



Tahoe City Public Utility District

2011 Budget Workshop

Photo by Craig Trumbull

Comparison of 2010 Budget to 2011 Budget

	2010 Budget	2011 Budget	Increase (Decrease)	% Increase (Decrease)
Total Operating Revenue	\$11,781,899	\$12,605,058	\$823,159	7%
Total Recurring Operating Expenses	(\$8,437,889)	(\$8,431,993)	\$5,896	(.07%)
Special Studies - Engineering, Net	(\$143,500)	(\$337,500)	(\$194,000)	135.2%
Net Operating Income	\$3,200,510	\$3,835,565	\$635,055	19.8%
Total Non-Operating Income (Expense)	(\$26,725)	\$6,775	\$33,500	
Net District Funded Capital	(\$4,462,567)	(\$2,990,897)	\$1,471,670	(32.9%)
Proceeds from Financings	\$850,000	-0-	(\$850,000)	
Transfers (to) from Reserves	\$439,659	(\$850,000)	(\$1,289,659)	
Total Surplus (Deficit)	\$877	\$1,443	\$566	

2011 Budget – Operating Summary

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Tahoe City Public Utility District Operating Summary

	Actual 2008	Actual 2009	Budget 2010	Projected 2010	Budget 2011	% Change Budget 2010-11
<u>Operating Revenues</u>						
Water Department	2,831,127	3,027,459	3,455,174	3,486,064	3,832,565	10.9%
Sewer Department	2,042,285	2,293,241	2,853,348	2,862,646	3,599,351	26.1%
Parks Department	1,820,071	1,822,322	2,090,933	2,012,326	2,154,924	2.6%
Recreation Department	803,340	740,912	736,764	678,373	710,247	-3.6%
Property Taxes for Capital and Reserves	2,506,351	2,897,494	2,645,680	2,540,427	2,308,805	-12.4%
Total Operating Revenue	10,003,174	10,781,429	11,781,899	11,579,836	12,605,058	7.0%
<u>Operating Expenses (Excluding Depreciation)</u>						
Water Department	2,637,685	2,398,952	2,820,110	2,653,722	2,783,461	-1.3%
Sewer Department	2,509,127	2,411,165	2,678,905	2,322,250	2,671,922	-0.3%
Parks Department	1,820,071	1,822,322	2,090,933	2,012,326	2,145,924	2.6%
Recreation Department	803,340	740,912	736,764	678,373	710,247	-3.6%
Special Studies - Engineering, Net			143,500	12,357	337,500	135.2%
Project Engineering - Net of Recovery	169,899	127,587	111,177	111,707	120,438	8.3%
Flood Expense	(12,007)	(4,918)	-	35	-	
Total Operating Expenses	7,928,115	7,496,021	8,581,389	7,790,770	8,769,493	2.2%
Net Operating Income	2,075,059	3,285,407	3,200,510	3,789,066	3,835,565	19.8%
<u>Non-Operating</u>						
Revenues	114,826	98,594	57,275	70,075	81,775	42.8%
Expenses	(80,501)	(67,423)	(84,000)	(72,000)	(75,000)	-10.7%
Total Non-Operating Income (Expense)	34,325	31,171	(26,725)	(1,925)	6,775	-125.4%
Surplus (Deficit) Before Debt & Capital	2,109,384	3,316,579	3,173,785	3,787,141	3,842,340	21.1%

2011 Budget – Operating Summary

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Tahoe City Public Utility District Operating Summary

