

# Tuolumne Utilities District

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## FY 2019 and FY 2020 Operating Budget and FY 2019-2023 Capital Improvement Budget Board of Directors

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## Tuolumne Utilities District Introduction

### District Facilities and Service Areas

Tuolumne Utilities District (“TUD” or “District”) provides raw water, treated water, sewer, septage, and reclaimed water services to customers throughout Tuolumne County and in the City of Sonora. The District has approximately 13,365 residential, commercial, and wholesale treated water accounts and an additional 587 untreated or raw water accounts. Sewer service is provided to 6,024 residential and commercial accounts. In addition, the District provides regional sewer services to subscriber agencies such as the Jamestown Sanitary District (reclamation) and the Twain Harte Community Services District (treatment and reclamation).



Figure 1: Lyons Reservoir

To provide these necessary services to our customers the District owns and operates 11 water systems and 5 wastewater systems. The water and wastewater systems are self-supporting enterprises and costs are accounted for separately under the water enterprise fund and the wastewater enterprise fund, respectively. The District also provides both retail and wholesale water and wastewater services to the community.

The District currently has an estimated treated water service population of approximately 28,997 with approximately 2,000 additional people served through wholesale service to the Muller Water Company, Sleepy Hollow Water Users Association, Sonora Meadows Mutual Water Company, and the Sonora Water Company.

An estimated 24,000 people benefit from the District’s wastewater collection, treatment, and/or reclamation service. Virtually every residence in the County that is not connected to public sewer relies on the District to process septage originating from septic tanks and from portable toilets.

Tuolumne County’s current population is estimated to be approximately 53,831. Since the District is the primary water and sewer service provider to the business and commercial centers of the County, nearly everyone in Tuolumne County benefits, in some degree, from the District’s services.

### Raw Water System

Approximately 95% of the water the District distributes originates from the South Fork Stanislaus River and is impounded in PG&E’s Lyons and Strawberry (Pinecrest) Reservoirs. The District receives its water under



Figure 2: 1850's Era Ditch View

contract with PG&E. The contract dates to 1983, when PG&E sold the water system, except for water rights, to the County of Tuolumne, the precursor water purveyor to the District. The District was formed by action of Tuolumne County voters in 1992 and commenced operations as the county's largest purveyor of potable water and wastewater services in 1993. PG&E owns and operates a canal and flume system to convey water from Lyons Reservoir to the Phoenix Powerhouse. The District owns and operates a total of 70.4 miles of ditch, flume, pipe, and tunnel infrastructure that diverts water from the PG&E system at various locations. The District's raw water conveyance system serves a variety of customer types and uses, including agricultural/irrigation water, ditch domestic use, commercial and industrial, resale, and raw water supply to other treated water agencies such as the Twain Harte Community Services District. The system also supplies water to 15 of the District's own water treatment facilities. Raw water storage is provided in Phoenix Lake and an assortment of smaller impoundments.

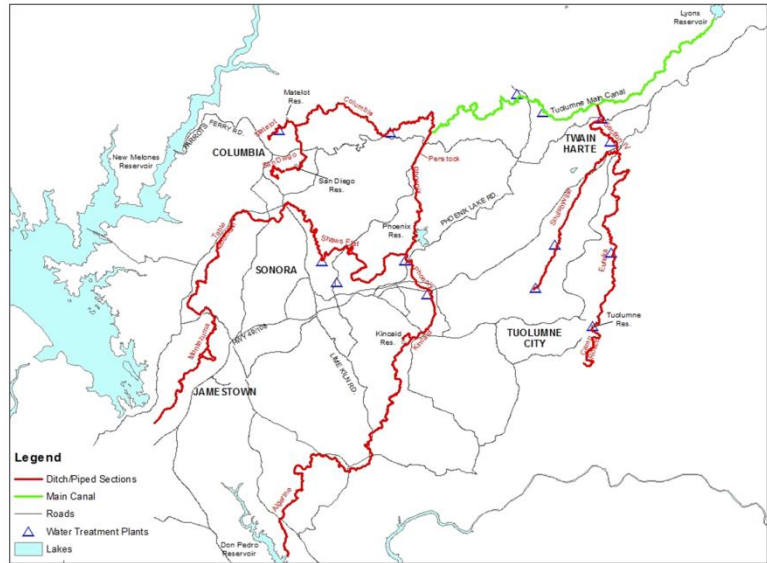


Figure 3: Ditch System Schematic

### Treated Water System

The water system includes various water storage and conveyance facilities, transmission pipelines, treatment facilities, pump stations, and distribution pipelines. The District operates and maintains 7 water reservoirs, 15 treatment plants, 78 treated water storage tanks, 51 transfer and booster pump stations, and 330 miles of potable water distribution pipelines. In respect to the water enterprise fund the District, in addition to its retail customer base, provides wholesale water to the following entities: Muller Water Company, Sonora Meadows Water Company, Sonora Water Company, and the Sleepy Hollow Water Company and provides emergency backup water supply to some local mobile home parks. The District's Columbia Water System is also a water source to CalFire's Columbia Air Attack Base.

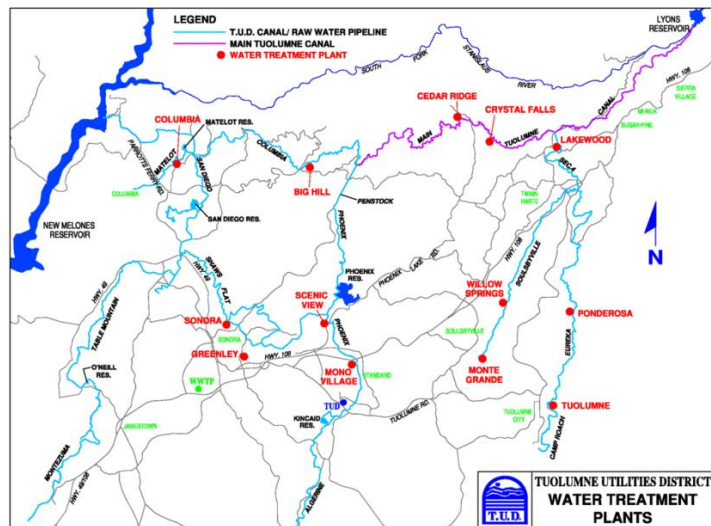


Figure 4: Treat Water System Schematic

## Wastewater System

The wastewater system provides wastewater collection and treatment services, as well as reclaimed water distribution for agricultural uses. The collection system is composed of approximately 140 miles of pipeline ranging in size from 2-inch diameter up to 18-inch diameter and 30 sewer pumping stations. The District operates and maintains one primary level treatment facility and one secondary level regional treatment facility. Treated wastewater effluent is stored in Quartz Reservoir (1,616 acre-feet) and is distributed for agricultural uses on 672 acres of lands around the Jamestown area. The District is tasked with complying with State imposed Waste Discharge Requirements; other various permit requirements, and a consent decree. Currently, the District is in the final phase of conducting a video inspection of the entire collection system. Because of those inspections the District is engaged in an aggressive campaign of repairs, replacements, and pipeline rehabilitation.

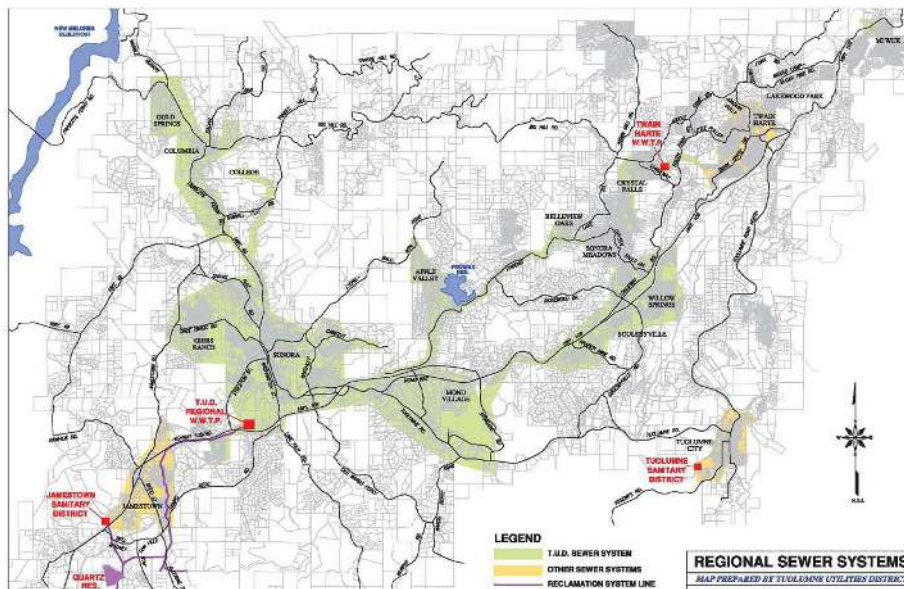


Figure 5: Sewer System Schematic



Date: May 22, 2018

**Subject: Transmittal of Biennial Budget for Fiscal Year 2019 and Fiscal Year 2020**

Members of the Board of Directors and Customers of the District:

The Tuolumne Utilities District's ("District" or "TUD") biennial budget presented to you allocates the necessary resources that continues to build the financial sustainability of the District, while carrying out the Board of Director's ("Board") mission of providing reliable, responsive utility services with dedicated customer service in a financially responsible manner.

Adoption of the budget is a key action taken by the Board and provides the necessary basis to pursue the District's Vision, Mission and Goals. The budget is the District's financial work plan, translated in expenditures and supported by revenues. It establishes the District's direction for the near term, and to the extent the decisions have continuing implications, it also establishes long term direction.

The proposed budget and the operational, programmatic and capital costs identified herein are possible as a result of the November 2015, Proposition 218 process in which the Board proposed a 5-year program of incremental rate increases for District customers to evaluate. The proposed rate increase was not protested by District customers and the Board approved the rate plan. The new rate structure was effective in January 2016 and is in full compliance with California statute and case law that regulates how rates are established, the rate structure itself, and how rates apply to users.

The budget prudently contemplates some manner of ongoing water conservation, born both of behavioral changes by customers because of the recent, significant drought, as well as, from likely mandates imposed upon the District and its customers by the State of California ("State") through the State Water Resources Control Board. Conservation, however, has a nominal effect on District expenses and does not typically reduce expenses in a significant way. The substantial majority of the District's expenses are fixed and occur regardless of the amount of water used or conserved. Accordingly, the new rate structure effective in January 2016 attempts to reconcile the ongoing expense of operating the water and wastewater systems through a more precise allocation of fixed and volumetric expenses calculated into the rate structure.

### **Operating Budget Summary**

Attached you will find the proposed biennial budget for Fiscal Years 2019 and 2020 (FY 19 and FY 20) containing budgeted operational revenues and expenditures for each of TUD's funds. The total combined operating expense budget for FY 19 and FY 20 is \$16.2 million and \$16.8 million, respectively.

