

# Tuolumne Utilities District

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## FY 2017 and FY 2018 Operating Budget and FY 2017-2021 Capital Improvement Budget

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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



Figure 1: Lyons Reservoir

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).

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



Figure 2: 1850's Era Ditch View



water under contract with PG&E. The contract dates back 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 13 of the District's own surface water treatment facilities. Raw water storage is provided in Phoenix Lake and an assortment of smaller impoundments.

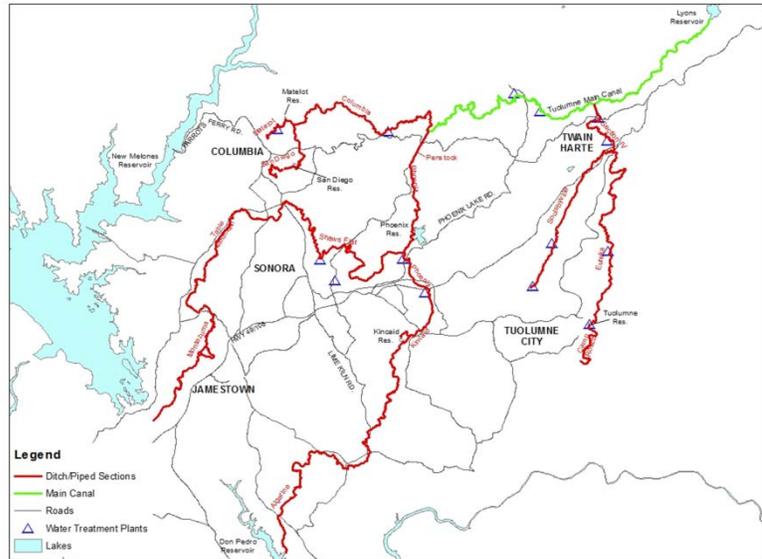
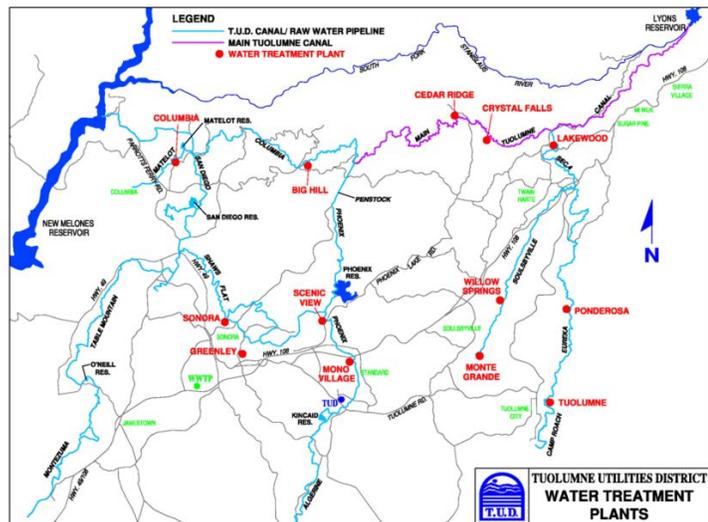


Figure 3: Ditch System Schematic

### 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 4 water reservoirs, 13 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 also 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.



## **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 29 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. As a result of those inspections the District is engaged in an aggressive campaign of repairs, replacements, and pipeline rehabilitation.





# TUOLUMNE UTILITIES DISTRICT

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**Thomas J. Haglund**

General Manager

Date: May 24, 2016

**Subject: Transmittal of Biennial Budget for Fiscal Year 2017 and Fiscal Year 2018**

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 to build financial sustainability, 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 establishes long term direction.

The proposed budget and the operational, programmatic and capital costs identified therein 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 as a result 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's ("SWRCB") *Emergency Regulation on Statewide Urban Water Conservation*. District customers reduced water use by a total of 31%, between June 2015 and February 2016, which was approximately 7% more than the State's 24% conservation level mandated upon the District. During that period water conservation detrimentally affected District revenues which are in part based upon volumetric sales of water. Conservation, however, has a nominal effect on District expenses and does not typically reduce expenses in a significant way. The significant majority of the District's expenses are fixed and occur regardless of the amount of water conserved. Conservation can lead to a shortage of the revenue necessary to meet ongoing operational and capital infrastructure expenses. 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 expenses and volumetric expenses calculated into the rate structure.



### **Operating Budget Summary**

Attached you will find the proposed biennial budget for Fiscal Years 2017 and 2018 (FY 17 and FY 18) containing budgeted operational revenues and expenditures for each of TUD's funds. The total combined operating expense budget for FY 17 and FY 18 is \$15.2 million and \$16.2 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 general 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 general public on a continuing basis be financed or recovered primarily through user charges.

### **Board Strategic Plan**

In March 2016, the Board developed a *Strategic Plan*, including a Vision, Mission and Goals that will guide the District into the future. 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.



