



Truckee Donner Public Utility District

BOARD MEETING
6:00 p.m., Wednesday, August 21, 2019
TDPUD Board Room
AGENDA

Directors
Joseph R. Aguera
Jeff Bender
Bob Ellis
Tony Laliotis
Christa Finn
General Manager
Michael D. Holley

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Changes to the agenda
5. Public Input – This is time set aside for the public to address the Board on any matter not on the agenda. Testimony related to any agenda item should be addressed at the time that that item is considered.
(The public may comment on any subject that is not on the agenda. Each speaker will be limited to three minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.)

DIRECTOR UPDATE

6. This item provides time for Directors to comment on any item within the purview of the District.

BUDGET

7. Discussion of FY20 & FY21 Budget: Objectives, Goals, Assumptions, Labor, and Debt.
This item begins the process for preparation of the FY20 & FY21 Budget process. This workshop will cover the District's Goals and objectives, assumptions, projections, labor, and debt items for the upcoming FY20 & FY21.

CLOSED SESSION

8. Closed Session Conference with Real Property Negotiator Pursuant to Government Code Section 54956.87 regarding APN's 19-660-07, 18-660-39, 19-400-28, 19-400-29, 45-750-13, 18-590-10, 19-450-53, and 19-270-15, District Negotiator (s): General Manager, Michael D. Holley and Shanna D. Kuhlemier, Under Negotiation: Price and Terms.

ADJOURNMENT

The agenda is available for review at the TDPUD administrative office and the District's internet website. Posted on Thursday, August 15, 2019.

Shanna D. Kuhlemier, CMC, District Clerk

A copy of the agenda packet is available for public review, during normal business hours, at the district administrative office located at 11570 Donner Pass Road. Public participation is encouraged. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the Districts public meetings. If particular accommodations for the disabled are needed (i.e. disability-related aids, or other services), please contact the District Clerk at (530) 582-3980 or ShannaKuhlemier@tdpud.org, at least 24 hours in advance of the meeting.

Agenda Item # 7



BUDGET

To: Board of Directors
From: Regina Wise
Date: August 21, 2019
Subject: Discussion of FY20 & FY21 Budget: Objectives, Goals, Assumptions, Labor, and Debt

1. WHY THIS MATTER IS BEFORE THE BOARD

This item begins the formal process for preparation of the FY20 & FY21 Budget.

2. HISTORY

In 2008, the Board implemented two year budget cycles. As we move forward, the District will be compiling the FY20 and FY21 budgets utilizing the FY18 and FY19 approved budget and actuals for the budget foundation and to report comparisons.

3. NEW INFORMATION

SCHEDULE

The proposed schedule for the budget process is as follows:

August 21, 2019 (Tonight) -

Discuss the objectives, goals, assumptions, labor and debt.

September 4 -

Discuss the Purchase Power Plan; and
Discuss the operating and capital budget for the Electric and Water.

September 18 -

Discuss the operating and capital budgets for supporting services.

October 2 -

Present a draft of the Summary FY20 & FY21 Budget;
Discuss revenue, rates, fees, and charges;
Discuss Reserve Funds; and
Review the 10 Year Financial Master Plan.

October 16 -

Consideration to set a public hearing regarding the Draft FY20 & FY21 Budget.

November 6 -

Consider adoption of the FY20 & FY21 Budget.

OBJECTIVES AND GOALS

The District's Mission 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." This budget process is essential in planning operational and capital expenses that are in line with the District's mission statement, goals, and objectives. Key focus areas of the FY20 and FY21 Budget include the selection of a new General Manager in addition to the following:

Electric Utility - Maintain focus on repair and maintenance of District facilities and equipment;

- Maintain and improve reliability and safety of the distribution system;
- Continue pole replacements, and distribution replacement and improvement projects; and
- Implement facilities improvement projects.

Water Division - Maintain focus on repair and maintenance of District facilities and equipment;

- Continue the SCADA replacement project; and
- Continue to rehabilitate aging pumping and storage facilities.

