



**SOUTH TAHOE
PUBLIC UTILITY DISTRICT**

**TEN-YEAR
FINANCIAL PLAN
2017/18 TO 2026/27**

JUNE 2017

TABLE OF CONTENTS

Sewer

Sewer Fund Ten-Year Financial Plan	1
Funding Sources for Capital Projects	6
Ten-Year Capital Outlay Projections	7-8
Ten-Year Capital Plan by Department and Project	9

Water

Water Fund Ten-Year Financial Plan	29
Funding Sources for Capital Projects	35
Ten-Year Capital Outlay Projections	36-37
Ten-Year Capital Plan by Department and Project	38

Acknowledgments	55
-----------------------	----

SEWER FUND

TEN-YEAR FINANCIAL PLAN

SEWER TEN-YEAR FINANCIAL PLAN

July 1, 2017 to June 30, 2027

PURPOSE

In an effort to set a responsible financial plan for South Tahoe Public Utility District, finance staff prepares a Ten-Year Financial and Capital Improvement Plan (the Plan) for use by the Board of Directors and management. The ten-year period covered is July 1, 2017 to June 30, 2027. This Plan is based on the best available information and Board direction as of May 18, 2017. How closely the ten-year plan comes to forecasting the financial results will depend on whether the assumptions used prove to be correct and the number of unforeseen changes during the ten-year period.

ASSUMPTIONS

The Plan assumptions are: operations and maintenance expenses and depreciation increase at 2.0% per year; salaries increase at 2.0% per year and benefits increase at 3.0% per year due to anticipated increases of health insurance and retirement costs; full implementation of the five-year service charge rate schedule adopted by the Board in 2014; property tax revenue is estimated to increase 2% annually; interest income is forecasted at an earnings rate of 1.0% early on working up to 3.0% mid-way through the forecast; and capacity/connection fees are expected to be received from 35 residential allocations each year. Due to the unknown nature of commercial connections, we have projected total annual commercial development equivalent to 50 sewer units and one four-inch water connection.

CAPITAL SPENDING

Capital spending over the ten-year period is anticipated to total \$62.4 million, not including associated labor and operating costs or debt payments for prior capital projects. Of this amount, \$56.1 million is for engineered infrastructure

improvements. The District's investment in capital is more than 100% of the forecasted depreciation expense, which is estimated to total \$51.8 million over ten years. The capital projects include spending for the sewer treatment plant and system upgrades, pump station improvements, pipeline extensions and upgrades, heavy equipment replacement, and other equipment purchases. Specifically, the Plan includes the conclusion of the Diamond Valley Ranch irrigation project which will allow the District to distribute its treated effluent on the District-owned land in Alpine county. Also, the much needed upgrades to the Luther Pass pump station power and control systems will be completed in the first year of the Plan. Other projects include the replacement of the sewer plant emergency generator, improvements to the Tahoe Keys, Upper Truckee, and Al Tahoe force main bypasses, pump station assessments/improvements, development of additional emergency storage ponds in Alpine county, and several other wastewater collection, treatment, and recycling projects. Fifty-eight percent of the infrastructure costs are forecasted to be self-funded, and the remaining 42% of the costs are borrowed from lenders. The District is seeking to borrow approximately \$23.4 million from the California State Revolving Loan Program through the State Water Resources Control Board in the form of low-interest loans. See the accompanying Capital Outlay schedules for details by department and project or item.

CASH RESERVES

The District prudently maintains minimum reserve levels to address unexpected expenditures or reduction in revenue sources. Reserves are available for operations, capital projects, and to avoid large rate increases. The operating reserve is equal to two months of operating expenses, while the capital reserve when combined with borrowings, if any, is at least the amount of the next year's budgeted capital spending. The rate stabilization reserve is equal to one year's property tax receipts. At June 30, 2027, the end of this ten-year forecast, the District's reserves are forecast as follows:

Capital Outlay Reserve	\$7,972,431
Debt Reserve	2,465,528
Rate Stabilization Fund	6,293,472
Operating Reserve	<u>3,897,047</u>
Total	\$20,628,478

RATE CHANGES

The adopted budget for 2017/18 (year one of the ten-year forecast) includes a 6% increase to rates. Following issuance of a multi-year Proposition 218 notice in 2014, the Board adopted a five-year rate schedule. Fiscal year 2017/18 represents year four of the rate schedule. Year five (2018/19) also includes a 6% annual increase to rates. The rate changes are not automatic. The Board is required to confirm the increase for the remaining year. Rate changes for years three-through-ten are forecasted at 2% per year to account for general inflation. The continued need for infrastructure maintenance and replacement, along with the day-to-day operating expenditures of the District, necessitates consistent marginal rate adjustments. The District Board of Directors and a majority of the ratepayers have historically preferred this methodology over occasional large rate adjustments.

SOUTH TAHOE PUBLIC UTILITY DISTRICT

SEWER TEN-YEAR FINANCIAL PLAN

	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2020/21	2021/22	2021/22
	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND
BEGINNING CASH BALANCES	3,685,301	18,609,735	3,265,713	18,317,689	3,292,085	16,646,241	3,404,121	14,641,223	3,497,319	17,004,881	3,497,319
REVENUES (1)	21,896,341	384,300	22,915,033	384,300	23,356,042	384,300	23,802,867	384,300	24,325,010	384,300	24,325,010
BORROWINGS	0	2,900,000	0	2,200,000	0	1,750,000	3,000,000	2,000,000	0	2,500,000	0
AVAILABLE FUNDS	25,581,642	21,894,035	26,180,746	20,901,989	26,648,127	18,780,541	30,206,988	17,025,523	27,822,328	19,889,181	27,822,328
SALARIES (2)	5,851,100	860,975	5,968,122	878,195	6,087,484	895,758	6,209,234	913,674	6,333,419	931,947	6,333,419
BENEFITS (2)	3,291,825	363,000	3,390,580	373,890	3,492,297	385,107	3,597,066	396,660	3,704,978	408,560	3,704,978
OPERATIONS & MAINTENANCE (2)	5,491,200	691,175	5,585,724	354,999	5,724,978	362,098	5,811,938	369,340	5,943,477	376,727	5,943,477
CAPITAL OUTLAY	811,000	2,294,000	817,000	7,391,900	866,000	6,958,600	883,000	5,746,400	814,000	6,390,000	814,000
DEBT SERVICE	15,445,125	10,447,150	15,761,426	11,382,983	16,170,760	11,212,564	16,501,238	10,229,074	16,795,874	10,979,234	16,795,874
TOTAL CASH OUTLAYS	10,136,517	11,446,885	10,419,320	9,519,006	10,477,367	7,567,977	13,705,750	6,796,449	11,026,455	8,909,947	11,026,455
BALANCE BEFORE TRANSFERS	-6,870,804	6,870,804	-7,127,235	7,127,235	-7,073,246	7,073,246	-10,208,431	10,208,431	-7,462,270	7,462,270	-7,462,270
CAPITAL OUTLAY FUND TRANSFERS	0	0	0	0	0	0	0	0	0	0	0
ACCURAL TO CASH ADJUSTMENT	0	-7,008,000	0	-7,479,000	0	-7,627,000	0	-7,780,000	0	-7,935,000	0
RATE STABILIZATION AND DEBT RESERVES	3,265,713	11,309,689	3,292,085	9,167,241	3,404,121	7,014,223	3,497,319	9,224,881	3,564,185	8,437,217	3,564,185
OPERATING AND CAPITAL OUTLAY RESERVES (3)											
WATER FUND LOAN											
DEBT PAYMENT RESERVE FUND		1,028,112		1,303,945		1,303,945		1,512,423		1,512,423	
RATE STABILIZATION FUND (4)		5,979,888		6,175,055		6,323,055		6,267,577		6,422,577	
TOTAL RESERVE BALANCES	3,265,713	18,317,689	3,292,085	16,646,241	3,404,121	14,641,223	3,497,319	17,004,881	3,564,185	16,372,217	3,564,185
AMORTIZATION (NON-CASH ITEM)	25,490		25,490		25,490		25,490		25,490		25,490
DEPRECIATION (NON-CASH ITEM)	4,728,000		4,822,000		4,918,000		5,016,000		5,116,000		5,116,000

ASSUMPTIONS:

- (1) REVENUES
 - Enterprise Revenue includes property taxes, service charges, interest income and other misc revenue.
 - Capital Fund Revenue includes capacity charges and capital grant receipts.
 - Service charge rates increase 6% in 2017/18 - 2018/19 and 2% each year after.
 - Investments earn 1% to 3.0% net of management fees.
 - Commercial capacity fees projected assume 50 new sewer units each year.
 - Residential capacity fees projected are equivalent to 35 residential allocations each year.
 - 2016/17 included a \$3.0M bridge loan to the Water Fund which will be paid back by 2020/21 year end.
- (2) EXPENDITURES
 - Benefits include a 3.0% escalator beginning 2018/19 due to potential PERS/health insurance increases.
 - Salaries include a 2.0% escalator beginning 2018/19 to account for standard step increases and other potential adjustments.
 - O&M Expenses & Depreciation increase at 2.0% per year. Specific known changes adjusted as appropriate.
 - Ten Year CIP plan in the amount of \$56.1 million.
 - Debt Service includes principle & interest payments for current SRF loans and additional debt of \$23.4 million over the ten year forecast.
 - All future borrowings are anticipated to be low interest loans from the SWRCB SRF program. See debt service page.
 - \$150,000 contingency reserve for all years.

