



**TRUCKEE DONNER  
PUBLIC UTILITY DISTRICT**

**FY18 & FY19  
DRAFT BUDGET**

**November 15, 2017**

**Resolution 2017-15**

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## EXECUTIVE SUMMARY

Truckee Donner Public Utility District (District) provides electric power to 13,700 customers and water to 12,900 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.

The District compiles a two-year budget (FY18 and FY19) for the years ending December 31, 2018 and 2019. The budget reflects past performance, current requirements, future opportunities, and risks. The FY18 and FY19 budget is a balanced budget for both the District's Electric Utility and Water Utility. 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.

The budget includes a scheduled 3% electric and water rate increase for the FY18 and FY19 budget. The Electric Utility has transitioned from traditional electric resources to more renewable carbon free 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 FY18 and FY19 Budget to the FY17 Budget:

	FY17 Budget			FY18 Budget			FY19 Budget			% Variance			% Variance		
	Electric	Water	Total	Electric	Water	Total	Electric	Water	Total	Elec	Water	Total	Elec	Water	Total
Revenue	\$22,958	\$12,561	\$35,519	\$24,817	\$12,745	\$37,562	\$25,526	\$13,216	\$38,742	8%	1%	6%	3%	4%	3%
Expenses	21,727	8,334	30,061	21,571	8,241	29,812	22,120	8,492	30,612	-1%	-1%	-1%	3%	3%	3%
Income	\$ 1,231	\$ 4,227	\$ 5,458	\$ 3,246	\$ 4,504	\$ 7,750	\$ 3,406	\$ 4,724	\$ 8,130						
<b>Plus:</b>															
From Funds	\$ 4,003	\$ 2,023	\$ 6,026	\$ 3,656	\$ 1,598	\$ 5,254	\$ 2,380	\$ 1,914	\$ 4,294	-9%	-21%	-13%	-35%	20%	-18%
<b>Less:</b>															
Debt Service	961	3,195	4,156	579	3,211	3,790	600	3,228	3,828	-40%	1%	-9%	4%	1%	1%
Capital Projects	4,082	2,895	6,977	6,091	2,695	8,786	4,827	3,220	8,047	49%	-7%	26%	-21%	19%	-8%
To Reserves	191	160	351	232	196	428	359	190	549	21%	23%	22%	55%	-3%	28%
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						

## Budget Assumptions

The key assumptions used in the FY18 and FY19 Budget were:

- 3% inflation for FY19
- No new debt
- Annual Electric rate increase of 3% in FY18 & FY19
- Annual Water rate increase of 3% in FY18 & FY19
- Contract negotiations set union labor increases at 3% for FY18 and 3% for FY19
- Management and Technical labor increases at 4.5% for FY18 and 3% for FY19

## **Overall Budget**

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

The Electric Utility revenue is projected to increase 8% due to increased usage combined with a 3% rate increase compared to the FY17 budget. The Water revenue is projected to have a 1% increase in FY18 due to increased conservation resulting in a decrease in usage reducing the effect of the 3% rate increase. A 3% projected Electric revenue increase in FY19 is due to a rate increase. The 4% Water increase projected in 2019 is due to a 3% rate increase and the addition of revenue estimated from a fee for the administration of annual backflow inspections for the backflow/cross connection program.

Due to increased efficiencies the Electric and Water Utilities are budgeting a 1% decrease in expenses compared to the FY17 budget. Expenses increase 3% in both utilities in the FY19 budget compared to the FY18 budget due to anticipated inflation.

## **Electric Utility**

The utility continues to focus on system maintenance, tree trimming and a high level of Renewable Portfolio Standards. The capital projects include; Meter Replacement Program, District Administration Building Remodel and Maintenance, Distribution Replacement and Improvement Projects, and additional projects included in the Electric masterplan.

## **Water Utility**

The utility continues to focus on repair and maintenance of District facilities and equipment. Capital projects include the continuation of the SCADA Replacement Project, Pipeline Replacement Projects, Pump Station and Well Maintenance Projects, continuation of the Meter Installation Project, and implementation of Meter Maintenance and Replacement Project.

***PART I***  
***THE FY18 & FY19***  
***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 FY18 & FY19***  
***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 FY18 and FY19 in the amounts of \$22,383,117 and \$23,079,269 respectively. Capital expenditures are budgeted for FY18 and FY19 in the amounts of \$6,091,005 and \$4,826,999 respectively. Total operating revenues and transfers from various reserve funds total \$28,474,122 and \$27,906,268. Of the \$6,091,005 for FY18 capital expenditures, \$3,603,406 is paid by operating funds. Of the \$4,826,999 for FY19 capital expenditures, \$3,621,224 is paid by operating funds. The remaining projects are funded by reserves. The FY18 and FY19 budget proposes a 3% electric rate increase each year and achieves an overall balanced budget.

During FY18 and FY19, the District continues along the path of a balanced, diversified power supply, including increased carbon free energy purchases.

In FY18 and FY19, 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 FY17	PRIOR 12 MOS ENDING 6.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<i>Residential Sales</i>	\$11,704,400	\$13,137,300	\$12,981,651	\$1,277,251	11%	\$13,347,313	\$365,663	3%
<i>Commercial Sales</i>	9,071,155	9,288,401	9,535,733	464,578	5%	9,821,805	286,072	3%
<i>Interdepartmental Sales</i>	1,212,000	1,155,434	1,200,980	(11,020)	-1%	1,237,009	36,029	3%
<i>Miscellaneous Operating Revenue</i>	166,315	163,406	165,561	(754)	0%	167,217	1,656	1%
<i>Standby Revenue</i>	23,171	22,680	21,530	(1,641)	-7%	20,884	(646)	-3%
<i>Pole Replacements and Contacts</i>	160,000	484,347	262,000	102,000	64%	262,000	0	0%
<i>Interdepartmental Rent</i>	561,479	557,540	524,567	(36,912)	-7%	542,329	17,762	3%
<b>TOTAL OPERATING REVENUE</b>	<b>\$22,898,520</b>	<b>\$24,809,108</b>	<b>\$24,692,022</b>	<b>\$1,793,502</b>	<b>8%</b>	<b>\$25,398,558</b>	<b>\$706,536</b>	<b>3%</b>
<i>Interest Income</i>	60,600	110,475	125,000	64,400	106%	127,500	2,500	2%
<i>Transfer in from Vehicle Reserve Fund</i>	338,432	167,358	422,346	83,914	25%	0	(422,346)	-100%
<i>Transfer in from Capital Reserve Fund</i>	1,236,019	77,962	2,065,253	829,234	100%	1,205,775	(859,478)	-42%
<i>Transfer in from overhead to cover CalPers sidfund interest payment</i>	960,675	54,260	61,094	(899,581)	-94%	48,106	(12,988)	-21%
<i>Transfer in from AB32 Reserve Fund</i>	1,290,000	1,172,306	1,108,408	(181,592)	-14%	1,126,330	17,922	2%
<i>Transfer in from CA Solar Initiative</i>	177,400	177,400	0	(177,400)	-100%	0	0	0%
<b>TOTAL ELECTRIC REVENUE &amp; TRANSFERS</b>	<b>\$26,961,646</b>	<b>\$26,568,868</b>	<b>\$28,474,122</b>	<b>\$1,512,476</b>	<b>6%</b>	<b>\$27,906,268</b>	<b>(\$567,854)</b>	<b>-2%</b>

## SUMMARY OF ELECTRIC REVENUES AND EXPENSES

RECAP REVENUES LESS EXPENSES	BUDGET FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>ELECTRIC REVENUES &amp; TRANSFERS</b>	\$26,961,646	\$26,568,868	\$28,474,122	\$1,512,476	6%	\$27,906,268	(\$567,854)	-2%
<b>LESS EXPENSES:</b>								
<i>Board of Directors</i>	127,900	95,625	150,075	22,175	17%	148,344	(1,731)	-1%
<i>General Management</i>	635,214	623,782	763,970	128,756	20%	801,281	37,311	5%
<i>Administrative Services</i>	1,426,771	1,275,612	1,356,174	(70,597)	-5%	1,466,221	110,047	8%
<i>Conservation</i>	1,217,240	839,236	899,255	(317,985)	-26%	938,112	38,857	4%
<i>Electric Operations</i>	4,358,927	5,223,137	4,550,246	191,319	4%	4,763,503	213,257	5%
<i>Information Technology (IT)</i>	631,492	585,313	661,181	29,689	5%	701,955	40,774	6%
<i>Purchased Power</i>	12,425,649	11,647,845	12,692,528	266,879	2%	12,784,886	92,358	1%
<i>GASB 68 Pension Sidefund Adjustment</i>	408,800	388,348	0	(408,800)	-100%	0	0	0%
<i>Building Maintenance (managed by Water Ops)</i>	495,753	482,582	498,109	2,356	0%	515,352	17,243	3%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$21,727,746</b>	<b>\$21,161,480</b>	<b>\$21,571,537</b>	<b>(\$156,209)</b>	<b>-1%</b>	<b>\$22,119,653</b>	<b>\$548,116</b>	<b>3%</b>
<i>Debt Service (Appendix VIII)</i>	960,675	943,988	579,518	(381,157)	-40%	600,106	20,588	4%
<i>Transfer to Vehicle Reserve</i>	190,630	187,854	232,062	41,432	22%	202,239	(29,823)	-13%
<i>Transfer to Electric Rate Reserve Fund</i>	0	213,990	0	0	0%	157,271	157,271	-
<i>Transfer to Electric Capital Fund</i>	0	0	0	0	0%	0	0	0%
<b>TOTAL EXPENSES &amp; TRANSFERS</b>	<b>22,879,051</b>	<b>22,507,311</b>	<b>22,383,117</b>	<b>(495,934)</b>	<b>-2%</b>	<b>23,079,269</b>	<b>696,152</b>	<b>3%</b>
<b>NET AVAILABLE FOR CAPITAL</b>	<b>\$4,082,595</b>	<b>\$4,061,557</b>	<b>\$6,091,005</b>	<b>\$2,008,410</b>	<b>49%</b>	<b>\$4,826,999</b>	<b>(\$1,264,006)</b>	<b>-21%</b>

## **BOARD OF DIRECTORS (Electric Budget)**

The Board of Directors consists of five publically elected members who serve four-year terms. The Truckee Donner Public Utility District is a multi-county agency; including Nevada and Placer counties. 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 Directors of the District represent customer interests, set policies and rates, study and assess implications of new legislation and alternatives. The Board of Directors are responsible for District policies, governance, and decision making for the District. The Board evaluates and provides direction and guidance on District business. The Board reviews and takes action on the overall District performance and performance reviews with the General Manager.