## **Two Year (Biennial) Budget**

This two-year budget offers the District the ability to provide for more systemic long range planning over the budget term, achieve efficiencies in the second year of the budget by relieving staff of the budget preparation process to instead focus on validation efforts for the second year of the budget and other worthwhile projects. The two-year budget also demonstrates a commitment to our customers to operate the District over the long term with the goal of mitigating deficit spending to the greatest extent possible while genuinely pursuing a balanced budget.

## **Basis of Budgeting**

The Tuolumne Utilities District is a California Special District formed in 1992 under the laws of the State of California as a county water district.

The District's accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of double entry accounts comprised of its assets, liabilities, fund equity, revenues, and expenses. Financial activities are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District utilizes the following funds:

### **Water Operating Fund**

The water operating fund is used to account for water operations that are financed and operated in a manner consistent with law where the intent of the District is that the costs (expenses) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.

### **Sewer Operating Fund**

The sewer operating fund is used to account for wastewater operations that are financed and operated in a manner consistent with law where the intent of the District is that the costs (expenses) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.

## **Board Strategic Plan**

In January 2018, the Board updated its *Strategic Plan*, including the Vision, Mission and Goals that will guide the District into the future. The Board recently completed the annual process of reviewing, and updating as appropriate, its *Strategic Plan*. This budget has been developed consistent with the Board's objectives as established in the *Strategic Plan*. The Board's Vision statement is strategically long range and looks out 15 years and focuses in on what the Board desires the District look like at that time.

**Vision:**  
Tuolumne Utilities District 2033 has  
SUSTAINABLE WATER RESOURCES  
provides  
SAFE, SECURE AND HIGH QUALITY WATER  
provides  
EFFECTIVE COLLECTION, TREATMENT AND DISPOSAL OF WASTEWATER  
and  
BEST USE OF TUD PROPERTIES FOR TUD/COMMUNITY ENRICHMENT

The Board also established its goals for the next 5 years that will guide the *Action Agenda* of the organization on an annual basis. The District will achieve the following:

**Goals:**    *Top Quality Utility Services/Sustainable Water Resource Management*  
*High Performing Organization*  
*Socially, Environmentally and Financially Responsible Organization*  
*Top Quality Infrastructure*

### **Revenues**

The primary revenues include service charges, property taxes, debt service recovery, facilities capital charges, and other income. The District anticipates realizing approximately \$15.6 million and \$16.6 million in annual water revenue and approximately \$6.7 million and \$7 million in annual sewer revenue in each of FY 19 and FY 20, respectively.

### **Expenditures**

Consistent with the type of service the District provides, the primary uses of expenditures in the District budget are personnel-related (salaries and benefits), materials and services. Total labor related budgeted expenditures are approximately \$11.4 million for FY 19 and \$11.5 million for FY 20. The District will add 1 position in FY 19, a water operator. In FY 20, the District is not adding any additional positions. Non-labor expenses are budgeted overall at \$4.8 million in FY 19 and \$5.2 million in FY 20.

### **Reserves**

The FY 19 and FY 20 budget proposes to continue establishing reserves in the Water Fund. Reserves act as a savings account that is to be used judiciously to help fund future infrastructure costs or meet expenses in difficult economic times. The Board made the establishment of reserves a central theme when approving the November 2015 rate increase program. Reserves serve as a prudent measure for special districts that build and maintain expensive infrastructure, such as the water treatment, storage and delivery systems owned and operated by TUD. Water and sewer infrastructure is expensive to build and maintain and the development and protection of adequate reserves is a best practice in the industry.





Notwithstanding this indisputable fact, the District is faced with a two-prong budgetary challenge regarding infrastructure: build new infrastructure and build reserves to support future costs. The budget does both, although the building of reserves is at a slower pace and will take time to save to the level that will adequately support the future replacement of infrastructure. The Board's November 2015 decision regarding rates emphasizes the more immediate replacement of existing infrastructure that is aging and deteriorated. As with the District's FY 17 & FY 18 Budget, significant investment in new infrastructure remains a central theme in order to bring customers a greater level of long term reliability in their public water and sewer systems.

As to reserves, the budget proposes to save \$608k in FY 19 into Water reserves and \$49k into the Water contingency fund, and in FY 20 approximately \$1.2M into Water reserves and \$97k into the Water contingency fund. The FY 19 and FY 20 budgets also propose to place approximately \$256k in FY 19 and \$513k in FY 20 into Sewer reserves and \$20k in FY 19 and \$41k in FY 20 into the Sewer contingency fund.

### **Board of Directors**

The Board of Directors sets forth the policy direction for the District. The Board works with other levels of government on water and wastewater policy matters important to the overall operation of the District and its customers. The Board budget includes the District's legal fees, open government costs for the Granicus video system, annual goal setting expense, dues related to water agency organizations, including the Association of California Water Agencies ("ACWA"), Mountain Counties Water Association, Tuolumne County Business Council and the Tuolumne County Chamber of Commerce. Funds are also budgeted for Board related travel to conferences or meetings related to water and wastewater advocacy.

### **Operations Department**

The Operations Department consists of the water, wastewater, construction/maintenance and fleet divisions that address the District's field operations. Each division plays an integral role in producing and distributing water, collecting and processing wastewater, and maintaining, repairing and constructing water and wastewater infrastructure. Without these divisions the District could not properly serve its customers in an efficient and cost-effective manner.

#### *Water Division*

The water treatment budget includes all the materials and supplies necessary to safely produce treated water at the District's 15 treatment plants, including 3 groundwater sites. In addition to daily water production, various water tanks will be dive cleaned and inspected (DCI) according to a 5-year rotating schedule. DCI is integral to maintaining tank integrity and safe, clean water.

A significant portion of the water treatment budget includes regulatory compliance costs (\$151k and \$208k), which includes routine lab testing and associated costs. The water treatment budget also includes fees paid to the State related to their regulatory oversight of water production and distribution (\$56k and \$58k). The District employs a water regulatory compliance specialist that coordinates the testing, monitoring and regulatory compliance aspects of the District's water production, a critical

function to maintaining public faith in the water system. Lab testing and continued state certification of the District's water supply stands as a testament to the District's commitment to provide safe, clean drinking water to our customers.

The District continues to monitor power use and avail itself to opportunities to reduce costs. Monitoring the District's water treatment plants and equipment through a complex supervisory control and data acquisition (SCADA) system is a significant and often unnoticed aspect of District operations. The District's SCADA system automates the collection of necessary data from far flung field locations reducing or eliminating the need to have personnel manually conduct the same data collection on a daily basis.

#### *Treated Water & Raw Water Distribution*

Each year the District undertakes the repair and maintenance of its 70+ mile, 1850's era, ditch system in order to deliver water to domestic and agricultural users that rely on raw water delivery for limited non-potable purposes. The ditch system represents a significant investment in raw water transmission by the District for its customers. Staff monitors and calibrates ditch water flows throughout the year and especially during the summer months to ensure reliability. Continual, year-round maintenance and upkeep is required to keep the ditch system service ready. Staff also maintains the Phoenix Lake dam which is owned by the District and annually inspected by the state Division of Safety of Dams. The District's rate structure adopted in November 2015, will not recover the full cost of maintaining the ditch system for raw water delivery. Notwithstanding this fact, the District's 5-year rate structure will gradually increase revenue recovery over the rate period. The District has made rate parity between treated and raw water a priority, while also committing itself to the provision of all of its water delivery services at the lowest possible cost.

With respect to treated water, staff also maintains the distribution network ensuring that water distribution mains are maintained in working order. Water distribution staff performs routine maintenance including the conduct of a water main flushing program that helps maintain underground pipes over the long term. The District's flushing program is integral to maintain infrastructure in good working order and for the provision of clean drinking water.

#### *Construction and Maintenance*

The District's construction and maintenance ("C&M") crews handle day-to-day repairs and major construction on behalf of District customers. C&M staff plays a major role in implementing cost effective water and wastewater capital infrastructure for the District in addition to attending to approximately 850 repairs each year including responding 24/7/365 to water and sewer mainline and lateral breaks that require immediate attention. Repair and maintenance supply costs represent the largest portion of the non-labor operating costs for the Water Division at nearly \$270k FY 19 and \$277k in FY 20; additionally, maintenance supply costs in Sewer are budgeted at approximately \$139k and \$143k in each year of the budget. The District will respond to water line breaks and other infrastructure failures throughout the year, often magnified by inclement and freezing winter weather. In FY 17 the District responded to around 6,800 service requests, sometimes after hours, including weekends and

holidays. The District's goal of improving infrastructure through an aggressive capital improvement program is intended to reduce these service requests over time.

#### *Fleet and Facilities Division*

The District's fleet and facilities division maintains the fleet vehicles and equipment that is necessary to the conduct of field operations in both water and wastewater. Fleet also maintains the District's heavy equipment used for mainline water and sewer services and other maintenance needs. The division works to maintain the fleet in a manner that wrings out every mile of useful life from vehicles, instead of basing replacement on a strict mileage setting or an age basis. This saves rate payer dollars over the long term. Division staff also provides various services to Water and Sewer divisions including welding and fabrication as needed.

#### *Wastewater*

The District operates the county's largest wastewater treatment plant, including 140 miles of sewer collection system, 30 sewer lift stations and treating approximately 1.3 million gallons of wastewater each day at the Sonora Regional Wastewater Treatment Plant ("SRWTP") that was originally constructed in the late 1970's. The District also operates the Twain Harte wastewater treatment facility and transfers that effluent by way of an interceptor line to the SRWTP for final processing. The District has undertaken the flushing and video inspection of the sewer collection system in order to direct maintenance and repair efforts over the last several years. Wastewater treatment is highly regulated by both the federal and state governments requiring that District operations adhere to mandated standards. The District's Quartz reservoir is maintained by wastewater staff and provides reclaimed water to agricultural interests for production of hay and alfalfa as feed for cattle. These efforts, coupled with District owned spray fields, eliminated the need for the District to maintain a National Pollutant Discharge Elimination System ("NPDES") permit through the U.S. Environmental Protection Agency and state of California.

### **Engineering Department**

The Engineering Department provides for the design of District infrastructure, including the development of design standards and construction of water and sewer infrastructure associated with new development. Engineering Department staff facilitates the process of establishing new service connections, including the conditions for extending service to new development and are charged with applying to various funding programs for loans and grants to offset fiscal impacts to District ratepayers. During the next two fiscal years, Engineering will take a lead role in advancing design and implementation of the District's capital improvement program (CIP) projects. As noted previously, the District's CIP is forward thinking, aggressive and underscores the Board's goal of improving District infrastructure. In order to facilitate this aggressive schedule the Board approved on-call engineering services with several engineering firms to assist the District in the design and implementation of badly needed infrastructure improvements. Doing so is in the best interest of District customers and will more reasonably establish timeframes for the delivery of quality infrastructure.