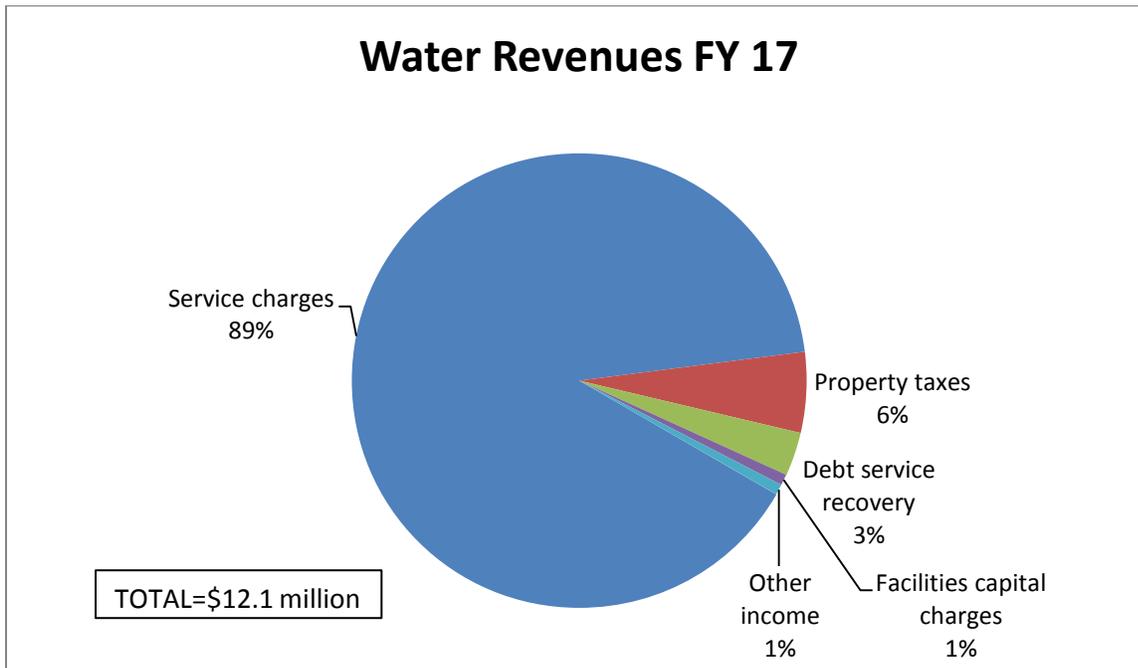
**Vision:** *“Tuolumne Utilities District will be a leading California utilities agency, providing safe, secure and high quality water, encouraging responsible water resources conservation; having effective collection, treatment and disposal of wastewater; and providing for the best use of TUD properties for TUD and community benefit.”*

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:

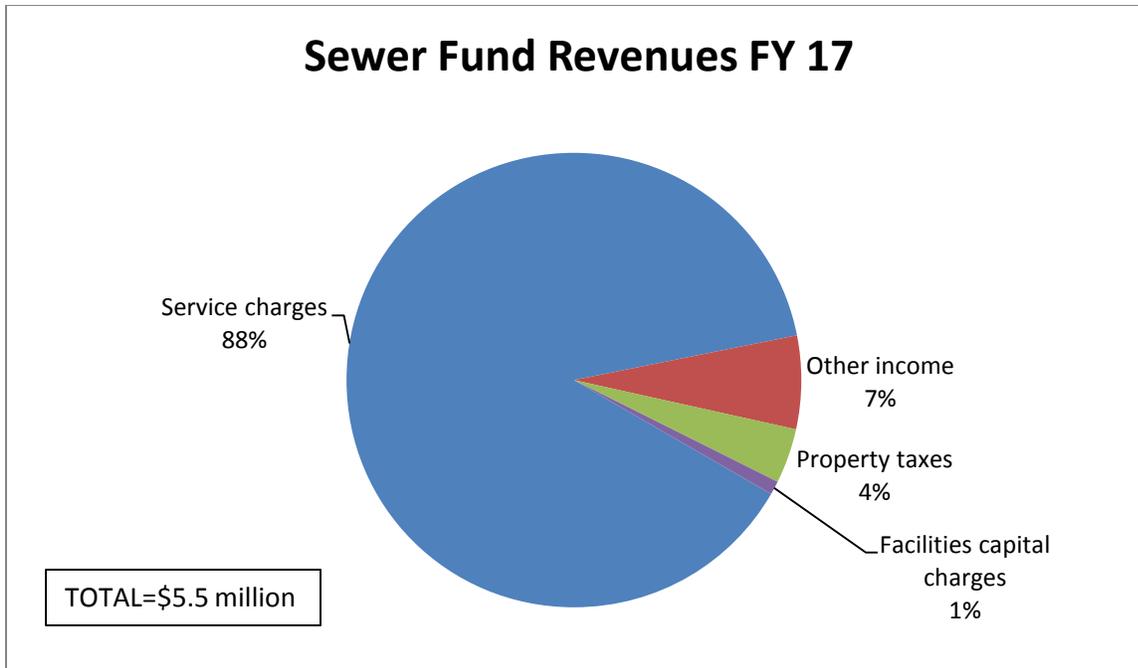
- Goals:** *Upgraded TUD Infrastructure*
- High Performing Organization*
- Top Quality Utility Services*
- Financially Responsible TUD Organization*

**Revenues**

The primary revenues include service charges, property taxes, debt service recovery, facilities capital charges, and other income. The District anticipates realizing approximately \$12.1 million and \$13.1 million in annual water revenue and approximately \$5.5 million and \$5.9 million in annual sewer revenue in each of FY 17 and FY 18, respectively. Below is a breakdown of TUD’s revenues for the water and sewer funds.



## Sewer Fund Revenues FY 17



### **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) and materials and services. Total labor related expenditures are approximately \$10.9 million for FY 17 and \$12.1 million for FY 18, representing increases of 8% and 11.5%, respectively. The District will add 2 positions in FY 17, including a safety compliance coordinator and a journey level wastewater treatment plant operator. In FY 18, the District will add an additional 5 positions including a GIS technician; a water utility worker; a sewer utility worker; a construction/maintenance utility worker; and an information technology administrator. These positions are judiciously timed to facilitate the District's work plan related to implementation of capital infrastructure and Board directed *Action Agenda* items. Non-labor expenses are budgeted overall at \$4.3 million in FY 17 and \$4.1 million in FY 18, representing an increase of 4% and decrease of (6%), respectively.