SOUTH TAHOE PUBLIC UTILITY DISTRICT

SEWER TEN-YEAR FINANCIAL PLAN

	2022/23	2022/23 FORECAST	2022/23 CAPITAL OUTLAY RESERVE	2023/24 FORECAST	2023/24 ENTERPRISE FUND	2023/24 CAPITAL OUTLAY RESERVE	2024/25 FORECAST	2024/25 ENTERPRISE FUND	2024/25 CAPITAL OUTLAY RESERVE	2025/26 FORECAST	2025/26 ENTERPRISE FUND	2025/26 CAPITAL OUTLAY RESERVE	2026/27 FORECAST	2026/27 ENTERPRISE FUND	2026/27 CAPITAL OUTLAY RESERVE
BEGINNING CASH BALANCES															
REVENUES (1)	3,564,185	3,662,204	16,372,217	3,662,204	3,729,413	14,927,356	3,729,413	3,746,015	17,030,603	3,746,015	3,762,380	17,533,892	3,762,380	3,762,380	17,533,892
BORROWINGS	24,812,483	25,294,288	384,300	25,294,288	25,815,439	384,300	25,815,439	26,374,935	384,300	26,374,935	26,920,791	384,300	26,920,791	26,920,791	384,300
AVAILABLE FUNDS	28,376,668	28,956,492	17,756,517	28,956,492	29,544,852	18,311,656	29,544,852	30,120,949	20,414,903	30,120,949	30,683,171	20,918,192	30,683,171	30,683,171	20,918,192
SALARIES (2)	6,460,087	6,589,289	950,586	6,589,289	6,721,075	988,990	6,721,075	6,855,496	1,008,769	6,855,496	6,992,606	1,028,945	6,992,606	6,992,606	1,028,945
BENEFITS (2)	3,816,127	3,930,611	420,816	3,930,611	4,048,530	446,444	4,048,530	4,169,985	459,838	4,169,985	4,295,085	473,633	4,295,085	4,295,085	473,633
OPERATIONS & MAINTENANCE (2)	6,062,346	6,183,593	384,262	6,183,593	6,307,265	399,786	6,307,265	6,433,410	407,782	6,433,410	6,562,079	415,937	6,562,079	6,562,079	415,937
CAPITAL OUTLAY			5,818,000			4,987,300			4,603,800			6,665,300			7,590,600
DEBT SERVICE	819,000	743,000	3,060,000	743,000	741,000	2,823,000	741,000	751,000	2,488,000	751,000	827,000	2,787,000	827,000	827,000	2,787,000
TOTAL CASH OUTLAYS	17,157,561	17,446,493	10,633,664	17,446,493	17,817,869	9,262,020	17,817,869	18,209,892	11,029,689	18,209,892	18,676,770	12,296,115	18,676,770	18,676,770	12,296,115
BALANCE BEFORE TRANSFERS	11,219,107	11,509,999	7,122,853	11,509,999	11,726,982	9,049,636	11,726,982	11,911,057	9,385,215	11,911,057	12,006,401	8,622,077	12,006,401	12,006,401	8,622,077
CAPITAL OUTLAY FUND TRANSFERS	-7,556,903	-7,780,586	7,556,903	-7,780,586	-7,980,968	7,980,968	-7,980,968	-8,148,677	8,148,677	-8,148,677	-8,109,354	8,109,354	-8,109,354	-8,109,354	8,109,354
ACCRUAL TO CASH ADJUSTMENT			0			0			0			0			0
RATE STABILIZATION AND DEBT RESERVES			-8,093,000			-8,255,000			-8,419,000			-8,588,000			-8,759,000
OPERATING AND CAPITAL OUTLAY RESERVES (3)	3,662,204	3,729,413	6,586,755	3,729,413	3,746,015	8,611,603	3,746,015	3,762,380	8,945,892	3,762,380	3,897,047	7,972,431	3,897,047	3,897,047	7,972,431
WATER FUND LOAN															
DEBT PAYMENT RESERVE FUND			1,704,864			1,704,864			1,897,305			2,080,645			2,465,528
RATE STABILIZATION FUND (4)			6,388,136			6,550,136			6,521,695			6,507,355			6,293,472
TOTAL RESERVE BALANCES	3,662,204	3,729,413	14,679,755	3,729,413	3,746,015	17,030,603	3,746,015	3,762,380	17,533,892	3,762,380	3,897,047	16,731,431	3,897,047	3,897,047	16,731,431
AMORTIZATION (NON-CASH ITEM)	25,490	25,490		25,490	25,490		25,490	25,490		25,490	25,490		25,490	25,490	
DEPRECIATION (NON-CASH ITEM)	5,218,000	5,322,000		5,322,000	5,428,000		5,428,000	5,536,000		5,536,000	5,646,000		5,646,000	5,646,000	

(3) OPERATING & CAPITAL RESERVES

Operating reserve is equal to two months of operating costs. Remaining reserves are for capital projects.

(4) RATE STABILIZATION FUND

The rate stabilization fund (reserve) is equal to one years property tax receipts net of jurisdictional transfers

RESULTS:

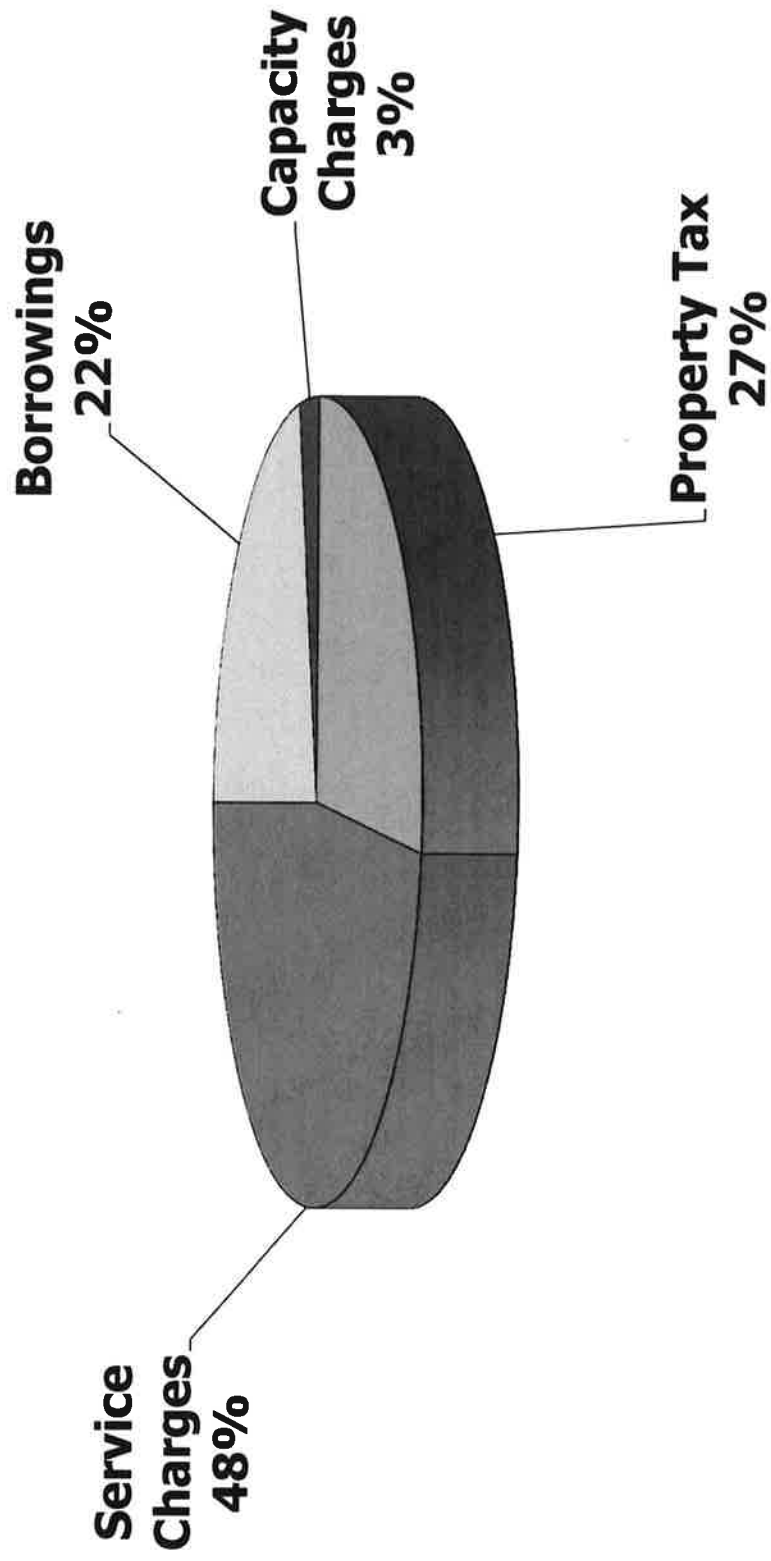
Operating revenue covers operating expenses at all times.