	Actual 2008	Actual 2009	Budget 2010	Projected 2010	Budget 2011	% Change Budget 2010-11
Debt Service Revenue	872,939	986,034	969,714	915,189	835,144	-13.9%
Principal Payments	(637,500)	(763,210)	(761,476)	(728,201)	(676,426)	-11.2%
Interest Expense	(235,439)	(222,824)	(208,238)	(186,988)	(158,718)	-23.8%
Net Debt	-	-	-	-	-	
Capital Expenditures	2,566,972	1,515,440	6,500,751	4,204,001	8,422,257	29.6%
Less: Grant Funded Project Reimbursements	(217,104)	(196,705)	(2,038,184)	(1,173,197)	(5,431,360)	166.5%
Net District Funded Capital	2,349,868	1,318,735	4,462,567	3,030,804	2,990,897	-33.0%
Proceeds From Financings, Net	894,095	-	850,000			-100.0%
Transfer (to) from Reserves/Non-Operating	(409,937)	(2,300,000)	439,659	(750,000)	(850,000)	-293.3%
Total Surplus(Deficit)	243,674	(302,156)	877	6,337	1,443	65%
Available Reserves						
Working Capital	250,000	250,000	250,000	250,000	250,000	0.0%
Emergencies	750,000	750,000	750,000	750,000	750,000	0.0%
Post-Retirement Medical Plans	325,387	-	-	-	-	
Long-Term Capital						
Parks	50,000	50,000	50,000	425,000	625,000	92.0%
Water and Sewer	1,000,000	2,212,951	1,075,000	2,487,951	2,937,951	63.4%
Water - Property Tax Reserve	-	1,087,049	1,030,268	1,187,049	1,387,049	25.7%
	2,375,387	4,350,000	3,155,268	5,100,000	5,950,000	47.0%
Total Debt and Capital Leases	6,563,689	5,800,479	5,893,958	5,072,278	4,395,852	

Summary of HDR Rate Study Replacement Values

Determining System Replacement

Water Facility	2008 Cost of Replacement
Water Lake Intakes	\$ 4,000,000
Water Booster Station Pumps	\$ 3,750,000
Water Tanks	\$ 8,000,000
Water Wells	\$ 8,145,550
Water Distribution Lines	\$ 87,138,344
Water Service Laterals	\$ 9,240,000
TOTAL	\$ 142,810,751
ANNUALIZED REPLACEMENT	\$ 2,939,885



Summary of HDR Rate Study Replacement Values

Determining System Replacement

Sewer	2008 Cost of Replacement
Sewer Pump Station Structures	\$ 15,850,000
Sewer Pump Stations Equipment	\$ 6,550,000
Sewer Gravity Lines	\$ 141,044,589
Sewer Force Mains	\$ 8,144,433
Sewer Service Laterals	\$ 15,159,900
Sewer Manholes	\$ 22,724,500
TOTAL	\$ 209,473,422
ANNUALIZED REPLACEMENT	\$ 3,764,761

Adopted HDR Rate Study Replacement Through Rates

Water and Sewer System Replacement

- Infrastructure Replacement
 - Issue across the Country
- Annual Replacement Value
 - Water \$2.8 million/year
 - Sewer \$3.7 million/year
- Recommended Annual Replacement Through **Rates**
 - Water \$1.4 million/year ←
 - Sewer \$1.8 million/year ←

2011 Budget - Comparison to HDR Rate Study Projections - Water

	2009		2010		2011	
	HDR	Actual	HDR	Projected	HDR	Budget
Total Revenue	3,108,970	3,027,459	3,863,122	3,486,064	4,490,484	3,832,565
Total Operations Expense	2,843,522	2,398,952	3,014,450	2,653,722	3,196,808	2,795,905
Revenues Over Expense	265,448	628,507	848,672	832,342	1,293,676	1,036,660
				<i>3 year total</i>	<i>2,407,796</i>	<i>2,497,509</i>
				<i>+/-</i>	<i>HDR</i>	<i>+ 89,713</i>
District Funded Capital	2,800,000	999,301	2,800,000	2,475,104	2,800,000	1,390,357
Increases to Reserves	175,000	1,997,844	175,000	150,000	175,000	450,000
Deficit	(2,709,552)	(2,368,638)	(2,126,328)	(1,792,762)	(1,681,324)	(803,697)
Property Tax Allocation		2,368,638		1,792,762		803,697
Capital Grants		60,563		574,937		1,826,412