The Board's adopted Mission Statement and Statement of Objectives and Goals, were used to guide the FY18 and FY19 budget process. Staff has conducted a series of workshops starting on September 6, 2017 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 FY18 and FY19 budget. A public hearing was scheduled on November 1, 2017 to receive public input on the budget. The budget was scheduled for adoption on November 15, 2017.

Staff continues with their commitments, at the Board's direction, as it relates to public outreach, increase in efficiencies, cooperation, collaboration, and setting a high standards of ethical conduct. Meetings of the Board continue to be televised and live streamed in compliance with the Board's dedication to transparency. All Board meetings meet and exceed the requirements set forth in the Ralph M. Brown Act.

All of these actions help manage the District in an effective, efficient and fiscally responsible manner.

## ELECTRIC EXPENDITURE DETAIL

<b>BOARD OF DIRECTORS</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Outside Services Employed</b>	<b>\$12,875</b>	<b>\$3,834</b>	<b>\$25,000</b>	<b>\$12,125</b>	<b>94%</b>	<b>\$25,750</b>	<b>\$750</b>	<b>3%</b>
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.								
<b>Miscellaneous General Expenses</b>	<b>115,025</b>	<b>91,791</b>	<b>125,075</b>	<b>10,050</b>	<b>9%</b>	<b>122,594</b>	<b>(2,481)</b>	<b>-2%</b>
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.								
<b>TOTAL</b>	<b>\$127,900</b>	<b>\$95,625</b>	<b>\$150,075</b>	<b>\$22,175</b>	<b>17%</b>	<b>\$148,344</b>	<b>(\$1,731)</b>	<b>-1%</b>

## **GENERAL MANAGEMENT (Electric Budget)**

The District's General Management Department consists of the General Manager, District Clerk, Special Projects Administrator, Public Information Officer/ Strategic Affairs Manager, and Human Resources/Risk Manager. The General Manager is the administrative head of the District with responsibility for managing the day-by-day affairs of the organization. The District Clerk manages the General Manager's office and is responsible for all legislative actions for the Board of Directors, serves as the custodian of records and Election Officer for the District, ensures compliance with laws and regulations as it relates to the Clerk's office, provides high level administrative duties to the General Manager and Board of Directors. 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 Public Information Officer/Strategic Affairs manager is responsible for continued public outreach on all affairs of the District ensuring communication and collaboration with the community and partners, ensuring compliance on strategic and legislative and regulatory affairs of the District. The Human Resources/Risk Manager is responsible for managing all insurance matters including customer claims, 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 District staff. This includes overall fiscal responsibility, negotiating with the Union, operations, process, procedures, controls, staffing, and ensuring that the District is meeting its goals and objectives. The General Manager ensures certain matters appearing on the agenda are adequately researched and presented to the Board of Directors.

The main District goals for FY18 and FY19 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 and 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 2018 to review all of the General Manager's accomplishments over the past year.

The District's remains committed to the safe and healthy work environment to all District employees.



## ELECTRIC EXPENDITURE DETAIL

<b>GENERAL MANAGEMENT</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Public Information</b> This account includes the activities of the PIO plus the website and newsletter.	<b>\$67,877</b>	<b>\$70,933</b>	<b>\$100,002</b>	<b>\$32,125</b>	<b>47%</b>	<b>\$103,768</b>	<b>\$3,767</b>	<b>4%</b>
<b>Legislature &amp; Regulations</b> This account is for legislation and regulation tracking labor.	<b>28,105</b>	<b>64,105</b>	<b>75,730</b>	<b>47,625</b>	<b>169%</b>	<b>78,476</b>	<b>2,746</b>	<b>4%</b>
<b>Administrative &amp; General - Salaries</b> This account is used to charge general administrative staff time other than safety and board related activities.	<b>352,318</b>	<b>342,374</b>	<b>352,401</b>	<b>83</b>	<b>0%</b>	<b>365,882</b>	<b>13,481</b>	<b>4%</b>
<b>Office Supplies &amp; Expenses</b> 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 .	<b>35,670</b>	<b>44,276</b>	<b>46,150</b>	<b>10,480</b>	<b>29%</b>	<b>47,535</b>	<b>1,385</b>	<b>3%</b>
<b>Outside Services Employed</b> 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.	<b>38,625</b>	<b>32,345</b>	<b>63,000</b>	<b>24,375</b>	<b>63%</b>	<b>74,813</b>	<b>11,813</b>	<b>19%</b>
<b>Injuries &amp; Damages</b> This account includes labor for department safety meetings and training and the organization's wellness program.	<b>20,687</b>	<b>20,055</b>	<b>18,064</b>	<b>(2,623)</b>	<b>-13%</b>	<b>18,647</b>	<b>583</b>	<b>3%</b>
<b>General Advertising Expenses</b> This account is used for the cost of publishing ordinances, surplus material, and other legal ad requirements.	<b>44,228</b>	<b>2,226</b>	<b>49,050</b>	<b>4,822</b>	<b>11%</b>	<b>50,537</b>	<b>1,487</b>	<b>3%</b>
<b>Misc General Expenses</b> 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.	<b>47,704</b>	<b>47,468</b>	<b>59,574</b>	<b>11,870</b>	<b>25%</b>	<b>61,624</b>	<b>2,050</b>	<b>3%</b>
<b>TOTAL</b>	<b>\$635,214</b>	<b>\$623,782</b>	<b>\$763,970</b>	<b>\$128,756</b>	<b>20%</b>	<b>\$801,281</b>	<b>\$37,311</b>	<b>5%</b>

## **ADMINISTRATIVE SERVICES (Electric Budget)**

The Administrative Services Department supports both the electric and water utilities and is organized into two primary functional areas: Customer Service and Finance and Accounting. These functional areas include responsibility for the District's customer services, conservation, collections, billing, meter reading, accounting, finance, contracts, and purchasing. It is staffed by 20 people and lead by the Administrative Services Director. During FY16 and FY17 the Conservation department was integrated with Customer Services which allows the District to utilize staff most efficiently and effectively and enhance the level of customer service we are able to offer our customers at a single point of contact. For the purposes of budgeting only, conservation remains a separate cost center but for functional and practical purposes the physical integration is complete. In FY17 the Contracts Administrator was transferred from the Water Utility to Administrative Services to provide additional efficiencies and expand the Administrative Services capabilities to support the utilities. It is anticipated that meter reading will continue to transition into the electric utility as new technology is deployed.

Administrative Services will continue to utilize technology to increase customer engagement efficiently and accurately. The continued implementation of the District's 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. The department has also been proactive in preparation to support significant advancements in technology including the electric utility meter replacement and improvement program and the water utility continuous flow (leak) automated customer notification system. Staff will continue to optimize these 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, as was done throughout the prior budget cycle resulting in steady department expense projections from FY16 and FY17 to the current budget cycle.

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 FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>Meters/Services Operations Expenses</b>	<b>\$88,335</b>	<b>\$44,443</b>	<b>\$35,429</b>	<b>(\$52,906)</b>	<b>-60%</b>	<b>\$53,893</b>	<b>\$18,464</b>	<b>52%</b>
This account is used by the meter readers to charge their time to perform meter connects, disconnects and service transfers.								
<b>Customer Installation Expense</b>	<b>10,089</b>	<b>918</b>	<b>732</b>	<b>(9,357)</b>	<b>-93%</b>	<b>787</b>	<b>55</b>	<b>8%</b>
This account includes charges for GO165 inspections for the electric department as well as investigations of energy diversion.								
<b>Customer Account Operations Expense-Salaries</b>	<b>79,881</b>	<b>96,925</b>	<b>83,607</b>	<b>3,726</b>	<b>5%</b>	<b>89,731</b>	<b>6,124</b>	<b>7%</b>
This account includes the management staff supervision of the customer service and billing functions.								
<b>Meter Reading Expense</b>	<b>64,684</b>	<b>48,404</b>	<b>34,645</b>	<b>(30,039)</b>	<b>-46%</b>	<b>52,596</b>	<b>17,950</b>	<b>52%</b>
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.								
<b>Customer Records &amp; Collections Expense</b>	<b>460,413</b>	<b>429,569</b>	<b>485,312</b>	<b>24,899</b>	<b>5%</b>	<b>512,292</b>	<b>26,980</b>	<b>6%</b>
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.								
<b>Customer Records &amp; Collections - Meter Readers</b>	<b>18,038</b>	<b>17,919</b>	<b>21,962</b>	<b>3,924</b>	<b>22%</b>	<b>23,338</b>	<b>1,376</b>	<b>6%</b>
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.								
<b>Provision for Bad Debts</b>	<b>18,756</b>	<b>0</b>	<b>18,760</b>	<b>4</b>	<b>0%</b>	<b>18,760</b>	<b>0</b>	<b>0%</b>
This account represents the amount of uncollectable bills for the year.								
<b>Administrative &amp; Operations General-Salaries</b>	<b>439,841</b>	<b>382,062</b>	<b>449,172</b>	<b>9,331</b>	<b>2%</b>	<b>481,449</b>	<b>32,277</b>	<b>7%</b>
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.								
<b>Office Supplies &amp; Expenses</b>	<b>72,504</b>	<b>73,004</b>	<b>74,761</b>	<b>2,257</b>	<b>3%</b>	<b>77,004</b>	<b>2,243</b>	<b>3%</b>
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.								
<b>Outside Services Employed</b>	<b>24,984</b>	<b>30,778</b>	<b>31,474</b>	<b>\$6,490</b>	<b>26%</b>	<b>32,418</b>	<b>\$944</b>	<b>3%</b>
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.								
<b>Insurance</b>	<b>141,240</b>	<b>142,921</b>	<b>114,253</b>	<b>(26,987)</b>	<b>-19%</b>	<b>117,681</b>	<b>3,428</b>	<b>3%</b>
This account Includes annual insurance premiums for property, liability, umbrella liability, directors & officers liability, difference in conditions, boiler & machinery coverage insurance.								
<b>Injuries &amp; Damages (Safety)</b>	<b>8,006</b>	<b>8,669</b>	<b>6,066</b>	<b>(1,940)</b>	<b>-24%</b>	<b>6,272</b>	<b>205</b>	<b>3%</b>
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.								
<b>TOTAL</b>	<b>\$1,426,771</b>	<b>\$1,275,612</b>	<b>\$1,356,174</b>	<b>(\$70,597)</b>	<b>-5%</b>	<b>\$1,466,221</b>	<b>\$110,047</b>	<b>8%</b>

## **CONSERVATION (Electric Budget)**

The Conservation Department is responsible for providing energy and water conservation services and administration of the District's State-mandated public benefits programs.