### **Reserves**

The FY 17 and FY 18 budget proposes to begin establishing reserves in the Water Fund for the first time in many years. 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. Significant investment in new infrastructure is a central theme of this budget. The budget proposes to save \$250,000 in FY 17 into Water reserves and \$47K into the Water contingency fund, and in FY 18 approximately \$608K into Water reserves and \$48K into the Water contingency fund. The FY 17 and FY 18 budgets also propose to place approximately \$256K each year into Sewer reserves and \$20K in each year 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 of the materials and supplies necessary to safely produce treated water at the District's 16 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 (\$130K), 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 (\$83K). 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. Additional funds have been budgeted in FY 17 only, based on the anticipated retirement of the incumbent, in order to provide six months overlap for the training of a new specialist. 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 conducted a thorough review of power related costs in FY 16 to ensure that charges were appropriately categorized and the District was taking full advantage of the opportunities to procure less costly power through the Tuolumne Power Purchase Authority ("TPPA"), of which the District is a member. The District will continue 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. In FY 17 and FY 18 the District will invest approximately \$19K each year to expand and improve monitoring capabilities. 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 calibrate 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 revamped and 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. During the budget term, the division will also conduct various minor improvements to water treatment sites including painting, roofing and removal of extraneous out buildings and equipment, and installation of tank safety ladders. Maintenance supply costs represent the largest portion of the non-labor operating costs for the Water Division at

nearly \$368K FY 17 and \$370K in FY 18; additionally, maintenance supply costs in Sewer are budgeted at approximately \$147K and \$152K 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 16 the District will have responded to around 6,580 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 last 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, 29 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. The Engineering Department will add a graphical information system (GIS) position in FY 18 in order to place District infrastructure in computer aided design (CAD) format to facilitate improved accuracy of the mapping of underground infrastructure. Doing so will significantly improve design, as well as, field efficiency, especially when effecting infrastructure repairs or improvements.

### **Finance Department**

The Finance Department undertakes financial management and accounting for the District, including the processing of utility billing for approximately 14,000 water customers and 6000 sewer customers on a bi-monthly basis. During the fiscal year the Finance Department will study the replacement of the District's existing financial management and utility billing software with new, contemporary software. The District's existing software is very old, built on an onerous, complex platform, and the database is no longer supported by the vendor. Additionally, over the course of time the District has inherited and incorporated billing cycles from precursor water entities which has resulted in a billing structure that has 37 billing cycles over a bi-monthly period which is burdensome and inefficient and in need of streamlining. FY 18 contemplates replacement of the software and approximately \$138K has been budgeted in that year as payment for a new financial management and utility billing system that will be financed at additional cost over several years. The Finance Department includes information technology and the FY 18 budget includes funding to establish a full-time information technology position to administer the District's many high tech systems. The advent and implementation of technology driven systems has grown to a point that the District now requires a full time information technology administrator to provide the necessary fulltime service levels that have not heretofore been available, or affordable, under contract. Security and maintenance of financial information is important to the District and the scale and complexity of deployed systems now requires investment in a minimal level of staffing to keep these systems operational and protected.

### **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 of 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. The FY 17 budget includes funding to restore the human resources director position, upgrading it from human resources/safety coordinator, and reestablish the safety coordinator position which is a necessary component to ensuring employee safety, especially in the field where hazards exist related to traffic, equipment, infrastructure, work process and other conditions that can pose a threat to the public and employees. Safety is one of the District's highest priorities and a dedicated coordinator will focus on providing the leadership to train on and enforce proper safety procedures.

## 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 16	FY 17	FY 18
Tier I (Prior to 2012)	25.858%	29.346%	31.45%
Tier II (Prior to 2013)	8.312%	8.88%	8.9%
PEPRA (After 2013)	6.25%	6.57%	6.638%

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.

For local employers, the cost of the new mortality assumptions will be first reflected in FY 17 rates with the cost spread over twenty years and the increases phased in over the first five years and ramped down over the last five years of the twenty year amortization period. The changes will be effective July 1, 2016.

As of June 30, 2015, the District reported a net pension liability in the amount of \$7,841,471, 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, 2014. 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 77.5%.

### **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 annual required contribution of the employer (ARC). The ARC 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**

	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Annual required contribution (ARC)	\$ 1,150	\$ 1,172	\$ 1,278	\$ 1,731	\$ 1,477
Interest on net OPEB obligation	-	(12)	168	88	111
Adjustment to ARC	-	15	(200)	(125)	(173)
Annual OPEB cost (expense)	1,150	1,175	1,246	1,694	1,415
Contributions	(1,306)	(795)	(385)	(497)	(570)
Increase in net OPEB obligation	(156)	380	861	1,197	845
Net OPEB obligation, beginning of year	\$ -	\$ (156)	\$ 383	\$ 829	\$ 1,160
Net OPEB obligation, end of year	\$ (156)	\$ 383	\$ 829	\$ 1,160	\$ 783

	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>
Actuarial accrued liability	\$ 8,377	\$ 10,834	\$ 14,779	\$ 14,781	\$ 16,181
Actuarial value of assets	\$ -	\$ 2,060	\$ 3,282	\$ 4,220	\$ 4,841
Unfunded liability	\$ 8,377	\$ 8,774	\$ 11,497	\$ 10,561	\$ 11,340
Funded Ratio	0%	19%	22%	29%	30%

**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 \$1.9 million and \$3.5 million in FY 17 and FY 18 respectively. Sewer related CIP projects will total \$0.8 million and \$0.9 million in FY 17 and FY 18 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. The numbering scheme associated with the projects listed below comports to the project numbers on the CIP spreadsheets that are also included in this budget document.