2011 Budget - Staff Pipeline Comparison

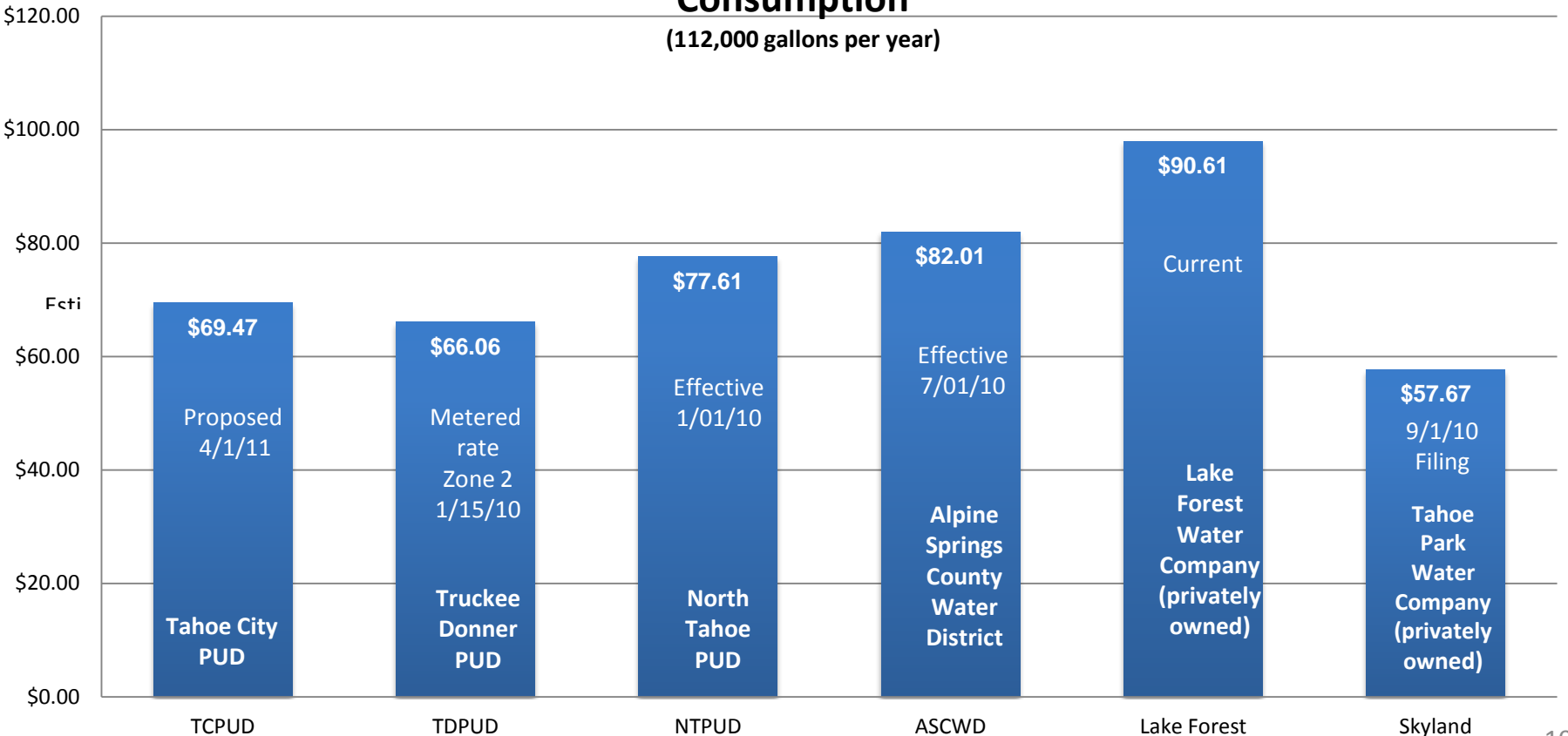
Agency	Sewer Connections	Feet of Sewer Pipeline	Total Sewer Field Employees	Sewer Administrative Employees	# of Connections per Employee	Feet of Pipe per Connection	Feet of Pipe per Employee
TCPUD	7,400	728,640	5	0.5	1,345	98	132,480
NTPUD	5,200	432,960	8	0.5	612	83	50,936

Agency	Water Connections	Feet of Water Pipeline	Total Water Field Employees	Water Administrative Employees	# of Connections per Employee	Feet of Pipe per Connection	Feet of Pipe per Employee
TCPUD	3,910	422,400	5	0.5	711	108	76,800
NTPUD	3,890	269,280	8	0.5	458	69	31,680