The department was physically integrated into the Administrative Services department in the FY17 in order to provide customers enhanced and more efficient customer service through a single point of contact. Customer Services staff has been trained to provide customer service inclusive of conservation programs. In addition, two focus positions were created that concentrate more exclusively on the District's conservation program planning, operations, and reporting. These two focus positions are the Conservation Specialist, and a Customer Service/Conservation Program Manager.

This integration has allowed the District to decrease cost while improving customer experience and delivering cost-effective programs as measured by annual Evaluation, Measurement, and Validation (EM&V) results.

The department has a very successful portfolio of energy efficiency and conservation programs. Significant progress has been made developing the District's energy conservation programs with a continued emphasis on return on investment. The District continues to transition to new and emerging technologies, such as LED lighting and energy controls, which are an emphasis of the FY18 and FY19 budget. 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' and Green Team projects. The District's Solar PV Rebate Program, Pursuant to SB1, for residential, commercial, and non-profit/government customers completed in FY17 and is not planned for FY18 or FY19.

The District continues to expand its presence in the community through additional public event participation. The District began attending local Farmer's Markets and re-energized engagement in the popular Truckee Thursday events. An emphasis on reaching our conservation goals through active community engagement will remain a priority for the current budget cycle.

The budget also reflects decrease of spending in certain program areas due to continued saturation of some of the District's energy conservation programs and added challenges to maintaining cost-effective programs given the current regulatory and political environment. These decreases are in alignment with the District's 10 year projections and are similar to those seen throughout the industry. Plug-in Electric Vehicles (PEV's) are a growing area of investment for the District, however the emphasis has shifted to public engagement and support with less emphasis in capital upgrades. This is the result of

growing private investment in infrastructure. The District, as part of our entrance into California's Low Carbon Fuel Standard (LCFS) market, is working on a new residential electric vehicle charger rebate. Customer engagement programs, enabled by the District's AMI meter project along with improvements in the NISC SmartHub customer account software, also show great promise.

To maintain and enhance the District's conservation public outreach programs, the department with support from the Public Information and Strategic Affairs 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. One emerging theme in electric and water utilities is the role of the local utility as trusted advisors on electric vehicles, solar, conservation, and managing utility accounts. The District will continue to build relationships with local and state partners while conducting our business in an open and transparent manner.

## ELECTRIC EXPENDITURE DETAIL

<b>CONSERVATION</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Public Benefits - Conservation</b> The account includes general energy conservation and efficiency programs and wire to water.	\$539,643	\$327,600	\$383,448	(\$156,195)	-29%	\$412,470	\$29,023	8%
<b>Public Benefits - Research &amp; Development</b> This account includes energy conservation and efficiency R&D activities.	3,522	111	13,167	9,645	274%	13,586	419	3%
<b>Public Benefits - Income-Qualified</b> This account includes income-qualified programs.	139,498	16,805	84,223	(55,275)	-40%	84,382	159	0%
<b>Public Benefits - Renewable Power</b> This account includes renewable purchases and programs.	182,880	198,607	152,637	(30,243)	-17%	152,637	0	0%
<b>Public Benefits - Rebates</b> This account includes energy conservation and efficiency rebates.	143,260	199,400	236,124	92,864	65%	244,448	8,324	4%
<b>Admin &amp; General Salaries</b> This account includes the administrative salaries to perform various administrative	42,269	38,083	4,891	(37,378)	-88%	5,080	189	4%
<b>Office Supplies &amp; Expenses</b> This account includes office supplies, dues, memberships and meeting and training expenses.	12,876	20,424	21,494	8,618	67%	22,138	645	3%
<b>General Advertising</b> This account includes TDPUD marketing and media activities.	743	35,559	664	(79)	-11%	684	20	3%
<b>Misc General Expense</b> This account includes support of community activities such as sponsorship of the Truckee Home Show, Chamber activities, etc.	9,720	2,647	2,608	(7,112)	-73%	2,686	78	3%
<b>SUB TOTAL</b>	<b>\$1,074,411</b>	<b>\$839,236</b>	<b>\$899,255</b>	<b>(\$175,156)</b>	<b>-16%</b>	<b>\$938,112</b>	<b>\$38,857</b>	<b>4%</b>
<b>CA Solar Initiative - SB1</b> This account includes District solar rebates.	142,829	0	0	(142,829)	-100%	0	0	0%
<b>TOTAL</b>	<b>\$1,217,240</b>	<b>\$839,236</b>	<b>\$899,255</b>	<b>(\$317,985)</b>	<b>-26%</b>	<b>\$938,112</b>	<b>\$38,857</b>	<b>4%</b>

## **ELECTRIC OPERATIONS**

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

The FY18 and FY19 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 2018, two Electrician / Meter Technicians, one Foreman Electrician, three Foremen, a Lead Lineman, a Substation Lineman, seven Lineman and two Apprentice Lineman.

Electric Operations provides work conditions and procedures that encourage employee safety, growth, productivity, and retention. Apprentices are trained both internally and externally. Journeymen are trained to utilize approved rubber gloving practices. Employees are trained on underground practices and materials, as the District transitions to underground utilities.

During FY17, District growth continued to increase at a modest pace and is forecasted to continue this growth in FY18 and FY19. The department will concentrate efforts on system maintenance. Right-of-way maintenance to reduce outages will be maintained, and approximately ninety 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 FY18 and FY19.

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

## ELECTRIC EXPENDITURE DETAIL

ELECTRIC OPERATIONS	BUDGET FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>Operations/PM Sup &amp; Engineering</b>	\$1,173,468	\$1,014,528	\$1,150,200	(\$23,268)	-2%	\$1,224,189	\$73,989	6%
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.								
<b>Substation Operations/PM</b>	174,872	159,180	172,153	(2,719)	-2%	180,364	8,211	5%
This account Includes all work done on, and within, substations including snow removal, maintenance, repairs and associated materials and employee training.								
<b>Distribution Operations/PM</b>	1,201,018	1,042,559	1,352,821	151,803	13%	1,395,589	42,767	3%
This account Includes all maintenance work such as mandated programs, pole testing, tree trimming, pole clearing, small tools and employee training.								
<b>Security/Street Light Operations/PM</b>	1,246	373	1,232	(14)	-1%	1,279	47	4%
This account Includes the purchase and installation of street and security lights throughout the District.								
<b>Meter Operations/PM</b>	85,469	252,253	91,986	6,517	8%	95,799	3,813	4%
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.								
<b>Customer Installation Operations/PM</b>	199,064	207,539	247,086	48,022	24%	256,862	9,776	4%
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.								
<b>Misc General Operations/PM</b>	515,529	414,767	493,109	(22,420)	-4%	516,539	23,430	5%
This account includes testing of transformer oil to determine PCB content, GIS mapping of the electric system, SCADA repairs and maintenance, cell phones and pagers. 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.								
<b>Maintenance of Station Equipment</b>	4,206	35,609	20,000	15,794	376%	20,600	600	3%
This account Includes labor and material to maintain the reclosers and regulators within the substations.								
<b>Maintenance of Distribution Lines</b>	467,798	1,641,607	457,724	(10,074)	-2%	478,081	20,357	4%
This account primarily includes labor and material material for recloser repair, distribution line repair, damage tree clearing, standby labor and storm damage repair.								
<b>Maintenace of Security/Street Lights</b>	3,297	1,151	1,668	(1,629)	-49%	1,728	60	4%
This account includes labor, materials and supplies (replacement bulbs, photocells and fixtures) for the maintenance and repair of security and street lights.								
<b>Professional Services</b>	148,320	144,975	201,975	53,655	36%	218,034	16,059	8%
This account includes payments to Energy Source and Power Supply consultants. It also includes UAMPS expenditures.								
<b>Injuries &amp; Damages (Safety)</b>	252,342	261,726	242,243	(10,099)	-4%	252,433	10,190	4%
This account Includes labor for safety meetings, safety equipment and safety meeting/training expenses.								
<b>Regulatory Commission Expense</b>	132,298	46,870	118,048	(14,250)	-11%	122,005	3,957	3%
This account includes staff labor and legal fees for any FERC activity.								
<b>TOTAL</b>	<b>\$4,358,927</b>	<b>\$5,223,137</b>	<b>\$4,550,246</b>	<b>\$191,319</b>	<b>4%</b>	<b>\$4,763,503</b>	<b>\$213,257</b>	<b>5%</b>



## **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 positions, responsible for network, storage and personal devices. 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.

