

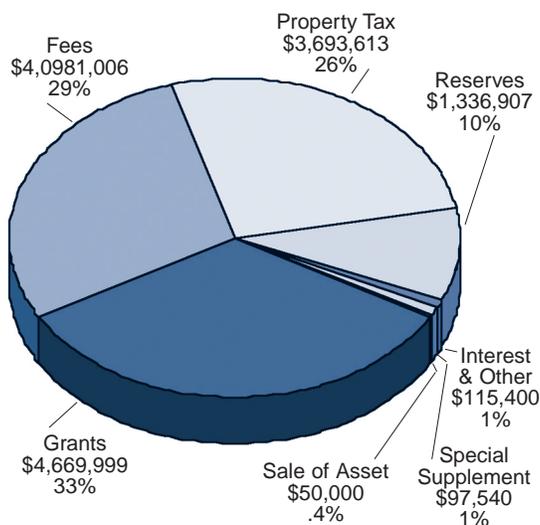


TCPUD QUARTERLY NEWS

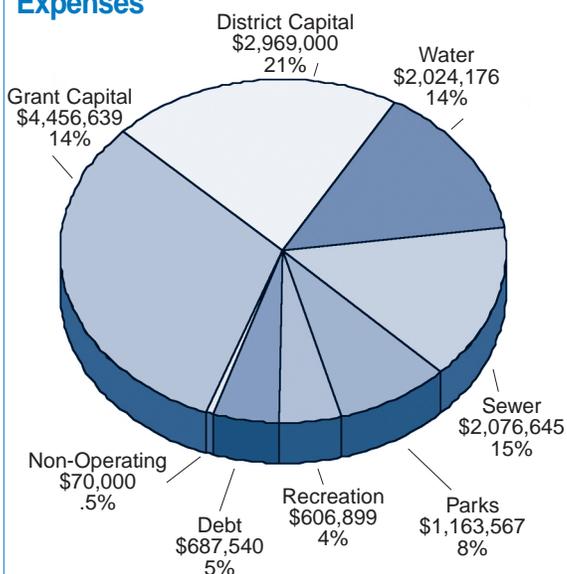
A Report to Our Community

Jan 2005

Funding Sources & Revenues



Expenses



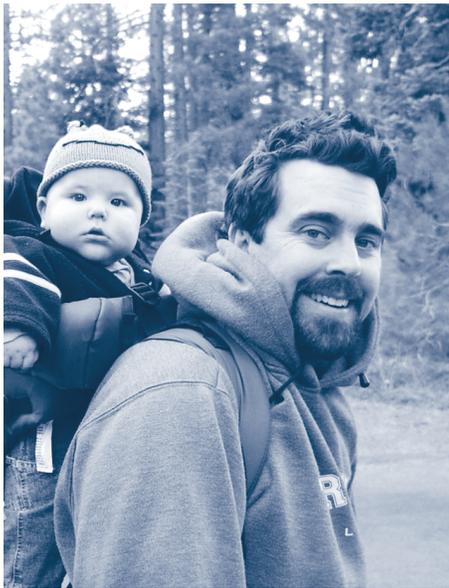
TCPUD Adopts 2005 Budget with 3% Rate Increases

TCPUD Board of Directors voted to adopt the 2005 budget at their November 19, 2004 meeting. The total operating budget for the District is projected to be \$5.9 million dollars. While this represents no overall increase from 2004, water and sewer operating costs are increasing.

As is TCPUD's standard practice, the budget was zero-based, requiring each department head to review the workload for 2005 and to develop the budget required to implement the work plan. This practice ensures that the District doesn't just roll over last year's budget with an inflation factor. "We require each department to fully justify their proposed operating budget and capital list," explained Lourey. "It is critical to the Board and management that we are always looking for efficiencies in our operations, especially in 2005 when \$400,000 of property taxes are budgeted to be lost to the State of California."

The Board engaged in lengthy review and discussions about the proposed 3% rate increases for water and sewer. Water operational costs increased by 4.6%, and sewer operational costs escalated by 6.8% over the 2004 budget. These percentages do not include the substantial investment anticipated in infrastructure improvements for water and sewer. The Board reviewed the rates of other local districts and historic trends. Their decision to raise rates was based on increasing costs for fuel and power, as well as the need to continue long-term infrastructure replacements. Even with the rate increases, TCPUD remains the lowest area public agency serving water and the second lowest in residential sewer rates. The 3% rate increases for residential customers equate to \$1.39 per quarter in sewer and \$2.96 per quarter in water. Reviewing the combined increases since 1985, TCPUD rates have remained lower than the cumulative Consumer Price Index increases for the same period.