## **Finance Department**

The Finance Department provides financial management and accounting for the District, including the processing of utility billing for approximately 14,000 water accounts and 6,000 sewer accounts on a bi-monthly basis. During the fiscal year the Finance Department will be replacing the District's existing financial management and utility billing software with new contemporary software. The Finance Department includes information technology and the budget includes funding to continue support to administer the District's many high-tech systems.

## **Administration Department**

Administration consists of the Human Resources & Risk Management division and the General Manager's Office, including public relations/information.

### *Human Resources & Risk Management*

The Human Resources & Risk Management Division undertakes the recruitment and retention of District employees, including the management of all the necessary benefits related to employment, including labor relations, health insurance, retirement, workers compensation, safety and all other personnel practices related to the management of nearly 80 employees.

## **Pension Program**

One of the components of the District's personnel expenditures is the contribution to the District's pension program, California Public Employee Retirement System ("CalPERS"). CalPERS is a multiple-employer public employee defined benefit pension plan and provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California.

The current CalPERS employer contribution rates and the rates for the next two fiscal years are as follows:

Employee Group	Employer Contribution Rate		
	FY 18	FY 19	FY 20
Tier I (Prior to 2012)	32.545%	34.703%	30.51%
Tier II (Prior to 2013)	8.921%	9.98%	10.53%
PEPRA (After 2013)	6.561%	6.918%	6.96%

CalPERS has adopted changes to its assumptions and policies that will increase employer contribution rates over the next several years, but are intended to result in lower contribution rates in the long term. In 2013, to improve the funding levels of plans, the CalPERS Board approved a change to its amortization and smoothing policy which spread investment returns over a 15-year period with gains and losses paid for over a rolling 30-year period (i.e. the amortization period remains the same each year, rather than declining). With the new policy changes, gains and losses will be paid for over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period. The increases are based on an agency's asset volatility ratio, or an agency's assets divided by their annual payroll.

The second change relates to actuarial assumptions used to determine employer contribution rates and unfunded liabilities. In February 2014, the CalPERS Board adopted updated actuarial assumptions regarding the mortality rate for state and local employers, after completing a study focused on recent patterns of termination, death, disability, retirement and salary increases. The findings from national mortality studies show that due to advances in medicine, nutrition, personal fitness and other factors people are living longer than the previously developed mortality rates reflected. In addition, the study showed higher rates of service retirement for certain member groups and lower rates of disability for all groups. These outcomes have a financial impact on employer related CalPERS rates because plans are not currently funded to cover the payment of retirement benefits for a longer life time.

In December 2016, CalPERS approved lowering the discount rate assumption, the long-term rate of return, from 7.50% to 7.00% over three years. This will increase both the normal cost and the accrued liability cost beginning in FY 19. These increases will result in higher required employer contributions beginning in FY 19. The changes to the Unfunded Accrued Liability (UAL) due to changes of actuarial assumptions are amortized over a fixed 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. A new ramp is established with each change to the discount rate. There will be three ramps established in the first three years. As a result of the 5-year ramp up and effective date of the increase, it will be seven years until the full impact of the discount rate change is completely phased in.

As of June 30, 2017, the District reported a net pension liability in the amount of \$11,557,713, as reported in the GASB 68 Accounting Valuation Report actuarial prepared for the District by the California Public Employee Retirement System (“CALPERS”) as of the Measurement Date of June 30, 2016. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The CalPERS actuarial determines the District’s required employer contribution for each fiscal year. The total minimum required employer contribution is the sum of the District’s normal cost rate plus the employer unfunded accrued liability contribution amount. The unfunded liability is paid over a 30-year period. As of the most recent actuarial valuation, the District’s funded ratio of its unfunded liability related to its pension plan was 71.4%.

CALPERS FUNDED STATUS

CalPERS RECAP (*amounts in thousands*)

COMBINED PLANS

	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Present value of projected benefits	\$ 35,625	\$ 37,176	\$ 38,931	\$ 42,860	\$ 46,079	\$ 50,401
Entry age normal accrued liability	29,936	31,667	33,597	37,267	40,578	43,706
Plan's market value of assets	23,796	21,618	24,499	28,888	30,671	31,189
Unfunded accrued liability	6,140	10,049	9,098	8,379	9,907	12,517
Funded ratio	79.5%	68.3%	72.9%	77.5%	75.6%	71.4%

## **Other Postemployment Benefits (OPEB)**

For employees hired prior to March 1, 2006, the District provides 100% of the monthly medical insurance premiums for qualified retired employees and family members until they reach age 65 and are eligible for Medicare, at which time the District pays a significantly discounted rate. Effective March 1, 2006 all newly hired employees vest on a sliding scale based on credited years of service of 10 to 20 years with vesting percentage of 50% to 100%. On July 28, 2009, the District's Board adopted a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. As to funding, the contribution requirements of plan members and the District are established, and may be amended, by the Board of Directors. Effective May 1, 2013 all newly hired employees receive an employer's medical contribution that is limited to the minimum employer contributions as prescribed by Government Code.

The District's annual OPEB cost (expense) is calculated based on the actuarially determined contribution of the employer (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following tables (amounts expressed in thousands) shows the components of the District's annual OPEB cost, contributions to the Plan, and changes in the District's Net OPEB obligation; and the funded status of the plan:

### **OPEB RECAP** (amounts in thousands)

#### OPEB

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
Annual required contribution (ARC)	\$ 1,150	\$ 1,172	\$ 1,278	\$ 1,731	\$ 1,477	\$ 1,519	\$ 1,475
Interest on net OPEB obligation	-	(12)	168	88	111	151	167
Adjustment to ARC	-	15	(200)	(125)	(173)	(237)	(301)
Annual OPEB cost (expense)	1,150	1,175	1,246	1,694	1,415	1,433	1,341
Contributions	(1,306)	(795)	(385)	(497)	(570)	(784)	(1,013)
Increase in net OPEB obligation	(156)	380	861	1,197	845	649	328
Net OPEB obligation, beginning of year	-	(156)	224	1,085	2,282	3,127	3,776
Net OPEB obligation, end of year	\$ (156)	\$ 224	\$ 1,085	\$ 2,282	\$ 3,127	\$ 3,776	\$ 4,104

#### Actuarial valuation date

	<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2013</u>	<u>6/30/2015</u>	<u>6/30/2017</u>
Actuarial accrued liability	\$ 8,377	\$ 10,834	\$ 14,779	\$ 14,781	\$ 16,181	\$ 15,845
Actuarial value of assets	\$ -	\$ 2,060	\$ 3,282	\$ 4,220	\$ 4,841	\$ 5,933
Unfunded liability	\$ 8,377	\$ 8,774	\$ 11,497	\$ 10,561	\$ 11,340	\$ 9,912

As part of the approval of the District Budget for fiscal year 2015, the Board passed and adopted on October 14, 2014 resolution no. 56-14 to address the unfunded liability associated with retiree medical benefits and ensure that adequate funding is available in the future to meet the District's commitment to provide this retiree benefit. The resolution provided for the District to contribute to the California Employers' Retirement Benefit Trust (CERBT) fund ten percent (10%) of its actuarially determined contribution for retiree benefits for fiscal year 2015; and an additional amount increasing each year in ten percentage point increments (10%) until 100% is achieved. The District has met this directive each of the



past four years; and this proposed budget includes CERBT funding of 50% and 60% of its actuarially determined contribution for FY 19 and FY 20 respectively.

**Capital Improvement Plan**

The District will undertake an aggressive capital improvement plan (CIP) during the budget term. The District’s adoption of a 5-year, incremental rate increase was in part to address compelling infrastructure needs in the water and sewer system. Water system related CIP projects will total approximately \$3.8 million and \$5.2 million in FY 19 and FY 20 respectively. Sewer related CIP projects will total \$2.2 million and \$1 million in FY 19 and FY 20 respectively. The planned projects are consistent with the adopted CIP and in several cases, are the beginning phases of what are multi-year projects to substantially improve infrastructure and provide for greater reliability for District customers.

<b><u>Water Capital Projects</u></b>	<b>Cost FY 19:</b>	<b>Cost FY 20:</b>
1. Phoenix Lake Preservation and Restoration Plan: The budgeted amount reflects TUD’s cost share of two grants funded under Proposition 84 and acquired through the Tuolumne-Stanislaus Integrated Water Management Authority. Work will involve dredging Phoenix Lake to improve storage capacity and water quality.	\$500,000	\$607,458
2. Cuesta Heights Tank: The first two phases of a 4-year project to design, construct and consolidate three water tanks into one 600,000 gallon treated water storage tank. The Gopher, 420K, and Saratoga tanks are in disrepair and need to be replaced. The project will also construct two (2) new pump stations and allow for the abandonment of the 420K, Racetrack, and Shaws Flat pump stations resulting in improved system reliability and fire flow. The District is seeking grant funding for subsequent phases.	\$475,000	
3. Mono Vista Tank #1: Design and start construction on replacing a 125,000 gallon tank that is in poor condition.	\$300,000	
4. Jamestown Tank: TUD’s cost share of a \$1.4M community development block grant to replace the Jamestown reservoir with a new 1 million gallon welded steel tank.	\$300,000	
5. Sonora Distribution Improvements: Funds allocated to replace aging water infrastructure within the City of Sonora, primarily replacement of 1,400 linear feet of old 8” cast iron pipe in Bourbon Street between Hope Lane and North Shephard.	\$225,000	
6. Tank Ventilation Improvements: Install ventilation on ten storage tanks to reduce the concentration of chlorine gas in the headspace of the tank and thereby reduce the corrosivity of atmosphere in the tank and slow the rate of deterioration.	\$200,000	



7. Enterprise Resource Program: This project will implement a new financial management and utility billing software system to replace the existing system. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$140,000	
8. TUD Centralized Facility Repairs (70%): Construct needed improvements including fire sprinkler system repairs, landscaping, carpet replacement, installation of water efficient fixtures, and audio-visual upgrades to Board and Conference Rooms. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$122,500	
9. General Ditch Improvements: General maintenance to fix leaks, raise sidelines, clean weed choked areas, eliminate hazard trees, and repair spills at various locations along the ditch.	\$110,000	\$110,000
10. Volponi Tank Consolidation: Abandon the Volponi tank and pump station through the installation of a pressure reducing station and small pipe segment.	\$105,000	
11. Hazard Trees: TUD's cost share for continuing response to on-going impacts of tree mortality on TUD infrastructure.	\$100,000	\$20,000
12. Matelot Pipeline: This project will install a pipeline connecting the Matelot Reservoir to the Columbia Water Treatment Plant to greatly improve efficiency and raw water quality at the plant.	\$100,000	\$200,000
13. Cuesta Heights Design (Redbud PS Design): Part of number 2 above.	\$80,000	
14. Eureka Ditch Pipe Segments: This represents the design, permitting, and right-of-way acquisition for a project that will eventually replace several segments of raw water pipe that are lying on top of the ground along hillsides that are prone to tree fall and landslides.	\$80,000	
15. Pedro Y Utility Relocations: TUD's share of utility relocation costs to accommodate Tuolumne County's project at intersection of Parrotts Ferry Road and Hwy 49.	\$75,000	
16. Phoenix Dam Improvements: Funds to hire a consultant to design improvements to the dam face and the outlet tower to respond to inspection reports from the Division of Safety of Dams.	\$75,000	
17. Water Main Replacement and PRV Vault Grade Adjustment: Replace segment of old pipeline and adjust a valve vault on North Washington Street near Wykoff Street.	\$55,000	