Information Technology is to implement technology strategies that optimize the operations of the District by providing tools that enable the District to operate faster, better, and more cost efficiently, while providing secure access to critical control, mapping, and information systems. Information Technology's 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 the IT Master Plan, utilizing ten guiding principles below focusing 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. View IT from the perspective of the entire District and not from the perspective of individual departments.
3. Acquire, manage, and use technology resources economically and efficiently through standardized information technology selection and implementation processes.
4. Securely hold and manage technology assets to protect private information.
5. Develop mechanisms and processes to share information easily within the organization and with customers and partners.
6. Understand that availability and access to technology is a given, and design and build systems accordingly.
7. Aggregate, where feasible, to reduce duplication, and employ information technology that is flexible and interoperable to respond quickly and efficiently to changing business needs.
8. 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

<b>INFORMATION TECHNOLOGY (IT)</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Engineering &amp; SCADA Operations</b>	<b>\$69,929</b>	<b>\$45,191</b>	<b>\$64,166</b>	<b>(\$5,763)</b>	<b>-8%</b>	<b>\$66,580</b>	<b>\$2,414</b>	<b>4%</b>
This account is for the operational use of SCADA, Outage Management and Engineering support.								
<b>GIS/Engineering Operations</b>	<b>127,822</b>	<b>109,714</b>	<b>149,312</b>	<b>21,490</b>	<b>17%</b>	<b>158,830</b>	<b>9,518</b>	<b>6%</b>
This account is for the maintenance of software and data that supports engineering and SCADA.								
<b>Meter Reading</b>	<b>13,014</b>	<b>8,334</b>	<b>11,886</b>	<b>(1,128)</b>	<b>-9%</b>	<b>12,416</b>	<b>531</b>	<b>4%</b>
This account is for the maintenance of software and data that supports meter technology and AMI.								
<b>Customer Records</b>	<b>110,080</b>	<b>107,805</b>	<b>121,379</b>	<b>11,299</b>	<b>10%</b>	<b>125,117</b>	<b>3,738</b>	<b>3%</b>
This account is for the maintenance of software and data that supports Customer Information and Customers.								
<b>Administrative &amp; General IT Ops</b>	<b>260,027</b>	<b>284,225</b>	<b>262,455</b>	<b>2,428</b>	<b>1%</b>	<b>285,458</b>	<b>23,003</b>	<b>9%</b>
This account is for the maintenance of hardware and software infrastructure that supports data transport, storage and security.								
<b>Office Supplies &amp; Expenses</b>	<b>22,536</b>	<b>25,732</b>	<b>22,525</b>	<b>(11)</b>	<b>0%</b>	<b>23,201</b>	<b>676</b>	<b>3%</b>
This account includes office supplies, dues, memberships, meeting and training expenses.								
<b>Outside Services Employed</b>	<b>24,564</b>	<b>0</b>	<b>28,000</b>	<b>3,436</b>	<b>14%</b>	<b>28,840</b>	<b>840</b>	<b>3%</b>
This account is for outside professional services contracted to maintain hardware, software and data.								
<b>Safety</b>	<b>3,520</b>	<b>4,312</b>	<b>1,458</b>	<b>(2,062)</b>	<b>-59%</b>	<b>1,513</b>	<b>55</b>	<b>4%</b>
This account includes department labor for safety meetings, safety equipment and training expenses.								
<b>TOTAL</b>	<b>\$631,492</b>	<b>\$585,313</b>	<b>\$661,181</b>	<b>\$29,689</b>	<b>5%</b>	<b>\$701,955</b>	<b>\$40,774</b>	<b>6%</b>

***PART III***  
***THE FY18 & FY19***  
***OPERATING, MAINTENANCE, AND REPAIR***  
***WATER UTILITY***

## **WATER OPERATIONS INTRODUCTION**

The Water budget projects total operating expenditures and transfers to reserve funds for FY18 and FY19 in the amount of \$11,648,076 and \$11,910,064 respectively. The Water budget also forecasts capital expenditures for FY18 and FY19 in the amount of \$2,695,309 and \$3,220,043 respectively. For capital expenditures, \$2,391,626 and \$2,640,205 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 \$14,343,384 for FY18 and \$15,130,107 for FY19. The water budget proposes a 3% rate increase in FY18 and a 3% rate increase in FY19, achieving an overall balanced budget.

The mechanics and hydraulics of water utility service is very complex in a mountain environment. The majority of the District's water supply comes from the Martis Valley Aquifer 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, 218 miles of pipeline, 36 storage tanks, and 24 pump stations. This complex system is expensive to operate, maintain, repair and replace. A main goal of the department control the operating costs to minimize future rate increases. In FY18 and FY19, 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 Water Utility Manager.

During FY18 and FY19, the Water Utility will continue with operations and maintenance programs, system replacement and capital projects, installation of water meters, the SCADA replacement project and on-going conservation programs.

## WATER OPERATIONS REVENUE STATEMENT

OPERATING REVENUE	BUDGET FY17	PRIOR 12 MOS ENDING 6.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<i>Residential Sales</i>	\$10,727,529	\$8,440,369	\$10,711,730	(\$15,799)	0%	\$11,060,382	\$348,652	3%
<i>Commercial Sales</i>	1,356,673	985,112	1,576,712	220,039	16%	1,623,946	47,234	3%
<i>Misc. Operating Revenue</i>	234,479	192,942	177,206	(57,273)	-24%	253,978	76,772	43%
<i>Miscellaneous Rents</i>	39,535	55,075	69,085	29,550	75%	70,121	1,036	2%
<i>Standby Revenue</i>	145,840	138,480	133,440	(12,400)	-9%	129,437	(4,003)	-3%
<b>TOTAL OPERATING REVENUE</b>	<b>\$12,504,056</b>	<b>\$9,811,978</b>	<b>\$12,668,172</b>	<b>\$164,116</b>	<b>1%</b>	<b>\$13,137,863</b>	<b>469,691</b>	<b>4%</b>
<i>Interest Income</i>	57,541	71,103	76,865	19,324	34%	77,633	769	1%
<i>Transfer in from Facilities Fees &amp; Reserve - Debt - 2006 COP</i>	356,070	356,332	356,284	214	0%	355,324	(960)	0%
<i>Transfer in from Glenshire billing surcharge-Pipeline loan</i>	166,786	166,786	0	(166,786)	-100%	0	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>	98,120	98,906	96,801	(1,319)	-1%	100,207	3,406	4%
<i>Transfer in from Meter Reserve Fund</i>	285,933	104,798	303,681	17,748	6%	196,319	(107,362)	-35%
<i>Transfer in from Capital Reserve Fund</i>	224,356	0	0	(224,356)	-100%	0	0	0%
<i>Transfer in from Vehicle Reserve Fund</i>	91,398	248,260	0	(91,398)	-100%	429,838	429,838	100%
<i>Transfer in from overhead to cover CalPers sidefund interest payment</i>	0	36,172	40,729	40,729	100%	32,070	(8,659)	-21%
<b>TOTAL WATER REVENUE &amp; TRANSFERS</b>	<b>\$14,585,112</b>	<b>\$11,695,187</b>	<b>\$14,343,384</b>	<b>(\$241,728)</b>	<b>-2%</b>	<b>\$15,130,107</b>	<b>\$786,722</b>	<b>5%</b>

## SUMMARY OF WATER REVENUES AND EXPENSES

RECAP REVENUES LESS EXPENSES	BUDGET FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>WATER REVENUES &amp; TRANSFERS</b>	\$14,585,112	\$11,695,187	\$14,343,384	(\$241,728)	-2%	\$15,130,107	\$786,722	5%
<b>LESS EXPENSES</b>								
<i>Board of Directors</i>	127,900	95,356	150,075	22,175	17%	148,344	(1,731)	-1%
<i>General Management</i>	585,334	578,687	693,307	107,973	18%	717,413	24,105	3%
<i>Administrative Services</i>	1,300,598	1,202,390	1,299,617	(981)	0%	1,374,588	74,971	6%
<i>Conservation</i>	191,344	128,577	110,492	(80,852)	-42%	118,978	8,486	8%
<i>Water Operations</i>	4,687,315	4,636,023	4,871,371	184,056	4%	4,963,126	91,755	2%
<i>Information Technology (IT)</i>	567,904	589,833	591,896	23,992	4%	627,662	35,766	6%
<i>GASB 68 Pension Sidefund Adjustment</i>	312,353	300,229	0	(312,353)	-100%	0	0	0%
<i>Interdepartmental Rent (Appendix I)</i>	561,479	557,540	524,567	(36,912)	-7%	542,329	17,762	3%
<b>TOTAL OPERATING EXPENSES</b>	\$8,334,227	\$8,088,635	\$8,241,327	(\$92,901)	-1%	\$8,492,441	\$251,114	3%
<i>Debt Service (Appendix IX)</i>	3,194,771	3,193,843	3,210,749	15,978	1%	3,228,003	17,254	1%
<i>Transfer to Vehicle Reserve Fund</i>	159,884	157,556	164,680	4,796	3%	169,620	4,940	3%
<i>Transfer to Operating Reserve</i>	0	0	31,320	31,320	-	20,000	(11,320)	-36%
<b>TOTAL EXPENSES &amp; TRANSFERS</b>	\$11,688,882	\$11,440,033	\$11,648,076	(\$40,807)	0%	\$11,910,064	\$261,988	2%
<b>NET AVAILABLE FOR CAPITAL</b>	\$2,896,230	\$255,155	\$2,695,309	(\$200,921)	-7%	\$3,220,043	\$524,734	19%

## **BOARD OF DIRECTORS (Water Budget)**

The Board of Directors consists of five publically elected members who serve four-year terms. The Truckee Donner Public Utility District is a multi-county agency; including Nevada and Placer counties. 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 Directors of the District represent customer interests, set policies and rates, study and assess implications of new legislation and alternatives. The Board of Directors are responsible for District policies, governance, and decision making for the District. The Board evaluates and provides direction and guidance on District business. The Board reviews and takes action on the overall District performance and performance reviews with the General Manager.

The Boards adopted Mission Statement and Statement of Objectives and Goals, which were used to guide the FY18 and FY19 budget process. Staff has conducted a series of workshops starting on September 6, 2017 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 FY18 and FY19 budget. A public hearing was scheduled on November 1, 2017 to receive public comment on the budget. The budget was scheduled for adoption on November 15, 2017.

Staff continues with their commitments, at the Board's direction, as it relates to public outreach, increase in efficiencies, cooperation, collaboration, setting a high standards with high ethical conduct. Board of Director meetings continue to be televised and live streamed in compliance with the Board's dedication to transparency. All Board meetings meet and exceed the requirements set forth in the Ralph M. Brown Act.

All of these actions help manage the District in an effective, efficient and fiscally responsible manner.

## WATER EXPENDITURE DETAIL

<b>BOARD OF DIRECTORS</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Outside Services Employed</b>	<b>\$12,875</b>	<b>\$3,834</b>	<b>\$25,000</b>	<b>\$12,125</b>	<b>94%</b>	<b>\$25,750</b>	<b>\$750</b>	<b>3%</b>
<p>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.</p>								
<b>Miscellaneous General Expenses</b>	<b>115,025</b>	<b>91,522</b>	<b>125,075</b>	<b>10,050</b>	<b>9%</b>	<b>122,594</b>	<b>(\$2,481)</b>	<b>-2%</b>
<p>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.</p>								
<b>TOTAL</b>	<b>\$127,900</b>	<b>\$95,356</b>	<b>\$150,075</b>	<b>\$22,175</b>	<b>17%</b>	<b>\$148,344</b>	<b>(\$1,731)</b>	<b>-1%</b>



## **GENERAL MANAGEMENT (Water Budget)**

The District's General Management Department consists of the General Manager; District Clerk, Special Projects Administrator, Public Information Officer/ Strategic Affairs Manager, and Human Resources/Risk Manager. The General Manager is the administrative head of the District with responsibility for managing the day-by-day affairs of the organization. The District Clerk manages the General Managers office and is responsible for all legislative actions for the Board of Directors, serves as the custodian of records and Election Officer for the District, ensures compliance with laws and regulations as it relates to the Clerk's office, provides high level administrative duties to the General Manager and Board of Directors. 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 Public Information Officer/Strategic Affairs manager is responsible for continued public outreach on all affairs of the District ensuring communication and collaboration with the community and partners, ensuring compliance on all strategic and legislative and regulatory affairs of the District. 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 District staff. This includes overall fiscal responsibility, negotiating with the Union, operations, process, procedures, controls, staffing, and ensuring that the District is meeting its goals and objectives. The General Manager ensures certain matters appearing on the agenda are adequately researched and presented to the Board of Directors.

