

# Investing in Reliable Infrastructure & Long-Term Fiscal Sustainability

Protecting Public Health | Environmental Stewardship | Reliable Utility Service

Board Meeting May 21, 2026



# Presentation Overview

- Why infrastructure investment matters
- Long-term infrastructure investment overview
- Major CIP projects planned FY27-FY29
- Operational & technology efficiencies
- Long-term infrastructure planning
- Public transparency improvements
- Operations FY2027 plans
- Finance Overview of FY2027 Budget



# Why Infrastructure Investment Matters

The District maintains extensive water, wastewater, recycled water, and export system infrastructure that supports our community every day.



**253**  
Miles

Water Distribution  
Pipelines



**19**

Water  
Storage Tanks



**39**

Sewer  
Pump Stations



**11**

Active Drinking  
Water Wells



**331**  
Miles

Sewer Collection  
Pipelines



**26**  
Miles

Recycled Water  
Export Pipeline



Protecting  
Lake Tahoe

Environmental  
Stewardship



**24/7**

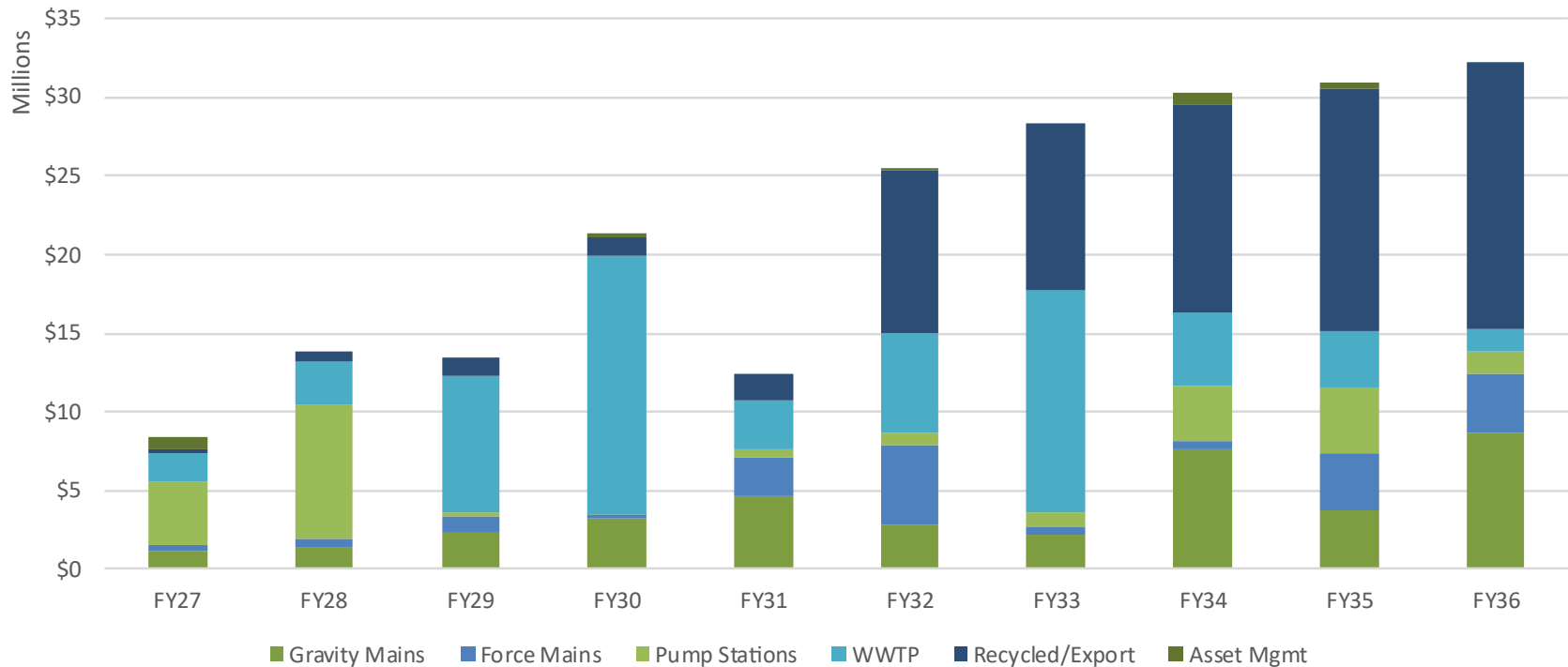
Essential  
Utility Service

# Long-Term Sewer Capital Investments

- Major investments tied to treatment plant infrastructure.
- Export and recycled water system upgrades represent significant capital needs.
- Pump station and force main rehabilitation to address aging critical assets.