District is in compliance with the "net revenue" debt covenants.

Capital Improvement Program is greater than 100% of depreciation

SEWER ENTERPRISE FUND

Funding Sources for Capital Projects Fund

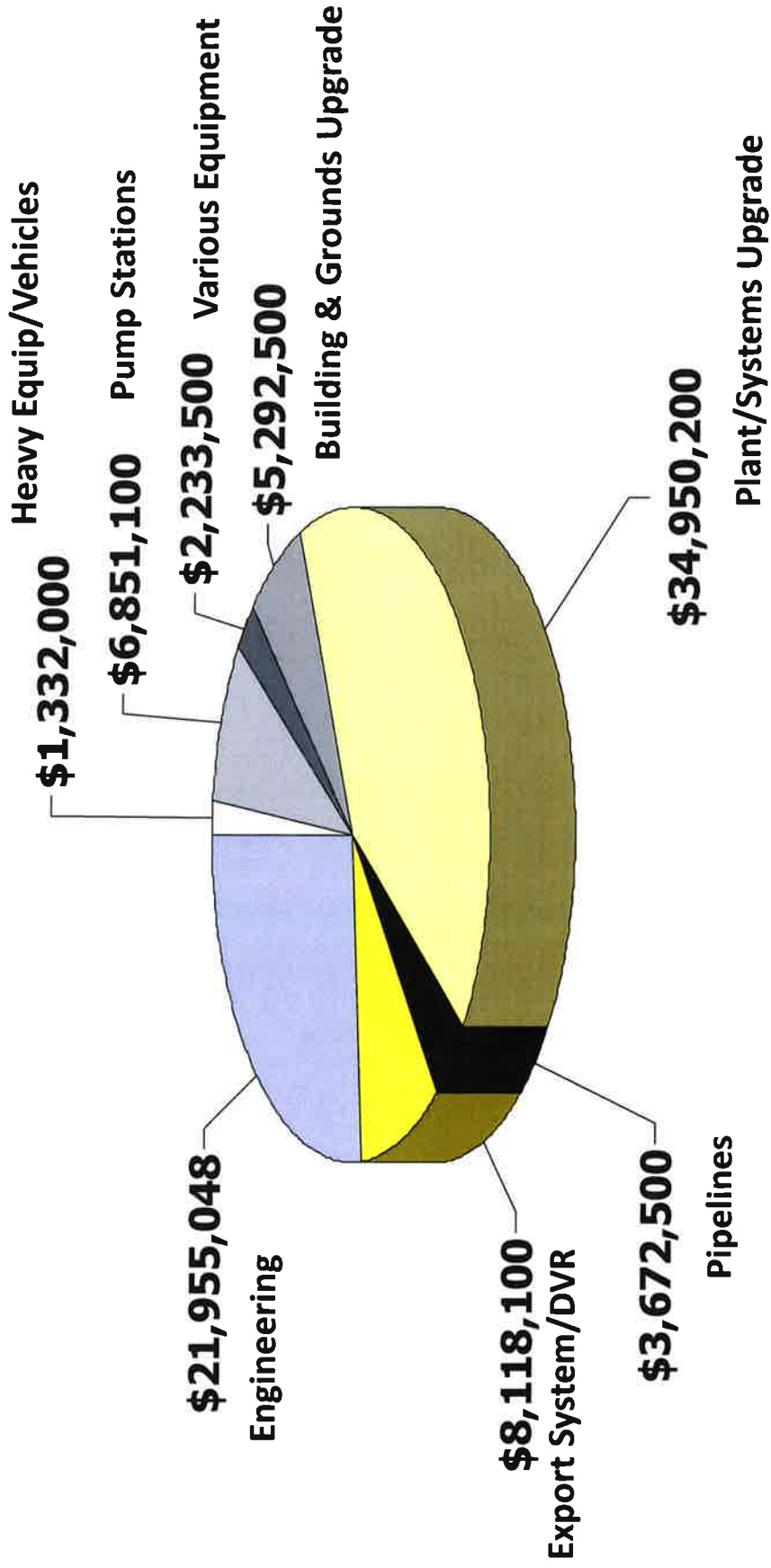


**SEWER TEN-YEAR CAPITAL OUTLAY PROJECTIONS – 2018/2027
BY FUNCTIONAL CATEGORY**

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
1) HEAVY EQUIPMENT & VEHICLES	210,000	380,000	372,000	203,000	62,000	80,000	25,000	0	0	0	1,332,000
2) PUMP STATIONS	208,000	1,065,300	1,945,600	1,524,900	1,021,200	1,016,500	16,800	17,200	17,600	18,000	6,851,100
3) VARIOUS EQUIPMENT	644,000	206,000	196,000	148,100	161,000	207,200	205,000	204,300	100,500	161,400	2,233,500
4) BUILDING & GROUNDS UPGRADE	200,000	186,500	431,500	436,500	181,500	1,186,500	2,165,000	170,000	165,000	170,000	5,292,500
5) PLANT/SYSTEMS UPGRADE	4,042,000	3,855,000	2,347,000	2,428,000	3,966,000	1,835,100	1,075,300	4,077,600	5,229,900	6,094,300	34,950,200
6) PIPELINES	421,500	1,355,000	1,146,500	100,000	116,500	100,000	116,500	100,000	116,500	100,000	3,672,500
7) EXPORT SYSTEM/DIAMOND VALLEY RANCH	572,500	344,100	520,000	905,900	881,800	1,392,700	1,363,700	34,700	1,035,800	1,046,900	8,118,100
8) ENGINEERING STAFF & EXPENSES	1,915,150	1,972,605	2,031,783	2,092,736	2,155,518	2,220,184	2,286,789	2,355,393	2,426,055	2,498,836	21,955,048
TOTAL SEWER	8,213,150	9,364,505	8,990,383	7,839,136	8,545,518	8,038,184	7,274,089	6,959,193	9,091,355	10,089,436	84,404,948

SEWER ENTERPRISE FUND CAPITAL PROJECTS

Ten Years Ending June 30, 2027



**SEWER
TEN-YEAR CAPITAL PLAN
BY DEPARTMENT
and
BY PROJECT**

SEWER TOTALS

DEPARTMENT	17-18		18-19		19-20		20-21		21-22		22-23		23-24		24-25		25-26		26-27		TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
UNDERGROUND REPAIR	46,500	4,000	21,500	10,000	16,500	24,000	66,500	12,000	16,500	4,500	222,000										
PUMPS	58,000	31,500	40,500	36,500	31,500	15,000	15,000	15,000	15,000	15,000	289,500										
ELECTRICAL	67,000	25,300	35,600	30,900	26,200	28,500	27,600	27,600	29,500	322,600											
HEAVY MAINTENANCE	170,000	95,000	8,000	70,000	100,000	55,000	13,000	5,000	10,000	497,000											
EQUIPMENT REPAIR	295,000	430,000	372,000	198,000	122,000	80,000	25,000	60,000	0	1,542,000											
OPERATIONS	212,000	88,000	417,000	87,100	71,000	76,300	80,900	79,900	97,700	1,285,200											
LABORATORY	15,000	10,000	55,000	10,000	25,000	10,000	20,000	0	37,500	160,000											
BOARD OF DIRECTORS	0	0	0	0	0	0	5,000	0	0	42,500											
ADMINISTRATION	0	18,000	0	0	0	19,000	0	0	0	56,000											
HUMAN RESOURCES	20,000	0	0	0	0	62,000	0	0	0	82,000											
PUBLIC OUTREACH	0	5,000	0	0	0	0	0	0	0	5,000											
DIAMOND VALLEY RANCH	22,500	44,100	145,000	30,900	81,800	42,700	33,700	34,700	35,800	46,900											
ENGINEERING	4,945,000	6,605,000	5,755,000	5,154,000	5,850,000	5,327,000	4,600,000	4,250,000	6,400,000	7,250,000											
INFORMATION SYSTEMS	107,000	68,000	51,000	115,000	61,000	64,000	92,000	83,000	48,000	113,000											
CUSTOMER SERVICE	0	0	48,000	0	0	0	18,000	0	0	66,000											
FINANCE	380,000	5,000	19,000	0	0	20,000	0	0	0	424,000											
ENGINEERING STAFF & EXPENSES	1,915,150	1,972,605	2,031,783	2,092,736	2,155,518	2,220,184	2,286,789	2,355,393	2,426,055	2,498,836											
	8,213,150	9,364,505	8,990,383	7,839,136	8,545,518	8,038,184	7,274,089	6,959,192	9,091,355	10,089,436											
											84,404,948										

SEWER UNDERGROUND REPAIR

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 SMART COVERS	16,500		16,500		16,500		16,500		16,500		82,500
2 REPLACE HYDRAULIC JACKHAMMER		4,000				4,000				4,500	12,500
3 REPLACE MAIN CAMERA							45,000				45,000
4 REPLACE TV TRUCK COMPUTER			5,000				5,000				10,000
5 REPLACE STAND ALONE LATERAL CAMERA						20,000					20,000
6 COLD MIX BAY ENCLOSURE											20,000
7 HYDRO NOZZLES					10,000				12,000		22,000
8 EASEMENT INSPECTION EQUIPMENT	10,000										10,000
	46,500	4,000	21,500	10,000	16,500	24,000	66,500	12,000	16,500	4,500	222,000