18. General Distribution Improvements: This project funds the cost of water distribution improvements that may be installed from year to year in areas affected by leaks and breaks and for which a larger improvement is deemed necessary in lieu of only an instant repair.	\$50,000	\$50,000
19. Sierra Pines Clearwell: Conduct preliminary geotechnical investigation and CEQA for construction of a clearwell at Sierra Pines to eventually replace the Lakewood clearwell.	\$15,000	\$1,500,000
20. Mono Vista Tank #2: Design in FY19 and construct in FY20 a new 420,000 gallon tank to replace an existing tank that is in poor condition.	\$15,000	\$600,000
21. Kennebec Tank: Rehabilitate the tank and install piping and valving line to improve the function of the tank.	\$25,000	\$500,000
22. Techite Replacement: This project includes consultant design and construction of the first phase of a project that will eventually replace 9,000 linear feet of Techite Pipeline from the Crystal Falls Water Treatment Plant down to Rhine Court.		\$300,000
23. Cedar Ridge Upper Tank #1 New Tank: Design and construct a 125,000 gallon tank to replace an existing tank that is in poor condition.		\$225,000
24. Columbia WTP Backwash Pond Improvements: Clean out and install a pumping system to return settled backwater to the ditch or to the plant in accordance with the filter backwash rule.		\$220,000
25. O'Neil Tunnel Improvements: Design for construction of a pipeline through a segment of tunnel that is at risk of collapse.	\$15,000	\$175,000
26. Riddle Tank Consolidation: Consolidate the Riddle tank with the White Fir tank through construction of new distribution pipeline.		\$150,000
27. Willow Springs Distribution Improvements: Consultant design of a multi-year, multi-phase project to replace old, undersized pipelines in the Willow Springs area.		\$125,000
28. Upper Columbia Ditch Shoot Flume: Replace leaky exposed pipeline segments that are critical to deliver source water for 4,000 customers.	\$30,000	\$120,000
29. Algerine Ditch Slum Dam: Environmental and permitting acquisition in FY19 and repairing leaks and cleaning out sediment in FY20.	\$30,000	\$50,000

30. Replacement of Trucks (9) and Backhoes (2): Replacing older trucks ranging from 1989-2008. Five in FY 19 and four in FY 20. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$246,500	\$221,400
31. Capital Outlay Projects (Under \$50,000): FY 19 – Tuolumne water main, Upper Columbia spill #1, Peaceful Pines property purchase, Phoenix dam face improvements, dam inundation study, Section 4 ditch Ryan Ct. improvements, and Cedar Rock pump station intertie. Equipment items including Sonora WTP streaming current controller, Hobby Hill SCADA, grid bee mixing, plow for distribution truck, 6" raw mag meter for THCSO, portable generator, buckets for excavators and backhoes, A/C recovery system per EPA, hot tap cutters, rigid seek pipe locator, towable light tower, and hydrostatic test pump diaphragm in FY 19. FY20 – Peaceful Pines distribution improvements and Columbia clearwell #1 new tank. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$324,100	\$15,000
<b>Total Water Capital Projects</b>	<b>\$3,793,100</b>	<b>\$5,188,858</b>

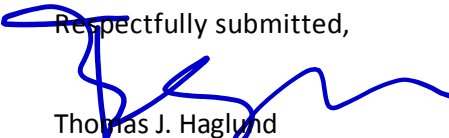
<b><u>Sewer Capital Projects</u></b>	FY 19:	FY20:
32. General Collection System Lining: This project reflects TUD's annual investment in rehabilitating select segments of its sewer collection system by using cured-in-place pipe.	\$500,000	\$500,000
33. Replace Vac-Con with two trucks: Replace 2002 Vac-Con truck due to CARB with two trucks – flush truck and vacuum truck	\$450,000	
34. Saratoga Lift Station: TUD staff to design and construct a new sewer lift station to replace the current sewer lift station.	\$235,750	
35. Reclamation: Various improvements to the reclamation system including potential land acquisition and/or expansion of irrigated areas.	\$200,000	
36. General Collection System Improvements: Repair and replace segments of pipe throughout the collection system as identified by CCTV inspections and action requests generated by sewer backups or overflows. Work is undertaken by TUD staff.	\$100,000	\$100,000
37. Portable Mainline Inspection Camera	\$100,000	
38. Columbia Village Lift Station: Install overflow sump and fence	\$60,000	
39. Parrots Ferry Lift Station: Upgrade control panel	\$60,000	

40. Realignment of Sewer Lines: Realign and increase size of sewer mains near the intersection of Hillcrest and Palemone	\$55,000	
41. Phoenix Lake Lift Station: Install new overflow sump		\$75,000
42. Columbia JC Upper Lift Station Improvements: Install new slide rails, valving, and overflow sump.		\$60,000
43. Mono Village Lift Station Abandonment: Consultant design of a new gravity sewer main in Mono Way to eliminate the need for the Mono Village sewer lift station.		\$60,000
44. Enterprise Resource Program: This project will implement a new financial management and utility billing software system to replace the existing system. Project to be financed over several years. Budget represents the sewer fund's allocation of cost. Water share budgeted separately.	\$60,000	
45. TUD Centralized Facility Repairs (70%): Construct needed improvements including fire sprinkler system repairs, landscaping, carpet replacement, installation of water efficient fixtures, and audio visual upgrades to Board and Conference Rooms. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$52,500	
46. Replacement of Trucks (9) and Backhoes (2): Replacing older trucks ranging from 1989-2008. Five in FY 19 and four in FY 20. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.	\$116,500	\$137,600
47. Capital Outlay Projects (Under \$50,000): FY 19 – Nikki Court lift station improvements and Twain Harte interceptor condition assessment workplan. Equipment items including generator, boiler room motor control center, 15hp paddle wheel aerator, small hose pump, portable generator, buckets for excavators and backhoes, A/C recovery system per EPA, hot tap cutters, rigid seek pipe locator, towable light tower, and hydrostatic test pump diaphragm s in FY 19. FY 20 – Rancho Poquitos interceptor gauging station. Budgeted amount reflects sewer fund share of cost. Water share budgeted separately.	\$219,525	\$22,000
<b>Total Sewer Capital Projects</b>	<b>\$2,209,275</b>	<b>\$954,600</b>

## Summary

As noted in the discussion above, the District is implementing a multi-year rate increase designed to achieve both the operational and capital goals of the Board over a 5-year period. This budget represents the third and fourth years of an overall timeframe that will reshape the District, its infrastructure and its ability to meet customer expectations in the continued supply of safe, clean drinking water and the responsible treatment and disposal of wastewater. The Board's vision for the District as a leading water and wastewater utility is both reasonable and achievable. The Board's goal of operating the district in a financially sustainable manner is continuing its path forward with this budget. Though it will take years, and successive budgets that focus on infrastructure investment and the building of reserves to meet future infrastructure costs, the Board's strong vision in this regard will serve as a guide to staff and a commitment to our customers to operate the District in a financially responsible manner.

Respectfully submitted,



Thomas J. Haglund  
General Manager



DEPARTMENT	FULL TIME POSITION	FY18	FY19	FY20
Non-Departmental	Communications Technician	1	1	1
	Construction/Maintenance Superintendent	1	1	1
	Construction/Maintenance Foreman	2	2	2
	Electrician/Instrumentation Technician	1	1	1
	Equipment Mechanic II	1	1	1
	Fleet Foreman	1	1	1
	Operations Manager	1	1	1
	Utility Worker I/II/III/IV	10	10	10
<b>210 - Non-Departmental Total</b>		<b>18</b>	<b>18</b>	<b>18</b>
Administrative	Customer/Public Relations Coordinator	1	1	1
	Executive Secretary/Board Clerk	1	1	1
	General Manager	1	1	1
	Human Resources Director & Risk Manager	1	1	1
	Safety/Worker Comp./Risk Coordinator	1	1	1
<b>220 - Administrative Total</b>		<b>5</b>	<b>5</b>	<b>5</b>
Engineering	Assistant Engineer	1	0	0
	Associate Engineer I/II	2	3	3
	District Engineer	1	1	1
	Engineering Administrative Assistant	1	0	0
	Engineering Services Technician	1	1	1
	Engineering Tech/Inspector	1	1	1
	GIS Technician	1	1	1
	Management Analyst	0	1	1
	Senior Land Surveyor	1	1	1
<b>230 - Engineering Total</b>		<b>9</b>	<b>9</b>	<b>9</b>
Finance	Accounting Services Technician	1	1	1
	Administrative Services Technician I	1	1	1
	Customer Services Supervisor	1	1	1
	Customer Services Technician I	4	4	4
	Finance Director	1	1	1
	Information Technology and Systems Administrator	1	1	1
	Purchasing Agent	1	1	1
	Senior Accounting Assistant	1	1	1
	Warehouse Worker	1	1	1
<b>240 - Finance Total</b>		<b>12</b>	<b>12</b>	<b>12</b>
Water	Distribution Foreman	1	1	1
	Ditch Tender	4	4	4
	Meter Reader	1	1	1
	Senior Meter Reader	1	1	1
	Systems Utility Technician	1	1	1
	Utility Worker I/II/III	5	5	4
	Water Foreman	1	1	1
	Water Master	1	1	1
	Water Operator I/II/III	7	8	9
	Water Regulatory Compliance Spec/Operator	1	1	1
	Water Superintendent	1	1	1
<b>300's - Water Total</b>		<b>24</b>	<b>25</b>	<b>25</b>
Sewer	Utility Worker I/II	5	5	5
	Wastewater Foreman	1	1	1
	Wastewater Operator II/III	4	4	4
	Wastewater Superintendent	1	1	1
<b>400's - Sewer Total</b>		<b>11</b>	<b>11</b>	<b>11</b>
<b>GRAND TOTAL</b>		<b>79</b>	<b>80</b>	<b>80</b>