**Total Sewer 10-Year CIP = \$216.6 M**

10-Year Sewer Infrastructure Investment Areas

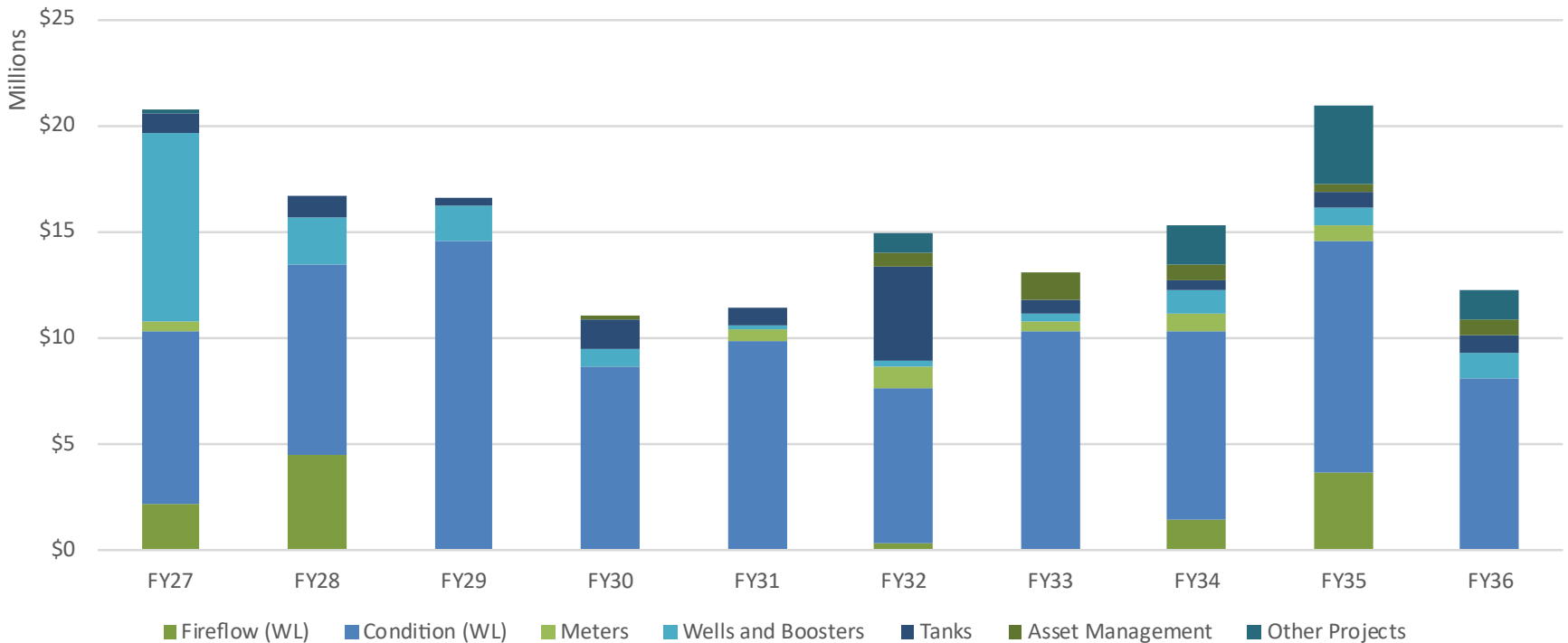


# Long-Term Water Capital Investments

- Waterline replacements represent the largest portion of water capital investment (fire flow and condition-based).
- Supply reliability and redundancy improvements remain a key focus.
- New water supply, major transmission and storage tank rehabilitation projects drive near-term capital demand.