- 1) Phoenix Dam Improvement:  
Scope of work for improvements to Phoenix Lake Dam in accordance with annual Division of Safety and Dams inspection.

<b>Cost FY 17: \$0</b>	<b>Cost FY 18: \$ 50,000</b>
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- 2) Sonora WTP Rate Valve:  
This project will improve the control of raw water flow to the sedimentation basin which controls the flow of water treatment plant.

<b>Cost FY 17: \$18,000</b>	<b>Cost FY 18: \$ 0</b>
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- 3) Sierra Pines Property Purchase:  
Acquire land to construct a new raw water storage reservoir that will provide more water storage, mitigate impacts of ditch outages, and improve emergency response.

<b>Cost FY 17:</b> \$150,000	<b>Cost FY 18:</b> \$0
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- 4) Phoenix Lake Preservation and Restoration Plan:  
The budgeted amount reflects ancillary costs such as consultant travel, lodging, etc., which are not eligible for reimbursement under the grant program.

<b>Cost FY 17:</b> \$5,000	<b>Cost FY 18:</b> \$5,000
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- 5) Annual Ditch Improvements:  
Annual maintenance to fix leaks, raise sidelines, clean weed choked areas, eliminate hazard trees, and repair spills at various locations along the ditch.

<b>Cost FY 17:</b> \$100,000	<b>Cost FY 18:</b> \$100,000
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- 6) Techite Replacement:  
This project is 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. Replacement of this line will result in less labor, equipment and material costs associated with repair efforts multiple times per year.

<b>Cost FY 17:</b> \$45,000	<b>Cost FY 18:</b> \$260,000
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- 7) Sonora Distribution Improvements:  
This project is the first phase of a multi-year effort to eventually replace 4,750 linear feet of old water mains within the City of Sonora (Green, Bradford, Stewart Streets) that have exhibited a high incidence of failure resulting in costly repairs.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$225,000
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- 8) Matelot Pipeline:  
This project will install a pipeline connecting the Matelot Reservoir to the Columbia Water Treatment Plant in order to greatly improve efficiency and raw water quality at the plant. Design will proceed in FY 17, and actual construction in FY 18.

<b>Cost FY 17:</b> \$20,000	<b>Cost FY 18:</b> \$335,000
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- 9) Ditch Meters:  
Install an estimated 550 battery operated mag meters (iPerl) and customer side gate valves on ditch turnouts throughout the system.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$65,000
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10) Upper Columbia Ditch Shoot Flume:

Replace leaky exposed pipeline segments that are critical to deliver source water for 4,000 customers.

<b>Cost FY 17:</b> \$40,000	<b>Cost FY 18:</b> \$160,000
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11) 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.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$40,000
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12) Apple Valley/Scenic View Intertie:

This project involves the design, permitting, and right-of-way acquisition to undertake a multi-year effort to connect the Scenic View Water System to the Apple Valley Water System. The ultimate project will entail constructing a new tank, new water main, and controls.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$60,000
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13) Upper Columbia Spill #1:

This cost will fund the environmental review and land acquisition. The project will replace a section of wrapped steel pipe spanning an unstable slope at Spill #1 of the Columbia Ditch.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$20,000
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14) 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, 420, and Saratoga tanks are in disrepair and need to be replaced. The project will also replace the Saratoga Pump Station with a new pump station and improve system reliability and fire flow.

<b>Cost FY 17:</b> \$810,000	<b>Cost FY 18:</b> \$1,060,000
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15) Rawhide Bridge Water Main:

Abandon an existing water main on the old Rawhide Bridge and construct a new water main on the County's new Rawhide Bridge.

<b>Cost FY 17:</b> \$45,000	<b>Cost FY 18:</b> \$385,000
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16) Jamestown Reservoir Improvements:

This cost will fund the environmental compliance costs to support an application for a Community Development Block Grant to construct a new 1 million gallon tank and to install 1,500 linear feet of 18-inch pipeline to replace a 14-inch asbestos cement pipe that is approximately 60 years old and serves as the sole source of water to the Jamestown service area.

<b>Cost FY 17:</b> \$15,000	<b>Cost FY 18:</b> \$0
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17) Peer Review of Ditch Loss:

This project will evaluate existing ditch water loss studies to facilitate greater understanding of the quantity of water lost for various reasons along the open ditch system. Project will provide better insight on how to prevent or reduce raw water loss.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$5,000
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18) Enterprise Resource Program:

This project will implement a new financial management and utility billing software system to replace the existing system which is no longer supported by the software vendor. Project to be financed over several years. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$137,500
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19) Gold Springs – Porcina Water Line Relocation:

Realign a segment of water main that was discovered to be under several large redwood trees. The new pipeline will be placed along the shoulder of the roadway.

<b>Cost FY 17:</b> \$25,000	<b>Cost FY 18:</b> \$0
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20) Baldwin Flume Sheets:

Cost to purchase metal flume sheets to replace flume sheets that are corroded after years of use.

<b>Cost FY 17:</b> \$12,000	<b>Cost FY 18:</b> \$0
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21) O'Neil Tunnel Assessment:

The O'Neil Tunnel, which conveys water from the Table Mountain Ditch upstream of the O'Neil Reservoir, may be registering ground movement at the exit of the tunnel. A geotechnical engineer will conduct an assessment of the tunnel and to recommend methods to stabilize the tunnel.

<b>Cost FY 17:</b> \$7,500	<b>Cost FY 18:</b> \$0
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22) 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.