**TUD PAYROLL BUDGET 2019**

DEPARTMENT:	#	POSITIONS					GROSS	OVERTIME	LABOR	TAXES	WORKER		RETIREE		MEALS &		TOTAL
		BT	FT	PT	TT	NUM					COMP	PERS	HEALTH	INSURANCE	UNIFORMS		
BOARD	100	5	0	0	0	5	36,000	-	36,000	4,185	250	-	-	3,017	-	43,452	
ADMINISTRATION	220	0	5	0	0	5	547,146	1,452	548,598	39,592	3,384	129,889	44,031	118,526	8,880	892,900	
ENGINEERING	230	0	9	0	0	9	888,759	3,106	891,865	68,584	6,896	210,042	74,671	193,066	-	1,445,124	
FINANCE	240	0	12	0	0	12	892,793	2,722	895,515	69,478	8,379	240,783	89,798	240,753	-	1,544,706	
OPERATIONS	260	0	5	0	0	5	466,349	10,653	477,002	36,890	24,288	128,401	48,234	123,588	-	838,403	
WATER DISTRIBUTION	900	0	13	0	8	21	1,012,149	66,430	1,078,579	88,542	58,865	275,678	107,463	294,587	4,561	1,908,275	
CONSTRUCTION/MAINTENANCE	901	0	13	0	0	13	846,116	82,770	928,886	74,793	56,166	259,815	100,636	269,896	5,366	1,695,558	
WASTEWATER	902	0	11	0	8	19	765,870	89,483	855,353	69,512	63,451	150,941	50,103	210,103	8,435	1,407,898	
WATER	903	0	12	0	0	12	845,881	80,741	926,622	74,333	56,029	228,904	85,316	238,714	4,561	1,614,479	
<b>Total</b>		<b>5</b>	<b>80</b>	<b>0</b>	<b>16</b>	<b>101</b>	<b>\$ 6,301,063</b>	<b>\$ 337,357</b>	<b>\$ 6,638,420</b>	<b>\$ 525,909</b>	<b>\$ 277,708</b>	<b>\$ 1,624,453</b>	<b>\$ 600,252</b>	<b>\$ 1,692,250</b>	<b>\$ 31,803</b>	<b>\$ 11,390,795</b>	
							<b>Water</b>		<b>\$ 4,649,707</b>	<b>\$ 368,340</b>	<b>\$ 184,448</b>	<b>\$ 1,182,833</b>	<b>\$ 442,938</b>	<b>\$ 1,197,493</b>	<b>\$ 19,094</b>	<b>\$ 8,044,854</b>	
							<b>Sewer</b>		<b>1,988,713</b>	<b>157,569</b>	<b>93,260</b>	<b>441,620</b>	<b>157,314</b>	<b>494,757</b>	<b>12,709</b>	<b>3,345,941</b>	
							<b>Total</b>		<b>\$ 6,638,420</b>	<b>\$ 525,909</b>	<b>\$ 277,708</b>	<b>\$ 1,624,453</b>	<b>\$ 600,252</b>	<b>\$ 1,692,250</b>	<b>\$ 31,803</b>	<b>\$ 11,390,795</b>	

**TUD PAYROLL BUDGET 2020**

DEPARTMENT:	#	POSITIONS					GROSS	OVERTIME	LABOR	TAXES	WORKER		RETIREE		MEALS &		TOTAL
		BT	FT	PT	TT	NUM					COMP	PERS	HEALTH	INSURANCE	UNIFORMS		
BOARD	100	5	0	0	0	5	36,000	-	36,000	4,185	190	-	-	3,022	-	43,397	
ADMINISTRATION	220	0	5	0	0	5	555,515	1,475	556,990	40,243	2,626	120,517	50,590	129,502	8,880	909,348	
ENGINEERING	230	0	9	0	0	9	903,135	3,205	906,340	69,422	5,342	190,790	84,811	210,715	-	1,467,420	
FINANCE	240	0	12	0	0	12	908,018	2,811	910,829	70,668	6,581	217,238	101,869	262,905	-	1,570,090	
OPERATIONS	260	0	5	0	0	5	471,845	11,354	483,199	37,508	18,667	114,279	53,921	135,127	-	842,701	
WATER DISTRIBUTION	900	0	13	0	8	21	1,020,948	68,066	1,089,014	89,333	45,417	246,709	121,790	322,106	4,561	1,918,930	
CONSTRUCTION/MAINTENANCE	901	0	13	0	0	13	855,304	85,508	940,812	75,702	43,454	231,402	113,256	295,111	5,366	1,705,103	
WASTEWATER	902	0	11	0	8	19	778,393	92,643	871,036	70,717	49,364	138,062	56,740	229,541	8,435	1,423,895	
WATER	903	0	12	0	0	12	871,389	83,505	954,894	76,493	44,105	207,439	96,902	260,969	4,561	1,645,363	
<b>Total</b>		<b>5</b>	<b>80</b>	<b>0</b>	<b>16</b>	<b>101</b>	<b>\$ 6,400,547</b>	<b>\$ 348,567</b>	<b>\$ 6,749,114</b>	<b>\$ 534,271</b>	<b>\$ 215,746</b>	<b>\$ 1,466,436</b>	<b>\$ 679,879</b>	<b>\$ 1,848,998</b>	<b>\$ 31,803</b>	<b>\$ 11,526,247</b>	
							<b>Water</b>		<b>\$ 4,727,827</b>	<b>\$ 374,236</b>	<b>\$ 143,324</b>	<b>\$ 1,066,106</b>	<b>\$ 501,805</b>	<b>\$ 1,308,542</b>	<b>\$ 19,094</b>	<b>\$ 8,140,934</b>	
							<b>Sewer</b>		<b>2,021,287</b>	<b>160,035</b>	<b>72,422</b>	<b>400,330</b>	<b>178,074</b>	<b>540,456</b>	<b>12,709</b>	<b>3,385,313</b>	
							<b>Total</b>		<b>\$ 6,749,114</b>	<b>\$ 534,271</b>	<b>\$ 215,746</b>	<b>\$ 1,466,436</b>	<b>\$ 679,879</b>	<b>\$ 1,848,998</b>	<b>\$ 31,803</b>	<b>\$ 11,526,247</b>	

TUOLUMNE UTILITIES DISTRICT  
REVENUES - WATER

DESCRIPTION	BUDGET FY19	BUDGET FY20
Service charges	\$ 14,472,790	\$ 15,427,994
Other revenue	63,838	68,052
Property Taxes	753,865	761,403
Debt service recovery charge	278,160	236,772
Other income	73,027	75,218
Facilities capital charges	-	-
<b>TOTAL WATER REVENUES</b>	<b>\$ 15,641,680</b>	<b>\$ 16,569,439</b>



TUOLUMNE UTILITIES DISTRICT  
REVENUES - SEWER

DESCRIPTION	BUDGET FY19	BUDGET FY20
Service charges	\$ 5,811,106	\$ 6,130,717
Other revenue	454,306	467,935
Property Taxes	240,998	243,408
Investment income	147,444	147,444
Other income	800	800
Facilities capital charges	-	-
<b>TOTAL SEWER REVENUES</b>	<b>\$ 6,654,654</b>	<b>\$ 6,990,304</b>

The following are the different types of revenues that Tuolumne Utilities District receives:

### Taxes

#### **Property Taxes – Current Secured:**

Ad valorem property taxes levied, collected and appropriated by the County to the District for all secured property within the Tuolumne Utilities District service areas. This tax is based on value, which is secured by a lien on real property. These taxes are subject to the 1% of market value limitations of Proposition 13.

#### **Property Taxes – Current Unsecured:**

Ad valorem property taxes levied, collected and appropriated by the County to the District for unsecured property.

### Charges for Current Services

Charges or fees are imposed on the user for a specific service rendered based on the rationale that the benefiting party should bear the costs of the service rather than the general public. Major fees charged for a variety of services provided by the District are listed below:

#### **Inspection Fees:**

The charge shall be the actual cost to perform the inspection. A deposit of a percent (%) of the Engineer's estimate is to be paid by the owner prior to the District performing the inspection.

#### **Plan Check Fees:**

The charge shall be the actual cost to perform the plan check service. A deposit of a percent (%) of the Engineer's estimate is to be paid by the owner prior to the District performing the plan check service.

#### **Concept Review Fees:**

The concept review fee shall be collected by the District to review the conceptual plans and hydrological effects of extending District facilities to provide service.

### Utility Revenue

The District reports its activities as an Enterprise fund. Enterprise funds are used to account for self-supporting activities that provide services on a user-charge basis. The District provides water treatment, water distribution, wastewater collection, treatment and disposal services to its customers. Users of these services pay utility fees, such as the following:

#### **Water Service Charges:**

These fees are collected to recover the cost of providing water to the District's residents and businesses.

#### **Wastewater Service Charges:**

These fees are collected to recover the cost of providing wastewater services to the District's residents and businesses.

**Administrative (Delinquent Account) Fees:**

Charges for returned checks and the collection of late payments on water and sewer related charges.

**Fats, Oils, and Grease Charge:**

This charge is collected on commercial establishments that produce fats, oils, and/or grease that needs to be removed prior to discharging into the sewer collection system. The revenue is used to fund a program to inspect and monitor the installation and operation of grease removal devices.

**Turn-off Fees:**

Fees assessed to customers when water service has been discontinued and the water meter turned-off due to a delinquent balance. This fee must be paid in order to restore water service.

**Service Installation Charges:**

The charge for a new service connection (install new meter, etc.) shall be the actual cost of the service installation. An estimate of the installation cost will be provided to the applicant prior to installing the service.

**Reconnection Fees:**

Fees assessed to customers to restore water service after service has been discontinued due to delinquent balance. This fee must be paid in order to restore water service.

**Capacity Charges:**

These fees are charged when a residential or commercial facility is connected to the District water or sewer system to directly pay for growth-related capital improvements or to pay for growth-related debt service.

**Other Revenues**

The District receives a variety of miscellaneous revenues over the course of the year that is used to reduce the impact on water and wastewater rates. The miscellaneous revenues are made up of items such as investment income, rental income, acceptance of septic hauler waste, and other sources. Each of these revenue sources are allocated to the water and wastewater utility based on the number of connections to the system.

**Investment Income:**

Interest earned on investment of District funds.

**Miscellaneous Income:**

Fees and charges for services not categorized elsewhere.

**Sales of Surplus Vehicles and Equipment:**

Monies received from the sale of vehicles and equipment owned by the District.

**Rental Income:**

Income received from rental of District property, equipment and buildings.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - BY DEPARTMENT

DEPARTMENT	EXPENSES BY FUND	BUDGET FY19	BUDGET FY20
100	Board of Directors	\$ 179,532	\$ 184,027
210	Operations Non-Departmental	3,370,862	3,402,959
220	Administrative	1,094,447	1,321,556
230	Engineering	1,479,872	1,503,072
240	Finance	1,779,263	1,852,367
300	Water	5,868,049	5,998,245
400	Sewer	2,451,042	2,489,628
<b>TOTAL EXPENSES</b>		<b>\$ 16,223,067</b>	<b>\$ 16,751,854</b>



**Personnel** – costs associated with compensation paid to employees of the District. Labor costs includes regular pay, overtime, call-out standby, vacation, holiday, sick, jury duty, funeral leave; and all related expenses such as payroll taxes, retirement contributions, workers compensation, health, disability, and retirees' health insurance. These costs as budgeted include adjustments as provided under memoranda of understanding between the District and employee bargaining unit, overtime, and part-time/temporary employees.