**Total Water 10-Year CIP = \$152.9 M**

10-Year Water Infrastructure Investment Areas



# Factors Impacting Infrastructure Costs

- Construction cost inflation continues to exceed historical averages
- Double-digit increases in material, equipment, and contractor pricing have impacted utility infrastructure projects nationwide
- Rising energy and regulatory compliance costs continue to affect operating expenses
- Long-term infrastructure planning helps the District phase investments and prioritize critical system needs



# Renewable Energy & Operational Efficiency

Metric	Value
Facility Size	1-MW Solar Power Generation Facility
Online Since	January 2026
WWTP Energy Offset	Up to 1/3 Annual Demand
Estimated Annual Savings	~\$190,000
Estimated 30-Year Savings	~\$9 Million*















\*Based on estimated 3.5% annual energy cost escalation





# WASTEWATER & EXPORT SYSTEM PROJECTS

MAJOR PROJECTS PLANNED FOR **FY2027-2029**

	PROJECT	PURPOSE	ESTIMATED COST
01	 <b>Bijou Sewer Pump Station Rehabilitation</b>	 Replace aging equipment and improve reliability and safety	<b>\$9.6 M</b>
02	 <b>WWTP Ballast Ponds Rehabilitation</b>	 Protect treatment plant reliability and resiliency	<b>\$3.1 M</b>
03	 <b>Tahoe Keys CIPP Sewer Rehabilitation</b>	 Extend collection system pipeline service life	<b>\$1.9 M</b>
04	 <b>Fallen Leaf Lake Sewer Pump Station Improvements</b>	 Environmental protection and reliability	<b>\$1.0 M</b>
05	 <b>C-Line Rehabilitation Alternatives, Design, and Permitting</b>	 Improve export system reliability and secure low-cost, long-term financial support for major infrastructure	<b>\$2.7 M</b>
06	 <b>Baldwin Beach Sewer Realignment Improvements</b>	 Environmental protection and reliability; partnered with USFS restoration projects	<b>\$3.0 M</b>
07	 <b>WWTP RAS Pump Station Replacement</b>	 Protect treatment plant reliability and resiliency	<b>\$20.5 M</b>























These projects protect public health, safeguard Lake Tahoe, and ensure reliable wastewater service for our community.





# WATER SYSTEM PROJECTS

MAJOR PROJECTS PLANNED FOR **FY2027–2029**

	PROJECT	PURPOSE	ESTIMATED COST
01	 <b>Pioneer Trail Waterline (Ph 1)</b>	 Improve system reliability and fire flow	<b>\$7.1 M</b>
02	 <b>Al Tahoe Well Rehabilitation</b>	 Improve water supply resiliency	<b>\$5.6 M</b>
03	 <b>Stateline Storage Tanks Recoating</b>	 Extend useful service life of critical water storage facilities	<b>\$2.1 M</b>
04	 <b>Park Avenue Waterline</b>	 Replace aging water infrastructure and increase fire flow	<b>\$1.2 M</b>
05	 <b>Glenwood Rancho Waterline</b>	 Replace aging water infrastructure and increase fire flow	<b>\$5.7 M</b>
06	 <b>Sunset Well Reconstruction</b>	 Enhance water supply resiliency	<b>\$2.7 M</b>
07	 <b>Tanglewood Well</b>	 Develop new water supply source	<b>\$3.5 M</b>
08	 <b>AMI Meter Installations</b>	 Improve system efficiency and customer service	<b>\$1.0 M</b>
09	 <b>Lake Tahoe Blvd Waterline</b>	 Replace aging water infrastructure and increase fire flow	<b>\$4.3 M</b>
10	 <b>Tahoe Mountain Waterline</b>	 Replace aging water infrastructure and increase fire flow	<b>\$2.8 M</b>



*These projects support reliable water service, fire protection, and long-term infrastructure sustainability for our community.*



# Improving Project Delivery & Operational Efficiency



## Asset Management & Data Systems



NexGen Enterprise Asset Management (EAM)



GIS Utility Network Improvements



Condition-Based Asset Tracking



## Construction & Project Management



Procore Construction Management Software



Standardized Project Workflows



Digital Construction Documentation



## Infrastructure Planning



Water & Sewer System Modeling



CCTV Inspection Programs



Long-Term Water & Sewer Strategic Plans



## Organizational Improvements



Department Restructuring



Clearer Accountability & Communication



Balanced Focus on Project Delivery

# CIP Strategic Planning Effort

CIP Evaluation &  
Prioritization  
(2025-2026)

