



SOUTH TAHOE
PUBLIC UTILITY DISTRICT

**TEN-YEAR
FINANCIAL PLAN
2016/17 TO 2025/26**

JUNE 2016

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SEWER FUND
TEN-YEAR FINANCIAL PLAN

SEWER TEN-YEAR FINANCIAL PLAN

July 1, 2016 to June 30, 2026

PURPOSE

In an effort to set a responsible financial plan for South Tahoe Public Utility District, finance staff prepares a Ten-Year Financial Plan (the Plan) for use by the Board of Directors and management. The ten-year period covered is July 1, 2016 to June 30, 2026. This Plan is based on the best available information and Board direction as of May 19, 2016. 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; 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 six-inch water connection.

CAPITAL SPENDING

Capital spending over the ten-year period is anticipated to total \$64.4 million, not including associated labor and operating costs or debt payments for prior capital projects. Of this amount, \$57.0 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 \$51.6 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 improvements to the Tahoe Keys, Upper Truckee, and Al Tahoe force main bypasses, a new generator for the treatment plant, pump station upgrades, development of additional emergency storage ponds in Alpine county, and several other wastewater collection, treatment, and recycling projects. Forty-eight percent of the infrastructure costs are forecasted to be self-funded, and the remaining 52% of the costs are borrowed from lenders. The District is seeking to borrow approximately \$30.6 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 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 is at least one year of budgeted capital spending. The rate stabilization reserve is equal to one year's property tax receipts. At June 30, 2026 the District's reserves are forecast as follows:

Capital Outlay Reserve	\$5,664,233
Rate Stabilization Fund	8,244,000
Operating Reserve	<u>3,840,248</u>
Total	\$17,748,481

RATE CHANGES

The adopted budget for 2016/17 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 2016/17 represents year three of the rate schedule. Years four (2017/18) and five (2018/19) also include a 6% annual increase to rates. The rate changes are not automatic. The Board is required to confirm the increase for each of the remaining two years. Rate changes for years four-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.

SEWER TEN-YEAR FINANCIAL PLAN

	2016/17 FORECAST	2016/17 FORECAST	2017/18 FORECAST	2017/18 FORECAST	2018/19 FORECAST	2018/19 FORECAST	2019/20 FORECAST	2019/20 FORECAST	2020/21 FORECAST	2020/21 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	2,925,355	21,020,370	3,843,634	11,779,943	3,256,335	12,132,717	3,351,673	12,574,828	3,417,985	11,940,889
REVENUES (1)	20,519,335	512,050	21,449,335	512,050	22,435,335	512,050	22,914,335	512,050	23,387,335	512,050
BORROWINGS		7,632,473	0	3,171,000	0	1,800,000		750,000	3,000,000	700,000
AVAILABLE FUNDS	23,444,690	29,164,893	25,292,969	15,462,993	25,691,670	14,444,767	26,266,008	13,836,878	29,805,320	13,152,939
SALARIES (2)	5,676,575	859,600	5,790,107	876,792	5,905,909	894,328	6,024,027	912,214	6,144,507	930,459
BENEFITS (2)	3,097,250	359,650	3,190,168	370,440	3,285,873	381,553	3,384,449	392,999	3,485,982	404,789
OPERATIONS & MAINTENANCE (2)	5,626,905	358,825	5,742,503	366,002	5,842,053	373,322	5,986,434	380,788	6,078,623	388,404
CAPITAL OUTLAY		13,924,200		5,828,900		4,099,900		4,236,100		4,627,300
DEBT SERVICE	646,000	1,837,000	872,000	2,330,000	903,000	2,524,000	841,000	2,586,000	813,000	2,706,000
TOTAL CASH OUTLAYS	19,646,730	17,339,275	15,594,777	9,772,133	15,936,834	8,273,102	16,235,910	8,508,102	16,522,112	9,056,952
BALANCE BEFORE TRANSFERS	3,797,960	11,825,618	9,698,192	5,690,860	9,754,836	6,171,665	10,030,098	5,328,777	13,283,208	4,095,988
CAPITAL OUTLAY FUND TRANSFERS	45,674	-45,674	-6,441,857	6,441,857	-6,403,163	6,403,163	-6,612,113	6,612,113	-9,791,247	9,791,247
ACCUAL TO CASH ADJUSTMENT	0	0	0	0	0	0	0	0	0	0
RATE STABILIZATION FUND TRANSFERS		-5,301,000		-5,759,000		-6,219,000		-6,683,000		-7,149,000
OPERATING AND CAPITAL OUTLAY RESERVES (3)	3,843,634	6,478,943	3,256,335	6,373,717	3,351,673	6,355,828	3,417,985	5,257,889	3,491,961	6,738,235
WATER FUND LOAN	3,000,000									
RATE STABILIZATION FUND (4)		5,301,000		5,759,000		6,219,000		6,683,000		7,149,000
TOTAL RESERVE BALANCES	3,843,634	11,779,943	3,256,335	12,132,717	3,351,673	12,574,828	3,417,985	11,940,889	3,491,961	13,887,235
AMORTIZATION (NON-CASH ITEM)	25,490		25,490		25,490		25,490		25,490	
DEPRECIATION (NON-CASH ITEM)	4,714,000		4,808,000		4,904,000		5,002,000		5,102,000	

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 2016/17 - 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 includes 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 2017/18 due to potential PERS/health insurance increases.

Salaries include a 2.0% escalator beginning 2017/18 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 \$57 million.

Debt Service includes principle & interest payments for current SRF loans and additional debt of \$30.6 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.

SEWER TEN-YEAR FINANCIAL PLAN (CONTINUED)

	2021/22 FORECAST	2021/22 FORECAST	2022/23 FORECAST	2022/23 FORECAST	2023/24 FORECAST	2023/24 FORECAST	2024/25 FORECAST	2024/25 FORECAST	2025/26 FORECAST	2025/26 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	3,491,961	13,887,235	3,559,271	13,697,182	3,665,902	13,147,722	3,733,723	11,371,146	3,789,770	13,168,461
REVENUES (1)	23,907,335	512,050	24,410,335	512,050	24,918,335	512,050	25,417,335	512,050	25,980,335	443,000
BORROWINGS		1,400,000	0	2,400,000	0	3,350,000	0	5,350,000	0	4,000,000
AVAILABLE FUNDS	27,399,296	15,799,285	27,969,606	16,609,232	28,584,237	17,009,772	29,151,058	17,233,196	29,770,105	17,611,461
SALARIES (2)	6,267,397	949,068	6,392,745	968,049	6,520,600	987,410	6,651,012	1,007,158	6,784,033	1,027,302
BENEFITS (2)	3,590,562	416,933	3,698,278	429,441	3,809,227	442,324	3,923,504	455,594	4,041,209	469,262
OPERATIONS & MAINTENANCE (2)	6,215,495	396,172	6,339,805	404,095	6,466,601	412,177	6,595,933	420,421	6,727,852	428,829
CAPITAL OUTLAY		4,586,500		5,769,800		8,086,800		6,687,400		6,591,600
DEBT SERVICE	747,000	2,773,000	773,000	2,990,000	700,000	3,064,000	791,000	2,894,000	875,000	2,688,000
TOTAL CASH OUTLAYS	16,820,454	9,121,673	17,203,829	10,561,385	17,496,429	12,992,711	17,961,449	11,464,573	18,428,093	11,204,992
BALANCE BEFORE TRANSFERS	10,578,841	6,677,612	10,765,777	6,047,847	11,087,809	4,017,060	11,189,609	5,768,623	11,342,012	6,406,469
CAPITAL OUTLAY FUND TRANSFERS	-7,019,570	7,019,570	-7,099,875	7,099,875	-7,354,086	7,354,086	-7,399,839	7,399,839	-7,501,764	7,501,764
ACCRUAL TO CASH ADJUSTMENT		0		0		0		0		0
RATE STABILIZATION FUND TRANSFERS		-7,618,000		-7,770,000		-7,924,000		-8,083,000		-8,244,000
OPERATING AND CAPITAL OUTLAY RESERVES (3)	3,559,271	6,079,182	3,665,902	5,377,722	3,733,723	3,447,146	3,789,770	5,085,461	3,840,248	5,664,233
WATER FUND LOAN										
RATE STABILIZATION FUND (4)		7,618,000		7,770,000		7,924,000		8,083,000		8,244,000
TOTAL RESERVE BALANCES	3,559,271	13,697,182	3,665,902	13,147,722	3,733,723	11,371,146	3,789,770	13,168,461	3,840,248	13,908,233
AMORTIZATION (NON-CASH ITEM)	25,490		25,490		25,490		25,490		25,490	
DEPRECIATION (NON-CASH ITEM)	5,204,000		5,308,000		5,414,000		5,522,000		5,632,000	