<b>Cost FY 17:</b> \$50,000	<b>Cost FY 18:</b> \$50,000
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23) Vac-Con Hydro Excavator:

Purchase of a hydro excavator for use in safely excavating areas for repair and maintenance. Hydro excavators significantly reduce the time involved in traditional excavation and enhance safety through prevention of damage to other types of underground utilities. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.

<b>Cost FY 17:</b> \$315,000	<b>Cost FY 18:</b> \$0
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24) Replace Backhoe #136 (1987):

Replacement of a nearly 30 year old backhoe that has reached the end of its reliability and useful life. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$80,000
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25) Tank Ladders:

Occasional access to tank roofs are needed for inspection and testing of tank float alarms, level sensors, and to provide access for interior tank inspections. This will fund installation of safety ladders on seven tanks.

<b>Cost FY 17:</b> \$30,000	<b>Cost FY 18:</b> \$0
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26) Replacement of Trucks (12) and Trailers (2) and Backhoe (1):

Replacing older trucks ranging from 1989-2006. Four in FY 17 and eight in FY 18. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.

<b>Cost FY 17:</b> \$127,000	<b>Cost FY 18:</b> \$268,400
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28) Capital Outlay Projects (Under \$50,000):

Equipment items including equipment flume sheets, mag meter, trench plates, pump, saw, rippers, domain controller in FY 17. Equipment items in FY 18 include Brentwood PRV, hydraulic breaker, mag meters, quik valve insertion machine, generator, compressor, telemetry, SCADA, compaction sheel. Budget represents the water fund's allocation of cost. Sewer share budgeted separately.

<b>Cost FY 17:</b> \$69,850	<b>Cost FY 18:</b> \$202,050
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**Sewer Capital Projects**

- 82) Paving at Regional Wastewater Treatment Plant:  
 This project will correct major paving deficiencies at the Regional Wastewater Treatment Plant. Work will include grinding, paving, and also constructing concrete aprons at various locations throughout the plant. The paving is part of the overall Regional Wastewater Treatment Plant Improvements.

<b>Cost FY 17: \$0</b>	<b>Cost FY 18: \$330,000</b>
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- 83) Quartz Knife Gate Valve:  
 This project will replace an old valve that controls releases from Quartz Reservoir. Representatives from the Division of Safety of Dams conduct an annual inspection of the valve to ensure it is operational in the event of an emergency.

<b>Cost FY 17: \$10,000</b>	<b>Cost FY 18: \$0</b>
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- 84) Gold Springs Force Main:  
 Replace approximately 5,000 linear feet of 4-inch sewer force main that is subject to frequent ruptures. This project will reduce ongoing maintenance costs related to responding to sewer force main breaks.

<b>Cost FY 17: \$95,000</b>	<b>Cost FY 18: \$0</b>
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- 85) Gold Springs Gravity:  
 The Gold Springs gravity main located in Columbia, is currently constructed out of 6-inch vitrified clay pipe and has many structural defects. A larger main will be able to accommodate greater flows in the future and prevent possible future sanitary sewer overflows.

<b>Cost FY 17: \$40,000</b>	<b>Cost FY 18: \$0</b>
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- 86) 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.

<b>Cost FY 17: \$85,000</b>	<b>Cost FY 18: \$85,000</b>
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- 87) 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.

<b>Cost FY 17: \$50,000</b>	<b>Cost FY 18: \$50,000</b>
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88) Saratoga Lift Station Replacement:

To construct a new sewer lift station to replace the old lift station. The new lift station will also have a generator, backup pumps, and an overflow sump in the event of a mechanical failure.

<b>Cost FY 17:</b> \$15,000	<b>Cost FY 18:</b> \$240,000
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89) Enterprise Resource Program:

This project will implement a new financial management and utility billing software system to replace the existing system which is no longer supported by the software vendor. Project to be financed over several years. Budget represents the sewer fund's allocation of cost. Water share budgeted separately.

<b>Cost FY 17:</b> \$0	<b>Cost FY 18:</b> \$62,500
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90) Vac-Con Hydro Excavator:

Purchase a new vacuum hydro-excavator. Used in water, sewer and construction to safely excavate around utilities like fiber optics, power, gas, telephone, cable, sewer and water mains. Budget represents the sewer fund's allocation of cost. Water share budgeted separately.

<b>Cost FY 17:</b> \$135,000	<b>Cost FY 18:</b> \$0
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91) Replacement of Trucks (7) and Trailers (2) and Backhoe (2):

Replacing older trucks ranging from 1989-2006. One in 2017 and six in 2018. Funding represents the sewer fund's share of costs. Water share budgeted separately.

<b>Cost FY 17:</b> \$20,000	<b>Cost FY 18:</b> \$108,600
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92) Capital Outlay Projects (Under \$50,000):

Five equipment items including trench plates, 24" saw, rippers, domain controller in 2017. Eight equipment items including hydraulic breaker, quik valve insertion machine, portable generator, air compressor, rock screen and separator, compaction sheel, and SCADA upgrades in 2018. Budgeted amount reflects sewer fund share of cost. Water share budgeted separately.

<b>Cost FY 17:</b> \$13,650	<b>Cost FY 18:</b> \$48,450
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134) Wastewater Process Improvements at Sonora Regional Wastewater Treatment Plant:

Project will include potential processing improvements for the treatment and disposal of wastewater influent at the Sonora Regional Wastewater Treatment Plant and will be defined and designed after completion of the process review budgeted in FY 16.

