supply</i>	<u>4,625</u>
TOTAL DIRECT LABOR HOURS	<u><u>83,616</u></u>

TRANSPORTATION/EQUIPMENT OVERHEAD PER HOUR COST

(\$963,560 DIVIDED BY 83,616) **\$11.52**

**FY17 APPENDIX 4
TRANSPORTATION OVERHEAD**

This appendix assumes that the cost of operating, maintaining and replacing District vehicles and equipment will be recognized as an overhead charged against direct labor that uses the vehicles.

TRANSPORTATION & EQUIPMENT EXPENSE

<i>Vehicle operation, repair, fuels & misc expenses</i>	\$708,046
<i>Insurance</i>	24,381
<i>Replacement (depreciation expense)</i>	<u>260,041</u>
TOTAL TRANSPORTATION EXPENSE	<u><u>\$992,468</u></u>

DIRECT LABOR HOURS

<i>General Manager</i>	4,658
<i>Administrative Services</i>	2,244
<i>Conservation</i>	592
<i>Electric Operations</i>	38,955
<i>Water Operations</i>	35,177
<i>Power Supply</i>	<u>4,625</u>
TOTAL DIRECT LABOR HOURS	<u><u>86,251</u></u>

TRANSPORTATION/EQUIPMENT OVERHEAD PER HOUR COST
(\$992,468 DIVIDED BY 86,251)

\$11.51

**FY16 APPENDIX 5
ADMINISTRATIVE OVERHEAD**

COMMON SUPPLY COSTS:

Purchasing/Warehousing of Common Supplies

<i>Labor</i>	\$123,592
<i>Accounts Payable</i>	29,650
<i>Overhead:</i>	
<i>Labor</i>	124,705
<i>Administrative</i>	6,340
	<hr/> 284,287

Warehousing Operating Costs

<i>Utilities & Building Maintenance</i>	29,874
<i>Miscellaneous (insurance)</i>	5,471
<i>Subtotal</i>	<hr/> 35,345

TOTAL PURCHASING/WAREHOUSING/COMMON SUPPLIES \$319,633

TOTAL PRODUCTIVE LABOR \$6,374,264

ADMINISTRATIVE OVERHEAD **5.01%**

**FY17 APPENDIX 5
ADMINISTRATIVE OVERHEAD**

COMMON SUPPLY COSTS:

Purchasing/Warehousing of Common Supplies

<i>Labor</i>	\$127,301
<i>Accounts Payable</i>	30,540
<i>Overhead:</i>	
<i>Labor</i>	128,446
<i>Administrative</i>	6,531
	<hr/> 292,817

Warehousing Operating Costs

<i>Utilities & Building Maintenance</i>	29,851
<i>Miscellaneous (insurance)</i>	5,635
<i>Subtotal</i>	<hr/> 35,486

TOTAL PURCHASING/WAREHOUSING/COMMON SUPPLIES \$328,304

TOTAL PRODUCTIVE LABOR \$6,741,318

ADMINISTRATIVE OVERHEAD **4.87%**

**FY16 APPENDIX 6
CONSTRUCTION OVERHEAD**

Step 1 General direction and general construction costs from budget:

<i>Electric Operations</i>	\$56,096	
<i>Water Operations</i>	54,115	
Total	<u>\$110,211</u>	

Step 2 Determine capitalized labor as a percent of total labor:

$$\frac{\text{Capitalized Labor}}{\text{Total Electric \& Water Labor}} = \frac{\$1,073,044}{\$3,940,429} = 27.23\%$$

Step 3 Determine construction overhead to be capitalized:

<i>Total General direction & construction costs</i>	\$110,211	
<i>% of labor to be capitalized</i>	<u>27.23%</u>	
<i>General direction & construction costs to capitalize</i>	\$30,012	
<i>Construction accounting costs to capitalize</i>	<u>185,913</u>	
	\$215,926	

Step 4 Calculate construction overhead to be applied to capital improvements:

$$\frac{\text{Capital Overhead}}{\text{Capital Labor}} = \frac{\$215,926}{\$1,073,044} = 20.12\%$$

CONSTRUCTION OVERHEAD = 20.12%

**FY17 APPENDIX 6
CONSTRUCTION OVERHEAD**

Step 1 General direction and general construction costs from budget:

<i>Electric Operations</i>	\$58,179
<i>Water Operations</i>	55,790
Total	<u><u>\$113,969</u></u>

Step 2 Determine capitalized labor as a percent of total labor:

$$\frac{\text{Capitalized Labor}}{\text{Total Electric \& Water Labor}} = \frac{\$1,104,265}{\$4,214,188} = 26.20\%$$

Step 3 Determine construction overhead to be capitalized:

<i>Total General direction & construction costs</i>	\$113,969
<i>% of labor to be capitalized</i>	<u>26.20%</u>
<i>General direction & construction costs to capitalize</i>	\$29,864
<i>Construction accounting costs to capitalize</i>	<u>185,951</u>
	<u>\$215,815</u>

Step 4 Calculate construction overhead to be applied to capital improvements:

$$\frac{\text{Capital Overhead}}{\text{Capital Labor}} = \frac{\$215,815}{\$1,104,265} = 19.54\%$$

CONSTRUCTION OVERHEAD = 19.54%

**APPENDIX 7
ELECTRIC DEBT SCHEDULE
Principal and Interest Payments**

Refinanced Pension Liability		
YEAR		TOTAL
2016	927,300	927,300
2017	960,675	960,675
2018	995,650	995,650
2019	1,030,975	1,030,975
2020	1,067,425	1,067,425
2021	1,104,775	1,104,775
2022	562,725	562,725
	6,649,525	6,649,525

Loan Descriptions :

In 2011, an existing pension liability was refinanced saving the District more than \$1 million over the term.