(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

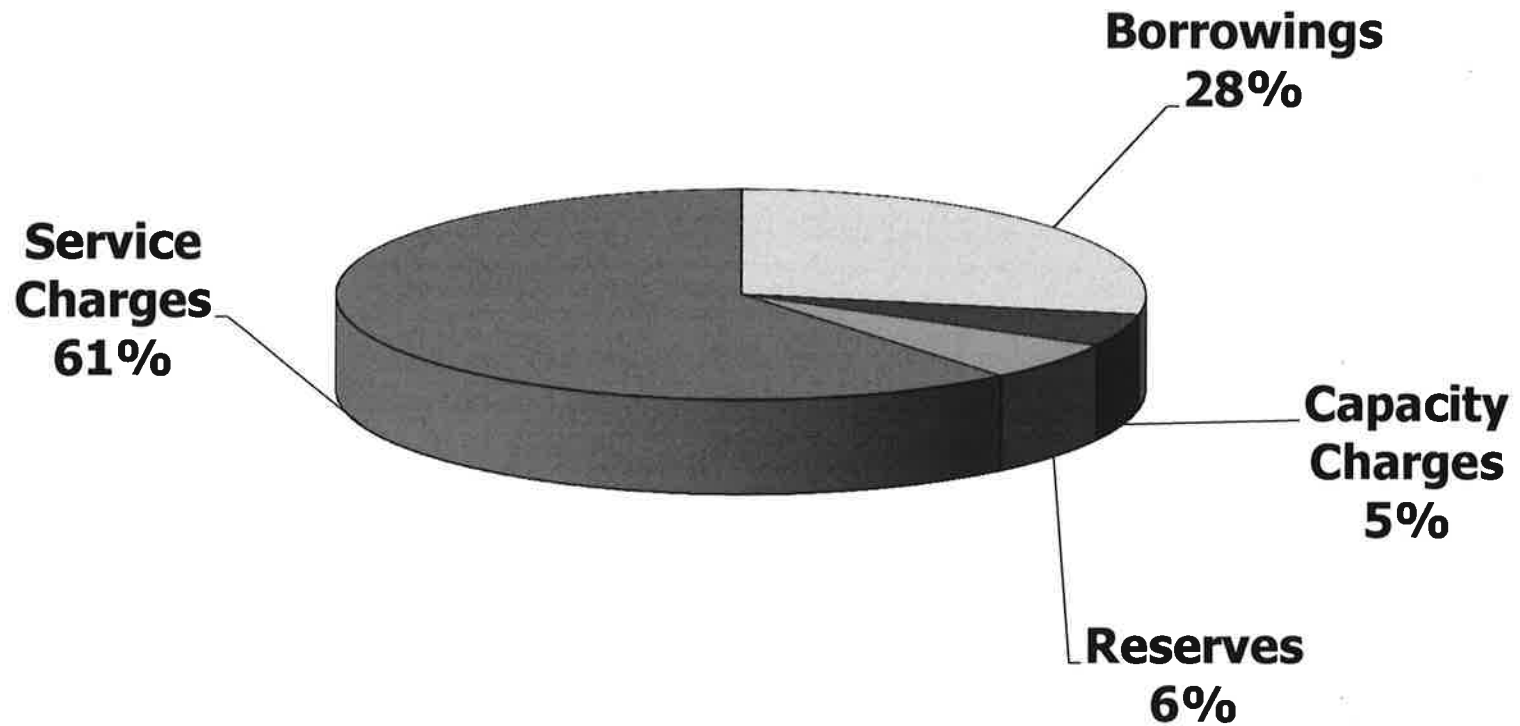
RESULTS:

Operating revenue covers operating expenses at all times.

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

SEWER ENTERPRISE FUND

Funding Sources for Capital Projects Fund

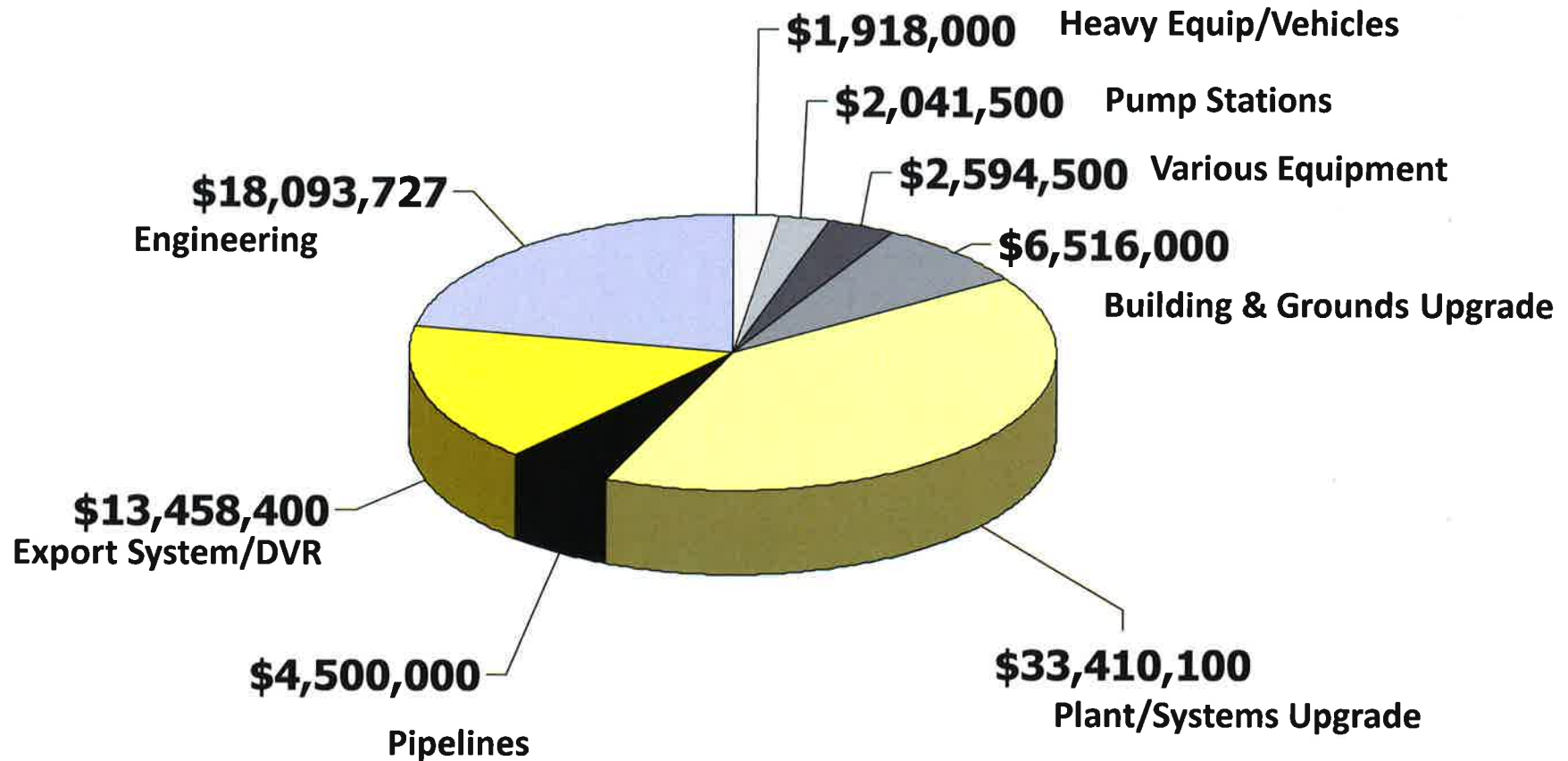


**SEWER TEN-YEAR CAPITAL OUTLAY PROJECTIONS – 2016/2025
BY FUNCTIONAL CATEGORY**

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
1) HEAVY EQUIPMENT & VEHICLES	716,000	175,000	290,000	332,000	148,000	152,000	80,000	25,000	0	0	1,918,000
2) PUMP STATIONS	32,700	74,000	809,300	889,600	68,900	65,200	68,500	10,800	11,100	11,400	2,041,500
3) VARIOUS EQUIPMENT	585,500	591,500	258,000	178,000	145,000	166,000	184,000	193,000	182,000	111,500	2,594,500
4) BUILDING & GROUNDS UPGRADE	397,000	158,000	418,000	417,000	176,000	177,000	2,188,000	2,188,000	198,000	199,000	6,516,000
5) PLANT/SYSTEMS UPGRADE	4,688,000	3,571,700	1,361,500	1,579,500	2,518,500	3,029,500	1,866,600	4,271,300	6,261,600	4,261,900	33,410,100
6) PIPELINES	668,000	1,043,000	909,000	695,000	640,000	15,000	0	15,000	0	515,000	4,500,000
7) EXPORT SYSTEM/DIAMOND VALLEY RANCH	6,837,000	215,700	54,100	145,000	930,900	981,800	1,382,700	1,383,700	34,700	1,492,800	13,458,400
8) ENGINEERING STAFF & EXPENSES	1,578,325	1,625,675	1,674,445	1,724,678	1,776,419	1,829,711	1,884,603	1,941,141	1,999,375	2,059,356	18,093,727
TOTAL SEWER	15,502,525	7,454,575	5,774,345	5,960,778	6,403,719	6,416,211	7,654,403	10,027,941	8,686,775	8,650,956	82,532,227