Comprehensive  
Water & Sewer  
Strategic Planning  
(2026-2027)

Long-Term  
Infrastructure  
Roadmap  
(2027+)



# Public Transparency & Community Engagement

- Updated Public CIP Resources
- Interactive GIS StoryMap
- CIP project information
- Infrastructure investment highlights
- Project mapping & schedules

## ABOUT US

WHO WE ARE

WHO WE SERVE

LABORATORY

DRINKING WATER

WASTEWATER

RECYCLED WATER

CAPITAL IMPROVEMENT PROGRAM

BOARD OF DIRECTORS AND LEADERSHIP

OPEN GOVERNMENT

## Capital Improvement Program



### Investing in Reliable, Sustainable Water, Wastewater, and Recycled Water Infrastructure

The South Tahoe Public Utility District's Capital Improvement Program (CIP) represents long-term investment in critical water, wastewater, recycled water, and export system infrastructure.

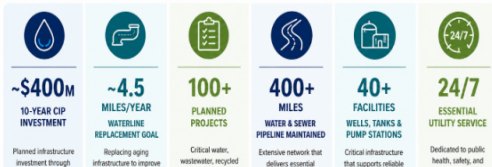
The District plans, designs, and delivers projects that support:

- Reliable utility service
- Public health and safety
- Environmental protection
- Emergency preparedness
- Long-term infrastructure sustainability

The current ten-year CIP includes projects focused on replacing aging infrastructure, improving system reliability, and supporting the future needs of our community.

### INVESTING IN OUR COMMUNITY'S FUTURE

Building reliable, sustainable water, wastewater, and recycled water infrastructure.



### RATE CHANGES

View proposed rate changes that would fund ongoing maintenance, replacement and improvements.

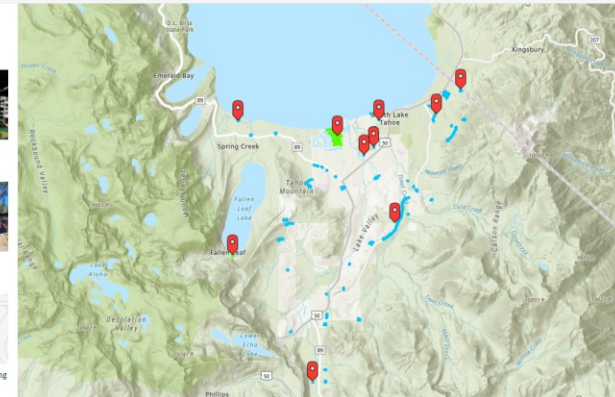
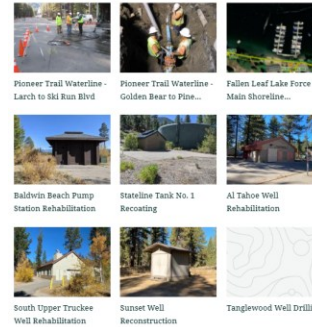
[READ MORE »](#)

### WATER AND SEWER RATES

[TO SEE CURRENT WATER AND SEWER RATES CLICK HERE »](#)



Capital Improvement Program   2026 Projects   Ongoing Projects   Future Planned Projects



# **OPERATIONS FY 2026/2027 BUDGET PLAN**



# OPS Water Fund

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Vacuum Truck Replacement - \$800K

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Miscellaneous Waterline Replacements - \$300K

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Paloma Well Pump/Motor Spare - \$250K

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Dual-Main Elimination Program - \$200K

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Dead-End Improvement Program - \$150K

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Fire Hydrant Replacement Program - \$100K

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Dump Truck Replacement - \$100K

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Valve Replacement Program - \$50K