<b>Cost FY 17:</b> \$311,000	<b>Cost FY 18:</b> \$0
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## 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 first two 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 takes a significant step 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	FY16	FY17	FY18
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 II/III/IV	9	9	10
<b>210 - Non-Departmental Total</b>		<b>17</b>	<b>17</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/Safety Coordinator	1	0	0
	Human Resources Director & Risk Manager	0	1	1
	Safety/Worker Comp./Risk Coordinator	0	1	1
<b>220 - Administrative Total</b>		<b>4</b>	<b>5</b>	<b>5</b>
Engineering	Assistant Engineer	1	1	1
	Associate Engineer I/II	2	2	2
	District Engineer	1	1	1
	Engineering Administrative Assistant	1	1	1
	Engineering Services Technician	1	1	1
	Engineering Tech/Inspector	1	1	1
	GIS Technician	0	0	1
	Senior Land Surveyor	1	1	1
	<b>230 - Engineering Total</b>		<b>8</b>	<b>8</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	0	0	1
	Purchasing Agent	1	1	1
	Senior Accounting Assistant	1	1	1
	Warehouse Worker	1	1	1
	<b>240 - Finance Total</b>		<b>11</b>	<b>11</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 II/III	4	4	5
	Water Foreman	1	1	1
	Water Master	1	1	1
	Water Operator II/III	7	7	7
	Water Regulatory Compliance Spec/Operator	1	1	1
	Water Superintendent	1	1	1
<b>300's - Water Total</b>		<b>23</b>	<b>23</b>	<b>24</b>
Sewer	Utility Worker I/II	4	4	5
	Wastewater Foreman	1	1	1
	Wastewater Operator III	3	4	4
	Wastewater Superintendent	1	1	1
<b>400's - Sewer Total</b>		<b>9</b>	<b>10</b>	<b>11</b>
<b>GRAND TOTAL</b>		<b>72</b>	<b>74</b>	<b>79</b>

**TUD PERSONNEL BUDGET 2017**

DEPARTMENT:	#	POSITIONS					NUM	GROSS	OVERTIME	LABOR	TAXES	WORKER		RETIREE		MEALS &		TOTAL
		BT	FT	PT	TT	COMP						PERS	HEALTH	INSURANCE	UNIFORMS			
BOARD	100	5	0	0	0	5	36,000	-	36,000	4,460	220	-	-	4,754	-	-	45,434	
ADMINISTRATION	220	0	5	0	0	5	523,861	2,989	526,850	38,495	2,960	101,953	91,559	122,482	8,505	-	892,804	
ENGINEERING	230	0	8	0	0	8	764,752	7,564	772,316	60,866	5,441	171,771	104,810	182,180	678	-	1,298,062	
FINANCE	240	0	11	0	0	12	789,775	2,044	791,819	62,510	6,559	199,944	127,673	215,839	-	-	1,404,344	
OPERATIONS	260	0	4	1	0	6	477,234	15,661	492,895	40,028	20,601	122,549	79,226	118,350	-	-	873,649	
WATER DISTRIBUTION	900	0	12	0	8	20	934,352	59,173	993,525	84,824	48,261	221,630	147,051	247,447	11,920	-	1,754,658	
CONSTRUCTION/MAINTENANCE	901	0	13	0	0	14	810,615	92,806	903,421	74,402	48,008	218,549	152,730	259,640	24,518	-	1,681,268	
WASTEWATER	902	0	10	0	8	18	692,675	64,803	757,478	63,769	49,439	134,790	78,282	170,220	21,669	-	1,275,647	
WATER	903	0	11	2	0	13	853,686	75,613	929,299	76,824	49,382	211,260	137,064	227,590	11,920	-	1,643,339	
<b>Total</b>		<b>5</b>	<b>74</b>	<b>3</b>	<b>16</b>	<b>101</b>	<b>\$ 5,882,950</b>	<b>\$ 320,653</b>	<b>\$ 6,203,603</b>	<b>\$ 506,178</b>	<b>\$ 230,871</b>	<b>\$ 1,382,446</b>	<b>\$ 918,395</b>	<b>\$ 1,548,502</b>	<b>\$ 79,210</b>	<b>\$ -</b>	<b>\$ 10,869,205</b>	
									<b>Water</b>	<b>\$ 4,389,135</b>	<b>\$ 358,181</b>	<b>\$ 156,295</b>	<b>\$ 1,003,226</b>	<b>\$ 673,314</b>	<b>\$ 1,107,309</b>	<b>\$ 47,431</b>	<b>\$ 7,734,890</b>	
									<b>Sewer</b>	<b>1,814,468</b>	<b>147,997</b>	<b>74,576</b>	<b>379,220</b>	<b>245,081</b>	<b>441,194</b>	<b>31,779</b>	<b>3,134,315</b>	
									<b>Total</b>	<b>\$ 6,203,603</b>	<b>\$ 506,178</b>	<b>\$ 230,871</b>	<b>\$ 1,382,446</b>	<b>\$ 918,395</b>	<b>\$ 1,548,503</b>	<b>\$ 79,210</b>	<b>\$ 10,869,205</b>	