SEWER PUMPS

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 SECURITY MEASURES											172,500
2 BELLEVUE REBUILD PUMPS				26,500	26,500	26,500	10,000	10,000	10,000	10,000	9,000
3 JOHNSON REBUILD #3				9,000							5,000
4 REPLACE BIJOU PUMP					5,000						15,000
5 REPLACE PUMP/MOTOR #2 TAYLOR CREEK SPS	15,000										11,000
6 REPLACE PUMP/MOTOR #1 TROUT CREEK SPS	11,000										16,000
7 REPLACE PUMP/MOTOR #2 TROUT CREEK SPS	16,000										5,000
8 PUMPS/MOTOR REBUILDS		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	18,000
											18,000
											45,000
	58,000	31,500	31,500	40,500	36,500	31,500	15,000	15,000	15,000	15,000	289,500

SEWER ELECTRICAL

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS	
1 SEWER PUMP STATION MOTOR REBUILDS	**	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000	114,100
2 REDUNDANT FIU SCADA		25,000										25,000
3 CENTRIFUGE P/L		10,000										10,000
4 PUMP STATION CONTROLS				10,000								10,000
5 CATHODIC PROTECTION EQUIPMENT					5,000							5,000
6 REPLACE SCADA RTU'S		22,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	16,500	158,500
		67,000	25,300	35,600	30,900	26,200	26,500	26,800	27,200	27,600	29,500	322,600

** Includes a 3% increase per year (rounded).

SEWER HEAVY MAINTENANCE

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 REBUILD SECONDARY CLARIFIER DRIVE	55,000			60,000	60,000						175,000
2 REPLACE LINERS FOR SLUDGE AUGERS	20,000	20,000									40,000
3 REBUILD CENTRIFUGES	35,000				35,000	35,000					105,000
4 REBUILD SLUDGE PUMPS (BIOSOLIDS BLDG.)	10,000										10,000
5 REPLACE ROLL-UP DOOR		10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	70,000
6 REPLACE TOOLS: PORTABLE WELDER						10,000					10,000
7 REPLACE PLANT AIR COMPRESSOR REPAIR		3,000	3,000				3,000	3,000			12,000
8 REPLACE A-LINE SURGE AIR COMPRESSOR		15,000									15,000
9 UTILITY VEHICLE (3)	20,000	10,000									30,000
10 HVAC SERVER ROOM	30,000										30,000
	170,000	58,000	8,000	70,000	100,000	55,000	8,000	13,000	5,000	10,000	497,000

SEWER EQUIPMENT REPAIR (VEHICLES) - PAGE 2

EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 REPLACE U/R TRUCK #1 (1988)			30,000								30,000
2 REPLACE U/R TRUCK #4 (2011)				30,000							30,000
3 REPLACE U/R TRUCK #20 (2001)					35,000						35,000
4 REPLACE U/R TRUCK #52 (1998)					27,000						27,000
5 REPLACE PUMPS TRUCK #46 (2011)				23,000							23,000
6 REPLACE PUMPS TRUCK #16 (2008)		35,000									35,000
7 REPLACE PUMPS TRUCK #59 (2010)			30,000								30,000
8 REPLACE PUMPS TRUCK #30 (2007)							25,000				25,000
9 REPLACE PUMPS TRUCK #36 (2004 VACUUM)		100,000									100,000
10 REPLACE PUMPS SNOWMOBILE		15,000									15,000
11 REPLACE ELECTRIC SHOP TRUCK #51 (2011)			40,000								40,000
12 REPLACE ELECTRIC SHOP TRUCK #21 (2002)			40,000								40,000
13 REPLACE HM WELDING TRUCK #19 (2008)											
14 REPLACE HM ONE TON TRUCK #14 (2002)		40,000									40,000
15 HEAVY MAINT. ARTICULATING MANLIFT (2006)			90,000								90,000
16 REPLACE EQUIP. REPAIR TRUCK #11 (2008)		45,000									45,000
17 REPLACE OPS TRUCK #74 (2007)		35,000									35,000
18 REPLACE OPS KAWASAKI MULE #66 (2003)			15,000								15,000
19 REPLACE LAB TRUCK #49 (2011)				30,000							30,000
20 REPLACE DIAMOND VALLEY RANCH TRUCK #50 (2006)				35,000							35,000
21 REPLACE DIAMOND VALLEY RANCH TRACTOR #9 (1997)											
22 REPLACE DIAMOND VALLEY RANCH QUADRUNNER (2005)		125,000									125,000
23 REPLACE D.V.R. DUMP TRUCK #56 (2009)			12,000								12,000
24 REPLACE DIAMOND VALLEY RANCH BACKHOE #29 (2004)			90,000			80,000					170,000
25 REPLACE ENGINEERING VEHICLE #73 (2002)											
26 REPLACE ENGINEERING VEHICLE #68 (2004)		40,000									40,000
27 REPLACE ENGINEERING VEHICLE #76 (2004)											
28 REPLACE C.S. TRUCK #18 WISHELL (2007)			25,000								25,000
29 REPLACE ENGINEERING TRUCK #38 (2003)											
30 REPLACE C.S. TRUCK #62 (2004)		25,000									25,000
31 REPLACE TRUCK #44				50,000							50,000
	190,000	370,000	372,000	198,000	62,000	80,000	25,000	0	0	0	1,297,000
	255,000	430,000	372,000	198,000	122,000	80,000	25,000	60,000	0	0	1,542,000

SEWER OPERATIONS

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 OTHER PLANT IMPROVEMENTS		65,000	67,000	69,000	71,000	73,100	75,300	77,600	79,900	82,300	660,200
2 HIGH EFFICIENCY BLOWER			300,000								300,000
3 REPLACE CHEMICAL STORAGE TANKS (5)	80,000										80,000
4 REPLACE POLYMER PUMP	20,000	20,000									40,000
5 REPLACE HYPO PUMPS			50,000								50,000
6 REPLACE AERATION BASIN WATERLINE	100,000			15,000							100,000
7 EPA SPILL CONTROL & COUNTERMEASURE PLAN REVIEW				3,100	3,200			3,300			15,000
8 SNOWBLOWER		3,000								3,400	16,000
9 REPLACE H2S METER	12,000									12,000	24,000
	212,000	88,000	417,000	87,100	71,000	76,300	75,300	80,900	79,900	97,700	1,285,200

** Includes a 3% increase per year (rounded).

SEWER LABORATORY

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 REPLACE FINAL SAMPLER		10,000									10,000
2 REPLACE DISCREET ANALYZER			50,000								50,000
3 REPLACE SECONDARY SAMPLER											10,000
4 ICR SAMPLE BOAT	10,000			5,000							5,000
5 REPLACE RAW SAMPLER					10,000						10,000
6 REPLACE HYDROLAB DATA SONDE						10,000					10,000
7 REPLACE LAB FIELD METERS (3)					20,000						20,000
8 REPLACE ALPINE MONITORING WELLS							10,000				10,000
9 REPLACE SAMPLE THREE-DOOR REFRIGERATOR											20,000
10 QUANTI-TRAY SEALER	5,000										5,000
11 REPLACE GEOTECH PUMP CONTROLLER			5,000								5,000
12 REPLACE FULTZ PUMP CONTROLLER				5,000						5,000	5,000
13 REPLACE 104 DEGREE OVEN											5,000
	15,000	10,000	55,000	10,000	25,000	10,000	20,000	10,000	0	5,000	160,000

SEWER HUMAN RESOURCES

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS	
1 REPLACE COPIER	20,000					22,000					42,000	1
2 TRAINING CONFERENCE						40,000					40,000	2
	20,000	0	0	0	0	62,000	0	0	0	0	82,000	

SEWER ENGINEERING - PAGE 1

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 DISTRICT FACILITIES BMFS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
2 EROSION CONTROL PROJECTS	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
3 CALTRANS PROJECTS	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
4 SCADA UPGRADES	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
5 SEWER REPLACEMENT PROJECTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
6 PLANT PAVING AND DRAINAGE IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
7 WWTP PIPING - EVALUATION, PROTECTION, REPLACEMENT	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
8 SEWER CROSSINGS CONDITION ASSESSMENT, IMPROVEMENTS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
9 UPPER TRUCKEE MARSH ADAPTIVE MGMT (TROUT CREEK REST.)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
10 FLL SEWER UPGRADE PROJECTS	100,000	75,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	225,000
11 LPPS POWER AND CONTROL UPGRADES (1)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
12 DVR IRRIGATION IMPROVEMENTS (1)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000
13 WWTP MASTER PLAN	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	2,900,000
14 TALLAC CREEK SEWER CROSSING	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
15 SKI RUN WET WELL HATCH	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	400,000
16 PRIMARY 1 REHAB, NEW MECHANISM (2)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
17 AB2 REHAB AND HYDRAULIC IMPROVEMENTS (2)	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
18 PLANT GENERATOR (2)	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	21,000,000
19 BREAKPOINT MODIFICATION	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
20 WET WELL IMPROVEMENTS, COATINGS, REPAIRS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
21 FM BYPASS - TAHOE KEYS	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
22 FM BYPASS - AL TAHOE	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
23 FM BYPASS - UPPER TRUCKEE	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
24 COLLECTION SYSTEM MASTER PLAN UPDATE	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
25 PUMP STATION ASSESSMENT, IMPROVEMENTS (3)	1,000,000	1,000,000	1,750,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	13,000,000
26 BLOWER SYSTEM REPLACEMENT	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	6,000,000
27 DVR ROADS	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
28 ICR VAULT IMPROVEMENTS	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
29 DVR MASTER PLAN UPDATE	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	750,000
30 LPPS TANK COATING AND CATHODIC PROTECTION	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
31 LPPS VALVE AND PIPING IMPROVEMENTS	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
32 LOWER SHOP VEHICLE COVERED PARKING	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
33 MIXED LIQUOR SPLITTER BOX, GATES, WEIR, COATINGS	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,800,000
34 EMERGENCY PS IMPROVEMENTS, CONC REHAB	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000
35 WWTP BALLAST PONDS	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	1,479,000	14,790,000
36 SECONDARY CLARIFIERS REHAB (3)	500,000	500,000	500,000	500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	25,000,000
TOTALS	4,945,000	6,505,000	5,665,000	4,354,000	4,050,000	1,550,000	550,000	550,000	550,000	550,000	29,259,000