**Fixed Expenses** – includes utilities, property and liability insurance, telephone, answering service, radio systems, facility repairs and maintenance, security, janitorial, and waste disposal.

**Vehicle Maintenance & Fuel** – includes vehicle repairs, maintenance, and fuel.

**Chemicals and Supplies** – consists of chemicals, repair parts, materials, meters, maintenance supplies, ditch supplies, small tools, office supplies, printing and publications, postage, shipping, safety supplies, and other materials used in the operations of District departments.

**Equipment Rental & Maintenance** – equipment rentals, materials and supplies related to equipment repairs and maintenance, as well as equipment purchases with value less than \$5,000.

**Outside Services** – comprised of services performed by outside consulting firms or individuals, legal fees, audit fees, actuarial fees, customer billing costs, regulatory compliance monitoring, sampling, permits, computer maintenance, advertising, pumping service, and other contractual services.

**Travel, Meeting, & Membership** – includes employee certifications, training, dues, memberships, directors and employees travel, subscriptions, employee physicals, and other miscellaneous employee recruitment and testing costs.

**Additional Operating Expenses** – includes public outreach and relations, safety, bank fees, credit card costs, among others.

**Debt Service** – is the cost of the principal and interest due during the fiscal year on debt issued by the Tuolumne Utilities District.

**DEBT SCHEDULE**

AGENCY	PROJECT	BALANCE	Fiscal Year 2019 PAYMENTS			BALANCE	Fiscal Year 2020 PAYMENTS			BALANCE
		6/30/2018	INT19	PRIN19	TOT19	6/30/2019	INT20	PRIN20	TOT20	6/30/2020
CA DWR	Columbia Water Acquisition	\$ 23,347	\$ 724	\$ 7,524	\$ 8,248	\$ 15,823	\$ 469	\$ 7,779	\$ 8,248	\$ 8,044
USDA	COP-COLUMBIA WATER	651,000	39,060	34,000	73,060	617,000	37,020	37,000	74,020	580,000
Lasalle 2005	Comstock Tank	115,238	4,813	56,267	61,080	58,971	2,109	58,971	61,080	-
CA DWR	Crystal Falls to Willow Springs	1,039,837	23,663	50,607	74,270	989,230	22,490	51,780	74,270	937,450
CA DWR	Railbed Road SRF	15,929	-	2,451	2,451	13,478	-	2,451	2,451	11,027
CA DWR	E Sonora Pipeline	1,488	31	1,488	1,519	-	-	-	-	-
CA DWR	Valle Vista Water Extension	14,611	457	5,695	6,152	8,916	259	5,893	6,152	3,023
Lasalle 2005	Chaparral Tank	115,238	4,813	56,267	61,080	58,971	2,109	58,971	61,080	-
CA DWR	Curtis Creek to Monte Grande	853,233	19,410	50,167	69,577	803,066	18,245	51,332	69,577	751,734
CA DWR	Monte Grande SRF	351,016	-	16,715	16,715	334,301	-	16,715	16,715	317,586
Lasalle 2007	West Ranch	423,561	19,284	98,434	117,718	325,127	14,472	103,246	117,718	221,881
Wells Fargo	Vac-Con Truck	191,819	3,395	59,229	62,624	132,590	2,163	60,461	62,624	72,129
USDA	1984 CWAD #2	185,097	9,255	51,000	60,255	134,097	6,705	54,000	60,705	80,097
<b>Total</b>		<b>\$3,981,414</b>	<b>\$ 124,905</b>	<b>\$ 489,844</b>	<b>\$ 614,749</b>	<b>\$3,491,570</b>	<b>\$ 106,042</b>	<b>\$ 508,599</b>	<b>\$ 614,641</b>	<b>\$2,982,971</b>
	WATER		\$ 96,366	\$ 340,410	\$ 436,776		\$ 84,865	\$ 351,353	\$ 436,218	
	SEWER		28,539	149,434	177,973		21,177	157,246	178,423	
	TOTAL		<u>\$ 124,905</u>	<u>\$ 489,844</u>	<u>\$ 614,749</u>		<u>\$ 106,042</u>	<u>\$ 508,599</u>	<u>\$ 614,641</u>	

**BUDGET RECAP**

	WATER FUND		SEWER FUND	
	FY19	FY20	FY19	FY20
<b>Inflows:</b>				
Revenues	\$ 15,641,680	\$ 16,569,439	\$ 6,654,654	\$ 6,990,304
<b>Outflows:</b>				
Labor	(8,044,854)	(8,140,934)	(3,345,941)	(3,385,313)
Services and supplies	(2,919,203)	(3,205,878)	(1,298,323)	(1,405,090)
Debt service	(436,776)	(436,218)	(177,973)	(178,423)
Total outflows	(11,400,833)	(11,783,030)	(4,822,237)	(4,968,826)
Net before capital	4,240,847	4,786,409	1,832,417	2,021,478
Capital improvements	(3,793,100)	(5,188,858)	(2,209,275)	(954,600)
Net after capital	447,747	(402,449)	(376,858)	1,066,878
<b>Reserves:</b>				
Operating reserve	(608,216)	(1,216,432)	(256,294)	(512,588)
Contingency fund	(48,698)	(97,396)	(20,504)	(41,007)
Existing capital reserves	-	-	653,656	(513,283)
Total reserves	(656,914)	(1,313,828)	376,858	(1,066,878)
Planned financing	209,167	1,716,277	-	-
Net	\$ -	\$ -	\$ -	\$ -

The fixed asset and depreciation schedule is prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statement 34 (“GASB 34”) and is reflected as an expense in the District’s annual audited financial statements. For purposes of budgeting, depreciation is not reflected as an expense because it is a non-cash accounting transaction prepared for financial statement purposes. The District sets aside reserves in each fiscal year, in both water and sewer, to establish funding over time for future infrastructure needs.

	Balance July 1, 2016	Additions	Disposals	Transfers	Balance June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 5,060,955	\$ -	\$ -	\$ -	\$ 5,060,955
Construction in progress	508,782	3,616,157	-	(2,156,778)	1,968,161
Total capital assets, not being depreciated	<u>5,569,737</u>	<u>3,616,157</u>	<u>-</u>	<u>(2,156,778)</u>	<u>7,029,116</u>
Capital assets, being depreciated					
Water utility system - infrastructure	69,116,197	256,478	(20,628)	408,088	69,760,135
Sewer utility system - infrastructure	38,432,473	23,887	(22,089)	1,173,010	39,607,281
Buildings - administration	3,780,106	-	-	-	3,780,106
Equipment and machinery	6,552,347	-	(141,370)	575,680	6,986,657
Total capital assets, being depreciated	<u>117,881,123</u>	<u>280,365</u>	<u>(184,087)</u>	<u>2,156,778</u>	<u>120,134,179</u>
Accumulated depreciation					
Water utility system - infrastructure	(28,649,433)	(1,885,884)	20,628	-	(30,514,689)
Sewer utility system - infrastructure	(20,728,427)	(833,431)	22,089	-	(21,539,769)
Buildings - administration	(1,553,700)	(92,739)	-	-	(1,646,439)
Equipment and machinery	(5,108,711)	(273,120)	141,370	-	(5,240,461)
Total accumulated depreciation	<u>(56,040,271)</u>	<u>(3,085,174)</u>	<u>184,087</u>	<u>-</u>	<u>(58,941,358)</u>
Capital assets, being depreciated, net	<u>61,840,852</u>	<u>(2,804,809)</u>	<u>-</u>	<u>2,156,778</u>	<u>61,192,821</u>
Total capital assets, net	<u>\$ 67,410,589</u>	<u>\$ 811,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,221,937</u>
Depreciation expense FY 17:					
Water utility system - infrastructure		\$ 1,885,884			
Sewer utility system - infrastructure		833,431			
Buildings - administration		92,739			
Equipment and machinery:					
Water		68,403			
Sewer		50,988			
Operations non-departmental		153,729			
Total depreciation expense		<u>\$ 3,085,174</u>			

## Depreciation Ratio

	<u>FY19</u>	<u>FY20</u>
<b>BUDGET:</b>		
Capital improvements:		
WATER FUND	\$ 3,793,100	\$ 5,188,858
SEWER FUND	<u>2,209,275</u>	<u>954,600</u>
TOTAL	<u>6,002,375</u>	<u>6,143,458</u>
Reserves:		
WATER FUND	656,914	1,313,828
SEWER FUND	<u>-</u>	<u>1,066,878</u>
TOTAL	<u>656,914</u>	<u>2,380,706</u>
Combined:		
WATER FUND	4,450,014	6,502,686
SEWER FUND	<u>2,209,275</u>	<u>2,021,478</u>
TOTAL	<u>6,659,289</u>	<u>8,524,164</u>
<b>DEPRECIATION:</b>		
WATER FUND	\$ 2,011,178	\$ 1,936,126
SEWER FUND	<u>906,253</u>	<u>872,433</u>
TOTAL	<u>\$ 2,917,431</u>	<u>\$ 2,808,559</u>
<b>RATIO:</b>		
WATER FUND	<b>2.21</b>	<b>3.36</b>
SEWER FUND	<u>2.44</u>	<u>2.32</u>
TOTAL	<u><b>2.28</b></u>	<u><b>3.04</b></u>

The second part of Schedule 7 is a display of the ration of capital investment versus depreciation. For FY 19 and FY 20, the ratio shows investment in excess of the level of depreciation. This indicates that the District is both investing and reserving funding in an amount greater than the level of depreciation. This is an indicator that the District is making progress in the replacement of aging infrastructure that has reached the end of its useful life.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - BOARD OF DIRECTORS (#100)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 45,434	\$ 44,480	\$ 43,452	\$ 43,397
Fixed Expenses	163	-	625	650
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	399	718	500	510
Equipment Rental & Maintenance	-	-	-	-
Outside Services	14,350	67,400	67,300	69,590
Travel, Meeting & Membership	74,582	63,545	67,655	69,880
Additional Operating Expenses	-	-	-	-
<b>TOTAL BOARD OF DIRECTORS EXPENSES</b>	<b>\$ 134,928</b>	<b>\$ 176,143</b>	<b>\$ 179,532</b>	<b>\$ 184,027</b>