2011 Budget – Water Rate Comparison

Comparison of Monthly Water Charges Based on TCPUD Average Water Consumption*

(112,000 gallons per year)



*Based on TCPUD's avg. water consumption = 4.8k gallons per month Oct-April, 9.6k May, 12.8k June, 20.8k July-Aug, 14.4k Sept = 112,000 gallons

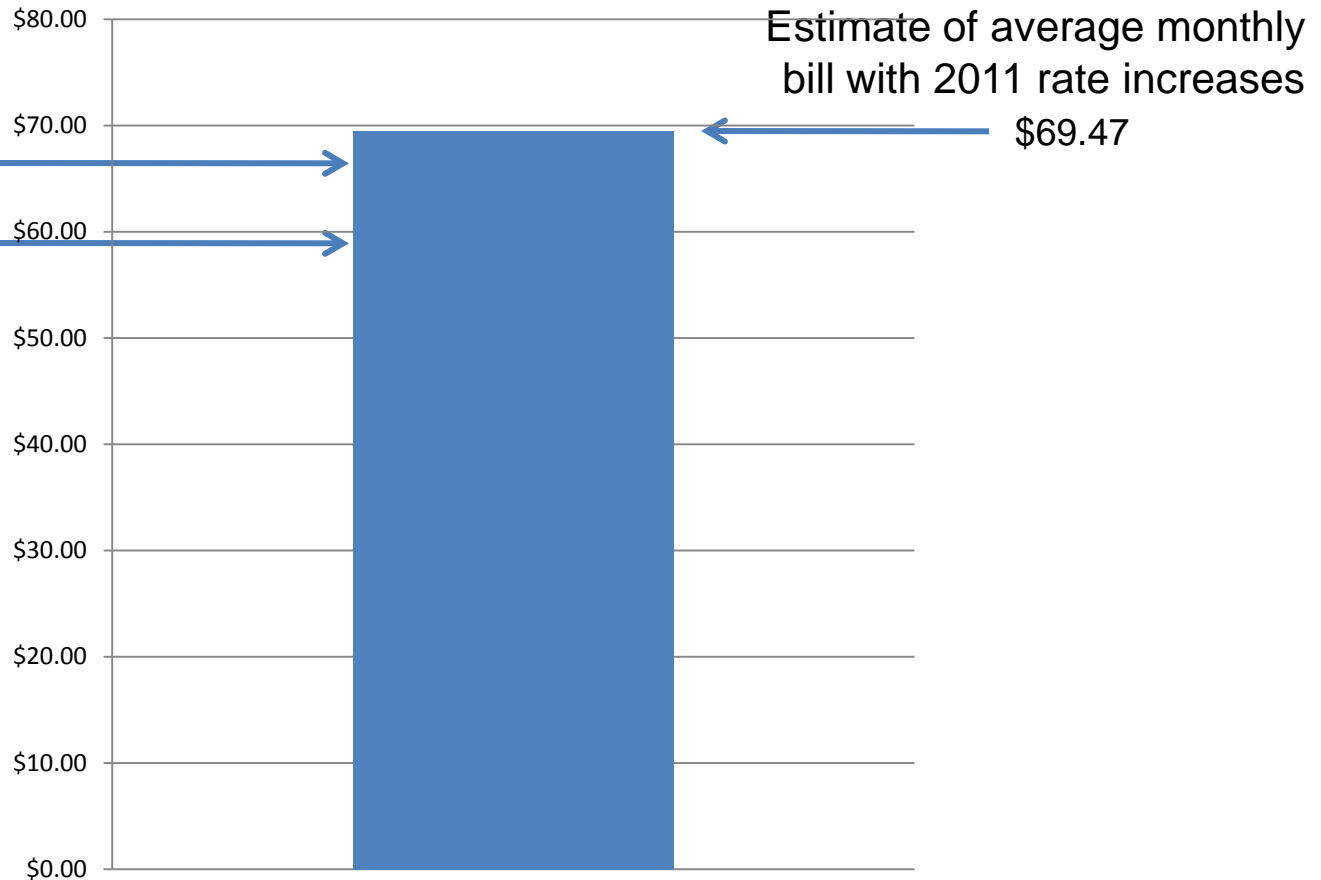
Water Rate Comparison Projection to Actual