The District's reserve levels remain constant at \$250,000 in working capital, \$500,000 for emergencies, and \$800,000 in long-term capital. Since 1993 the District has reduced its outstanding debt from \$13.8 million to a budgeted year-end 2005 balance of \$3.9 million. Continued strong growth in the District's assessed valuation, as well as the reduction in debt payments, allows for increased reinvestment in infrastructure. The adopted budget includes \$7.4 million in capital projects of which \$4.4 million is funded with grant funding and \$3.0 million with District funds. "The biggest change we have seen in the last several years is the volume of capital projects," commented Lourey. "We are fortunate to have the resources from both District and grant funds, but we are challenged by cash flow requirements." The entire staff and Board of Directors of the Tahoe City Public Utility District look forward to providing excellent service during 2005!



EMPLOYEE OF THE YEAR

TCPUD is a service organization and as such, the most important part of performing our duties is our work force. We are very proud of the employees that serve you — from those in the main office to the front-line field staff. They are hard working and customer-oriented. Each year the District selects one employee who stands out as exemplary. This year's recipient is Ralph Turner.

Ralph joined the District in 1999 as a seasonal worker. In June 2003 Ralph was hired on full time as a Parks Field Supervisor. His fellow employees nominated him based on his incredible dedication, knowledge and strong work ethic. Ralph shows an incredible amount of interest and pride in his work. He attends workshops on future park projects, after hours on his own time, to offer support and feedback. Ralph has a "can do" attitude and is very cooperative. He is always willing to help others and through his own initiative accomplishes a variety of projects. He sets a good example amongst his co-workers and is an asset to the team. He never has negative comments regarding assignments and you can rely on him to complete a job anytime it is assigned to him.

His work ethic and willingness to help in any situation is exemplary. Recently, his wife was out of town and an alarm went off in the middle of the night at one of our community buildings. Without hesitation or complaint, Ralph packed up his infant son and responded to the site.

Ralph is married to Pettit Gilwee and they have a young son, Tavis.

NEW... Tahoe City Downtown Association

As residential and commercial development in Truckee, Squaw Valley and Northstar has continued to expand, businesses around the Lake have felt the impacts. Tahoe City merchants and restaurants have formed the Tahoe City Downtown Association (TCDA) with the mission –

"To enhance and promote a vibrant and prosperous commercial and social center for the residents and visitors of Tahoe City."

Supporting local business has profound effects for the community. Local businesses are significant supporters of our parks, recreation and schools. They donate funding, raffle prizes, and sponsorships for youth in our community. Most of our local government and non-profit organization leaders are owners of local businesses. These leaders devote countless hours of volunteerism, give generously, and employee many local residents.

FIRST FRIDAYS

Beginning in January, TCDA will be hosting *First Fridays!* Building on the success of the pilot "First Friday" December 3rd, and the North Tahoe Art Center's gallery openings, many merchants will have longer evening hours, specials offers, live music, and other events. TCPUD will host middle-school teen events and movie nights at the Fairway Center and First Baptist Church continues their Parent's Night Out for younger children through teens.

SUMMER FAMILY CONCERTS

Next summer TCPUD, in partnership with TCDA, will be sponsoring free Sunday evening family concerts at Commons Beach. Exact times and performers will be announced this spring.

Working together to support our community is important for local business, government, residents, and property owners. Come out and support these efforts – have fun and know you are helping keep Tahoe City vibrant and prosperous!

General Winterization Guidelines:

By far the most common winter problem comes from frozen pipes. Thousands of gallons of water are wasted when frozen water lines burst then thaw and often cause thousands of dollars of damage to personal property. Here are some general guidelines and some tips to prevent frozen pipes:

- When not occupied, shut off the water to the house and have all the internal piping drained. Stop and Waste valves or shut off and separate drain valves are most commonly used to accomplish this. Consult with your local plumber for more information.
 - Although not recommended, some people prefer to leave the heat on in their house to prevent frozen pipes. If you choose to use this method, please ensure the piping in the crawl space is protected or receives adequate heat. However, be aware that power failures and heating system failures can and will occur. Undetected, these failures can potentially lead to frozen pipes. Monitoring devices are available to detect a loss of power and/or low temperatures in the home and will notify someone by phone of such an occurrence.
 - **Never** run bleeder lines or small amounts of water out of fixtures to prevent frozen pipes. This practice is in violation of TCPUD Ordinance 185 and is an enforceable violation. The cost of production of water and the cost to collect and treat this waste of water only serve to increase the cost of service.
 - Have all exposed piping under the house properly insulated and install thermostatically controlled heat tape in areas you may suspect have frozen in the past.
 - Close vents to crawl spaces to avoid drafts.
 - Locate and mark the water shut off box at the street with a stake. A small diameter PVC or steel pipe with a blue marking at the top works quite well and allows TCPUD crews to recognize the location. An easy way to remember this is to stake your box when you place the snow poles for you driveway.
 - Locate and mark sewer cleanouts. Use the suggestion above, but use green markings at the top of the stake.
- Please do not hesitate to contact the TCPUD regarding any winterization issues or questions you may have. (530) 583-3796, ext 36**