The main District goals for FY18 and FY19 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 and 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 2018 to review all of the General Manager's accomplishments over the past year.

The District's remains committed to the safe and healthy work environment to all District employees.

## WATER EXPENDITURE DETAIL

<b>GENERAL MANAGEMENT</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Public Information</b>	<b>\$67,877</b>	<b>\$72,840</b>	<b>\$100,002</b>	<b>\$32,125</b>	<b>47%</b>	<b>\$103,768</b>	<b>\$3,767</b>	<b>4%</b>
This account includes the activities of the PIO plus the website and newsletter.								
<b>Legislature &amp; Regulations</b>	<b>12,040</b>	<b>44,123</b>	<b>53,668</b>	<b>41,628</b>	<b>346%</b>	<b>55,635</b>	<b>1,967</b>	<b>4%</b>
This account is for legislation and regulation tracking labor.								
<b>Administrative &amp; General - Salaries</b>	<b>352,318</b>	<b>342,546</b>	<b>352,401</b>	<b>83</b>	<b>0%</b>	<b>365,882</b>	<b>13,481</b>	<b>4%</b>
This account is used to charge general administrative staff time other than safety and board related activities.								
<b>Office Supplies &amp; Expenses</b>	<b>35,670</b>	<b>44,730</b>	<b>46,150</b>	<b>10,480</b>	<b>29%</b>	<b>47,535</b>	<b>1,385</b>	<b>3%</b>
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 .								
<b>Outside Services Employed</b>	<b>38,625</b>	<b>19,974</b>	<b>62,000</b>	<b>23,375</b>	<b>61%</b>	<b>62,813</b>	<b>813</b>	<b>1%</b>
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.								
<b>Injuries &amp; Damages (Safety)</b>	<b>20,687</b>	<b>20,367</b>	<b>18,064</b>	<b>(2,623)</b>	<b>-13%</b>	<b>18,647</b>	<b>583</b>	<b>3%</b>
This account includes labor for department safety meetings and training and the organization's wellness program.								
<b>General Advertising Expenses</b>	<b>22,372</b>	<b>2,780</b>	<b>23,050</b>	<b>678</b>	<b>3%</b>	<b>23,757</b>	<b>707</b>	<b>3%</b>
This account is used for the cost of publishing ordinances, surplus material, and other legal ad requirements.								
<b>Misc General Expenses</b>	<b>35,745</b>	<b>31,327</b>	<b>37,974</b>	<b>2,229</b>	<b>6%</b>	<b>39,376</b>	<b>1,402</b>	<b>4%</b>
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.								
<b>TOTAL</b>	<b>\$585,334</b>	<b>\$578,687</b>	<b>\$693,308</b>	<b>\$107,974</b>	<b>18%</b>	<b>\$717,413</b>	<b>\$24,104</b>	<b>3%</b>

## **ADMINISTRATIVE SERVICES (Water Budget)**

This section will describe specific water considerations within the FY18 and FY19 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 97% of all customers have a meter and are being billed volumetrically. The remaining 3% will continue to be installed to achieve state requirements throughout the FY18 and FY19 budget period. It is anticipated existing Water Utility employees will continue meter installations in FY18 and that an outside contractor may complete the installations in FY19 and after. Starting in FY19 the budget includes phased replacement of the FY09 water meters which is necessary as the current meters are anticipated to have a 10 year useful battery life which will be reached during this budget period.

The residential water meters identify continuous flow including malfunctioning stop-and-drain valves. The District is continuing to advance technology and is currently deploying an automatic customer notification system to contact customers who have possible leaks so that they may quickly identify and correct problems. The District has implemented custom software 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. This tool provides customers a visual target to aid in achieving the District's current voluntary post-drought water reduction goals.

## WATER EXPENDITURE DETAIL

ADMINISTRATIVE SERVICES	BUDGET FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>Meters/Services Operations Expenses</b>	<b>\$4,653</b>	<b>\$0</b>	<b>\$1,865</b>	<b>(\$2,788)</b>	<b>-60%</b>	<b>\$2,836</b>	<b>\$972</b>	<b>52%</b>
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.								
<b>Customer Account Operations Expense-Salaries</b>	<b>79,881</b>	<b>97,060</b>	<b>83,607</b>	<b>3,726</b>	<b>5%</b>	<b>89,731</b>	<b>6,124</b>	<b>7%</b>
This account includes the management staff supervision of the customer service and billing functions.								
<b>Meter Reading Expense</b>	<b>4,560</b>	<b>1,848</b>	<b>1,366</b>	<b>(3,194)</b>	<b>-70%</b>	<b>1,889</b>	<b>523</b>	<b>38%</b>
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.								
<b>Customer Records &amp; Collections Expense</b>	<b>474,145</b>	<b>375,593</b>	<b>485,312</b>	<b>11,167</b>	<b>2%</b>	<b>512,292</b>	<b>26,980</b>	<b>6%</b>
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.								
<b>Provision for Bad Debts</b>	<b>9,240</b>	<b>0</b>	<b>9,240</b>	<b>0</b>	<b>0%</b>	<b>9,240</b>	<b>0</b>	<b>0%</b>
This account represents the amount of uncollectable bills for the year.								
<b>Administrative &amp; Operations General-Salaries</b>	<b>439,841</b>	<b>433,194</b>	<b>449,172</b>	<b>9,331</b>	<b>2%</b>	<b>481,449</b>	<b>32,277</b>	<b>7%</b>
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.								
<b>Office Supplies &amp; Expenses</b>	<b>72,504</b>	<b>70,517</b>	<b>74,761</b>	<b>2,257</b>	<b>3%</b>	<b>77,004</b>	<b>2,243</b>	<b>3%</b>
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.								
<b>Outside Services Employed</b>	<b>40,188</b>	<b>47,601</b>	<b>46,904</b>	<b>\$6,716</b>	<b>17%</b>	<b>48,311</b>	<b>1,407</b>	<b>3%</b>
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.								
<b>Insurance</b>	<b>172,320</b>	<b>169,274</b>	<b>144,423</b>	<b>(27,897)</b>	<b>-16%</b>	<b>148,756</b>	<b>4,333</b>	<b>3%</b>
This account includes annual insurance premiums for property, liability, umbrella liability, directors & officers liability, difference in conditions, boiler & machinery coverage insurance.								
<b>Injuries &amp; Damages (Safety)</b>	<b>3,266</b>	<b>7,303</b>	<b>2,967</b>	<b>(299)</b>	<b>-9%</b>	<b>3,079</b>	<b>112</b>	<b>4%</b>
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.								
<b>TOTAL</b>	<b>\$1,300,598</b>	<b>\$1,202,390</b>	<b>\$1,299,617</b>	<b>(\$981)</b>	<b>0%</b>	<b>\$1,374,588</b>	<b>\$74,971</b>	<b>6%</b>

## **CONSERVATION (Water Budget)**

This section will describe specific water conservation objectives within the FY18 and FY19 budgets.

Significant progress has been made delivering water conservation programs, including an automated process to inform customers electronically if the District detects continuous flow of water; a potential leak situation. This allows the District to proactively contact customers and effectively address potential water waste situations. In addition, staff has continued to support the Water Efficient Toilet Rebate, Water Efficient Toilet Exchange, Customer Water Leak Repair Rebate, and Green Partners Water programs. The District continues to maintain the Patricia S. Sutton Conservation Garden, and has used this educational tool to host multiple events and educate the public on how to have beautiful landscaping and save water. For FY18 the District plans to incorporate a community bike share program within the garden, further increasing traffic, and educational opportunities.

The combined impacts of water main-line replacements, the water-meter conservation effect, and water conservation programs have lowered water consumption by almost 40% since 2006. 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 put a strain on the department's capacity and resources in prior budget cycles. The FY18 and FY19 budget is built upon the District's current voluntary 10% water reduction goals which has enabled Conservation to reduce year-over-year costs while maintaining existing programs.

The District is facing significant change and uncertainty regarding the Legislative and Regulatory environment at local, State, and Federal levels. 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 several 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. As part of the department integration explained above, these increased legislative and regulatory demands are budgeted within the General Manager department for the FY18 and FY19 budget cycle as a core focus for the Public Information and Strategic Affairs Manager.

Outdoor irrigation remains the biggest conservation target going forward. The District's presence in the community, enhanced communications, and customer engagement opportunities as described before will also benefit water conservation efforts. These budgets also reflect early signs of saturation on some of our programs and the need to shift to fund mainline replacement projects.

## WATER EXPENDITURE DETAIL

<b>CONSERVATION</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Water Conservation</b> This account includes water conservation & efficiency programs.	<b>\$164,777</b>	<b>\$104,984</b>	<b>\$103,139</b>	<b>(61,638)</b>	<b>-37%</b>	<b>\$111,387</b>	<b>8,247</b>	<b>8%</b>
<b>Admin &amp; General Salaries</b> This account includes the administrative salaries to perform various administrative projects.	<b>18,106</b>	<b>3,797</b>	<b>2,096</b>	<b>(16,010)</b>	<b>-88%</b>	<b>2,177</b>	<b>81</b>	<b>4%</b>
<b>Office Supplies &amp; Expenses</b> This account includes office supplies, dues, memberships and meeting and training expenses.	<b>5,520</b>	<b>1,924</b>	<b>3,854</b>	<b>(1,665)</b>	<b>-30%</b>	<b>3,970</b>	<b>116</b>	<b>3%</b>
<b>General Advertising</b> This account includes TDPUD marketing and media activities.	<b>315</b>	<b>16,793</b>	<b>284</b>	<b>(31)</b>	<b>-10%</b>	<b>293</b>	<b>9</b>	<b>3%</b>
<b>Misc General Expense</b> This account includes support of community activities such as sponsorship of the Truckee Home Show, Chamber activities, etc.	<b>2,627</b>	<b>1,079</b>	<b>1,118</b>	<b>(1,509)</b>	<b>-57%</b>	<b>1,151</b>	<b>34</b>	<b>3%</b>
<b>TOTAL</b>	<b>\$191,344</b>	<b>\$128,577</b>	<b>\$110,492</b>	<b>(\$80,852)</b>	<b>-42%</b>	<b>\$118,978</b>	<b>\$8,486</b>	<b>8%</b>

## **WATER OPERATIONS**

The main objective for Water Utility Operations and Maintenance 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 through the implementation of the current Water Master Plan, including the operation of critical facilities to supply current and future water demands, and by providing effective and efficient infrastructure maintenance and replacement programs.