SEWER ENTERPRISE FUND CAPITAL PROJECTS

Ten Years Ending June 30, 2026



SEWER

TEN-YEAR FINANCIAL PLAN

BY DEPARTMENT

and

BY PROJECT

SEWER TOTALS											
DEPARTMENT	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	TOTALS
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	
UNDERGROUND REPAIR	20,000	19,000	0	20,000	10,000	19,000	20,000	65,000	12,000	15,000	200,000
PUMPS	14,000	41,500	26,500	26,500	35,500	31,500	34,500	10,000	10,000	10,000	240,000
ELECTRICAL	35,200	42,000	24,300	34,600	29,900	25,200	25,500	25,800	26,100	26,400	295,000
HEAVY MAINTENANCE	288,000	28,000	25,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	391,000
EQUIPMENT REPAIR	776,000	178,000	345,000	332,000	148,000	212,000	80,000	25,000	60,000	0	2,156,000
OPERATIONS	200,000	123,200	85,000	417,000	84,000	71,000	73,100	75,300	77,600	79,900	1,286,100
LABORATORY	93,000	25,000	15,000	40,000	15,000	20,000	10,000	10,000	10,000	5,000	243,000
BOARD OF DIRECTORS	0	0	0	0	0	0	0	0	0	37,500	37,500
ADMINISTRATION	0	0	18,000	0	0	0	19,000	0	0	0	37,000
HUMAN RESOURCES	0	58,500	0	0	0	0	62,000	0	0	0	118,500
PUBLIC OUTREACH	0	0	0	0	0	0	0	0	0	0	0
DIAMOND VALLEY RANCH	185,000	215,700	54,100	145,000	30,900	81,800	32,700	33,700	34,700	35,800	849,400
ENGINEERING	11,902,000	4,628,000	3,367,000	3,098,000	4,159,000	4,054,000	5,345,000	7,719,000	6,362,000	6,323,000	56,957,000
INFORMATION SYSTEMS	31,000	92,000	140,000	51,000	105,000	67,000	58,000	98,000	67,000	54,000	763,000
CUSTOMER SERVICE	0	0	0	48,000	0	0	0	0	18,000	0	66,000
FINANCE	380,000	380,000	0	19,000	0	0	0	20,000	0	0	799,000
ENGINEERING STAFF & EXPENSES	1,578,325	1,625,675	1,674,445	1,724,678	1,776,419	1,829,711	1,884,603	1,941,141	1,999,375	2,059,356	18,093,727
	15,502,525	7,454,575	5,774,345	5,960,778	6,403,719	6,416,211	7,654,403	10,027,941	8,686,775	8,650,956	82,532,227

SEWER UNDERGROUND REPAIR

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 SMART COVERS		15,000		15,000		15,000		15,000		15,000	75,000	1
2 REPLACE HYDRAULIC JACKHAMMER		4,000				4,000					8,000	2
3 REPLACE MAIN CAMERA								45,000			45,000	3
4 REPLACE TV TRUCK COMPUTER				5,000				5,000			10,000	4
5 REPLACE STAND ALONE LATERAL CAMERA							20,000				20,000	5
6 COLD BARN REHAB	20,000										20,000	6
7 HYDRÓ NOZZLES					10,000				12,000		22,000	7
	20,000	19,000	0	20,000	10,000	19,000	20,000	65,000	12,000	15,000	200,000	

SEWER PUMPS

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE FAIRWAY #1 AND #2 PUMPS		8,000									8,000	1
2 NEW FLOWMETERS FOR JOHNSON SEWER (3)											0	2
3 NEW FLOWMETER UPPER TRUCKEE (1)	7,000										7,000	3
4 SECURITY MEASURES		26,500	26,500	26,500	26,500	26,500	26,500	10,000	10,000	10,000	189,000	4
5 BALDWIN WET WELL REPAIR											0	5
6 GARDNER MOUNTAIN NEW PUMPS											0	6
7 BELLEVUE REBUILD PUMPS					9,000						9,000	7
8 JOHNSON REBUILD #3						5,000					5,000	8
9 BIJOU REBUILD #1 AND #3							8,000				8,000	9
10 NEW IMPELLER (KEYS, UPPER TRUCKEE)	7,000	7,000									14,000	10
11 CATHODIC PROTECTION											0	11
12 SKI RUN DOOR HATCHES											0	12
13 REBUILD MOTOR/PUMP CV LPPS											0	13
	14,000	41,500	26,500	26,500	35,500	31,500	34,500	10,000	10,000	10,000	240,000	

SEWER ELECTRICAL

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 SEWER PUMP STATION MOTOR REBUILDS **	8,700	9,000	9,300	9,600	9,900	10,200	10,500	10,800	11,100	11,400	100,500	1
2 REPL. SCADA REPORTING ACTIVE FACTORY SOFTWARE		6,000									6,000	2
3 REPLACE ULTRASONIC LEVEL DETECT.(STANFORD P.S.)		7,000									7,000	3
4 PUMP STATION CONTROLS				10,000							10,000	4
5 CATHODIC PROTECTION EQUIPMENT		5,000			5,000						10,000	5
6 REPLACE SCADA RTU'S	16,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	151,500	6
7 R A S PUMP VFD'S	10,000										10,000	7
	35,200	42,000	24,300	34,600	29,900	25,200	25,500	25,800	26,100	26,400	295,000	

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

SEWER HEAVY MAINTENANCE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REBUILD SECONDARY CLARIFIER DRIVE	55,000										55,000	1
2 REPLACE LINERS FOR SLUDGE AUGERS	20,000	20,000									40,000	2
3 REBUILD CENTRIFUGES	30,000										30,000	3
4 NEW SOUTH GATE	40,000										40,000	4
5 REBUILD SLUDGE PUMPS (BIOSOLIDS BLDG.)	10,000										10,000	5
6 REPLACE ROLL-UP DOOR	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	75,000	6
7 REPLACE TOOLS: PORTABLE WELDER	10,000										10,000	7
8 REPLACE PLANT AIR COMPRESSOR REPAIR		3,000									3,000	8
9 REPLACE A- LINE SURGE AIR COMPRESSOR			15,000								15,000	9
10 REPLACE 10,000 GALLON DIESEL TANK	65,000										65,000	10
11 GAS BOY SYSTEM	48,000										48,000	11
12 R A S PUMPS (3)											0	12
13 STEEP BANK MOWER											0	13
14 PUMP SYSTEM LOWER SHOP											0	14
	288,000	28,000	25,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	391,000	

SEWER HEAVY MAINTENANCE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REBUILD SECONDARY CLARIFIER DRIVE	55,000										55,000	1
2 REPLACE LINERS FOR SLUDGE AUGERS	20,000	20,000									40,000	2
3 REBUILD CENTRIFUGES	30,000										30,000	3
4 NEW SOUTH GATE	40,000										40,000	4
5 REBUILD SLUDGE PUMPS (BIOSOLIDS BLDG.)	10,000										10,000	5
6 REPLACE ROLL-UP DOOR *	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	75,000	6
7 REPLACE TOOLS: PORTABLE WELDER *	10,000										10,000	7
8 REPLACE PLANT AIR COMPRESSOR REPAIR		3,000									3,000	8
9 REPLACE A- LINE SURGE AIR COMPRESSOR			15,000								15,000	9
10 REPLACE 10,000 GALLON DIESEL TANK	65,000										65,000	10
11 GAS BOY SYSTEM	48,000										48,000	11
12 R A S PUMPS (3)											0	12
13 STEEP BANK MOWER											0	13
14 PUMP SYSTEM LOWER SHOP											0	14
	288,000	28,000	25,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	391,000	

* Fiscal Year 2016/17 includes capital outlay rollovers from 2015/16.

SEWER EQUIPMENT REPAIR - PAGE 1

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE GENERATOR SETS (2009 - STANFORD CAMP)											0	1
2 EQUIPMENT REPAIR SOFTWARE UPGRADE		3,000									3,000	2
3 REPLACE ENGINE/TRANSMISSION (TBD) *	6,000										6,000	3
4 GENERATOR UPPER TRUCKEE SPS	50,000										50,000	4
5 REPLACE GENERATORS			60,000			60,000			60,000		180,000	5
6 EXHAUST REMOVAL SYSTEM *	10,000										10,000	6
7 REPLACE IN-GROUND TRUCK LIFT											0	7
8 TAHOE KEYS PUMP STATION GENERATOR											0	8
	66,000	3,000	60,000	0	0	60,000	0	0	60,000	0	249,000	

* Fiscal Year 2016/17 includes capital outlay rollovers from 2015/16.

SEWER EQUIPMENT REPAIR (VEHICLES) - PAGE 2

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE U/R TRUCK #1 (1988)				30,000							30,000	1
2 REPLACE U/R TRUCK #63 (2002 TV VAN)	150,000										150,000	2
3 REPLACE U/R TRUCK #12 (1997 VACUUM)	325,000										325,000	3
4 REPLACE U/R TRUCK #4 (2011)					30,000						30,000	4
5 REPLACE U/R TRUCK #20 (2001)						35,000					35,000	5
6 REPLACE U/R TRUCK #52 (1998)						27,000					27,000	6
7 REPLACE U/R TRUCK #58 (2002 HYDRO)	200,000										200,000	7
8 REPLACE PUMPS TRUCK #46 (2011)					23,000						23,000	8
9 REPLACE PUMPS TRUCK #16 (2008)		35,000									35,000	9
10 REPLACE PUMPS TRUCK #59 (2010)				30,000							30,000	10
11 REPLACE PUMPS TRUCK #30 (2007)								25,000			25,000	11
12 REPLACE PUMPS TRUCK #36 (2004 VACUUM)			100,000								100,000	12
13 REPLACE PUMPS TRUCK #42 (2006)											0	13
14 REPLACE PUMPS SNOWMOBILE		15,000									15,000	14
15 REPLACE ELECTRIC SHOP TRUCK #51(2011)					30,000						30,000	15
16 REPLACE ELECTRIC SHOP TRUCK #28 (2001)											0	16
17 REPLACE ELECTRIC SHOP TRUCK #2 (1997)	35,000										35,000	17
18 REPLACE ELECTRIC SHOP TRUCK #21 (2002)				40,000							40,000	18
19 REPLACE H/M WELDING TRUCK #19 (2008)		35,000									35,000	19
20 REPLACE H/M ONE TON TRUCK #14 (2002)		35,000									35,000	20
21 HEAVY MAINT. ARTICULATING MANLIFT (2006)				90,000							90,000	21
22 REPLACE EQUIP. REPAIR TRUCK #11 (2008)			45,000								45,000	22
23 REPLACE OPS TRUCK #74 (2007)			35,000								35,000	23
24 REPLACE OPS KAWASAKI MULE #66 (2003)				15,000							15,000	24
25 REPLACE LAB TRUCK #49 (2011)					30,000						30,000	25
26 REPLACE DIAMOND VALLEY RANCH TRUCK #50 (2006)					35,000						35,000	26
27 REPLACE DIAMOND VALLEY RANCH TRACTOR #9 (1997)						90,000					90,000	27
28 REPLACE DIAMOND VALLEY RANCH QUADRUNNER (2005)				12,000							12,000	28
29 REPLACE D.V.R. DUMP TRUCK #56 (2009)							80,000				80,000	29
30 REPLACE DIAMOND VALLEY RANCH BACKHOE #29 (2004)				90,000							90,000	30
31 REPLACE ENGINEERING VEHICLE #73 (2002)			35,000								35,000	31
32 REPLACE ENGINEERING VEHICLE #68 (2004)			35,000								35,000	32
33 REPLACE ENGINEERING VEHICLE #76 (2004)			35,000								35,000	33
34 REPLACE C.S. TRUCK #18 W/SHELL (2007)				25,000							25,000	34
35 REPLACE ENGINEERING TRUCK #38 (2003)		30,000									30,000	35
36 REPLACE C.S. TRUCK #70 (2004)											0	36
37 REPLACE C.S. TRUCK #62 (2004)		25,000									25,000	37
38 REPLACE TRUCK #44											0	38
	710,000	175,000	285,000	332,000	148,000	152,000	80,000	25,000	0	0	1,907,000	
	776,000	178,000	345,000	332,000	148,000	212,000	80,000	25,000	60,000	0	2,156,000	