The Board of Directors sets the policy direction of the District. The Board interacts with elected officials representing city, county, state and federal governments, advocating for District customers including legislation that will enhance the efficacy of District operations. The Board is elected to four-year staggered terms in elections conducted in even years.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - OPERATIONS NON-DEPARTMENTAL (#210)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 2,563,422	\$ 2,905,230	\$ 2,533,961	\$ 2,547,804
Fixed Expenses	318,773	337,353	383,247	397,898
Vehicle Maintenance & Fuel	58,669	59,651	59,248	60,788
Chemicals & Supplies	83,733	99,658	86,199	88,440
Equipment Rental & Maintenance	44,923	63,675	53,898	55,299
Outside Services	79,294	10,198	19,334	19,836
Travel, Meeting & Membership	20,484	8,977	19,193	19,172
Additional Operating Expenses	166,015	102,986	215,782	213,722
Debt Schedule - Principal	74,195	-	-	-
Debt Schedule - Interest	2,301	-	-	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ 3,411,809</b>	<b>\$ 3,587,728</b>	<b>\$ 3,370,862</b>	<b>\$ 3,402,959</b>

Personnel Summary:	Actuals	Budget	Budget
Operations Non-Departmental (#210)	FY 18	FY 19	FY 20
<b>Full-Time Positions</b>			
Communications Technician	1	1	1
Construction/Maintenance Superintendent	1	1	1
Construction/Maintenance Foreman	2	2	2
Electrician/Instrumentation Technician	1	1	1
Equipment Mechanic II	1	1	1
Fleet Foreman	1	1	1
Operations Manager	1	1	1
Utility Worker I/II/III/IV	10	10	10
<b>TOTAL FULL-TIME POSITIONS</b>	<b>18</b>	<b>18</b>	<b>18</b>

Operations Non-Departmental is an internal service department that provides field construction and maintenance services to both the Water and Sewer divisions. Budgeted expenses are separately allocated for accounting purposes based upon a specific allocation methodology. The department includes Operations Management and Construction/Maintenance budgeted items as well as other expenses such as property and liability insurance, etc.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - ADMINISTRATION (#220)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 884,299	\$ 941,234	\$ 892,900	\$ 909,348
Fixed Expenses	53	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	4,628	7,180	6,850	7,245
Equipment Rental & Maintenance	-	-	-	-
Outside Services	100,507	32,785	150,160	360,250
Travel, Meeting & Membership	20,775	42,558	36,398	35,984
Additional Operating Expenses	9,232	38,410	8,139	8,729
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>\$ 1,019,494</b>	<b>\$ 1,062,167</b>	<b>\$ 1,094,447</b>	<b>\$ 1,321,556</b>

Personnel Summary:	Actuals	Budget	Budget
Administration (#220)	FY 18	FY 19	FY 20
<b>Full-Time Positions</b>			
Customer/Public Relations Coordinator	1	1	1
Executive Secretary/Board Clerk	1	1	1
General Manager	1	1	1
Human Resources Director & Risk Manager	1	1	1
Safety/Worker Comp./Risk Coordinator	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>5</b>	<b>5</b>	<b>5</b>

The Administration Department includes the Human Resources & Risk Management Division, Public Relations, and the General Manager’s Office. Administration serves an internal service function and expenses are separately allocated between water and sewer for accounting purposes. Human Resources provides for labor relations, safety and risk program administration, undertakes the District’s recruitment and retention programs, administers the District’s responsibilities for retirement, healthcare, workers compensation and other employee related programs provided by the District or mandated by the state and federal governments. The general manager’s office provides leadership and administration for the District in accordance with policies set forth by the Board of Directors. The General Manager is the chief executive officer of the District and is responsible for directing all facets of District operations. The general manager’s executive secretary also serves as board clerk.



TUOLUMNE UTILITIES DISTRICT  
EXPENSES - ENGINEERING (#230)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 1,298,062	\$ 1,480,878	\$ 1,445,124	\$ 1,467,420
Fixed Expenses	204	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	1,839	2,115	2,178	2,235
Equipment Rental & Maintenance	-	-	-	-
Outside Services	19,872	24,000	22,453	23,037
Travel, Meeting & Membership	6,626	9,072	9,878	10,135
Additional Operating Expenses	444	-	239	245
<b>TOTAL ENGINEERING EXPENSES</b>	<b>\$ 1,327,047</b>	<b>\$ 1,516,065</b>	<b>\$ 1,479,872</b>	<b>\$ 1,503,072</b>

Personnel Summary:	Actuals	Budget	Budget
Engineering (#230)	FY 18	FY 19	FY 20
<b>Full-Time Positions</b>			
Assistant Engineer	1	0	0
Associate Engineer I/II	2	3	3
District Engineer	1	1	1
Engineering Administrative Assistant	1	0	0
Engineering Services Technician	1	1	1
Engineering Tech/Inspector	1	1	1
GIS Technician	1	1	1
Management Analyst	0	1	1
Senior Land Surveyor	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>9</b>	<b>9</b>	<b>9</b>

The Engineering Department undertakes the design of District infrastructure and oversees all aspects of construction. The Engineering Department also applies for local, state and federal grant funding when available and ensures project compliance with granting authority requirements. Engineering provides surveying services to other District departments and monitors hydrological production of the District’s watershed for purposes of monitoring and calibrating the District’s response to hydrologic conditions. Engineering serves an internal service function and expenses are separately allocated between water and sewer for accounting purposes.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - FINANCE (#240)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 1,404,344	\$ 1,634,237	\$ 1,544,706	\$ 1,570,090
Fixed Expenses	-	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	59,133	58,805	58,928	60,460
Equipment Rental & Maintenance	-	-	-	-
Outside Services	119,412	128,813	170,980	202,459
Travel, Meeting & Membership	4,667	6,073	4,649	19,358
Additional Operating Expenses	150	-	-	-
<b>TOTAL FINANCE EXPENSES</b>	<b>\$ 1,587,706</b>	<b>\$ 1,827,928</b>	<b>\$ 1,779,263</b>	<b>\$ 1,852,367</b>

Personnel Summary:	Actuals	Budget	Budget
Finance (#240)	FY 18	FY 19	FY 20
<b>Full-Time Positions</b>			
Accounting Services Technician	1	1	1
Administrative Services Technician I	1	1	1
Customer Services Supervisor	1	1	1
Customer Services Technician I	4	4	4
Finance Director	1	1	1
Information Technology and Systems Administrator	1	1	1
Purchasing Agent	1	1	1
Senior Accounting Assistant	1	1	1
Warehouse Worker	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>12</b>	<b>12</b>	<b>12</b>

The Finance Department administers the District’s financial affairs providing for the accounting of revenues and expenditures in accordance with law and the policies set forth by the Board. The Finance Department prepares periodic financial reports for review by the board and management and prepares the biennial budget in concert with the General Manager’s Office. Finance oversees utility billing functions of the District, providing customer service to ratepayers. Finance is responsible for payroll, accounts payable, banking, purchasing, inventory, and chemical delivery among other duties. The department also administers the information technology functions of the District. Finance serves an internal service function and expenses are separately allocated between water and sewer for accounting purposes.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES -WATER (#300)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 3,397,997	\$ 3,689,095	\$ 3,522,754	\$ 3,564,293
Fixed Expenses	373,518	396,742	396,094	393,582
Vehicle Maintenance & Fuel	123,426	143,161	149,133	153,011
Chemicals & Supplies	559,819	668,618	742,066	761,361
Equipment Rental & Maintenance	73,016	45,110	40,883	41,947
Outside Services	552,044	273,208	550,594	617,310
Travel, Meeting & Membership	6,326	1,272	7,470	7,664
Additional Operating Expenses	595,643	25,749	22,279	22,859
Debt Schedule - Principal	351,943	273,684	340,410	351,353
Debt Schedule - Interest	115,452	102,957	96,366	84,865
<b>TOTAL WATER EXPENSES</b>	<b>\$ 6,149,184</b>	<b>\$ 5,619,596</b>	<b>\$ 5,868,049</b>	<b>\$ 5,998,245</b>

Personnel Summary:	Actuals	Budget	Budget
Water (#300)	FY 18	FY 19	FY 20
<b>Full-Time Positions</b>			
Distribution Foreman	1	1	1
Ditch Tender	4	4	4
Meter Reader	1	1	1
Senior Meter Reader	1	1	1
Systems Utility Technician	1	1	1
Utility Worker I/II/III	5	5	4
Water Foreman	1	1	1
Water Master	1	1	1
Water Operator I/II/III	7	8	9
Water Regulatory Compliance Spec/Operator	1	1	1
Water Superintendent	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>24</b>	<b>25</b>	<b>25</b>

The Water Operations Division provides for the distribution of raw water to the District’s water treatment plants and agricultural customers, and is responsible for the treatment and delivery of potable water to District residential, commercial and industrial customers through the District’s 15 water treatment plants. The Water Division treats and delivers approximately 1.25 billion gallons of water annually, ensuring that all state and federal water quality regulations are observed. Division staff performs ongoing maintenance activities on all aspects of the raw and potable water distribution system.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - SEWER (#400)

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 1,275,647	\$ 1,426,762	\$ 1,407,898	\$ 1,423,895
Fixed Expenses	216,293	237,858	210,196	215,662
Vehicle Maintenance & Fuel	65,008	70,439	81,548	83,669
Chemicals & Supplies	225,856	236,836	259,668	266,419
Equipment Rental & Maintenance	73,773	42,513	91,973	94,364
Outside Services	498,720	163,009	210,876	216,002
Travel, Meeting & Membership	8,109	-	9,204	9,444
Additional Operating Expenses	32,901	52,259	1,706	1,750
Debt Schedule - Principal	151,287	144,847	149,434	157,246
Debt Schedule - Interest	42,946	35,676	28,539	21,177
<b>TOTAL SEWER EXPENSES</b>	<b>\$ 2,590,540</b>	<b>\$ 2,410,199</b>	<b>\$ 2,451,042</b>	<b>\$ 2,489,628</b>

Personnel Summary: Sewer (#300)	Actuals FY 18	Budget FY 19	Budget FY 20
<b>Full-Time Positions</b>			
Utility Worker I/II	5	5	5
Wastewater Foreman	1	1	1
Wastewater Operator II/III	4	4	4
Wastewater Superintendent	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>11</b>	<b>11</b>	<b>11</b>

The Sewer Division operates the Sonora Regional Wastewater Treatment facility and the Twain Harte Wastewater Treatment facility treating a total of 1.3 million gallons per day. Sewer department staff maintains the sewer collection system throughout the District and manage the collection and distribution of 1,616 acre-feet of reclaimed water to agricultural customers from Quartz Reservoir each year.