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

The FY18 and FY19 budget includes staffing of 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, Operations Service Technician, a Distribution Foreman, a Distribution Leadman, and 6.5 Distribution Service Technicians in FY18 and 6.0 Distribution Service Technicians in FY19 due to attrition for planned retirements.

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

The main challenges for the Water Utility Operations group in FY18 and FY19 will be the continued progress toward completing the District's Water SCADA replacement project, the water meter installation program, and reduction of annual unaccounted for water. 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 FY17	PRIOR 12 MOS ENDING 4.2017	BUDGET FY18	\$ BUDGET CHANGE	% BUDGET CHANGE	BUDGET FY19	\$ BUDGET CHANGE	% BUDGET CHANGE
<b>Operations Supervision &amp; Engineering</b>	\$252,080	\$260,906	\$267,009	\$14,929	6%	\$332,759	\$65,750	25%
This account is utilized by the water manager, superintendent and engineer for supervision, engineering and management of District water system.								
<b>Facilities Operations</b>	761,197	920,439	903,152	141,955	19%	844,927	(58,224)	-6%
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.								
<b>Power Supply</b>	1,215,972	1,178,848	1,208,459	(7,513)	-1%	1,244,781	36,322	3%
This account includes the cost of electrical power for the operation of the wells and pump stations.								
<b>Distribution Operations/PM</b>	649,930	662,917	649,286	(644)	0%	670,772	21,486	3%
This account includes the labor and materials to operate the water distribution system.								
<b>Misc General Operations/PM</b>	335,347	287,421	325,967	(9,380)	-3%	351,001	25,034	8%
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.								
<b>Meters/Service Operation</b>	129,124	131,642	148,412	19,288	15%	160,258	11,845	8%
<b>Maintenance of Operations Sup &amp; Engineering</b>	123,550	113,058	127,526	3,976	3%	132,395	4,870	4%
Used by water manager, superintendent and engineer for supervision, engineering and management of District water system.								
<b>Maintenance of Sources</b>	715,698	651,782	745,500	29,802	4%	744,284	(1,216)	0%
This account includes the maintenance and repair of pumps, motors, electrical control equipment and building repair.								
<b>Maintenance of Distribution Lines</b>	408,473	336,629	411,939	3,466	1%	401,856	(10,083)	-2%
This account includes the maintenance and repair of distribution line leaks, broken fire hydrants, etc.								
<b>Injuries &amp; Damages</b>	95,944	92,381	84,121	(11,823)	-12%	80,091	(4,029)	-5%
This account includes labor for safety meetings, equipment and training expenses.								
<b>Maintenance of District Office Building (Div 1)</b>	495,753	482,582	498,109	2,356	0%	515,352	17,243	3%
<b>TOTAL</b>	<b>\$5,183,068</b>	<b>\$5,118,605</b>	<b>\$5,369,480</b>	<b>186,412</b>	<b>4%</b>	<b>\$5,478,478</b>	<b>\$108,998</b>	<b>2%</b>

## **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. 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.

Information Technology is to implement technology strategies that optimize the operations of the District by providing tools that enable the District to operate faster, better, and more cost efficiently, while providing secure access to critical control, mapping, and information systems. Information Technology's 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 the IT Master Plan, utilizing ten guiding principles below focusing 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. View IT from the perspective of the entire District and not from the perspective of individual departments.
3. Acquire, manage, and use technology resources economically and efficiently through standardized information technology selection and implementation processes.
4. Securely hold and manage technology assets to protect private information.
5. Develop mechanisms and processes to share information easily within the organization and with customers and partners.
6. Understand that availability and access to technology is a given, and design and build systems accordingly.
7. Aggregate, where feasible, to reduce duplication, and employ information technology that is flexible and interoperable to respond quickly and efficiently to changing business needs.
8. 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

<b>INFORMATION TECHNOLOGY (IT)</b>	<b>BUDGET FY17</b>	<b>PRIOR 12 MOS ENDING 4.2017</b>	<b>BUDGET FY18</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>	<b>BUDGET FY19</b>	<b>\$ BUDGET CHANGE</b>	<b>% BUDGET CHANGE</b>
<b>Engineering &amp; SCADA Operations</b>	<b>\$82,997</b>	<b>\$129,465</b>	<b>\$93,732</b>	<b>\$10,735</b>	<b>13%</b>	<b>\$97,032</b>	<b>\$3,301</b>	<b>4%</b>
This account is for the operational use of SCADA, Outage Management and Engineering support.								
<b>GIS/Engineering Operations</b>	<b>85,198</b>	<b>81,189</b>	<b>87,691</b>	<b>2,493</b>	<b>3%</b>	<b>93,281</b>	<b>5,590</b>	<b>6%</b>
This account is for the maintenance of software and data that supports engineering and SCADA.								
<b>Meter Reading</b>	<b>14,958</b>	<b>11,254</b>	<b>14,275</b>	<b>(683)</b>	<b>-5%</b>	<b>14,871</b>	<b>596</b>	<b>4%</b>
This account is for the maintenance of software and data that supports meter technology and AMI.								
<b>Customer Records</b>	<b>101,500</b>	<b>95,743</b>	<b>108,330</b>	<b>6,830</b>	<b>7%</b>	<b>111,677</b>	<b>3,347</b>	<b>3%</b>
This account is for the maintenance of software and data that supports Customer Information and Customers.								
<b>Administrative &amp; General IT Ops</b>	<b>238,187</b>	<b>245,755</b>	<b>239,523</b>	<b>1,336</b>	<b>1%</b>	<b>260,994</b>	<b>21,471</b>	<b>9%</b>
This account is for the maintenance of hardware and software infrastructure that supports data transport, storage and security.								
<b>Office Supplies &amp; Expenses</b>	<b>19,980</b>	<b>22,370</b>	<b>19,975</b>	<b>(5)</b>	<b>0%</b>	<b>20,574</b>	<b>599</b>	<b>3%</b>
This account includes office supplies, dues, memberships, meeting and training expenses.								
<b>Outside Services Employed</b>	<b>21,780</b>	<b>0</b>	<b>27,000</b>	<b>5,220</b>	<b>24%</b>	<b>27,810</b>	<b>810</b>	<b>3%</b>
This account is for outside professional services contracted to maintain hardware, software and data.								
<b>Safety</b>	<b>3,304</b>	<b>4,057</b>	<b>1,371</b>	<b>(1,933)</b>	<b>-59%</b>	<b>1,423</b>	<b>52</b>	<b>4%</b>
This account includes department labor for safety meetings, safety equipment and training expenses.								
<b>TOTAL</b>	<b>\$567,904</b>	<b>\$589,833</b>	<b>\$591,896</b>	<b>\$23,992</b>	<b>4%</b>	<b>\$627,662</b>	<b>\$35,766</b>	<b>6%</b>

***PART IV***  
***THE FY18 & FY19***  
***CAPITAL IMPROVEMENT PLAN***  
***ELECTRIC UTILITY***

## ELECTRIC UTILITY CAPITAL PLAN

<u>SOURCE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY18</u>	<u>BUDGET FY19</u>
Operations (OP)	OP	\$ 3,603,406	\$ 3,621,224
Customer Contributions (CC)	CC	739,918	770,668
Capital Reserve (CR)	CR	2,065,253	1,205,775
Vehicle Reserve (VR)	VR	422,346	0
Total Source of Funds		\$6,830,922	\$5,597,666

### USE OF FUNDS

#### **ELECTRIC OPERATIONS:**

<u>SOURCE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY18</u>	<u>BUDGET FY19</u>
New Services - BWO	CC	\$ 33,179	\$ 34,398
Commercial Services - BWO	CC	20,063	20,944
Meter Test & Purchase - BWO	CC	80,600	83,176
Purchase & Ins. Transformers - BWO	CC	71,607	74,089
Development Agreements	CC	494,262	515,832
Flat Fee Construction - BWO	CC	25,517	26,946
Secondary Poles & Conductors - BWO	CC	6,446	6,716
Conduit & Boxes - BWO	CC	8,243	8,567
Line Extension & Upgrades	OP	304,962	318,207
Pole Replacements	OP	318,161	308,567
Various District Projects	OP	163,024	170,266
Electric Master Plan Projects	OP	551,150	615,733
Reclosers & Regs - Field Scada	OP	97,157	100,627
Distribution Repl & Improvement	OP	437,182	467,052
Meter Replacement Program (AMI)	CR	2,065,253	1,205,775
Vehicles	VR	422,346	0
Subtotal		\$5,099,153	\$3,956,894

## ELECTRIC UTILITY CAPITAL PLAN

**BUILDING MAINTENANCE:**

	SOURCE OF FUNDS	BUDGET FY18	BUDGET FY19
<i>Mechanics Bay Door/Lift</i>	OP	\$ 160,000	\$ 200,000
<i>Update Lobby &amp; Board Room</i>	OP	1,212,425	0
<i>HQ Window Replacement</i>	OP	0	125,000
<i>Asphalt HQ Complex</i>	OP	0	200,000
<i>Paint the Exterior of the HQ</i>	OP	0	80,000
<i>Subtotal</i>		\$1,372,425	\$605,000

**INFORMATION TECHNOLOGY (IT):**

	SOURCE OF FUNDS	BUDGET FY18	BUDGET FY19
<i>Network Infrastructure Improvement</i>	OP	\$ 208,149	\$ 244,415
<i>Various Department IT Projects</i>	OP	123,788	124,786
<i>SCADA Reliability</i>	OP	27,407	666,571
<i>Subtotal</i>		\$359,344	\$1,035,772