SEWER OPERATIONS

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 PLANT SECURITY											0	1
2 OTHER PLANT IMPROVEMENTS **		63,200	65,000	67,000	69,000	71,000	73,100	75,300	77,600	79,900	641,100	2
3 HIGH EFFICIENCY BLOWER				300,000							300,000	3
4 REPLACE CHEMICAL STORAGE TANKS (5)	80,000										80,000	4
5 REPLACE POLYMER PUMP	20,000		20,000								40,000	5
6 CAMEL DUMP IMPROVEMENTS											0	6
7 REHAB EMERGENCY PUMP & MOTOR		60,000									60,000	7
8 REPLACE HYPO PUMPS				50,000							50,000	8
9 REPLACE AERATION BASIN WATERLINE	100,000										100,000	9
10 EPA SPILL CONTROL & COUNTERMEASURE PLAN REVIEW					15,000						15,000	10
	200,000	123,200	85,000	417,000	84,000	71,000	73,100	75,300	77,600	79,900	1,286,100	

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

SEWER LABORATORY

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE FINAL SAMPLER			10,000								10,000	1
2 REPLACE DISCREET ANALYZER				40,000							40,000	2
3 REPLACE SECONDARY SAMPLER		10,000									10,000	3
4 ICR SAMPLE BOAT			5,000								5,000	4
5 REPLACE PRIMARY SAMPLER	10,000										10,000	5
6 REPLACE HYDROLAB DATA SONDE							10,000				10,000	6
7 REPLACE RAW SAMPLER					10,000						10,000	7
8 REPLACE COPIER (SHARED WITH OPERATIONS)	18,000										18,000	8
9 REPLACE SPECTROPHOTOMETER											0	9
10 REPLACE AMPEROMETRIC C12 TITRATOR											0	10
11 REPLACE LAB FIELD METERS (3)		10,000							10,000		20,000	11
12 REPLACE MONITORING WELL SYSTEM ERB											0	12
13 REPLACE ALPINE MONITORING WELLS						20,000					20,000	13
14 REPLACE SAMPLE THREE-DOOR REFRIGERATOR								10,000			10,000	14
15 REPLACE ION CHROMATOGRAPH	65,000										65,000	15
16 QUANTI-TRAY SEALER											0	16
17 REPLACE GEOTECH PUMP CONTROLLER		5,000								5,000	10,000	17
18 REPLACE FULTZ PUMP CONTROLLER					5,000						5,000	18
	93,000	25,000	15,000	40,000	15,000	20,000	10,000	10,000	10,000	5,000	243,000	

SEWER BOARD OF DIRECTORS

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
1 REPLACE BOARDROOM AV EQUIPMENT										37,500	37,500 1
	0	0	0	0	0	0	0	0	0	0	37,500 37,500

SEWER ADMINISTRATION

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE COPIER			18,000				19,000				37,000	1
	0	0	18,000	0	0	0	19,000	0	0	0	37,000	

SEWER HUMAN RESOURCES

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE COPIER		20,000					22,000				42,000	1
2 TRAINING CONFERENCE		36,500					40,000				76,500	2
	0	56,500	0	0	0	0	62,000	0	0	0	118,500	

SEWER PUBLIC OUTREACH

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
											0
	0	0	0	0	0	0	0	0	0	0	0

SEWER DIAMOND VALLEY RANCH

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 DITCH PIPING	80,000			100,000							180,000	1
2 FENCING DIAMOND VALLEY RANCH	15,000	15,000		15,000							45,000	2
3 TRACK PACKER		7,500									7,500	3
4 UNDESIGNATED PROJECTS **		28,200	29,100	30,000	30,900	31,800	32,700	33,700	34,700	35,800	286,900	4
5 PAVING/SEALING ROADS	45,000	25,000	25,000								95,000	5
6 NUTRIENT MANAGEMENT PLAN		50,000				50,000					100,000	6
7 MINE REVEG	45,000										45,000	7
8 REPLACE AERATION SYSTEM - HARVEY PLACE RESERVOIR		90,000									90,000	8
	185,000	215,700	54,100	145,000	30,900	81,800	32,700	33,700	34,700	35,800	849,400	

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

SEWER ENGINEERING - PAGE 1

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 DISTRICT FACILITIES BMPS *	22,000	22,000	23,000	24,000	24,000	25,000	26,000	27,000	27,000	28,000	248,000	1
2 EROSION CONTROL PROJECTS **	27,000	28,000	29,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000	308,000	2
3 CALTRANS PROJECTS *	40,000	28,000	29,000	30,000							127,000	3
4 AERATION BASIN 1 REHAB *											0	4
5 PRIMARY CLARIFIER 2 REHAB *											0	5
6 FALLEN LEAF LAKE SEWER UPGRADE PROJECTS *	319,000	400,000	400,000								1,119,000	6
7 UPPER TRUCKEE MARSH ADAPTIVE MANAGEMENT *	160,000	30,000	30,000								220,000	7
8 LPPS POWER AND CONTROL UPGRADES *	2,222,000										2,222,000	8
9 WWTP TRANSFORMER #1 (COMPLETE AS PART OF LPPS P&C) *											0	9
10 DVR IRRIGATION IMPROVEMENTS *	4,430,000										4,430,000	10
11 SCADA UPGRADES *	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	11
12 PRIMARY CLARIFIER 1 REHAB *	811,000										811,000	12
13 AERATION BASIN 2 REHAB AND HYDRAULIC IMPROVEMENTS *	653,000										653,000	13
14 MIXED LIQUOR SYSTEM BYPASS *	380,000	571,000									951,000	14
15 BREAKPOINT CHAMBER MODIFICATION *	170,000	170,000									340,000	15
16 TALLAC CREEK SEWER CROSSING *	143,000	270,000									413,000	16
17 TREATMENT PLANT GENERATOR (REPLACE BY 2020) *	1,600,000	1,800,000									3,400,000	17
18 UPPER TRUCKEE PS CONDITION ASSESS, IMPROVEMENTS *	250,000	500,000									750,000	18
19 SEWER CROSSINGS CONDITION ASSESS, IMPROVEMENTS *					500,000					500,000	1,000,000	19
20 SEWER REPLACEMENT PROJECTS *	100,000	103,000	106,000	109,000	112,000	116,000	120,000	123,000	127,000	131,000	1,147,000	20
21 PLANT PAVING AND DRAINAGE IMPROVEMENTS **	200,000	103,000	106,000	109,000	112,000	116,000	120,000	123,000	127,000	131,000	1,247,000	21
22 WWTP PIPING - EVAL, PROTECTION, REPLACEMENT **	100,000	103,000	106,000	109,000	112,000	116,000	120,000	123,000	127,000	131,000	1,147,000	22
23 FORCEMAIN BYPASS - TAHOE KEYS *	25,000	200,000	200,000								425,000	23
24 FORCEMAIN BYPASS - AL TAHOE *	25,000		450,000	450,000							925,000	24
25 FORCEMAIN BYPASS - UPPER TRUCKEE *	25,000		200,000	200,000							425,000	25
26 BEECHER WET WELL COATING *			50,000								50,000	26
27 PUMP STATION SAFETY IMPROVEMENTS *			50,000	50,000	50,000	50,000	50,000				250,000	27
28 RAS IMPROVEMENTS, SUMP PITS REHAB *			100,000								100,000	28
29 TAHOE KEYS PS CAPACITY UPGRADE - WET WELL, PUMPS *		50,000	700,000	700,000							1,450,000	29
30 BLOWER SYSTEM REPLACEMENT *		50,000	338,000	338,000							726,000	30
31 LOWER SHOP VEHICLE COVERED PARKING *			250,000	250,000							500,000	31
32 EMERGENCY PS IMPROVEMENTS, CONCRETE REHAB *				120,000							120,000	32
33 LPPS TANK COATING AND CATHODIC PROTECTION *				200,000							200,000	33
34 MIXED LIQUOR SPLITTER BOX - GATES, WEIR, COATINGS *				180,000							180,000	34
35 WWTP BALLAST PONDS *					1,479,000						1,479,000	35
36 C-LINE/SURGE LINE INSPECTION & REPAIRS *					140,000						140,000	36
37 HARVEY PLACE EMERGENCY STORAGE PONDS PHASE I *					900,000	900,000					1,800,000	37
38 SECONDARY CLARIFIERS REHAB *					500,000	1,500,000					2,000,000	38
	11,902,000	4,628,000	3,367,000	3,098,000	4,159,000	3,054,000	668,000	629,000	642,000	1,156,000	33,303,000	

* Fiscal Year 2016/17 includes capital outlay rollovers from 2015/16.