TUOLUMNE UTILITIES DISTRICT  
EXPENSES - SUMMARY

EXPENSES BY CATEGORY	FY17 ACTUAL	FY18 ADOPTED	BUDGET FY19	BUDGET FY20
Personnel	\$ 10,869,205	\$ 12,121,916	\$ 11,390,795	\$ 11,526,247
Fixed Expenses	909,004	971,953	990,162	1,007,792
Vehicle Maintenance & Fuel	247,103	273,251	289,929	297,468
Chemicals & Supplies	935,407	1,073,930	1,156,389	1,186,670
Equipment Rental & Maintenance	191,712	151,298	186,754	191,610
Outside Services	1,384,199	699,413	1,191,697	1,508,484
Travel, Meeting & Membership	141,569	131,497	154,447	171,637
Additional Operating Expenses	804,385	219,404	248,145	247,305
Debt Schedule - Principal	577,425	418,531	489,844	508,599
Debt Schedule - Interest	160,699	138,633	124,905	106,042
<b>TOTAL EXPENSES</b>	<b>\$ 16,220,708</b>	<b>\$ 16,199,826</b>	<b>\$ 16,223,067</b>	<b>\$ 16,751,854</b>

CAPITAL IMPROVEMENT BUDGET  
WATER FUND PROJECTS BY FISCAL YEAR

No. Project Name	FY19	FY20	FY21	FY22	FY23
1 Phoenix Lake Preservation/Restoration Plan-(TUD cost share)	\$ 500,000	\$ 607,458			
2 Cuesta Tank Geotech Report and Contractor Build On-site Pipelines	475,000				
3 Mono Vista Tank #1 New Tank 125K-Design and Contractor Build	300,000				
4 Jamestown Tank-(TUD cost share)	300,000				
5 Sonora Distribution Improvements-Bourbon Street Design and TUD Build	225,000				
6 Tank Ventilation Improvements-7 Tanks	200,000				
7 Enterprise Software (70%)	140,000				
8 TUD Centralized Facility Repairs (70%)	122,500				
9 General Ditch Improvements	110,000	110,000	\$ 110,000	\$ 110,000	\$ 110,000
10 Volponi Tank Consolidation-TUD Build	105,000				
11 Hazard Trees	100,000	20,000			
12 Matelot Pipeline TUD Build	100,000	200,000			
13 Cuesta Heights Design (Redbud PS Design)	80,000				
14 Eureka Pipe Ditch Segments Design & Environmental and Contractor Build	80,000		475,000		
15 Pedro Y Utility Relocations-County Contractor Build	75,000				
16 Phoenix Dam Outlet Tower-Design	75,000				
17 Water Main Replacement and PRV Vault Grade Adjustment-N. Wash and Wykoff (350LF)	55,000				
18 General Distribution Improvements	50,000	50,000	50,000	50,000	50,000
19 Sierra Pines Clearwell	15,000	1,500,000	1,500,000		
20 Mono Vista Tank #2 New Tank 420K-Design and Contractor Build	15,000	600,000			
21 Kennebec Tank Valving and Distribution Improvements - Study	25,000	500,000			
22 Techite Pipeline Replacment-Design and Environmental and TUD Build Phase 1		300,000			
23 Cedar Ridge Upper Tank #2 New Tank 125K-Design and Contractor Build		225,000			
24 Columbia WTP Backwash Pond Improvements-Design and TUD Build		220,000			
25 Oneil Tunnel Improvements-Design and Contractor Build	15,000	175,000			
26 Riddle Tank Consolidation-Design and Contractor Build		150,000			
27 Willow Springs Distribution Improvements-Design and Contractor Build		125,000	750,000	750,000	750,000
28 Upper Columbia Ditch Shoot Flume-Design and Contractor Build	30,000	120,000			
29 Algerine Ditch Slum Dam-Environmental and TUD Build	30,000	50,000			
30a Replace 1987 Case 580K Backhoe CARB (70%)	105,000				
30b Replace Maintenance Truck #45 1996 Ford 1 Ton 4X4 (70%)	45,500				
30c Replace Water Operations Truck #82 2004 1/2 Ton 4X4	32,000				
30d Replace Water Operations Truck #71 2004 1/2 Ton 4X4	32,000				
30e Replace Ditch Truck #5 2008 1/2 Ton 4X4	32,000				
30f Replace 1995 Kubota #39 w/ Skidsteer and Trailer (70%)		87,500			
30g Replace Maintenance Truck #91 Ford F-550 Flatbed (70%)		45,500			
30h Replace Maintenance Truck #49 1995 Chevy Blazer w/ a 1 Ton for SCADA (70%)		36,400			
30i Replace Ditch Truck #14 1989 Chevy Crew Cab		52,000			
31a Tuolumne Water Main - Design and Contractor Build	45,000				
31b Upper Columbia Spill #1-Design and Contractor Build	35,000				
31c Peaceful Pines Property Purchase for new Tank/ Well	30,000				
31d Phoenix Dam Face Improvements-Design	25,000				
31e Dam Inudation Study	25,000				
31f Section 4 Ditch Ryan Ct. Improvements -TUD Build	20,000				
31g Cedar Rock Pump Station Intertie with THCSD-Feasibility Study	5,000				
31h Sonora WTP Streaming Current Controler	15,000				
31i Hobby Hill SCADA-Matt Vann	15,000				
31j Matelot Reservoir Grid Bee Mixing	10,000				
31k Westside Reservoir Grid Bee Mixing	10,000				
31l Plow for distribution truck	9,000				
31m 6" Raw Water Mag Meter for THCSD	8,000				
31n Portable Generator (70%)	28,000				
31o 5 Buckets for Excavators and Backhoes (70%)	14,000				
31p A/C Recovery System per EPA (70%)	7,700				
31q Transmate Hot Tap Cutters 4", 6", 8" (70%)	7,000				
31r Rigid Seek Tech ST-305 Pipe Locator (70%)	5,600				
31s Ingersoll 4000 Watt Towable Light Tower (70%)	5,600				
31t Hydrostatic Test Pump Triple Diaphragm, 500 PSI, 20 GPM (70%)	4,200				
31u Peaceful Pines Distribution Improvements			45,000		
31v Columbia Clearwell #1 New Tank 125K-TUD Design and Contractor Build		15,000	225,000		
Columbia WTP Ultraviolet Disinfection Study			10,000	250,000	
Zone 2 Tank - Rehab and Replace Roof-Contractor Build				475,000	
Comstock Tank Interior Re-Coat and Improved Ventilation-Contractor Build			450,000		
Zone 3 Tank New Tank 125K-Design and Build			15,000	275,000	
Brentwood Distribution Improvements-Design and Contractor Build				1,465,100	
Cedar Ridge Springs Bolted Steel Tank New Tank 63K-Design and Contractor Build			72,450		
Cedar Ridge Upper Tank #1 New Tank 125K-Design and Contractor Build			225,000		
Cedar Ridge Distribution Improvements-Design and Contractor Build				451,500	
Lakewood Dam-Finish Design and Environmental and Contractor Build					
Apple Valley Tank #1 New Tank 125K-Design and Contractor Build					225,000
Eden Lane_Zelinsky Tank Abandonment and New Pump Station			105,000		
<b>Total (Water CIP)</b>	<b>\$ 3,793,100</b>	<b>\$ 5,188,858</b>	<b>\$ 4,032,450</b>	<b>\$ 3,826,600</b>	<b>\$ 1,135,000</b>



CAPITAL IMPROVEMENT BUDGET  
SEWER FUND PROJECTS BY FISCAL YEAR

No. Project Name	FY19	FY20	FY21	FY22	FY23
32 General Collection System Lining Projects	\$ 500,000	\$ 500,000	500,000	500,000	500,000
33 Replace 2002 VAC-CON CARB with 2 Trucks-Flush Truck and Vacuum truck	450,000				
34 Saratoga Lift Station-TUD Build	235,750				
35 Reclamation install Fixed Flood Irrigation	200,000				
36 General Collection System Improvements	100,000	100,000	100,000	100,000	100,000
37 Portable Mainline Inspection Camera	100,000				
38 Columbia Village Lift Station Install Overflow Sump and Fence-Order Material	60,000				
39 Parrotts Ferry Lift Station Upgrade Control Panel	60,000				
40 Hillcrest and Palemone Realignment of Sewer lines-TUD Build	55,000				
41 Phoenix Lake Lift Station install New Overflow Sump-Order Material and TUD Build		75,000			
42 Columbia JC Upper Lift Station Improvements-Order Material and TUD Build		60,000			
43 Mono Village Lift Station Abandon Lift Station-Design and Contractor Build		60,000			
44 Enterprise Software (30%)	60,000				
45 TUD Centralized Facility Repairs (30%)	52,500				
46a Replace Sewer Truck #77 2002 1 Ton F-350 4X4	52,000				
46b Replace 1987 Case 580K Backhoe CARB (30%)	45,000				
46c Replace Maintenance Truck #45 1996 Ford 1 Ton 4X4 (30%)	19,500				
46d Replace 1995 Kubota #39 w/ Skidsteer and Trailer (30%)		37,500			
46e Replace Maintenance Truck #91 Ford F-550 Flatbed (30%)		19,500			
46f Replace Maintenance Truck #49 1995 Chevy Blazer w/ a 1 Ton for SCADA (30%)		15,600			
46g Sewer Flatbed w/ Crane		65,000			
47a Nikki Court Lift Station Improvements-New piping and lid on overflow	35,000				
47b Twain Harte Interceptor Condition Assessment Workplan	35,000				
47c Sonora Fairgrounds Generator	35,000				
47d Sonora Regional WWPBoiler Room Motor Control Center	33,625				
47e Twain Harte WWP 15HP Paddle Wheel Aerator	28,000				
47f Sonora Regional WWP Small Hose Pumps	22,000	22,000			
47g Portable Generator (30%)	12,000				
47h 5 Buckets for Excavators and Backhoes (30%)	6,000				
47i A/C Recovery System per EPA (30%)	3,300				
47j Transmate Hot Tap Cutters 4", 6", 8" (30%)	3,000				
47k Rigid Seek Tech ST-305 Pipe Locator (30%)	2,400				
47l Ingersoll 4000 Watt Towable Light Tower (30%)	2,400				
47m Hydrostatic Test Pump Triple Diaphragm, 500 PSI, 20 GPM (30%)	1,800				
47n Ranchos Poquitos Interceptor Gauging Station/ PG&E Power			20,000		
Columbia Sky Mobile Home Estates Replace Orangeburg Mainlines-Plan			100,000		
Columbia Air Attack Sewer Lift Station Consolidation-Start Discussions and TUD Build				200,000	
Law and Justic Debris Screen-County Funded and Contractor Build					
Willow Springs Lift Station Debris Removal Station-Design and Contractor Build			60,000	400,000	
Apple Valley LS Improvements			100,000		
<b>Total (Sewer CIP)</b>	<b>\$ 2,209,275</b>	<b>\$ 954,600</b>	<b>\$ 880,000</b>	<b>\$ 1,200,000</b>	<b>\$ 600,000</b>