Prop. 218 Notice
projected avg.
customer
monthly bill 2009

\$65.55

2010 avg.
customer paid

\$58.50

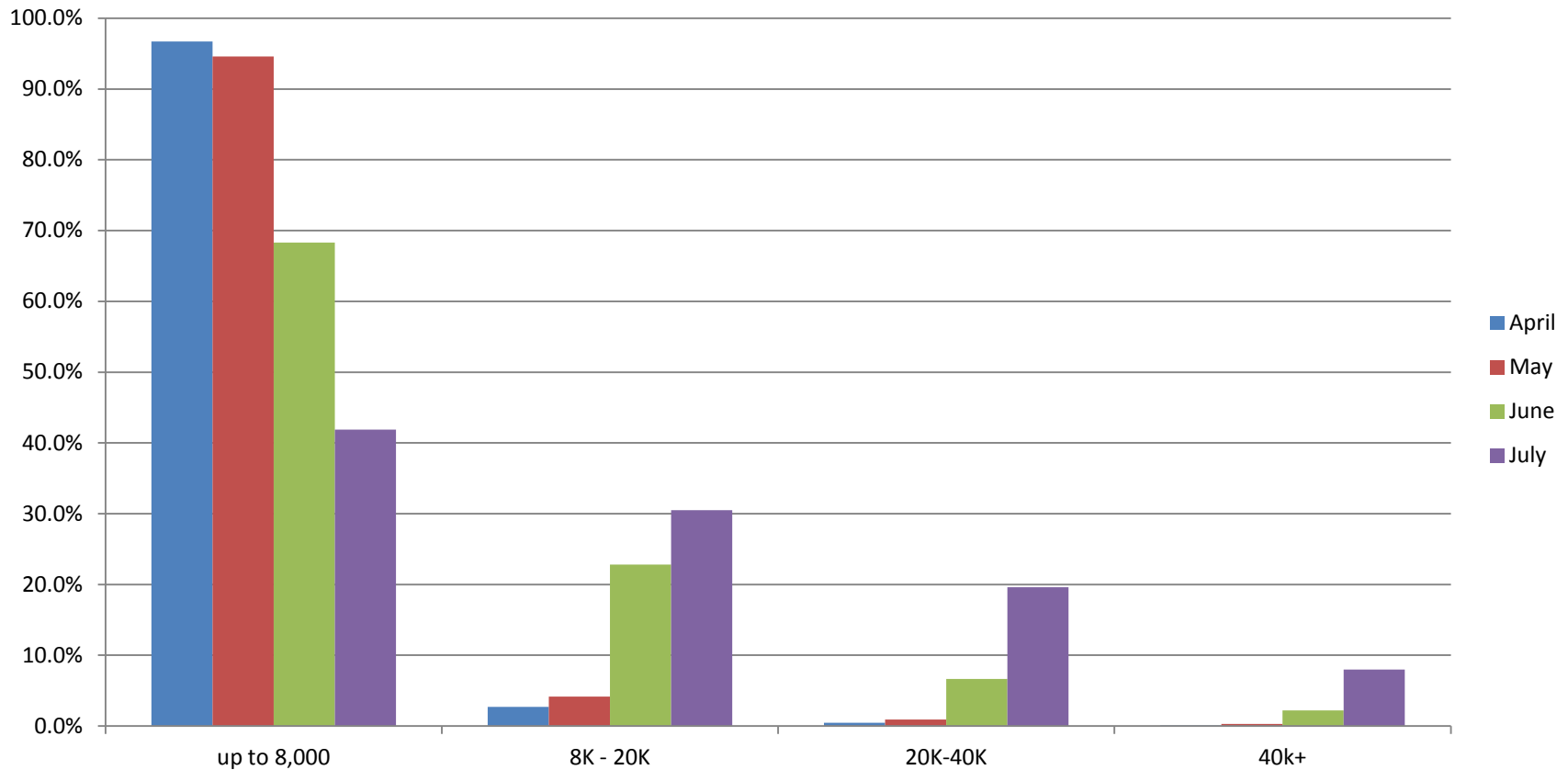


2011 Budget – Water Rate Comparisons

District	Flat Rate Monthly	Tier 1 per thousand	Tier 2 per thousand	Tier 3 per thousand	Tier 4 per thousand
TCPUD Current	\$50.00	1k-8k = \$1.05	8k-20k = \$1.35	20k-40k = \$1.80	40k+ \$3.60
TCPUD Proposed	\$55.00	\$1.40	\$1.85	\$2.35	\$5.00
NTPUD Current	\$65.27	Up to 6k No charge 6k-8k \$3.06	8k-20k \$3.06	20k-40,499k \$3.06	40,500k+ \$5.24

Percentage of Residential Customers in Each Tier May - July 2010

Percentage of Residential Customers in Each Tier
May - July 2010



2011 Budget – Water Rate Options

Residential Proposition 218 Approved Rate (per Month)

	4/1/2009	4/1/2010	4/1/2011	4/1/2012	4/1/2013
3/4" Service Base	\$ 48	\$ 50	\$ 55	\$ 55	\$ 55

Residential Consumption (per 1,000 gallons)

0-8,000 gallons	\$ 0.55	\$ 1.05	\$ 1.40	\$ 2.10	\$ 2.80
8,001-20,000 gallons	0.70	1.35	1.85	2.75	3.65
20,000-40,000 gallons	0.95	1.80	2.35	3.50	4.70
40,001 gallons +	1.95	3.60	5.00	7.50	9.00

2011 Revenue increase from following schedule (all customers)	433,651
Revenue reduction if no change in base (all customers for 3 quarters)	(190,905)
\$38,181 revenue reduction for each \$1 in base reduction	
Revenue reduction if no change in consumption rates (all customers for 3 quarters)	(176,608)
(At full increase consumption is budgeted to be 16% of total residential charges and 56% of total commercial charges)	