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

SEWER ENGINEERING - PAGE 2

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
39 FILTERS 1,2 REHAB						1,000,000					1,000,000	39
40 EQ BASINS (REMOVE PIPING AND CONCRETE REPAIR)							1,267,000				1,267,000	40
41 AERATION BASIN SPLITTER BOX (CONC REPAIR AND COAT)							60,000				60,000	41
42 LOWER AND FOUNTAIN SHOP BUILDING IMPROVEMENTS							2,000,000	2,000,000			4,000,000	42
43 HARVEY PLACE EMERGENCY STORAGE PONDS PHASE 2							1,350,000	1,350,000			2,700,000	43
44 AERATION BASIN INFLUENT CHANNEL (WALL/FLOOR/COVER/CONDUIT)								100,000			100,000	44
45 CENTRIFUGE REPLACEMENT								1,640,000	1,640,000		3,280,000	45
46 RAS BUILDING REPLACEMENT								2,000,000	4,000,000		6,000,000	46
47 FILTER INFLUENT PUMPS									30,000	310,000	340,000	47
48 FINAL PUMPS									50,000	500,000	550,000	48
49 SNOWSHOE THOMPSON PHASE 2 (DVR IIP PHASE 2)										1,457,000	1,457,000	49
50 AERATION BASIN 3 REHAB										1,500,000	1,500,000	50
51 REPLACE CHEM TANKS IN HYPO AND BIO BUILDINGS										300,000	300,000	51
52 FILTERS 3,4 REHAB										1,100,000	1,100,000	52
	0	0	0	0	0	1,000,000	4,677,000	7,090,000	5,720,000	5,167,000	23,654,000	
	11,902,000	4,628,000	3,367,000	3,098,000	4,159,000	4,054,000	5,345,000	7,719,000	6,362,000	6,323,000	56,957,000	

SEWER INFORMATION TECHNOLOGY

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 VIRTUAL SERVER	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	1
2 BACKUP POWER - SERVER ROOM	6,000		6,000		6,000	6,000		6,000		6,000	36,000	2
3 NETWORKING EQUIP./IMPROVEMENTS - FOUNTAIN						4,000					4,000	3
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	4
5 TELEPHONE SYSTEM UPGRADES			72,000			5,000			5,000		82,000	5
6 NEW FINANCE SYSTEM/MIGRATION/ENHANCEMENTS/STUDY			5,000			10,000			10,000		25,000	6
7 SQL ADDITIONAL LICENSES				6,000			6,000			6,000	18,000	7
8 REPLACE DOMAIN CONTROLLER			10,000				5,000				15,000	8
9 REPLACE PRESENTATION EQUIPMENT			5,000				5,000				10,000	9
10 MICROSOFT OFFICE UPGRADES		30,000			30,000			30,000			90,000	10
11 VIRTUALIZATION SOFTWARE					7,000				7,000		14,000	11
12 STRATEGIC PLAN IMPLEMENTATION		20,000			20,000			20,000			60,000	12
13 ESRI LICENSE		27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	243,000	13
14 SERVER ROOM ENVIRONMENTAL CONTROL				3,000					3,000		6,000	14
15 SCADA SERVER 1	10,000										10,000	15
	31,000	92,000	140,000	51,000	105,000	67,000	58,000	98,000	67,000	54,000	763,000	

SEWER CUSTOMER SERVICE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE COPIER/PRINTER/FAX				18,000					18,000		36,000	1
2 REPLACE DIGITAL LOCATING EQUIP. (2)				30,000							30,000	2
	0	0	0	48,000	0	0	0	0	18,000	0	66,000	

SEWER FINANCE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE MICROFICHE READER		5,000									5,000	1
2 REPLACE PRINTER/COPIER/FAX MACHINE				19,000				20,000			39,000	2
3 ERP REPLACEMENT	375,000	375,000									750,000	3
4 CARPET REPAIR & REPLACEMENT (OPS/LAB)	5,000										5,000	4
	380,000	380,000	0	19,000	0	0	0	20,000	0	0	799,000	

WATER FUND
TEN-YEAR FINANCIAL PLAN

WATER TEN-YEAR FINANCIAL PLAN

July 1, 2016 to June 30, 2026

PURPOSE

In an effort to set a responsible financial plan for South Tahoe Public Utility District, finance staff prepares a Ten-Year Financial Plan (the Plan) for use by the Board of Directors and management. The ten-year period covered is July 1, 2016 to June 30, 2026. This Plan is based on the best available information and Board direction as of May 19, 2016. 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; 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 six-inch water connection.

CAPITAL SPENDING

Capital spending over the ten-year period is forecast to total \$48.4 million, not including associated labor and operating costs or debt payments for prior capital projects. Of this amount, \$43.7 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 \$32.7 million over ten years. The ten-year capital improvement plan allows for installing all remaining meters (approximately 6,000) 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. 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. Fifty percent of the infrastructure costs are forecasted to be self-funded and the remaining 50% of the costs are borrowed from lenders. The District is seeking to borrow approximately \$24.3 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 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 is at least one year of budgeted capital

spending. The rate stabilization reserve is equal to 10% of water rate revenues. At June 30, 2026, the District's reserves are forecast as follows:

Capital Outlay Reserve	\$4,696,869
Rate Stabilization Fund	1,456,200
Operating Reserve	<u>2,320,356</u>
Total Reserves	\$8,473,425

RATE CHANGES

The adopted budget for 2016/17 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 2016/17 represents year three of the rate schedule. Year four (2017/18) also includes a 6.5% increase to rates, while year five (2018/19) includes a 5% increase. The rate changes are not automatic. The Board is required to confirm the increase for each of the remaining two years. Rate changes for years four through ten are forecasted at 2% per year. 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.

WATER TEN-YEAR FINANCIAL PLAN

	2016/17 BUDGET	2016/17 BUDGET	2017/18 FORECAST	2017/18 FORECAST	2018/19 FORECAST	2018/19 FORECAST	2019/20 FORECAST	2019/20 FORECAST	2020/21 FORECAST	2020/21 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	1,761,278	4,755,355	1,808,433	7,242,469	1,822,021	3,208,309	1,896,974	6,168,564	1,906,676	8,858,058
REVENUES (1)	12,061,685	1,914,726	11,282,000	1,914,000	11,787,000	1,914,000	12,160,000	1,914,000	12,528,000	1,914,000
BORROWINGS	3,000,000	1,807,407		2,831,000		7,298,000		5,745,000		4,875,000
AVAILABLE FUNDS	16,822,963	8,477,488	13,090,433	11,987,469	13,609,021	12,420,309	14,056,974	13,827,564	14,434,676	15,647,058
SALARIES (2)	3,371,925	859,600	3,439,364	876,792	3,508,151	894,328	3,578,314	912,214	3,649,880	930,459
BENEFITS (2)	1,845,700	359,650	1,901,071	370,440	1,958,103	381,553	2,016,846	392,999	2,077,352	404,789
OPERATIONS & MAINTENANCE (2)	3,073,750	438,975	2,888,703	447,755	2,967,999	456,710	3,005,837	465,844	3,087,476	475,161
CAPITAL OUTLAY		5,408,000		9,124,500		6,591,000		5,688,800		6,255,800
DEBT SERVICE (2)	158,000	743,000	173,000	835,000	238,000	977,000	219,000	849,000	560,000	1,525,000
TOTAL CASH OUTLAYS	8,449,375	7,809,225	8,402,138	11,654,486	8,672,253	9,300,590	8,819,997	8,308,857	12,374,707	9,591,209
BALANCE BEFORE TRANSFERS	8,373,588	668,263	4,688,296	332,983	4,936,768	3,119,719	5,236,977	5,518,706	2,059,968	6,055,850
CAPITAL OUTLAY FUND TRANSFERS	-6,574,206	6,574,206	-2,875,326	2,875,326	-3,048,845	3,048,845	-3,339,352	3,339,352	549,333	-549,333
ACCRUAL TO CASH ADJUSTMENT	9,051		9,051	0	9,051	0	9,051	0	9,051	0
RATE STABILIZATION FUNDS		-909,469		-1,192,900		-1,254,500		-1,281,700		-1,309,300
OPERATING AND CAPITAL OUTLAY RESERVES (3)	1,808,433	6,333,000	1,822,021	2,015,409	1,896,974	4,914,064	1,906,676	7,576,358	2,618,353	4,197,216
SEWER FUND LOAN REPAYMENT										3,000,000
RESERVED FOR MTBE REMEDIATION (4)										
RATE STABILIZATION RESERVE (4)		909,469		1,192,900		1,254,500		1,281,700		1,309,300
TOTAL RESERVE BALANCES	1,808,433	7,242,469	1,822,021	3,208,309	1,896,974	6,168,564	1,906,676	8,858,058	2,618,353	5,506,516
AMORTIZATION (NON-CASH ITEM)	15,450		15,450		15,450		15,450		15,450	
DEPRECIATION (NON-CASH ITEM)	2,988,000		3,047,000		3,107,000		3,169,000		3,232,000	

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 2016/17 - 17/18, 5.0% in 18/19, 2% in 19/20 - 25/26.