# OPS Sewer Fund



Diamond Ditch Rehab  
- \$1M



Luther Pass Spare  
1000hp Pump - \$750K



New Excavator - \$351K



Replace Sewer Hydro -  
\$250K



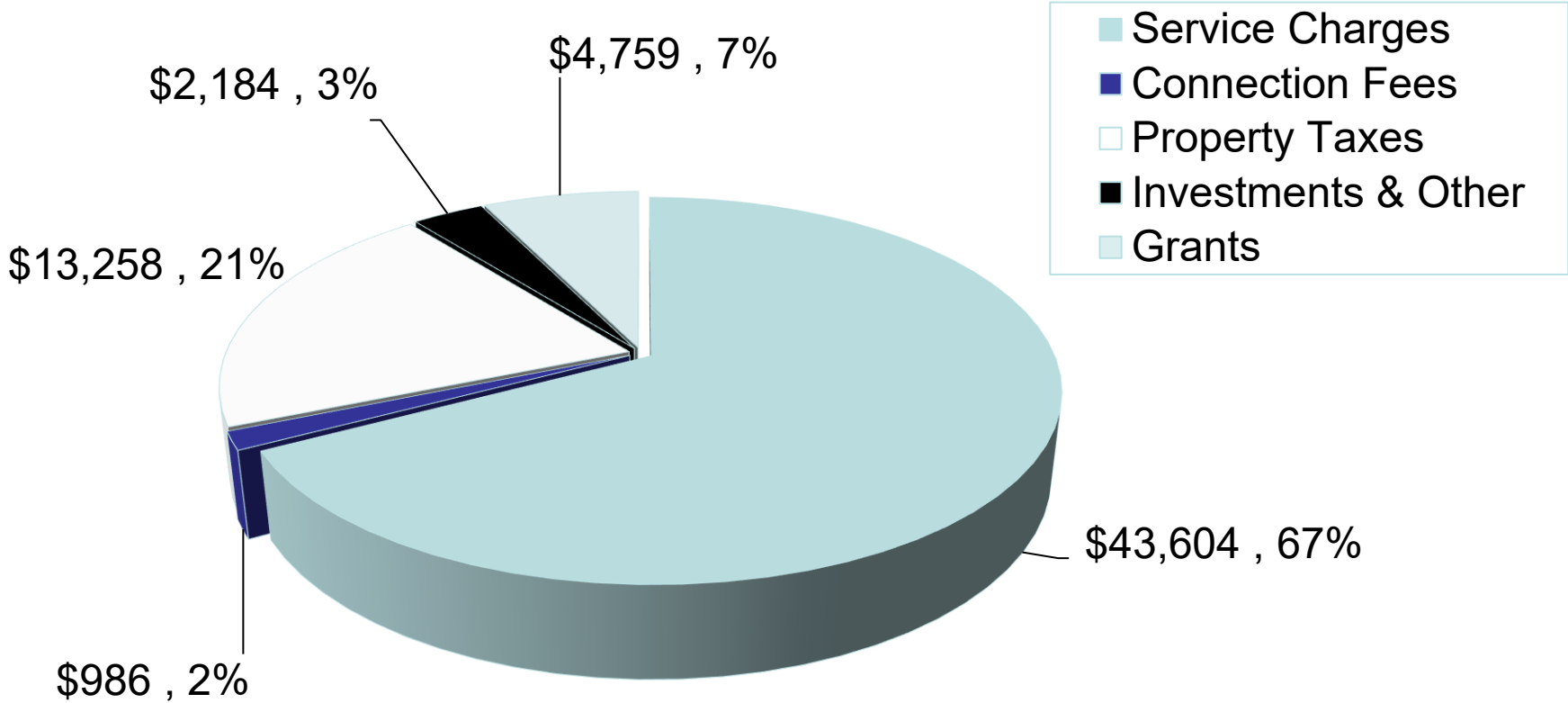
Tahoe Keys Spare  
Pump/Motor - \$100K

# FINANCE OVERVIEW

## FY 2026/2027 BUDGET

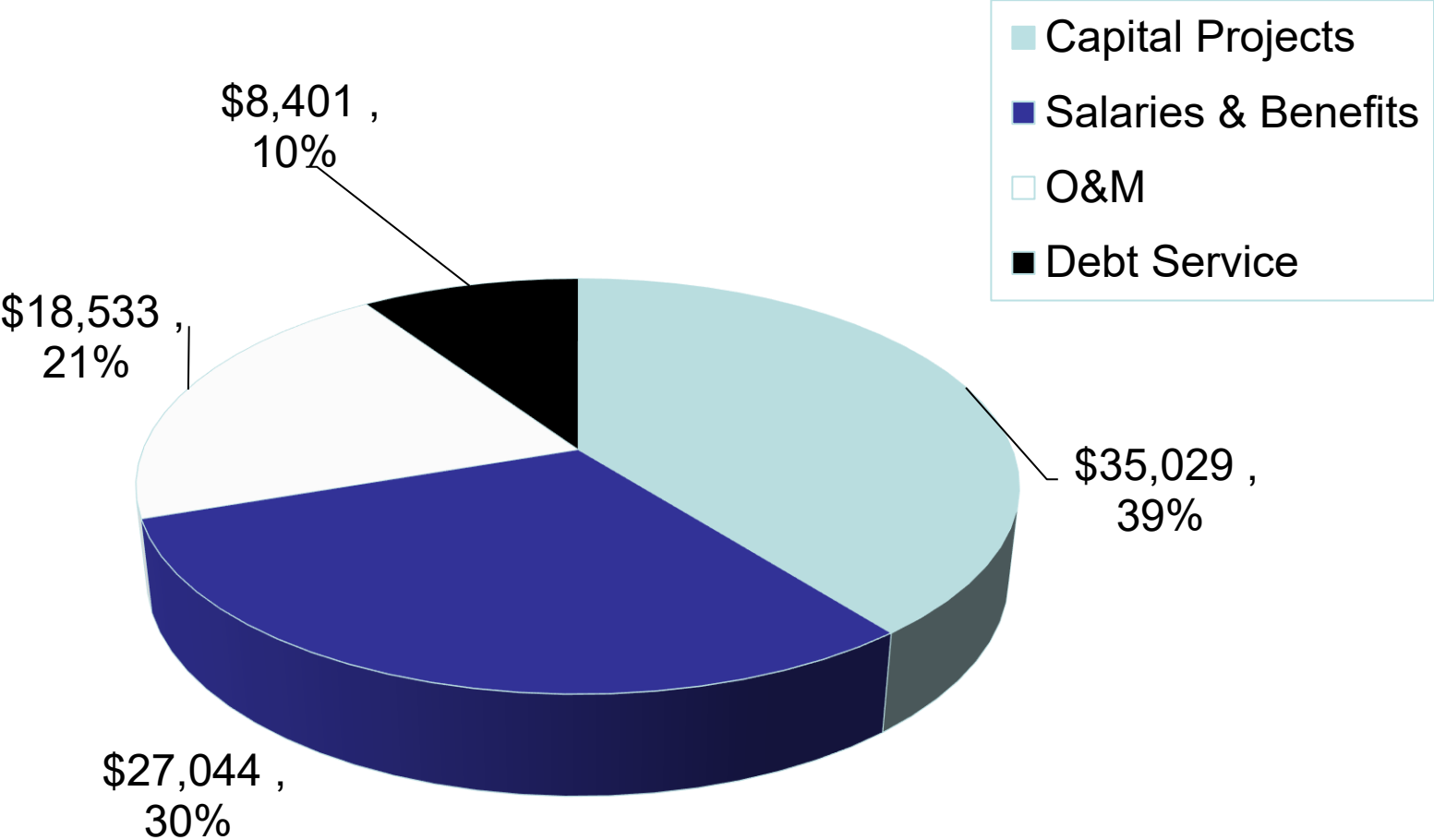


# Projected Water and Sewer Total Revenue: \$64.8M



# Projected Water and Sewer Total Expenditures: \$89M

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# Rate Assumptions