** Includes a 3% increase per year (rounded).

SEWER INFORMATION TECHNOLOGY

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 VIRTUAL SERVER/HOST	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
2 BACKUP POWER - SERVER ROOM		6,000		6,000		6,000		6,000		6,000	30,000
3 NETWORKING EQUIP./IMPROVEMENTS - FOUNTAIN					4,000						4,000
4 NETWORKING EQUIP./IMPROVEMENTS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
5 TELEPHONE SYSTEM UPGRADES	72,000				5,000						82,000
6 NEW FINANCE SYSTEM/MIGRATION/ENHANCEMENTS/STUDY		5,000			10,000						25,000
7 SQL ADDITIONAL LICENSES			6,000						6,000		18,000
8 REPLACE DOMAIN CONTROLLER		10,000								10,000	25,000
9 REPLACE PRESENTATION EQUIPMENT		5,000								5,000	15,000
10 MICROSOFT OFFICE UPGRADES				30,000						30,000	90,000
11 VIRTUALIZATION SOFTWARE				7,000						7,000	14,000
12 STRATEGIC PLAN IMPLEMENTATION	20,000			20,000						20,000	80,000
13 ESRI LICENSE		27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	243,000
14 SERVER ROOM ENVIRONMENTAL CONTROL MONITORING			3,000							3,000	6,000
15 SCADA SERVER 1				10,000						10,000	20,000
	107,000	68,000	51,000	115,000	61,000	64,000	92,000	83,000	48,000	113,000	802,000

SEWER FINANCE

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 REPLACE MICROFICHE READER		5,000									5,000
2 REPLACE PRINTER/COPIER/FAX MACHINE			19,000				20,000				39,000
3 ERP REPLACEMENT	375,000										375,000
4 CARPET REPAIR & REPLACEMENT (OFS/LAB)	5,000										5,000
	380,000	5,000	19,000	0	0	0	20,000	0	0	0	424,000

WATER FUND
TEN-YEAR FINANCIAL PLAN

WATER TEN-YEAR FINANCIAL PLAN

July 1, 2017 to June 30, 2027

PURPOSE

In an effort to set a responsible financial plan for South Tahoe Public Utility District, finance staff prepares a Ten-Year Financial and Capital Improvement Plan (the Plan) for use by the Board of Directors and management. The ten-year period covered is July 1, 2017 to June 30, 2027. This Plan is based on the best available information and Board direction as of May 18, 2017. How closely the ten-year plan comes to forecasting the financial results will depend on whether the assumptions used prove to be correct and the number of unforeseen changes during the ten-year period.

ASSUMPTIONS

The Plan assumptions are: operations and maintenance expenses and depreciation increase at 2.0% per year; salaries increase at 2.0% per year and benefits increase at 3.0% per year due to anticipated increases of health insurance and retirement costs; full implementation of the five-year service charge rate schedule adopted by the Board in 2014; property tax revenue is estimated to increase 2% annually; interest income is forecasted at an earnings rate of 1.0% early on working up to 3.0% mid-way through the forecast; capacity/connection fees are expected to be received from 35 residential allocations each year. Due to the unknown nature of commercial connections, we have projected total annual commercial development equivalent to 50 sewer units and one four-inch water connection.

CAPITAL SPENDING

Capital spending over the ten-year period is forecast to total \$44.8 million, not including associated labor and operating costs or debt payments for prior capital projects. Of this amount, \$40.4 million is for engineered infrastructure improvements. The District's investment in capital is more than 100% of the forecasted depreciation expense, which is estimated to total \$33.9 million over ten years. The ten-year capital improvement plan allows for installing all remaining meters (approximately 5,000) on unmetered connections. The District is required by state law to have all water connections metered by the year 2025. This project is utilizing funding from low-cost loans from the State Water Resources Control Board. The capital improvement plan also allows for the replacement of a portion of the undersized waterlines in the water distribution system and installation of additional fire hydrants. Currently, approximately 15% of the distribution system is undersized and does not provide adequate flows for fire protection. Other capital projects in the Plan include pump station and water tank improvements, heavy equipment replacement, and technological equipment upgrades. Thirty-eight percent of the infrastructure costs are forecasted to be self-funded and the remaining 62% of the costs are borrowed from lenders. The District is seeking to borrow approximately \$24.9 million from the California State Revolving Loan Program through the State Water Resources Control Board in the form of low-interest loans. See the accompanying Capital Outlay schedules for details by department and project or item.

CASH RESERVES

The District prudently maintains minimum reserve levels to address unexpected expenditures or reduction in revenue sources. Reserves are available for operations, capital projects, and to avoid large rate increases. The operating reserve is equal to two months of operating expenses, while the capital reserve when combined with borrowings, if any, is

at least the amount of the next year's budgeted capital spending. The rate stabilization reserve is equal to 10% of water rate revenues. At June 30, 2026, the end of this ten-year forecast, the District's reserves are forecast as follows:

Capital Outlay Reserve	\$4,505,925
Rate Stabilization Fund	1,473,000
Operating Reserve	<u>2,331,741</u>
Total Reserves	\$8,310,666

RATE CHANGES

The adopted budget for 2017/18 (year one of the ten-year forecast) includes a 6.5% increase to rates. Following issuance of a multi-year Proposition 218 notice, the Board adopted a five-year rate schedule. Fiscal year 2017/18 represents year four of the rate schedule. Year five (2018/19) includes a 5% increase. The rate changes are not automatic. The Board is required to confirm the increase for the remaining year. Rate changes for years three through ten are forecasted at 2% per year to account for general inflation. The continued need for infrastructure maintenance and replacement, along with the day-to-day operating expenditures of the District, necessitates consistent marginal rate adjustments. The District Board of Directors and a majority of the ratepayers have historically preferred this methodology over occasional large rate adjustments.

SOUTH TAHOE PUBLIC UTILITY DISTRICT

WATER TEN-YEAR FINANCIAL PLAN

	2017/18		2018/19		2019/20		2020/21		2021/22	
	BUDGET	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE
BEGINNING CASH BALANCES	1,736,281	6,602,484	1,856,613	8,989,528	1,864,575	8,684,164	1,903,804	8,788,162	2,447,512	7,022,234
REVENUES (1)	12,071,500	1,801,000	11,876,000	1,801,000	12,152,000	1,801,000	12,550,000	1,801,000	12,809,000	1,801,000
BORROWINGS		8,370,000		6,204,000		4,320,000		2,060,000		1,000,000
AVAILABLE FUNDS	13,807,781	16,773,484	13,732,613	16,994,528	14,016,575	14,805,164	14,453,804	12,649,162	15,256,512	9,823,234
SALARIES (2)	3,423,175	860,975	3,491,639	878,195	3,561,471	895,758	3,632,701	913,674	3,705,355	931,947
BENEFITS (2)	1,915,150	363,000	1,972,605	373,890	2,031,783	385,107	2,092,736	396,660	2,155,518	408,560
OPERATIONS & MAINTENANCE (2)	3,068,000	543,375	3,150,882	354,243	3,192,378	361,327	3,277,747	368,554	3,321,780	375,925
CAPITAL OUTLAY		8,604,500		9,000,000		6,716,000		2,957,200		2,869,000
DEBT SERVICE (2)	162,000	804,000	146,000	820,000	223,000	772,000	291,000	712,000	539,000	1,094,000
TOTAL CASH OUTLAYS	8,568,325	11,175,850	8,761,125	11,426,327	9,008,632	9,130,192	12,294,184	5,348,087	9,721,653	5,679,432
BALANCE BEFORE TRANSFERS	5,239,456	5,597,634	4,971,488	5,568,201	5,007,944	5,674,971	2,159,620	7,301,075	5,534,859	4,143,802
CAPITAL OUTLAY FUND TRANSFERS	-3,391,894	3,391,894	-3,115,963	3,115,963	-3,113,191	3,113,191	278,841	-278,841	-3,455,229	3,455,229
ACCRUAL TO CASH ADJUSTMENT	9,051	0	9,051	0	9,051	0	9,051	0	9,051	0
RATE STABILIZATION FUNDS		-1,179,900		-1,241,000		-1,267,900		-1,295,300		-1,323,400
OPERATING AND CAPITAL OUTLAY RESERVES (3)	1,856,613	7,809,628	1,864,575	7,443,164	1,903,804	7,520,262	2,447,512	5,726,934	2,088,681	6,275,631
SEWER FUND LOAN REPAYMENT								3,000,000		
RESERVED FOR MTBE REMEDIATION (4)										
RATE STABILIZATION RESERVE (4)		1,179,900		1,241,000		1,267,900		1,295,300		1,323,400
TOTAL RESERVE BALANCES	1,856,613	8,989,528	1,864,575	8,684,164	1,903,804	8,788,162	2,447,512	7,022,234	2,088,681	7,599,031
AMORTIZATION (NON-CASH ITEM)	12,200		12,200		12,200		12,200		12,200	
DEPRECIATION (NON-CASH ITEM)	3,095,000		3,156,000		3,219,000		3,283,000		3,348,000	