Investments earn 1% to 3% net of investment fees.

Commercial capacity fees projected assume collections equivalent to a 6" connection.

Residential capacity fees are based on 35 residential allocations each year.

2016/17 includes 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 2017/18 due to potential PERS/health insurance increases.

Salaries include a 2% escalator beginning 2017/18 to account for standard step increases and other potential adjustments.

Ten Year CIP plan in the amount of \$42.2 million.

Debt Service includes principle and interest payments on current debt as well as an additional \$26.8M million over the ten year forecast.

\$150,000 contingency reserve for all years.

WATER TEN-YEAR FINANCIAL PLAN (CONTINUED)

	2021/22 FORECAST	2021/22 FORECAST	2022/23 FORECAST	2022/23 FORECAST	2023/24 FORECAST	2023/24 FORECAST	2024/25 FORECAST	2024/25 FORECAST	2025/26 FORECAST	2025/26 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	2,618,353	5,506,516	2,154,320	6,935,182	2,198,471	6,721,358	2,236,122	6,084,326	2,278,415	6,089,995
REVENUES (1)	12,743,000	1,914,000	13,071,000	1,914,000	13,370,000	1,914,000	13,705,000	1,914,000	14,023,000	1,914,000
BORROWINGS		2,025,000								
AVAILABLE FUNDS	15,361,353	9,445,516	15,225,320	8,849,182	15,568,471	8,635,358	15,941,122	7,998,326	16,301,415	8,003,995
SALARIES (2)	3,722,878	949,068	3,797,335	968,049	3,873,282	987,410	3,950,748	1,007,158	4,029,763	1,027,302
BENEFITS (2)	2,139,672	416,933	2,203,862	429,441	2,269,978	442,324	2,338,078	455,594	2,408,220	469,262
OPERATIONS & MAINTENANCE (2)	3,127,703	484,664	3,211,779	494,357	3,254,493	504,244	3,319,583	514,329	3,385,974	524,616
CAPITAL OUTLAY		2,800,500		1,972,900		2,475,700		1,909,600		1,918,900
DEBT SERVICE (2)	532,000	1,553,000	504,000	1,582,000	474,000	1,611,000	444,000	1,641,000	405,000	1,672,000
TOTAL CASH OUTLAYS	9,522,253	6,204,165	9,716,977	5,446,747	9,871,753	6,020,679	10,052,408	5,527,681	10,228,957	5,612,079
BALANCE BEFORE TRANSFERS	5,839,100	3,241,352	5,508,343	3,402,435	5,696,718	2,614,680	5,888,714	2,470,645	6,072,458	2,391,916
CAPITAL OUTLAY FUND TRANSFERS	-3,693,831	3,693,831	-3,318,923	3,318,923	-3,469,647	3,469,647	-3,619,350	3,619,350	-3,761,153	3,761,153
ACCRUAL TO CASH ADJUSTMENT	9,051	0	9,051	0	9,051	0	9,051	0	9,051	0
RATE STABILIZATION FUNDS		-1,337,600		-1,366,400		-1,395,700		-1,425,700		-1,456,200
OPERATING AND CAPITAL OUTLAY RESERVES (3)	2,154,320	5,597,582	2,198,471	5,354,958	2,236,122	4,688,626	2,278,415	4,664,295	2,320,356	4,696,869
SEWER FUND LOAN REPAYMENT										
RESERVED FOR MTBE REMEDIATION (4)										
RATE STABILIZATION RESERVE (4)		1,337,600		1,366,400		1,395,700		1,425,700		1,456,200
TOTAL RESERVE BALANCES	2,154,320	6,935,182	2,198,471	6,721,358	2,236,122	6,084,326	2,278,415	6,089,995	2,320,356	6,153,069
AMORTIZATION (NON-CASH ITEM)	15,450		15,450		15,450		15,450		15,450	
DEPRECIATION (NON-CASH ITEM)	3,296,000		3,361,000		3,428,000		3,496,000		3,565,000	

(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:

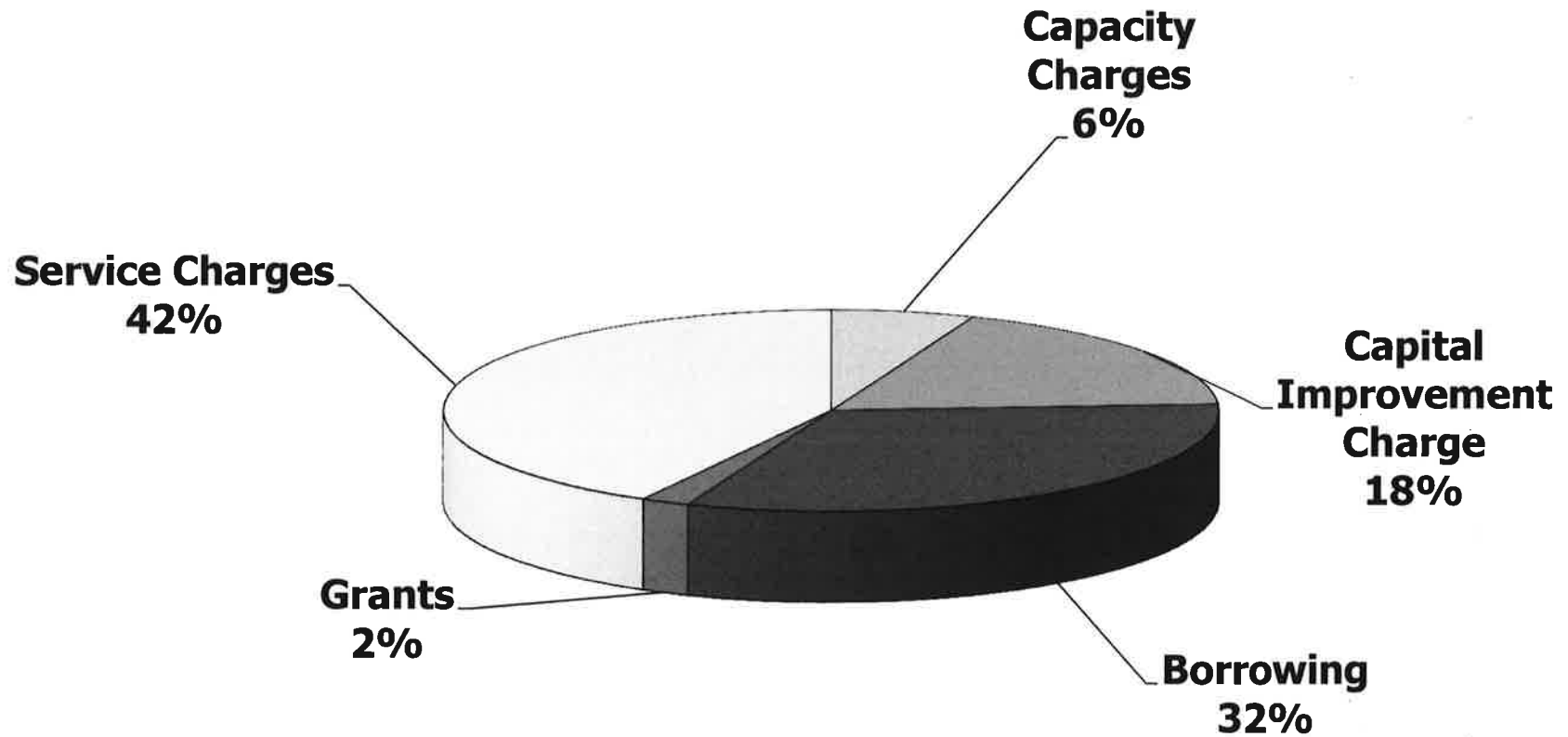
Funding is available for all proposed Capital Projects and reserve levels comply with the Reserve Policy.

Operating revenue covers operating expenses at all times.