<b><i>Total Capital Projects &amp; Equipment</i></b>		\$6,830,922	\$5,597,666
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***PART IV***  
***THE FY18 & FY19***  
***CAPITAL IMPROVEMENT PLAN***  
***WATER UTILITY***

## WATER CAPITAL PLAN

<u>SOURCE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY18</u>	<u>BUDGET FY19</u>
Operations (OP)	OP	\$ 2,391,626	\$ 2,640,205
Vehicle Reserve Fund (VR)	VR	-	429,838
Meter Reserve (MR)	MR/OP	303,681	150,000
Operating Reserve Fund (OR)	OR	-	-
<b>Total Source of Funds</b>		<b>\$2,695,307</b>	<b>\$3,220,043</b>

<u>USE OF FUNDS</u>	<u>SOURCE OF FUNDS</u>	<u>BUDGET FY18</u>	<u>BUDGET FY19</u>
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**WATER OPERATIONS:**

Martis Woods Pump Station	OP	\$ -	\$ 188,093
Meter Installation	MR/OP	303,681	200,000
Water Main Replacement	OP	886,200	888,174
Water Tank Painting	OP	93,686	72,181
Sanders Well Remodel	OP	-	150,000
Soma Sierra Booster Generator	OP	88,029	-
Donner Trails Booster Generator	OP	88,029	-
Water Production Meter Project	OP	58,477	64,832
ARC Flash Study	OP	100,000	80,000
Meter Replacement	OP	81,391	80,000
Vehicles	VR	-	429,838
<b>Subtotal</b>		<b>\$1,699,493</b>	<b>\$2,153,118</b>

**INFORMATION TECHNOLOGY (IT):**

Water SCADA Replacement	OP	663,877	697,724
Network Infrastructure Improvements	OP	208,149	244,415
Various IT Projects	OP	123,788	124,786
		<b>\$995,814</b>	<b>\$1,066,925</b>

<b>Total Capital Projects &amp; Equipment</b>		<b>\$2,695,307</b>	<b>\$3,220,043</b>
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***PART V***  
***THE FY18 & FY19***  
***APPENDICES***

**2018 APPENDIX 1  
INTERDEPARTMENTAL RENT**

**DISTRICT HEADQUARTERS:**

<i>Building operation/PM/repair</i>	497,886
<i>Depreciation of jointly used assets</i>	<u>551,248</u>
<b>TOTAL COSTS</b>	<u><u>\$1,049,134</u></u>

*The Electric Utility owns the district headquarters.*

*The Water Utility pays the Electric Utility rent for the use of the District headquarters and jointly used assets.*

*The rent is calculated as 50% of the above costs, which is \$524,567 through a monthly rental charge of \$43,714.*

**2019 APPENDIX 1  
INTERDEPARTMENTAL RENT**

***DISTRICT HEADQUARTERS:***

<i>Building operation/PM/repair</i>	513,410
<i>Depreciation of jointly used assets</i>	<u>571,248</u>
<b><i>TOTAL COSTS</i></b>	<b><u><u>\$1,084,658</u></u></b>

*The Electric Utility owns the district headquarters.*

*The Water Utility pays the Electric Utility rent for the use of the District headquarters and jointly used assets.*

*The rent is calculated as 50% of the above costs, which is \$542,329 through a monthly rental charge of \$45,194.*

**APPENDIX 2  
BUDGETED POSITIONS BY DEPARTMENT**

<b>POSITION</b>	<b>BUDGET FY18</b>	<b>BUDGET FY19</b>
<b><u>ADMINISTRATION</u></b>		
General Manager	\$249,338	\$256,818
Public Information & Strategic Affairs Manager	\$167,082	\$172,095
Project Manager	124,684	128,423
Executive Secretary	88,433	91,085
Human Resources & Risk Manager	<u>124,684</u>	<u>128,423</u>
	\$754,220	\$776,845
<b><u>ADMINISTRATIVE SERVICES</u></b>		
Admin Services Manager	171,157	176,292
Finance & Accounting Manager	137,182	148,156
Senior Accountant/Accounting Analyst	118,741	122,304
Accounting/Computer Operations Supervisor	83,013	85,509
Work Order Accounting Supervisor	83,013	85,509
Contract Administrator	83,013	85,509
Work Order Clerk	68,245	70,304
Payroll and Accounts Payable Clerk	68,245	70,304
Buyer/Clerk	83,013	85,509
Warehouse/Utility Worker	69,950	72,051
Customer Services Manager	99,863	107,852
Customer Billing and CSR Supervisor	77,126	79,435
Billing Clerk	68,245	70,304
Conservation Specialist	68,245	70,304
Administrative/Community Outreach Coordinator	71,677	73,819
Customer Service Representatives (4)	229,521	246,189
Overtime	<u>18,306</u>	<u>19,026</u>
	\$1,598,554	\$1,668,377
<b><u>CONSERVATION</u></b>		
Program Manager, CSR & Conservation	<u>113,085</u>	<u>116,478</u>
	\$113,085	\$116,478
<b><u>ELECTRIC OPERATIONS</u></b>		
Power Supply Engineer/Asst General Manager	218,448	225,002
Electric Superintendent/Project Administrator	162,999	167,889
Electric Superintendent	162,999	167,889
Electric System Engineer	171,149	176,282
Electric Engineers (3)	363,176	385,360
Foreman, Power Services (2)	239,308	246,480
Foreman, Service Crew (1)	119,654	123,240
Foreman, Electricians(1)	119,654	123,240

**APPENDIX 2  
BUDGETED POSITIONS BY DEPARTMENT**

<b>POSITION</b>	<b>BUDGET FY18</b>	<b>BUDGET FY19</b>
<b><u>ELECTRIC OPERATIONS (continued)</u></b>		
<i>Electrician/Meter Technician (3)</i>	314,009	333,736
<i>Substation Lineman/Inspector</i>	119,654	123,240
<i>Lead Lineman</i>	113,955	117,374
<i>Journeyman Linemen (6)</i>	667,405	687,398
<i>Apprentice Linemen (2)</i>	198,411	213,554
 <i>Standby/Overtime</i>	 <u>194,477</u>	 <u>202,620</u>
	<b>\$3,165,300</b>	<b>\$3,293,305</b>
 <b><u>IT/GIS</u></b>		
<i>IT/GIS Operations Manager</i>	151,545	156,092
<i>IT/SCADA Engineer</i>	124,684	128,423
<i>GIS Coordinator</i>	107,484	116,083
<i>Network &amp; System Administrator</i>	<u>118,498</u>	<u>122,052</u>
	<b>\$502,210</b>	<b>\$522,650</b>
 <b><u>WATER OPERATIONS</u></b>		
<i>Water System Engineer</i>	175,436	180,698
<i>Water Superintendent</i>	137,463	141,588
<i>Water Quality Inspector</i>	108,534	111,779
<i>Water Foremen (2)</i>	217,069	223,558
<i>Water Leadmen (2)</i>	192,192	197,974
<i>Water Service Technicians - (6.5) in FY18 &amp; (6) in FY19</i>	580,278	551,741
<i>Water Service Technicians - in Training (2) FY18, (1) FY19</i>	154,253	83,408
<i>Facilities Maintenance/Relief Utility Worker</i>	73,464	75,670
<i>Mechanic</i>	100,880	103,917
<i>Standby/Overtime</i>	<u>153,758</u>	<u>133,626</u>
	<b>\$1,893,326</b>	<b>\$1,803,960</b>
 <b>TOTAL</b>	 <b><u>\$8,026,696</u></b>	 <b><u>\$8,181,614</u></b>

**2018 APPENDIX 3  
LABOR OVERHEAD**

**VALUE OF BENEFITS**

<i>Medical /Dental insurance</i>	\$2,181,870
<i>Vision insurance</i>	61,800
<i>Long term disability</i>	33,000
<i>Life insurance</i>	54,569
<i>Longevity</i>	20,470
<i>FICA</i>	499,143
<i>Fed Med</i>	116,735
<i>Worker's compensation insurance</i>	211,602
<i>Pension</i>	1,728,298
<i>Other Post Employment Benefits</i>	100,000
<i>Value of non-productive labor (vacation, sick leave, holiday)</i>	1,142,634

**TOTAL VALUE OF BENEFITS**

**\$6,150,121**

**PRODUCTIVE LABOR**

<i>Recommended labor (Appendix 2)</i>	\$8,026,696
<i>Less value of non-productive labor</i>	<u>(1,142,634)</u>

**TOTAL PRODUCTIVE LABOR**

**\$6,884,062**

**PAYROLL OVERHEAD**

*(Value of benefits/productive labor)*

**89.34%**

**2019 APPENDIX 3  
LABOR OVERHEAD**

**VALUE OF BENEFITS**

<i>Medical /Dental insurance</i>	\$2,216,917
<i>Vision insurance</i>	63,654
<i>Long term disability</i>	33,716
<i>Life insurance</i>	57,837
<i>Longevity</i>	21,280
<i>FICA</i>	508,748
<i>Fed Med</i>	118,981
<i>Worker's compensation insurance</i>	211,972
<i>Pension</i>	1,857,356
<i>Other Post Employment Benefits</i>	103,000
<i>Value of non-productive labor (vacation, sick leave, holiday)</i>	1,168,419

**TOTAL VALUE OF BENEFITS**

**\$6,361,881**

**PRODUCTIVE LABOR**

<i>Recommended labor (Appendix 2)</i>	\$8,181,614
<i>Less value of non-productive labor</i>	<u>(1,168,419)</u>

**TOTAL PRODUCTIVE LABOR**

**\$7,013,195**

**PAYROLL OVERHEAD**

*(Value of benefits/productive labor)*

**90.71%**

**2018 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 &amp; misc expenses</i>	\$656,050
<i>Insurance</i>	18,941
<i>Replacement (depreciation expense)</i>	<u>314,393</u>
<b>TOTAL TRANSPORTATION EXPENSE</b>	<b><u><u>\$989,384</u></u></b>

**DIRECT LABOR HOURS**

<i>General Manager</i>	4,571
<i>Administrative Services</i>	705
<i>Conservation</i>	74
<i>Electric Operations</i>	39,752
<i>Water Operations</i>	34,981
<i>Power Supply</i>	<u>6,103</u>
<b>TOTAL DIRECT LABOR HOURS</b>	<b><u><u>86,186</u></u></b>