ASSUMPTIONS:

(1) REVENUES

Enterprise revenue includes service charges, interest income and other misc revenue.
 Capital Fund revenue includes capacity charges, capital grants and capital improvement charges
 Service charge rates increase 6.5% in 2017/18, 5.0% in 18/19, 2% in 19/20 - 26/27.
 Investments earn 1% to 3% net of investment fees.
 Commercial capacity fees projected assume collections equivalent to a 4" connection.
 Residential capacity fees are based on 35 residential allocations each year.
 2016/17 included a \$3.0M bridge loan from the Sewer Fund which will be paid back by 2020/21 year end.

(2) EXPENDITURES

O&M Expenses and Depreciation increase at 2.0% per year. Specific known changes adjusted as appropriate.
 Benefits include a 3.0% escalator beginning year 2018/19 due to potential PERS/health insurance increases.
 Salaries include a 2% escalator beginning 2018/19 to account for standard step increases and other potential adjustments.
 Ten Year CIP plan in the amount of \$40.4 million.
 Debt Service includes principle and interest payments on current debt as well as an additional \$23.5M million over the ten year forecast.
 \$150,000 contingency reserve for all years.

SOUTH TAHOE PUBLIC UTILITY DISTRICT

WATER TEN-YEAR FINANCIAL PLAN

	2022/23	2022/23 FORECAST	2023/24	2023/24 FORECAST	2023/24	2023/24 FORECAST	2024/25	2024/25 FORECAST	2024/25	2024/25 FORECAST	2025/26	2025/26 FORECAST	2025/26	2025/26 FORECAST	2026/27	2026/27 FORECAST	2026/27	2026/27 FORECAST
	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	ENTERPRISE FUND	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	ENTERPRISE FUND	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND	ENTERPRISE FUND	ENTERPRISE FUND	CAPITAL OUTLAY RESERVE	ENTERPRISE FUND
BEGINNING CASH BALANCES	2,088,681	7,599,031	2,164,705	2,202,734	6,901,429	2,202,734	2,202,734	2,202,734	6,607,049	2,245,242	2,245,242	2,245,242	7,093,540	2,287,237	2,287,237	2,287,237	6,650,677	2,287,237
REVENUES (1)	13,115,000	1,801,000	13,404,000	13,711,000	1,801,000	13,711,000	13,711,000	13,711,000	1,801,000	14,048,000	14,048,000	14,048,000	1,801,000	14,363,000	14,363,000	14,363,000	1,801,000	14,363,000
BORROWINGS		1,000,000			1,000,000				1,000,000									
AVAILABLE FUNDS	15,203,681	10,400,031	15,568,705	15,913,734	9,702,429	15,913,734	15,913,734	15,913,734	9,408,049	16,293,242	16,293,242	16,293,242	8,894,540	16,650,237	16,650,237	16,650,237	8,451,677	16,650,237
SALARIES (2)	3,779,462	950,586	3,855,051	3,932,152	969,598	3,932,152	3,932,152	3,932,152	988,990	4,010,795	4,010,795	4,010,795	1,008,769	4,091,011	4,091,011	4,091,011	1,028,945	4,091,011
BENEFITS (2)	2,220,184	420,816	2,286,789	2,355,393	433,441	2,355,393	2,355,393	2,355,393	446,444	2,426,055	2,426,055	2,426,055	459,838	2,498,836	2,498,836	2,498,836	473,633	2,498,836
OPERATIONS & MAINTENANCE (2)	3,409,738	383,443	3,456,410	3,525,539	391,112	3,525,539	3,525,539	3,525,539	398,935	3,596,049	3,596,049	3,596,049	406,913	3,667,970	3,667,970	3,667,970	415,052	3,667,970
CAPITAL OUTLAY		3,558,400			3,254,000				2,520,600				2,535,500				2,800,800	
DEBT SERVICE (2)	618,000	1,206,000	595,000	571,000	1,229,000	571,000	571,000	571,000	1,253,000	538,000	538,000	538,000	1,277,000	513,000	513,000	513,000	1,302,000	513,000
TOTAL CASH OUTLAYS	10,027,383	6,519,246	10,193,251	10,384,084	6,277,151	10,384,084	10,384,084	10,384,084	5,607,968	10,570,899	10,570,899	10,570,899	5,688,020	10,770,818	10,770,818	10,770,818	6,020,429	10,770,818
BALANCE BEFORE TRANSFERS	5,176,298	3,880,785	5,375,454	5,529,650	3,425,278	5,529,650	5,529,650	5,529,650	3,800,081	5,722,343	5,722,343	5,722,343	3,206,519	5,879,419	5,879,419	5,879,419	2,431,248	5,879,419
CAPITAL OUTLAY FUND TRANSFERS	-3,020,644	3,020,644	-3,181,771	-3,293,459	3,181,771	-3,293,459	-3,293,459	-3,293,459	3,293,459	-3,444,157	-3,444,157	-3,444,157	3,444,157	-3,547,678	-3,547,678	-3,547,678	3,547,678	-3,547,678
ACCRUAL TO CASH ADJUSTMENT	9,051	0	9,051	9,051	0	9,051	9,051	9,051	0	9,051	9,051	9,051	0	0	0	0	0	0
RATE STABILIZATION FUNDS		-1,352,000			-1,381,300				-1,411,200				-1,441,800				-1,473,000	
OPERATING AND CAPITAL OUTLAY RESERVES (3)	2,164,705	5,549,429	2,202,734	2,245,242	5,225,749	2,245,242	2,245,242	2,245,242	5,682,340	2,287,237	2,287,237	2,287,237	5,208,877	2,331,741	2,331,741	2,331,741	4,505,925	2,331,741
SEWER FUND LOAN REPAYMENT																		
RESERVED FOR MTBE REMEDIATION (4)																		
RATE STABILIZATION RESERVE (4)		1,352,000			1,381,300				1,411,200				1,441,800				1,473,000	
TOTAL RESERVE BALANCES	2,164,705	6,901,429	2,202,734	2,245,242	6,607,049	2,245,242	2,245,242	2,245,242	7,093,540	2,287,237	2,287,237	2,287,237	6,650,677	2,331,741	2,331,741	2,331,741	5,978,925	2,331,741
AMORTIZATION (NON-CASH ITEM)	12,200		12,200	12,200		12,200	12,200	12,200		12,200	12,200	12,200		12,200	12,200	12,200		12,200
DEPRECIATION (NON-CASH ITEM)	3,414,000		3,482,000	3,551,000		3,551,000	3,551,000	3,551,000		3,622,000	3,622,000	3,622,000		3,694,000	3,694,000	3,694,000		3,694,000

(3) OPERATING & CAPITAL RESERVES

Operating reserve is equal to two months of operating costs. Remaining reserves are available for capital projects.