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

WATER ENTERPRISE FUND

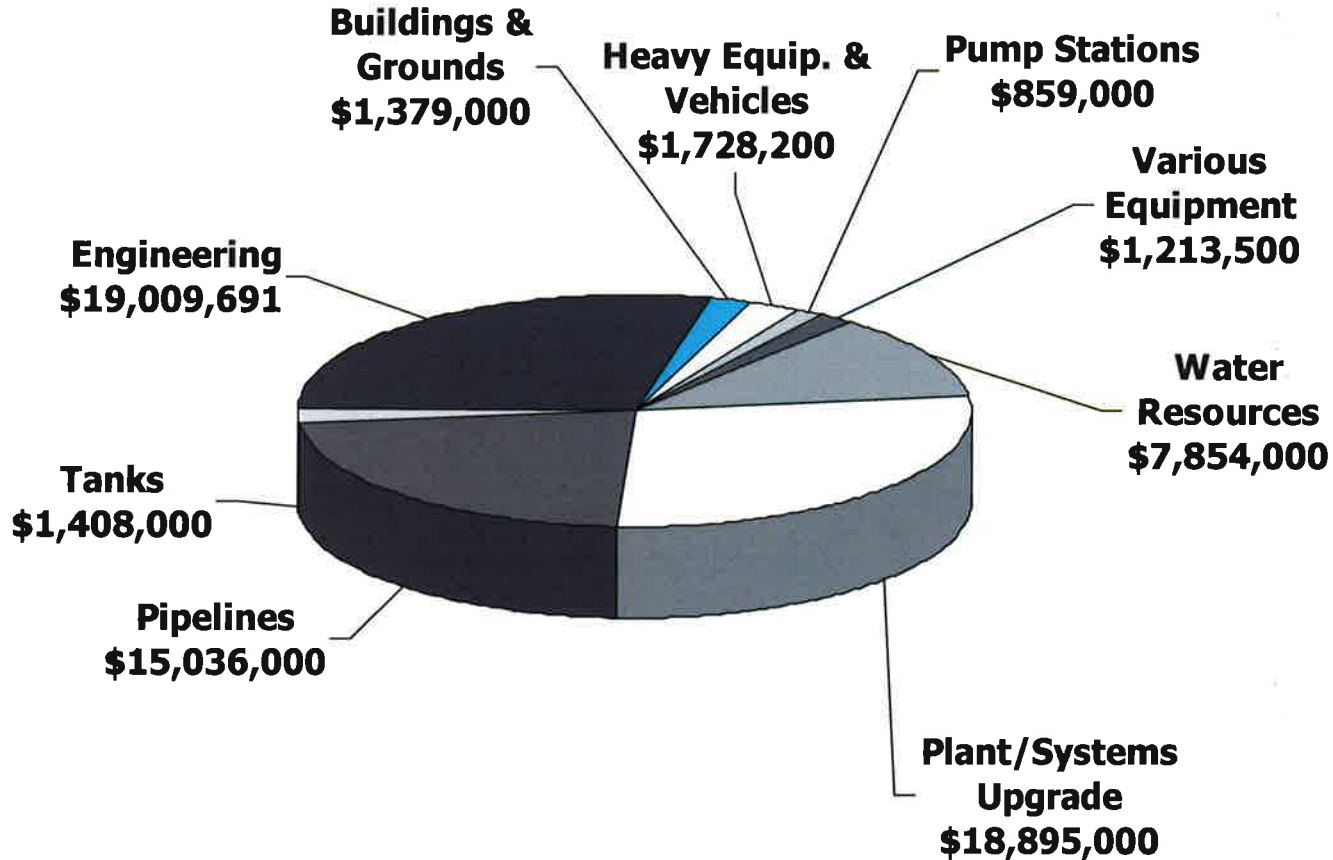
Funding Sources for Capital Projects Fund



**WATER TEN-YEAR CAPITAL OUTLAY PROJECTIONS – 2016/2025
BY FUNCTIONAL CATEGORY**

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
1) HEAVY EQUIPMENT & VEHICLES	351,000	603,000	292,000	120,000	42,200	185,000	92,400	0	7,600	35,000	1,728,200
2) PUMP STATIONS	28,000	37,000	28,000	38,000	561,000	30,000	32,000	32,000	41,000	32,000	859,000
3) VARIOUS EQUIPMENT	95,000	91,000	61,000	269,000	67,000	82,000	240,000	59,000	124,000	125,500	1,213,500
4) BUILDING & GROUNDS UPGRADE	414,000	115,000	110,000	115,000	110,000	105,000	100,000	105,000	100,000	105,000	1,379,000
5) WATER RESOURCES	1,011,000	2,798,000	813,000	725,000	30,000	30,000	2,357,000	30,000	30,000	30,000	7,854,000
6) PLANT/SYSTEMS UPGRADE	1,580,000	4,040,000	4,360,000	4,040,000	3,385,000	490,000	40,000	460,000	460,000	40,000	18,895,000
7) PIPELINES	1,929,000	1,907,500	1,402,000	856,800	2,135,600	1,878,500	1,138,500	1,489,700	1,147,000	1,151,400	15,036,000
8) TANKS	0	8,000	0	0	400,000	0	300,000	300,000	0	400,000	1,408,000
9) ENGINEERING STAFF & EXPENSES	1,658,225	1,707,972	1,759,211	1,811,987	1,866,347	1,922,337	1,980,007	2,039,408	2,100,590	2,163,608	19,009,691
TOTAL WATER	7,066,225	11,307,472	8,825,211	7,975,787	8,597,147	4,722,837	6,279,907	4,515,108	4,010,190	4,082,508	67,382,391

WATER ENTERPRISE FUND CAPITAL PROJECTS Ten Years Ending June 30, 2026



WATER

TEN-YEAR FINANCIAL PLAN

BY DEPARTMENT

and

BY PROJECT

WATER TOTALS

DEPARTMENT	16-17 BUDGET	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	TOTALS
UNDERGROUND REPAIR	139,000	162,500	135,000	149,800	147,600	149,500	152,500	155,700	147,000	157,400	1,496,000
PUMPS	0	37,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	97,000
ELECTRICAL	28,000	23,000	23,000	33,000	25,000	25,000	27,000	27,000	36,000	27,000	274,000
HEAVY MAINTENANCE	0	0	0	0	0	0	0	0	0	0	0
EQUIPMENT REPAIR	351,000	585,000	292,000	170,000	42,200	185,000	92,400	0	7,600	35,000	1,760,200
LABORATORY	15,000	15,000	11,000	10,000	0	10,000	161,000	0	5,000	10,000	237,000
BOARD OF DIRECTORS	0	0	0	5,000	0	0	0	5,000	0	37,500	47,500
ADMINISTRATION	0	0	0	0	0	0	0	0	0	0	0
HUMAN RESOURCES	0	0	0	0	0	0	0	0	0	0	0
PUBLIC OUTREACH	0	0	0	0	0	0	0	0	0	0	0
ENGINEERING	4,806,000	8,726,000	6,562,000	5,605,000	6,461,000	2,364,000	3,797,000	2,237,000	1,590,000	1,570,000	43,718,000
INFORMATION SYSTEMS	35,000	41,000	38,000	151,000	50,000	57,000	65,000	41,000	119,000	72,000	669,000
CUSTOMER SERVICE	0	10,000	0	30,000	0	0	0	0	0	0	40,000
FINANCE	34,000	0	0	0	0	0	0	0	0	0	34,000
ENGINEERING STAFF & EXPENSES	1,658,225	1,707,972	1,759,211	1,811,987	1,866,347	1,922,337	1,980,007	2,039,408	2,100,590	2,163,608	19,009,691
	7,066,225	11,307,472	8,825,211	7,975,787	8,597,147	4,722,837	6,279,907	4,515,108	4,010,190	4,082,508	67,382,391

WATER UNDERGROUND REPAIR

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 IN-HOUSE WATERLINE REPLACEMENT UPSIZE **	116,000	119,500	123,000	126,800	130,600	134,500	138,500	142,700	147,000	151,400	1,330,000	1
2 TRUCK MOUNTED HYD. UNIT FOR HYDRAULIC TOOLS/AIR COMP.	8,000			8,000							16,000	2
3 REPLACE MOLE	5,000		7,000				8,000				20,000	3
4 REPLACE WACKER			5,000		5,000		6,000			6,000	22,000	4
5 REPLACE VACUUM ON VEHICLE #77		18,000									18,000	5
6 VACUUM FOR STANDBY TRUCK #61 (VALVE EXER. PROG.)		15,000				15,000					30,000	6
7 VALVE EXERCISE EQUIPMENT	10,000			15,000							25,000	7
8 LINE LOCATOR		5,000			6,000			6,500			17,500	8
9 LINE LOCATOR		5,000			6,000			6,500			17,500	9
	139,000	162,500	135,000	149,800	147,600	149,500	152,500	155,700	147,000	157,400	1,406,000	

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

WATER PUMPS

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS		
1 SECURITY MEASURES		5,000		5,000		5,000		5,000		5,000	25,000	1	
2 CORNELIAN REBUILD PUMPS/MOTORS											0	2	
3 NEW TANK MIXERS		8,000									8,000	3	
4 FLAGPOLE MOTOR RECONDITION (3)		9,000									9,000	4	
5 AIRPORT BOOSTER WATERLINE CHECK VALVE		10,000									10,000	5	
6 PUMP/MOTOR REBUILDS		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	6	
		0	37,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	10,000	97,000	

WATER ELECTRICAL

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REBUILD MOTORS	6,000	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	67,000	1
2 PREVENTATIVE MAINTENANCE BAYVIEW VFD				9,000					9,000		18,000	2
3 REPLACE SCADA RTU'S	22,000	17,000	17,000	17,000	18,000	18,000	20,000	20,000	20,000	20,000	189,000	3
	28,000	23,000	23,000	33,000	25,000	25,000	27,000	27,000	36,000	27,000	274,000	

WATER LABORATORY

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE STERILIZING OVEN							6,000				6,000	1
2 REPLACE AUTOCLAVE (SMALL)		10,000				10,000				10,000	30,000	2
3 QED WELL WIZARD SAMPLE PUMP CONTROLLER		5,000									5,000	3
4 REPLACE COLIFORM INCUBATOR			6,000								6,000	4
5 REPLACE LAB pH METER	5,000						5,000				10,000	5
6 REPLACE AUTOCLAVE (LARGE)				10,000							10,000	6
7 REPLACE 20 LITER WATER BATH									5,000		5,000	7
8 LIMS COMPUTER SOFTWARE							150,000				150,000	8
9 REPLACE IND. COUP. ARGON PLASMA SPEC.											0	9
10 LAB DESIGN EVALUATION											0	10
11 REPLACE DIONIZE WATER SYSTEM	10,000										10,000	11
12 REPLACE BLOCK DIGESTOR (FOR METALS AND P)											0	12
13 REPLACE TURBIDIMETER											0	13
14 REPLACE WATER BATH FOR COLIFORM TEST			5,000								5,000	14
	15,000	15,000	11,000	10,000	0	10,000	161,000	0	5,000	10,000	237,000	

WATER EQUIPMENT REPAIR - PAGE 1

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE GENERATOR SETS				50,000							50,000	1
2 REPLACE ENGINE/TRANSMISSION	6,000		7,000		7,200		7,400		7,600		35,200	2
	6,000	0	7,000	50,000	7,200	0	7,400	0	7,600	0	85,200	