- ❖ FY 2026-27 Needs Based CIP

- ❖ Water - \$19.9M

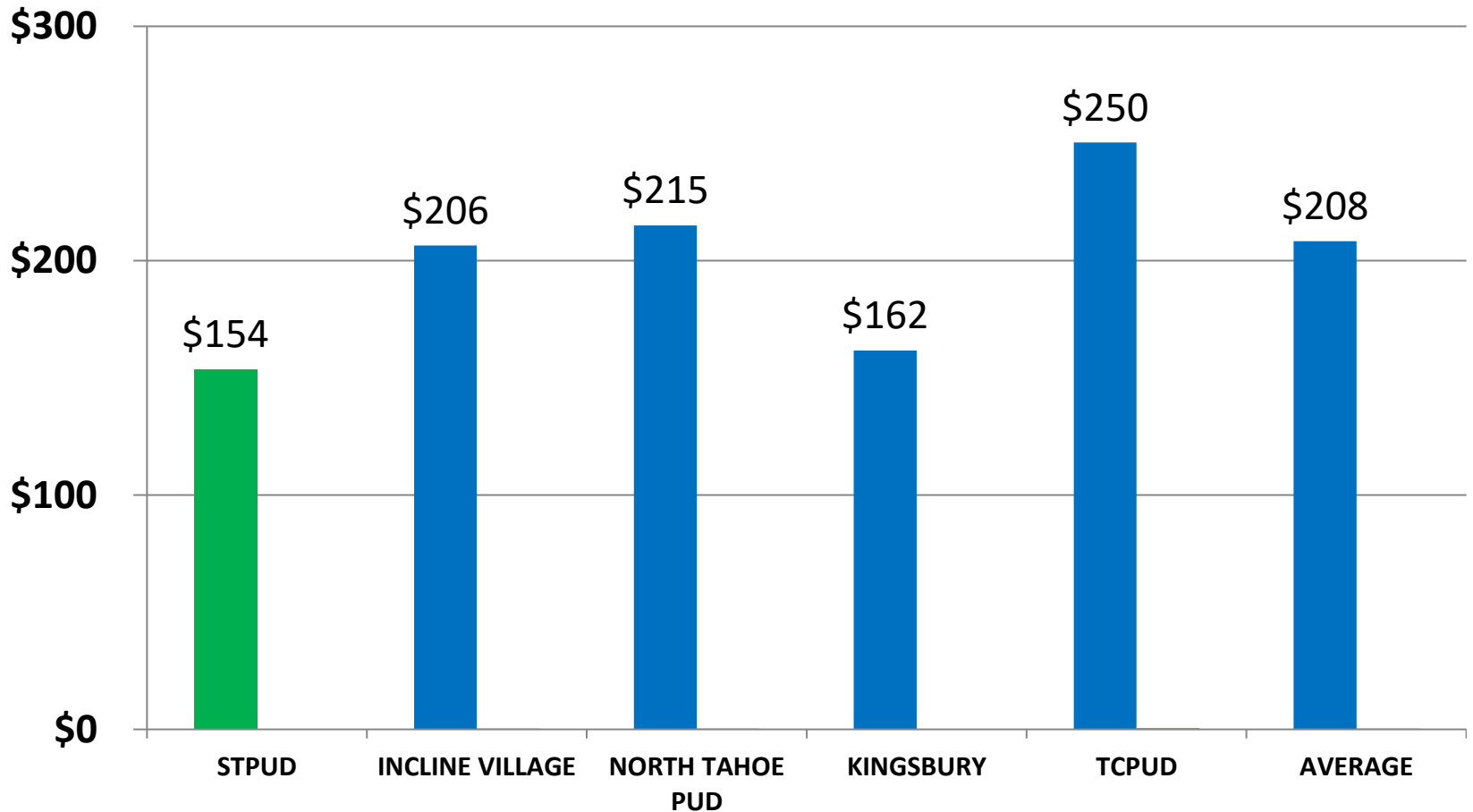
- ❖ Sewer - \$8.3M

- ❖ Adopting rates less than assumed will require reductions to the CIP's.

- ❖ When possible, the District utilizes the State Revolving Fund Program to complete sewer and water projects. This program offers subsidized interest rates that are typically lower than the General tax-exempt market.

2026-27	% Increase	\$ Increase/mth
Water CIP "Needs Based"	6.50%	\$5.14
Sewer CIP "Needs Based"	6.50%	\$4.24

# Current Basin Rate Comparison



# NEXT STEPS

- ❖ May 2026
  - ❖ Communication to Customers on Project Status and Proposed Rates (Complete)
  
- ❖ June 4, 2026
  - ❖ Board takes action on proposed fiscal year 2027 rate increases and budget
  
- ❖ July 1, 2026
  - ❖ New Budget effective

Questions and  
Comments