(4) RATE STABILIZATION & MTBE RESERVES

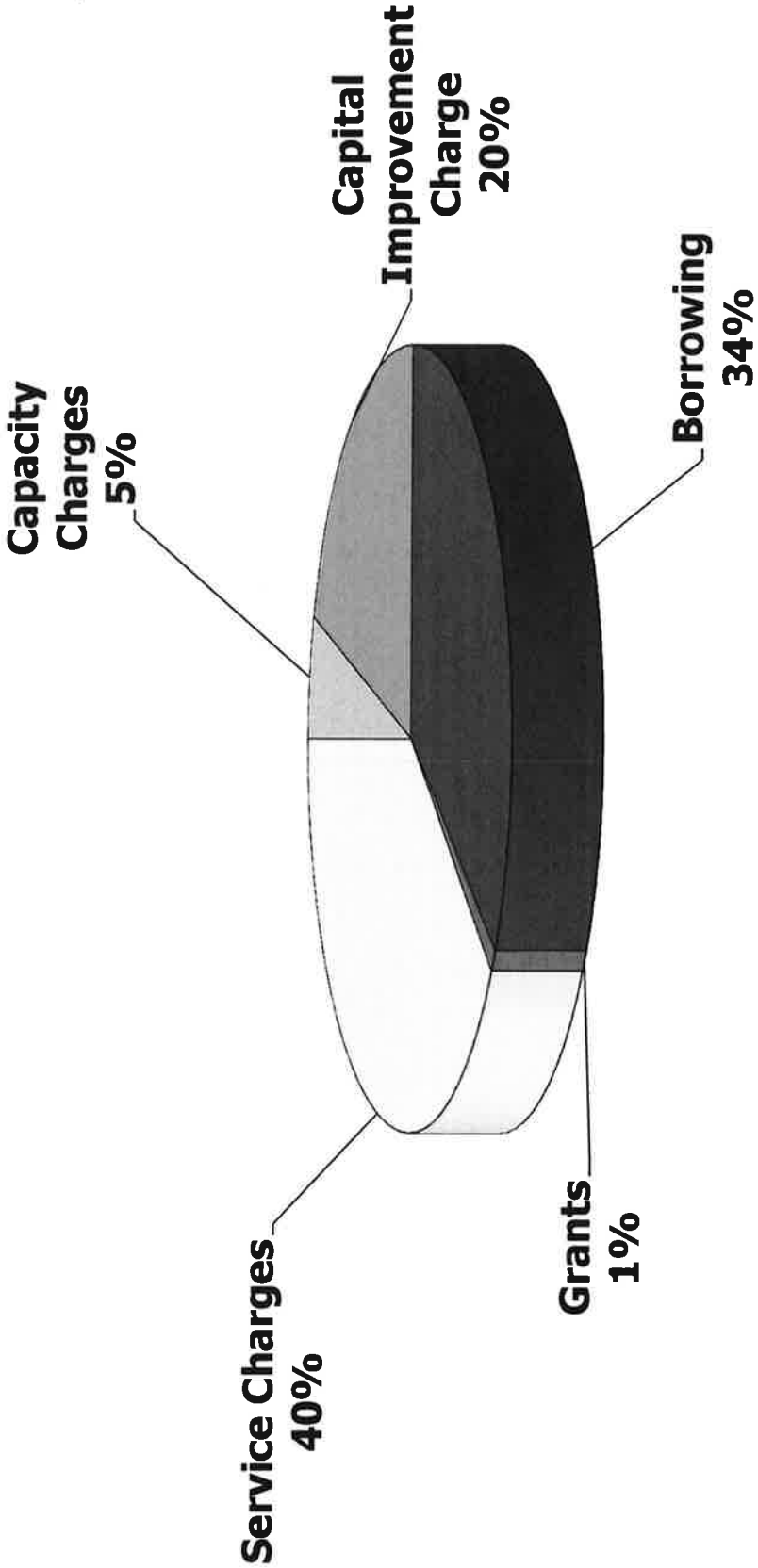
Per District policy, a water rate stabilization reserve is established at 10% of water service charge revenues. MTBE reserves have been exhausted.

RESULTS:

Funding is available for all proposed Capital Projects and reserve levels comply with the Reserve Policy. Operating revenue covers operating expenses at all times. District is in compliance with the "net revenue" debt covenants. Capital Improvement Program is greater than 100% of depreciation

WATER ENTERPRISE FUND

Funding Sources for Capital Projects Fund

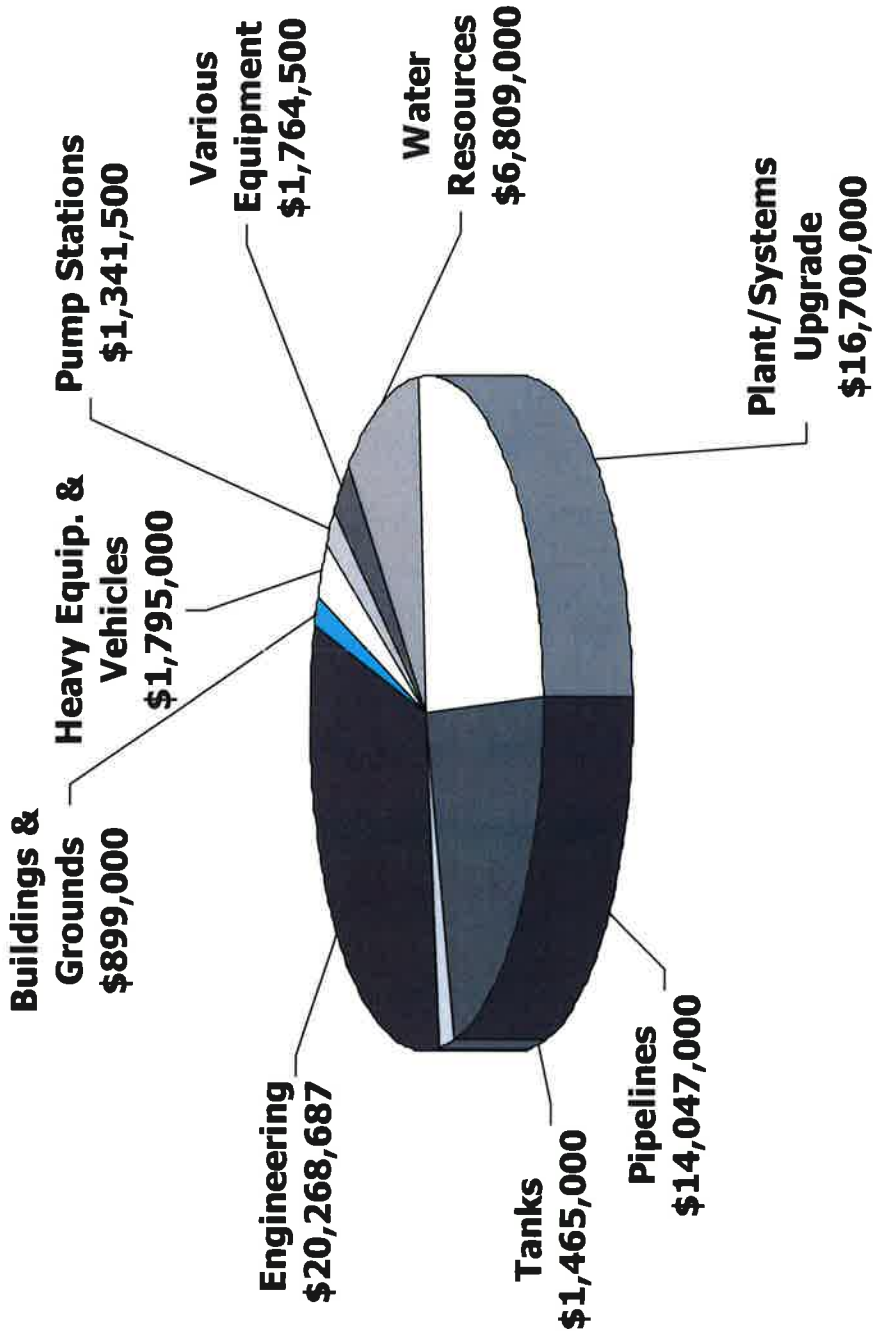


**WATER TEN-YEAR CAPITAL OUTLAY PROJECTIONS – 2018/2027
BY FUNCTIONAL CATEGORY**

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
1) HEAVY EQUIPMENT & VEHICLES	448,000	502,000	305,000	162,200	185,000	92,400	50,000	7,600	35,000	7,800	1,795,000
2) PUMP STATIONS	191,500	428,000	488,000	30,000	30,000	32,000	32,000	41,000	32,000	37,000	1,341,500
3) VARIOUS EQUIPMENT	66,000	191,000	308,000	245,000	179,000	174,000	107,000	212,000	183,500	99,000	1,764,500
4) BUILDING & GROUNDS UPGRADE	139,000	60,000	65,000	60,000	65,000	60,000	65,000	60,000	65,000	260,000	899,000
5) WATER RESOURCES	800,000	2,104,000	2,030,000	200,000	0	800,000	800,000	0	0	75,000	6,809,000
6) PLANT/SYSTEMS UPGRADE	4,370,000	4,320,000	3,120,000	1,160,000	960,000	800,000	600,000	600,000	220,000	550,000	16,700,000
7) PIPELINES	2,590,000	1,280,000	280,000	1,100,000	1,450,000	1,600,000	1,600,000	1,350,000	1,350,000	1,447,000	14,047,000
8) TANKS	0	120,000	120,000	0	0	0	0	250,000	650,000	325,000	1,465,000
9) ENGINEERING STAFF & EXPENSES	1,767,350	1,820,371	1,874,982	1,931,231	1,989,168	2,048,843	2,110,308	2,173,618	2,238,826	2,305,991	20,260,687
TOTAL WATER	10,371,850	10,825,371	8,590,982	4,888,431	4,858,168	5,607,243	5,364,308	4,694,218	4,774,326	5,106,791	65,081,687