WATER EQUIPMENT REPAIR (VEHICLES) - PAGE 2

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE U/R WATER SERVICE TRUCK #77 (2001)		45,000									45,000	1
2 REPLACE U/R TRUCK #32 (2009)							45,000				45,000	2
3 REPLACE U/R FLATBED TRUCK #43 (1988)							40,000				40,000	3
4 REPLACE U/R CAMEL TRUCK #57 (2003)		350,000									350,000	4
5 REPLACE U/R VACUUM TRUCK #24 (1995)											0	5
6 REPLACE U/R BACKHOE #47 (2003)			90,000								90,000	6
7 REPLACE U/R TRUCK #61 (2011)					35,000						35,000	7
8 REPLACE U/R TRUCK #25 (2000)			60,000								60,000	8
9 REPLACE U/R TRUCK #34	60,000										60,000	9
10 REPLACE U/R LOADER #22 (2007)						185,000					185,000	10
11 REPLACE U/R LOADER #55 (1997)	250,000										250,000	11
12 REPLACE U/R BACKHOE #48 (2006)		90,000									90,000	12
13 REPLACE U/R DUMP TRUCK #8 (1995)											0	13
14 REPLACE U/R DUMP TRUCK #80 (2006)				120,000							120,000	14
15 REPLACE PUMPS TRUCK #41 (2005)											0	15
16 REPLACE PUMPS TRUCK #17 (2009)			30,000								30,000	16
17 REPLACE PUMPS TRUCK #31 (2003)			35,000								35,000	17
18 REPLACE EQUIP. REPAIR TRUCK #33 (2005)			35,000								35,000	18
19 REPLACE LAB TRUCK #82 (2006)		35,000									35,000	19
20 REPLACE ADMIN. TRUCK #39 (2003)	35,000										35,000	20
21 REPLACE ENG. TRUCK #15 (2000)											0	21
22 REPLACE ENG. TRUCK #37 (2002)			35,000								35,000	22
23 REPLACE C.S. TRUCK #64 (2003)										35,000	35,000	23
24 REPLACE C.S. TRUCK #72 (1999)		30,000									30,000	24
25 REPLACE PURCHASING VEHICLE #5 (1999)		35,000									35,000	25
	345,000	585,000	285,000	120,000	35,000	185,000	85,000	0	0	35,000	1,675,000	
	351,000	585,000	292,000	170,000	42,200	185,000	92,400	0	7,600	35,000	1,760,200	

WATER BOARD OF DIRECTORS

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE BOARDROOM COMPONENTS				5,000				5,000			10,000	1
2 REPLACE BOARDROOM AV EQUIPMENT										37,500	37,500	2
	0	0	0	5,000	0	0	0	5,000	0	37,500	47,500	

WATER ADMINISTRATION

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
											0
	0	0	0	0	0	0	0	0	0	0	0

WATER HUMAN RESOURCES

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
											0
	0	0	0	0	0	0	0	0	0	0	0

WATER PUBLIC OUTREACH

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
											0
	0	0	0	0	0	0	0	0	0	0	0

WATER ENGINEERING

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
1 COPIER	16,000										16,000 1
2 HYDROLOGY SOFTWARE	6,000										6,000 2
3 DISTRICT FACILITIES BMPS	10,000	10,000	10,000	10,000	10,000						50,000 3
4 EROSION CONTROL PROJECTS (15)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000 4
5 CALTRANS PROJECTS	50,000	28,000	29,000	30,000							137,000 5
6 SIERRA TRACT EROSION CONTROL (CITY PROJECT)	180,000										180,000 6
7 METERS PHASE 2 (2015 PROJECT)											0 7
8 FIRE HYDRANTS ON 6-INCH LINES	383,000										383,000 8
9 LARGE METER REPLACEMENTS	40,000										40,000 9
10 METERS PHASE 3 (2016)	1,500,000	2,500,000									4,000,000 10
11 METERS PHASE 4 (2017)		1,500,000	2,500,000								4,000,000 11
12 METERS PHASE 5 (2018)			1,500,000	2,500,000							4,000,000 12
13 METERS PHASE 6 (2019)				1,500,000	2,500,000						4,000,000 13
14 METER READING TOWERS			320,000								320,000 14
15 CHRISTMAS VALLEY TANK ROAD PAVING AND DRAINAGE	90,000										90,000 15
16 WATERLINE - PONDEROSA	600,000	600,000									1,200,000 16
17 WATERLINE - MARLETTE	60,000	550,000	550,000								1,160,000 17
18 WATERLINE - ALOHA	60,000		700,000	700,000							1,460,000 18
19 WATERLINE REPLACEMENT PROJECTS					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000 19
20 HYDRANTS ON 4-INCH LINES	560,000	500,000									1,060,000 20
21 GSA/SGMP		75,000	75,000	75,000	30,000	30,000	30,000	30,000	30,000	30,000	405,000 21
22 WELL DESTRUCTION PROGRAM		100,000									100,000 22
23 CHRIS WELL EVALUATION (CONTAMINATED AQUIFER STUDY)			88,000								88,000 23
24 KELLER - HEAVENLY ZONE IMPROVEMENTS	611,000	2,623,000									3,234,000 24
25 UPPER MONTGOMERY BOOSTER, ZONE IMPROVEMENTS	100,000		650,000	650,000							1,400,000 25
26 H STREET ZONE/IMPROVEMENTS AT THE Y	100,000	100,000									200,000 26
27 WELL SITE PURCHASE	300,000										300,000 27
28 SCADA UPGRADES	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	400,000 28
29 TANK COATINGS					400,000					400,000	800,000 29
30 PIONEER TRAIL CHECK VALVES					261,000						261,000 30
31 NEW PRV @ PIONEER/ BUSCH					121,000						121,000 31
32 NEW PRV @ WASHOAN/ NADOWA					137,000						137,000 32
33 NEW PRV @ GLEN EAGLES					137,000						137,000 33
34 DAVID LANE BOOSTER					531,000						531,000 34
35 ELKS CLUB TO BUSCH WATERLINE					744,000	744,000					1,488,000 35
36 PRV IMPROVEMENTS - MULTIPLE SITES					450,000	450,000					900,000 36
37 TANK SITE AND SEISMIC IMPROVEMENTS							300,000	300,000			600,000 37
38 ELECTRICAL, SAFETY, AND RELIABILITY IMPROVEMENTS								420,000	420,000		840,000 38
39 PINE VALLEY - SUSQUEHANNA WATERLINE								347,000			347,000 39
40 NEW WELL/SUNSET REDRILL AND WATERLINE							2,327,000				2,327,000 40
	4,806,000	8,726,000	6,562,000	5,805,000	6,461,000	2,364,000	3,797,000	2,237,000	1,590,000	1,570,000	43,718,000

WATER INFORMATION TECHNOLOGY

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 FIREWALL SOFTWARE/UPGRADES				8,000		8,000		8,000		8,000	32,000	1
2 SOFTWARE (NEW, UPGRADES, COMPLIANCE)		8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	72,000	2
3 SQL ADDITIONAL LICENSES		7,000			7,000			7,000			21,000	3
4 STORAGE SYSTEM (SAN) ADDITIONS				75,000		6,000			75,000		156,000	4
5 DATABASE SOFTWARE/UPDATES				8,000				8,000			16,000	5
6 REPLACE FIBER WAN - SHOPS								10,000			10,000	6
7 REPLACE NETWORKING EQUIP./IMPROVEMENTS	5,000		5,000		5,000		5,000		5,000		25,000	7
8 WIRELESS CONTROLLER/ACCESS POINTS		10,000				10,000				10,000	30,000	8
9 BACKUP/DISASTER RECOVERY APPLIANCE				10,000				10,000			20,000	9
10 REPLACE WATER HYDRAULIC MODELING SOFTWARE			15,000			15,000			15,000		45,000	10
11 AUTOCAD CIVIL LICENSES				6,000			6,000			6,000	18,000	11
12 STRATEGIC PLAN IMPLEMENTATION/UPDATE	20,000			30,000			30,000			30,000	110,000	12
13 LASERFICHE UPGRADE			10,000				10,000				20,000	13
14 REPLACE DOMAIN CONTROLLER SERVER #2					10,000						10,000	14
15 CORE SWITCH					20,000						20,000	15
16 REPLACE SCADA HISTORIAN SERVER		10,000				10,000				10,000	30,000	16
17 SCADA SERVER 2	10,000										10,000	17
18 BACKUP POWER SERVER ROOM		6,000		6,000			6,000		6,000		24,000	18
	35,000	41,000	38,000	151,000	50,000	57,000	65,000	41,000	119,000	72,000	669,000	

WATER CUSTOMER SERVICE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS	
1 REPLACE SENSUS HAND-HELD METER READER		10,000									10,000	1
2 REPLACE DIGITAL LOCATING EQUIPMENT (2)				30,000							30,000	2
	0	10,000	0	30,000	0	0	0	0	0	0	40,000	

WATER FINANCE

USE OR BENEFIT EXPLANATION	16-17 BUDGET	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	TOTALS
1 CARPET REPAIR & REPLACEMENT (ADMIN BUILDING)	34,000										34,000
	34,000	0	0	0	0	0	0	0	0	0	34,000

ACKNOWLEDGMENTS

Paul Hughes, Chief Financial Officer

Debbie Henderson, Accounting Manager

Susan Rasmussen, Finance Administrative Assistant

BOARD OF DIRECTORS' FINANCE COMMITTEE:

Randy Vogelgesang

Duane Wallace