**TRANSPORTATION/EQUIPMENT OVERHEAD PER HOUR COST**  
*(\$989,384 DIVIDED BY 86,186)*

**\$11.48**



**2019 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 &amp; misc expenses</i>	\$685,030
<i>Insurance</i>	19,509
<i>Replacement (depreciation expense)</i>	<u>323,825</u>
<b>TOTAL TRANSPORTATION EXPENSE</b>	<u><u>\$1,028,364</u></u>

**DIRECT LABOR HOURS**

<i>General Manager</i>	4,571
<i>Administrative Services</i>	1,043
<i>Conservation</i>	74
<i>Electric Operations</i>	38,687
<i>Water Operations</i>	35,023
<i>Power Supply</i>	<u>6,314</u>
<b>TOTAL DIRECT LABOR HOURS</b>	<u><u>85,712</u></u>

**TRANSPORTATION/EQUIPMENT OVERHEAD PER HOUR COST**

*(1,028,364 DIVIDED BY 85,712)* **\$12.00**

**2018 APPENDIX 5  
ADMINISTRATIVE OVERHEAD**

**COMMON SUPPLY COSTS:**

***Purchasing/Warehousing of Common Supplies***

<i>Labor</i>	\$138,653
<i>Accounts Payable</i>	29,163
<i>Overhead:</i>	
<i>Labor</i>	123,262
<i>Administrative</i>	6,947
	<hr/> 298,025

***Warehousing Operating Costs***

<i>Utilities &amp; Building Maintenance</i>	29,158
<i>Miscellaneous (insurance)</i>	5,526
<i>Subtotal</i>	<hr/> 34,684

**TOTAL PURCHASING/WAREHOUSING/COMMON SUPPLIES** \$332,709

**TOTAL PRODUCTIVE LABOR** \$6,884,062

**ADMINISTRATIVE OVERHEAD** **4.83%**

**2019 APPENDIX 5  
ADMINISTRATIVE OVERHEAD**

**COMMON SUPPLY COSTS:**

***Purchasing/Warehousing of Common Supplies***

<i>Labor</i>	\$142,819
<i>Accounts Payable</i>	30,038
<i>Overhead:</i>	
<i>Labor</i>	129,037
<i>Administrative</i>	6,955
	<hr/>
	308,850

***Warehousing Operating Costs***

<i>Utilities &amp; Building Maintenance</i>	30,063
<i>Miscellaneous (insurance)</i>	5,692
	<hr/>
<i>Subtotal</i>	35,755

**TOTAL PURCHASING/WAREHOUSING/COMMON SUPPLIES** \$344,605

**TOTAL PRODUCTIVE LABOR** \$7,013,195

**ADMINISTRATIVE OVERHEAD** **4.91%**

**2018 APPENDIX 6  
CONSTRUCTION OVERHEAD**

**General direction and general construction costs from budget:**

<i>Electric Operations</i>	\$64,754
<i>Water Operations</i>	52,521
<b>Total</b>	<u><u>\$117,275</u></u>

**Determine capitalized labor as a percent of total labor:**

$$\frac{\text{Capitalized Labor}}{\text{Total Electric \& Water Labor}} = \frac{\$1,354,672}{\$4,662,687} = 29.05\%$$

**Determine construction overhead to be capitalized:**

<i>Total General direction &amp; construction costs</i>	\$117,275
<i>% of labor to be capitalized</i>	<u>29.05%</u>
<i>General direction &amp; construction costs to capitalize</i>	\$34,073
<i>Construction accounting costs to capitalize</i>	<u>179,853</u>
	\$213,925

**Calculate construction overhead to be applied to capital improvements:**

$$\frac{\text{Capital Overhead}}{\text{Capital Labor}} = \frac{\$213,925}{\$1,354,672} = 15.79\%$$

**CONSTRUCTION OVERHEAD = 15.79%**

**2019 APPENDIX 6  
CONSTRUCTION OVERHEAD**

**General direction and general construction costs from budget:**

<i>Electric Operations</i>	\$66,927
<i>Water Operations</i>	54,332
<b>Total</b>	<u><u>\$121,259</u></u>

**Determine capitalized labor as a percent of total labor:**

$$\frac{\text{Capitalized Labor}}{\text{Total Electric \& Water Labor}} = \frac{\$1,261,445}{\$4,660,922} = 27.06\%$$

**Determine construction overhead to be capitalized:**

<i>Total General direction &amp; construction costs</i>	\$121,259	
<i>% of labor to be capitalized</i>	<u>27.06%</u>	
<i>General direction &amp; construction costs to capitalize</i>	\$32,818	
<i>Construction accounting costs to capitalize</i>	<u>186,556</u>	
	<u>\$219,374</u>	

**Calculate construction overhead to be applied to capital improvements:**

$$\frac{\text{Capital Overhead}}{\text{Capital Labor}} = \frac{\$219,374}{\$1,261,445} = 17.39\%$$

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

<b>Refinanced Pension Liability</b>		
<b>YEAR</b>		<b>TOTAL</b>
2018	965,863	965,863
2019	1,000,176	1,000,176
2020	1,035,094	1,035,094
2021	1,071,555	1,071,555
2022	545,657	545,657
	<b>4,618,344</b>	<b>4,618,344</b>

**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*

<b>YEAR</b>	<b>Pipeline COP Rates</b>	<b>Pipeline COP FF</b>	<b>Pipeline COP Assmt</b>	<b>DWR-SRF DONNER LAKE Assmt</b>	<b>DWR PROP 55 Rates</b>	<b>TOTAL</b>
2018	1,263,987	356,284	96,801	800,852	306,481	2,824,404
2019	1,265,069	355,324	100,207	800,852	306,481	2,827,933
2020	1,265,881	357,617	97,973	800,852	306,481	2,828,804
2021	1,252,412	356,179	96,216	800,852	153,241	2,658,899
2022	576,869	358,008	99,060	800,852		1,834,790
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	576,529	360,884	97,925	800,852		1,836,190
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
	12,518,763	6,401,107	1,677,368	6,406,816	1,072,683	28,076,736

**Loan Descriptions :**

Pipeline COP - Water system improvements and Donner Lake financing

DWR/SRF - Replacement of Donner Lake Water System

DWR/Prop 55 - Water system improvement projects

**Debt Payments:**

The Water debt payments are funded by development (FF), current customers (rates) and special assessm  
The method of payment for the water debt is listed in the column headings.

**APPENDIX 9  
VEHICLE REPLACEMENT SCHEDULE**

<b>UNIT #</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>AGE</b>	<b>REPLACEMENT</b>
350	02 GMC 3500 4WD w/Service Body	Electric	15	2018
204	06 Chevy Silverado 3500 DSL	Electric	11	2018
211	99 Int'l Double Bucket Truck 4WD	Electric	18	2018
369	05 Freight liner/ Mudd Dog	Water	12	2019
105	07 Chevy Trail Blazer	Administration	10	2020
200	06 Chevy Silverado	Electric	11	2020
228	08 GMC 2500HD	Electric	9	2020
216	07 Int'l SC-45 Bucket Truck 4WD	Electric	10	2020
503	06 Chevy Silverado 3500	Support Services	11	2020
343	08 Chevy Silverado 3500	Water	9	2020
373	98 Dump Trailer	Water	19	2020
206	10 Chrvy Silverado 2500 HD	Electric	7	2021
201	08 GMC 3500 HD	Electric	9	2021
580	01 Trackless Snowblower	Support Services	16	2021
323	11 Ford F-550	Water	6	2021
324	11 Ford F-550	Water	6	2021
325	11 Ford F-550	Water	6	2021
301	06 Chevy Silverado 3500	Water	11	2021
378	89 Backhoe Transport Trailer	Water	28	2021
136	08 Chevy Colorado	Electric	9	2022
501	07 Chevy Silverado 1500	Support Services	10	2022
106	13 Ford Escape	Administration	4	2023
207	13 GMC Sierra 2500HD	Electric	4	2023
281	93 Fleming Spool Trailer	Electric	24	2023
295	08 John Deer 35D	Electric	9	2023
314	08 John Deer 410 J	Water	9	2023
306	13 GMC Sierra 2500hd	Water	4	2023
307	13 GMC Sierra 2500hd	Water	4	2023
123	14 Chevy Van	Administration	3	2024
107	14 Jeep Cherokee	Administration	3	2024
288	Underground wire puller/tugger	Electric	13	2024
289	SnowCat	Electric	13	2024
108	15 Jeep Cherokee	Administration	2	2025
109	15 Jeep Cherokee	Administration	2	2025
110	15 Jeep Cherokee	Administration	2	2025



**APPENDIX 9  
VEHICLE REPLACEMENT SCHEDULE**

<b>UNIT #</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>AGE</b>	<b>REPLACEMENT</b>
111	15 Jeep Cherokee	Administration	2	2025
320	10 International Dump Truck	Water	7	2025
205	06 Chevy Silverado 3500	Electric	11	2026
210	11 International/ Altec 3050A	Electric	6	2026
326	16 Ford F-550	Water	1	2026
202	06 Chevy Silverado 1500	Electric	11	2027
203	06 Chevy Silverado 2500	Electric	11	2027
	18 Chevy Silverado 1500	Electric	1	2027
304	07 Chevy Silverado 1500	Water	10	2027
305	07 Chevy Silverado 1500	Water	10	2027
303	07 Chevy Silverado 1500	Water	10	2027
399	12 New Holland	Water	5	2027
283	72 Small Spool Trailer	Electric	45	2028
330	13 International Dump Truck	Water	4	2028
291	Dump Trailer	Electric	13	2029
290	Trailer, Snowcat	Electric	13	2029
285	14 Overhead Wire Puller	Electric	3	2029
223	14 Int'l 7500 Bucket Trucke 4WD	Electric	3	2029
389	14 EH Wachs Trailer	Water	3	2029
360	Caterpillar 926M	Water	2	2030
315	15 John Deere 410 L	Water	2	2030
219	Ford Mini Bucket F550	Electric	1	2031
292	Spool Trailer	Electric	11	2031
395	Compact Excavator Caterpillar 305.5E2	Water	1	2031
225	International /Navistar 7400	Electric	1	2032
560	Heavy Duty Fork Lift	Electric	39	2032
293	06 Pole Trailer	Electric	11	2032
379	06 Halmark Leak Trailer	Water	11	2032
296	Trailer, Mini X	Electric	9	2033
	Cargo Trailer	Water	1	2036
298	2013 Hallmark Trailer	Electric	4	2037