WATER ENTERPRISE FUND CAPITAL PROJECTS

Ten Years Ending June 30, 2027



**WATER
TEN-YEAR CAPITAL PLAN
BY DEPARTMENT
and
BY PROJECT**

WATER TOTALS

DEPARTMENT	17-18		18-19		19-20		20-21		21-22		22-23		23-24		24-25		25-26		26-27		TOTALS	
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET		
UNDERGROUND REPAIR	133,000	133,000	107,000	105,000	127,000	128,000	100,000	118,000	109,000	118,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	1,165,000	
PUMPS	25,000	5,000	10,000	10,000	10,000	5,000	10,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	90,000
ELECTRICAL	26,500	23,000	33,000	25,000	25,000	27,000	27,000	36,000	27,000	36,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	281,500	
HEAVY MAINTENANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EQUIPMENT REPAIR	430,000	502,000	355,000	162,200	165,000	82,400	50,000	7,600	35,000	7,600	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	1,827,000	
LABORATORY	0	15,000	5,000	150,000	5,000	11,000	6,000	15,000	5,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	227,000	
BOARD OF DIRECTORS	0	0	5,000	0	0	0	5,000	0	37,500	0	0	0	0	0	0	0	0	0	0	0	47,500	
ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HUMAN RESOURCES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PUBLIC OUTREACH	0	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	
ENGINEERING	7,905,000	8,284,000	6,035,000	2,470,000	2,420,000	3,210,000	3,010,000	2,210,000	2,230,000	2,210,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	2,607,000	40,351,000	
INFORMATION SYSTEMS	51,000	38,000	166,000	40,000	67,000	85,000	46,000	129,000	82,000	129,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	723,000	
CUSTOMER SERVICE	0	0	10,000	0	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,000	
FINANCE	34,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,000	
ENGINEERING STAFF & EXPENSES	1,767,350	1,820,371	1,874,982	1,931,231	1,989,168	2,048,843	2,110,308	2,173,618	2,236,826	2,236,826	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	2,305,991	20,260,687	
	10,371,850	10,825,371	8,590,982	4,888,431	4,858,168	5,607,243	5,364,308	4,694,218	4,774,326	4,694,218	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	5,106,791	65,061,687	

WATER UNDERGROUND REPAIR

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 IN-HOUSE WATERLINE REPLACEMENT UPSIZE	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
2 TRUCK MOUNTED HYD. UNIT FOR HYDRAULIC TOOLS/AIR COMP.		8,000									8,000
3 REPLACE MOLE			7,000			8,000			9,000		24,000
4 REPLACE WACKER		5,000		5,000		5,000		5,000		5,000	25,000
5 REPLACE VACUUM ON VEHICLE #77	18,000										18,000
6 VACUUM FOR STANDBY TRUCK #61 (VALVE EXER. PROG.)	15,000				15,000						30,000
7 VALVE EXERCISE EQUIPMENT		10,000				15,000					25,000
8 LINE LOCATOR		5,000			6,000		6,500				17,500
9 LINE LOCATOR		5,000			6,000		6,500				17,500
	133,000	133,000	107,000	105,000	127,000	128,000	100,000	118,000	109,000	105,000	1,165,000

WATER PUMPS

USE OR BENEFIT EXPLANATION	17-18		18-19		19-20		20-21		21-22		22-23		23-24		24-25		25-26		26-27		TOTALS	
	BUDGET		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET		BUDGET			
1 SECURITY MEASURES					5,000				5,000				5,000					5,000			20,000	1
2 AIRPORT BOOSTER WATERLINE CHECK VALVE		10,000																			10,000	2
3 PUMP/MOTOR REBUILDS		15,000		5,000	5,000		5,000		5,000		5,000		5,000		5,000		5,000		5,000		60,000	3
		25,000		5,000	10,000		5,000		10,000		5,000		10,000		5,000		10,000		5,000		90,000	

WATER ELECTRICAL

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 REBUILD MOTORS	10,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	10,000	76,000
2 PREVENTATIVE MAINTENANCE BAYVIEW VFD			9,000					9,000			18,000
3 REPLACE SCADA RTUS	16,500	17,000	17,000	16,000	18,000	20,000	20,000	20,000	20,000	22,000	188,500
	26,500	23,000	33,000	25,000	25,000	27,000	27,000	36,000	27,000	32,000	281,500

WATER EQUIPMENT REPAIR (VEHICLES) - PAGE 2

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 REPLACE U/R WATER SERVICE TRUCK #77 (2001)							50,000				50,000
2 REPLACE U/R TRUCK #32 (2009)						45,000					45,000
3 REPLACE U/R FLATBED TRUCK #43 (1988)						40,000					40,000
4 REPLACE U/R CAMEL TRUCK #57 (2003)	395,000										395,000
5 REPLACE U/R BACKHOE #47 (2003)				120,000							120,000
6 REPLACE U/R TRUCK #61 (2011)				35,000							35,000
7 REPLACE U/R TRUCK #25 (2000)		60,000									60,000
8 REPLACE U/R LOADER #22 (2007)					185,000						185,000
9 REPLACE U/R BACKHOE #48 (2006)			120,000								120,000
10 REPLACE U/R DUMP TRUCK #8 (1996)		300,000									300,000
11 REPLACE U/R DUMP TRUCK #80 (2006)			120,000								120,000
12 REPLACE PUMPS TRUCK #17 (2009)		30,000									30,000
13 REPLACE PUMPS TRUCK #31 (2003)		35,000									35,000
14 REPLACE EQUIP. REPAIR TRUCK #33 (2005)		35,000									35,000
15 REPLACE LAB TRUCK #82 (2006)											35,000
16 REPLACE ENG. TRUCK #37 (2002)		35,000									35,000
17 REPLACE C.S. TRUCK #64 (2003)			30,000						35,000		30,000
18 REPLACE C.S. TRUCK #72 (1989)			35,000								35,000
19 REPLACE PURCHASING VEHICLE #5 (1999)											35,000
	430,000	495,000	305,000	155,000	185,000	85,000	50,000	0	35,000	0	1,740,000
	430,000	502,000	355,000	162,200	185,000	92,400	50,000	7,800	35,000	7,800	1,827,000

WATER LABORATORY

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 REPLACE STERILIZING OVEN						6,000					6,000
2 REPLACE AUTOCLAVE (SMALL)								10,000			10,000
3 DEED WELL WIZARD SAMPLE PUMP CONTROLLER		5,000									5,000
4 REPLACE COLIFORM INCUBATOR						5,000	6,000				11,000
5 REPLACE LAB PH METER		10,000									10,000
6 REPLACE AUTOCLAVE (LARGE)			5,000					5,000			10,000
7 REPLACE 20 LITER WATER BATH											
8 LIMS COMPUTER SOFTWARE				150,000							150,000
9 REPLACE BLOCK DIGESTER FOR METALS AND TOTAL P					5,000						5,000
10 REPLACE TURBIDIMETER										5,000	5,000
	0	15,000	5,000	150,000	5,000	11,000	6,000	15,000	5,000	15,000	227,000

WATER BOARD OF DIRECTORS

USE OR BENEFIT EXPLANATION	17-18 BUDGET	18-19 BUDGET	19-20 BUDGET	20-21 BUDGET	21-22 BUDGET	22-23 BUDGET	23-24 BUDGET	24-25 BUDGET	25-26 BUDGET	26-27 BUDGET	TOTALS
1 REPLACE BOARDROOM COMPONENTS									37,500		37,500
2 REPLACE BOARDROOM AV EQUIPMENT			5,000				5,000				10,000
	0	0	5,000	0	0	0	5,000	0	37,500	0	47,500

WATER INFORMATION TECHNOLOGY

USE OR BENEFIT EXPLANATION	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
1 FIREWALL SOFTWARE/UPGRADES			8,000		8,000		8,000		8,000		32,000
2 SOFTWARE (NEW, UPGRADES, COMPLIANCE)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	80,000
3 SQL ADDITIONAL LICENSES	7,000		7,000		7,000		7,000		7,000		21,000
4 STORAGE SYSTEM (SAN/ADDITIONS)			75,000		6,000		8,000	75,000		6,000	162,000
5 DATABASE SOFTWARE/UPDATES			8,000								16,000
6 REPLACE FIBER WAN - SHOPS								10,000			10,000
7 REPLACE NETWORKING EQUIP./IMPROVEMENTS	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
8 WIRELESS CONTROLLER/ACCESS POINTS	10,000				10,000			10,000			30,000
9 BACKUP/DISASTER RECOVERY APPLIANCE			10,000								20,000
10 REPLACE WATER HYDRAULIC MODELING SOFTWARE		15,000			15,000			15,000			45,000
11 AUTOCAD CIVIL LICENSES			6,000		6,000			6,000			18,000
12 STRATEGIC PLAN IMPLEMENTATION/UPDATE			30,000		30,000			30,000			90,000
13 LASERFICHE UPGRADE		10,000			10,000			10,000		10,000	30,000
14 REPLACE DOMAIN CONTROLLER SERVER #2				10,000							10,000
15 CORE SWITCH											20,000
16 REPLACE SCADA HISTORIAN SERVER	10,000				10,000			10,000			30,000
17 SCADA SERVER 2				10,000				10,000			20,000
18 BACKUP POWER SERVER ROOM	6,000		6,000		6,000			6,000			24,000
19 BACKUP POWER DVR	5,000				5,000			5,000			15,000
	51,000	35,000	156,000	40,000	67,000	85,000	46,000	129,000	82,000	29,000	723,000

ACKNOWLEDGMENTS

Paul Hughes, Chief Financial Officer

Debbie Henderson, Accounting Manager

Susan Rasmussen, Finance Administrative Assistant

BOARD OF DIRECTORS' FINANCE COMMITTEE:

Randy Vogelgesang

Duane Wallace