**TUD PERSONNEL BUDGET 2018**

DEPARTMENT:	#	POSITIONS					NUM	GROSS	OVERTIME	LABOR	TAXES	WORKER		RETIREE		MEALS &		TOTAL
		BT	FT	PT	TT	COMP						PERS	HEALTH	INSURANCE	UNIFORMS			
BOARD	100	5	0	0	0	5	36,000	-	36,000	4,955	220	-	-	3,305	-	-	44,480	
ADMINISTRATION	220	0	5	0	0	5	543,603	3,048	546,651	39,723	3,108	110,450	106,916	134,386	8,505	-	949,739	
ENGINEERING	230	0	9	0	0	10	857,654	7,959	865,613	67,799	6,028	191,100	123,001	226,659	678	-	1,480,878	
FINANCE	240	0	12	0	0	12	916,473	2,095	918,568	72,442	7,476	223,172	148,779	263,800	-	-	1,634,237	
OPERATIONS	260	0	4	0	0	6	569,227	16,015	585,242	46,401	21,709	139,073	92,829	156,970	-	-	1,042,224	
WATER DISTRIBUTION	900	0	13	0	8	21	1,008,893	60,707	1,069,600	91,088	52,620	242,797	170,802	298,359	11,920	-	1,937,186	
CONSTRUCTION/MAINTENANCE	901	0	14	0	0	14	877,454	94,867	972,321	80,115	52,188	237,590	176,181	311,588	24,518	-	1,854,501	
WASTEWATER	902	0	11	0	8	19	762,775	66,642	829,417	69,740	54,683	147,573	90,295	213,385	21,669	-	1,426,762	
WATER	903	0	11	2	0	13	887,705	80,021	967,726	79,762	51,944	230,331	160,607	249,618	11,920	-	1,751,908	
<b>Total</b>		<b>5</b>	<b>79</b>	<b>2</b>	<b>16</b>	<b>105</b>	<b>\$ 6,459,784</b>	<b>\$ 331,354</b>	<b>\$ 6,791,138</b>	<b>\$ 552,025</b>	<b>\$ 249,976</b>	<b>\$ 1,522,086</b>	<b>\$ 1,069,410</b>	<b>\$ 1,858,070</b>	<b>\$ 79,210</b>	<b>\$ -</b>	<b>\$ 12,121,915</b>	
									<b>Water</b>	<b>\$ 4,784,403</b>	<b>\$ 388,855</b>	<b>\$ 168,074</b>	<b>\$ 1,104,098</b>	<b>\$ 784,803</b>	<b>\$ 1,315,673</b>	<b>\$ 47,431</b>	<b>\$ 8,593,335</b>	
									<b>Sewer</b>	<b>2,006,736</b>	<b>163,171</b>	<b>81,902</b>	<b>417,989</b>	<b>284,607</b>	<b>542,397</b>	<b>31,779</b>	<b>3,528,580</b>	
									<b>Total</b>	<b>\$ 6,791,139</b>	<b>\$ 552,026</b>	<b>\$ 249,976</b>	<b>\$ 1,522,087</b>	<b>\$ 1,069,410</b>	<b>\$ 1,858,070</b>	<b>\$ 79,210</b>	<b>\$ 12,121,915</b>	

TUOLUMNE UTILITIES DISTRICT  
REVENUES - WATER

DESCRIPTION	BUDGET FY17	BUDGET FY18
Service charges	\$ 10,834,857	\$ 11,815,069
Other revenue	40,701	44,771
Property Taxes	692,972	699,902
Debt service recovery charge	374,385	344,694
Other income	49,524	51,010
Facilities capital charges	94,941	97,789
<b>TOTAL WATER REVENUES</b>	<b>\$ 12,087,380</b>	<b>\$ 13,053,235</b>

TUOLUMNE UTILITIES DISTRICT  
REVENUES - SEWER

DESCRIPTION	BUDGET FY17	BUDGET FY18
Service charges	\$ 4,904,030	\$ 5,242,604
Other revenue	331,212	341,149
Property Taxes	216,811	218,979
Investment income	35,910	35,910
Other income	300	300
Facilities capital charges	52,643	54,222
<b>TOTAL SEWER REVENUES</b>	<b>\$ 5,540,906</b>	<b>\$ 5,893,164</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 FY17	BUDGET FY18
100	Board of Directors	\$ 170,719	\$ 176,143
210	Operations Non-Departmental	3,372,999	3,587,728
220	Administrative	1,035,526	1,062,167
230	Engineering	1,329,277	1,516,065
240	Finance	1,578,026	1,827,928
300	Water	5,357,896	5,619,596
400	Sewer	2,369,146	2,410,199
<b>TOTAL EXPENSES</b>		<b>\$ 15,213,589</b>	<b>\$ 16,199,825</b>

**Personnel** – costs associated with compensation paid to employees of the District. Labor costs includes regular pay, overtime, call-out standby, vacation, 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 cost-of-living 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**