Debt Payments:

Funded by electric and water rates.

**APPENDIX 8
WATER DEBT SCHEDULE
Principal and Interest Payments**

YEAR	2015 & 2006 COP Rates	2006 COP FF	2006 COP Assmt	DWR-SRF DONNER LAKE Assmt	DWR PROP 55 Rates	MSG #1551 FF	MSG #1552 Assmt	TOTAL
2016	1,312,352	356,594	99,692	800,852	306,481	150,158	166,786	3,192,914
2017	1,316,247	356,070	98,120	800,852	306,481	150,158	166,843	3,194,771
2018	1,312,702	356,284	96,801	800,852	306,481			2,873,119
2019	1,314,356	355,324	100,207	800,852	306,481			2,877,220
2020	1,315,347	357,617	97,973	800,852	306,481			2,878,270
2021	1,299,992	356,179	96,216	800,852	153,241			2,706,480
2022	576,868	358,008	99,060	800,852				1,834,789
2023	577,228	358,672	97,837	800,852				1,834,590
2024	573,008	359,233	100,297	800,852				1,833,390
2025	576,528	360,884	97,925	800,852				1,836,189
2026	573,196	359,005	99,736					1,031,938
2027	575,581	359,806	97,150					1,032,538
2028	574,322	358,474	99,142					1,031,938
2029	570,555	360,101	100,444					1,031,100
2030	575,893	359,147	97,360					1,032,400
2031	574,705	359,524	98,421					1,032,650
2032	573,333	357,313	100,104					1,030,750
2033	575,711	359,424	101,490					1,036,625
2034	574,484	359,309	97,207					1,031,000
2035		306,800						306,800
	15,342,408	7,113,771	1,875,179	8,008,520	1,685,644	300,316	333,629	34,659,467

Loan Descriptions :

2006 COP - Water system improvements and Donner Lake financing, a portion of the existing debt was refunded in 2015

DWR/SRF - Replacement of Donner Lake Water System

DWR/Prop 55 - Water system improvement projects

MSG #1551 - Municipal Services Group #1551 - Bridge Street Tank construction

MSG #1552 - Municipal Services Group #1552 - Glenshire Pipeline Project

Debt Payments:

The Water debt payments are funded by development (FF), current customers (rates) and special assessments (assmt).

The method of payment for the water debt is listed in the column headings.

**APPENDIX 9
VEHICLE REPLACEMENT SCHEDULE**

UNIT #	DESCRIPTION	DEPARTMENT	AGE	REPLACEMENT
XXX	New Bucket Truck	Electric	n/a	2016
226	98n Int'l Digger/Derrick 4WD	Electric	17	2017
304	07 Chevy Silverado 1500	Water	8	2017
305	07 Chevy Silverado 1500	Water	8	2017
560	78 Liftall-Forklift HD 150 D	Support Services	37	2017
202	06 Chevy Silverado	Electric	9	2018
203	06 Chevy Silverado	Electric	9	2018
204	06 Chevy Silverado 3500 DSL	Electric	9	2018
343	08 Chevy Silverado 3500	Water	7	2018
211	99 Int'l Double Bucket Truck 4WD	Electric	16	2018
373	98 Dump Trailer	Water	17	2019
503	06 Chevy Silverado 3500	Support Services	9	2019
216	07 Int'l SC-45 Bucket Truck 4WD	Electric	8	2019
105	07 Chevy Trail Blazer	Administration	8	2020
200	06 Chevy Silverado	Electric	9	2020
228	08 GMC 2500HD	Electric	7	2020
369	05 Freight liner/ Mudd Dog	Water	10	2020
580	01 Trackless Snowblower	Support Services	14	2021
201	08 GMC 3500 HD	Electric	7	2021
206	10 Chrvy Silverado 2500 HD	Electric	5	2021
301	06 Chevy Silverado 3500	Water	9	2021
303	07 Chevy Silverado 1500	Water	8	2021
323	11 Ford F-550	Water	4	2021
324	11 Ford F-550	Water	4	2021
325	11 Ford F-550	Water	4	2021
136	08 Chevy Colorado	Electric	7	2022
501	07 Chevy Silverado 1500	Support Services	8	2022
100	13 Toyota Rav 4 Electric Vehicle	Water	2	2023
106	13 Ford Escape	Administration	2	2023
207	13 GMC Sierra 2500HD	Electric	2	2023

**APPENDIX 9
VEHICLE REPLACEMENT SCHEDULE**

UNIT #	DESCRIPTION	DEPARTMENT	AGE	REPLACEMENT
295	08 John Deer 35D	Electric	7	2023
306	13 GMC Sierra 2500hd	Water	2	2023
307	13 GMC Sierra 2500hd	Water	2	2023
314	08 John Deer 410 J	Water	7	2023
107	14 Jeep Cherokee	Administration	1	2024
123	14 Chevy Van	Administration	1	2024
205	06 Chevy Silverado 3500	Electric	9	2026
210	11 International/ Altec 3050A	Electric	4	2026
283	72 Small Spool Trailer	Electric	43	2028
330	13 International Dump Truck	Water	2	2028
223	14 Int'l 7500 Bucket Trucke 4WD	Electric	1	2029
285	14 Overhead Wire Puller	Electric	1	2029