2011 Budget - Comparison to HDR Rate Study Projections - Sewer

	2009		2010		2011	
	HDR	Actual	HDR	Projected	HDR	Budget
Total Revenue	2,412,299	2,293,241	3,031,802	2,862,646	3,963,162	3,599,351
Total Operations Expense	2,721,361	2,411,165	2,882,931	2,322,250	3,055,279	2,671,922
Revenues (Under) Over Expense	(309,062)	(117,924)	148,871	540,396	907,883	927,429
				<i>3-year total</i>	<i>747,692</i>	<i>1,349,901</i>
				<i>+/-</i>	<i>HDR</i>	<i>+ 602,209</i>
District Funded Capital	215,938	112,954	468,870	327,000	1,000,000	1,042,040
Increases to Reserves	-	302,156	75,000	225,000	75,000	200,000
Deficit	(525,000)	(533,034)	(394,999)	(11,604)	(167,117)	(314,611)
Property Tax Allocation	525,000	533,034	395,000	11,604	265,000	314,611

2011 Budget – Sewer Rate Options

Residential Proposition 218 Approved Rates (per Quarter)

	4/1/2009	4/1/2010	4/1/2011	4/1/2012	4/1/2013
Increase %	20%	25%	30%	18%	18%
Residential Unit	\$ 63.54	\$ 79.44	\$ 103.26	\$ 121.86	\$ 143.79

2011 10% increase

Increase %	20%	25%	10%
Residential Unit	\$ 63.54	\$ 79.44	\$ 87.38

2011 20% increase

Increase %	20%	25%	20%
Residential Unit	\$ 63.54	\$ 79.44	\$ 95.33

2011 Revenue increase from following schedule (all customers)		745,675
Revenue reduction if 5% increase (all customers for 3 quarters)	(544,366)	201,309
Revenue reduction if 10% increase (all customers for 3 quarters)	(435,492)	310,183
Revenue reduction if 15 % increase (all customers for 3 quarters)	(326,620)	419,055
Revenue reduction if 20% increase (all customers for 3 quarters)	(217,746)	527,929