ASSUMPTIONS

The FY20 & FY21 Budget will be similar to the FY18 & FY19 budget formulation utilizing the following assumptions:

- Customer electric rates are projected to increase 2.7% in FY20 and 3% in FY21;
- Customer water rates are projected to increase 3% in FY20 and FY21; and
- Inflation will increase cost of supplies, materials, and services by 3% in FY21 over the FY20 proposal.

LABOR

Staffing is proposed to be similar to FY19 with the following changes:

- Labor cost increase of 3% budgeted for FY20 and FY21 for all employee groups;
- Total budgeted headcount in FY20 and FY21 is 73 employees in FY20 and 74 employees in FY21 compared to the 69 employees budgeted in FY19. The increase is due primarily to the District's commitment in FY19 to cyber security and data management, in addition to succession planning for the General Manager's retirement.

DEBT

No New debt is expected to be incurred in this budget cycle. Attachment 1 includes the following detail for year end debt balances;

- FY19 Electric Utility \$2.6M, Water Utility \$18.4M;
- FY20 Electric Utility \$1.6M, Water Utility \$16.4M; and
- FY21 Electric Utility \$0.5M, Water Utility \$14.1M.

4. FISCAL IMPACT

This budget workshop is part of the overall budget process that will directly affect the District's planned spending for the next two fiscal years.

5. RECOMMENDATION

Receive this report and provide comments to staff.



Regina Wise
Finance & Accounting Manager



Michael D. Holley
General Manager

Truckee Donner Public Utility District
Projected Debt Balances
For the years ending December 31, 2019, 2020, and 2021

	FY19	FY20	FY21
<u>Electric Utility</u>			
Pension Obligation Bond	<u>\$ 2.6</u>	<u>\$ 1.6</u>	<u>\$ 0.5</u>
Total Electric Utility Debt	<u><u>\$ 2.6</u></u>	<u><u>\$ 1.6</u></u>	<u><u>\$ 0.5</u></u>
<u>Water Utility</u>			
2006 COP - Pipeline Replacement	\$ 13.2	\$ 11.9	\$ 10.7
State Revolving Fund - Donner Lake	4.8	4.1	3.4
Dept of Water Resources - 1996	0.4	0.2	-
MSG 1552 - Glenshire Water System	-	-	-
MSG 1551 - Bridge Street Tank	-	-	-
Total Water Utility Debt	<u><u>\$ 18.4</u></u>	<u><u>\$ 16.2</u></u>	<u><u>\$ 14.1</u></u>



Truckee Donner Public Utility District

**SPECIAL BOARD MEETING
6:00 p.m., Thursday, August 22, 2019
TDPUD Board Room
AGENDA**

Directors
Joseph R. Aguera
Jeff Bender
Bob Ellis
Tony Laliotis
Christa Finn
General Manager
Michael D. Holley

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Changes to the agenda
5. Public Input – This is time set aside for the public to address the Board on any matter not on the agenda. Testimony related to any agenda item should be addressed at the time that that item is considered.
(The public may comment on any subject that is not on the agenda. Each speaker will be limited to three minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.)

DIRECTOR UPDATE

6. This item provides time for Directors to comment on any item within the purview of the District.

CLOSED SESSION

7. Closed Session Pursuant to Government Code Section 54956.9(b), Potential Litigation, one potential case.

ADJOURNMENT

The agenda is available for review at the TDPUD administrative office and the District's internet website. Posted on Thursday, August 15, 2019.

Shanna D. Kuhlemier, CMC, District Clerk

A copy of the agenda packet is available for public review, during normal business hours, at the district administrative office located at 11570 Donner Pass Road. Public participation is encouraged. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e. disability-related aids, or other services), please contact the District Clerk at (530) 582-3980 or ShannaKuhlemier@tdpud.org, at least 24 hours in advance of the meeting.