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 2017 PAYMENTS			BALANCE	Fiscal Year 2018 PAYMENTS			BALANCE
		6/30/2016	INT17	PRIN17	TOT17	6/30/2017	INT18	PRIN18	TOT18	6/30/2018
Lasalle 1996	New Building	74,195	2,301	74,195	76,496	-	-	-	-	-
Lasalle 1996	Gibbs Water Acquisition	41,092	1,313	41,092	42,405	-	-	-	-	-
Lasalle 1996	Gibbs-Columbia Interconnect	5,286	207	5,286	5,493	-	-	-	-	-
Lasalle 1996	Italian Bar Pipe Replacement	6,596	242	6,596	6,838	-	-	-	-	-
Lasalle 1996	Columbia-Sonora Interconnect	18,816	601	18,816	19,417	-	-	-	-	-
CA DWR	Columbia Water Acquisition	37,662	1,208	7,039	8,247	30,623	972	7,276	8,248	23,347
USDA	COP-COLUMBIA WATER	715,000	42,900	31,000	73,900	684,000	41,040	33,000	74,040	651,000
Lasalle 1996	Sugar Pine-Lakewood Interconnect	10,381	332	10,381	10,713	-	-	-	-	-
Lasalle 2005	Comstock Tank	220,149	9,856	51,224	61,080	168,925	7,394	53,687	61,081	115,238
CA DWR	Crystal Falls to Willow Springs	1,137,573	25,927	48,331	74,258	1,089,242	24,808	49,451	74,259	1,039,791
Lasalle 1996	Sonora Water Plant Filter #4	5,839	187	5,839	6,026	-	-	-	-	-
CA DWR	Railbed Road SRF	20,831	-	2,451	2,451	18,380	-	2,451	2,451	15,929
CA DWR	E Sonora Pipeline	7,144	267	2,770	3,037	4,374	152	2,886	3,038	1,488
CA DWR	Valley Vista Water Extension	25,433	833	5,319	6,152	20,114	649	5,503	6,152	14,611
Lasalle 2005	Chaparral Tank	220,149	9,856	51,224	61,080	168,925	7,394	53,687	61,081	115,238
CA DWR	Curtis Creek to Monte Grande	950,177	21,661	47,916	69,577	902,261	20,548	49,028	69,576	853,233
CA DWR	Monte Grande SRF	384,446	-	16,715	16,715	367,731	-	16,715	16,715	351,016
Lasalle 1996	Gibbs Sewer Acquisition	10,814	346	10,814	11,160	-	-	-	-	-
Lasalle 2007	West Ranch	606,881	28,245	89,473	117,718	517,408	23,871	93,847	117,718	423,561
USDA	1984 CWAD #2	287,097	14,355	51,000	65,355	236,097	11,805	51,000	62,805	185,097
<b>Total</b>		<b>4,785,561</b>	<b>160,637</b>	<b>577,481</b>	<b>738,118</b>	<b>4,208,080</b>	<b>138,633</b>	<b>418,531</b>	<b>557,164</b>	<b>3,789,549</b>

INTERNAL SERVICES	\$ 2,301	\$ 74,195	\$ 76,496	\$ -	\$ -	\$ -
WATER	115,390	351,999	467,389	102,957	273,684	376,641
SEWER	42,946	151,287	194,233	35,676	144,847	180,523
<b>TOTAL</b>	<b>\$ 160,637</b>	<b>\$ 577,481</b>	<b>\$ 738,118</b>	<b>\$ 138,633</b>	<b>\$ 418,531</b>	<b>\$ 557,164</b>

ALLOCATED						
WATER	\$ 117,001	\$ 403,936	\$ 520,936	\$ 102,957	\$ 273,684	\$ 376,641
SEWER	43,636	173,546	217,182	35,676	144,847	180,523
<b>TOTAL</b>	<b>\$ 160,637</b>	<b>\$ 577,481</b>	<b>\$ 738,118</b>	<b>\$ 138,633</b>	<b>\$ 418,531</b>	<b>\$ 557,164</b>

**BUDGET RECAP**

	WATER FUND		SEWER FUND	
	FY17	FY18	FY17	FY18
<b>INFLOWS:</b>				
Revenues	<u>\$ 12,087,380</u>	<u>\$ 13,053,235</u>	<u>\$ 5,540,906</u>	<u>\$ 5,893,164</u>
<b>OUTFLOWS:</b>				
Labor	(7,734,889)	(8,593,336)	(3,134,315)	(3,528,579)
Services and supplies	(2,342,654)	(2,368,640)	(1,263,613)	(1,152,106)
Debt service	<u>(520,936)</u>	<u>(376,641)</u>	<u>(217,182)</u>	<u>(180,523)</u>
<b>TOTAL OUTFLOWS</b>	<u>(10,598,479)</u>	<u>(11,338,617)</u>	<u>(4,615,110)</u>	<u>(4,861,208)</u>
<b>NET BEFORE CAPITAL</b>	<u>1,488,901</u>	<u>1,714,618</u>	<u>925,796</u>	<u>1,031,956</u>
<b>CAPITAL IMPROVEMENTS</b>	<u>(1,884,350)</u>	<u>(3,507,950)</u>	<u>(774,998)</u>	<u>(924,550)</u>
<b>FINANCING, NET:</b>				
Vac-Con Hydro Excavator	224,147	-	126,000	-
Cuesta Heights Tank (SRF)	470,000	1,400,000	-	-
Other external financing	<u>-</u>	<u>1,050,246</u>	<u>-</u>	<u>-</u>
<b>TOTAL FINANCING, NET</b>	<u>694,147</u>	<u>2,450,246</u>	<u>126,000</u>	<u>-</u>
<b>NET AFTER CAPITAL</b>	<u>298,698</u>	<u>656,914</u>	<u>276,798</u>	<u>107,406</u>
<b>RESERVES:</b>				
Operating reserve	(250,000)	(608,216)	(256,294)	(256,294)
Contingency fund	(48,698)	(48,698)	(20,504)	(20,504)
Existing capital reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,392</u>
<b>TOTAL RESERVES</b>	<u>(298,698)</u>	<u>(656,914)</u>	<u>(276,798)</u>	<u>(107,406)</u>
<b>NET</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014	Additions	Disposals	Transfers	Balance June 30, 2015
Capital assets, not being depreciated:					
Land	\$ 5,029,877	\$ 31,078	\$ -	\$ -	\$ 5,060,955
Construction in progress	2,507,953	1,844,224	(57,346)	(3,946,954)	347,877
Total capital assets, not being depreciated	<u>7,537,830</u>	<u>1,875,302</u>	<u>(57,346)</u>	<u>(3,946,954)</u>	<u>5,408,832</u>
Capital assets, being depreciated					
Water utility system - infrastructure	66,045,644	296,442	-	2,112,524	68,454,610
Sewer utility system - infrastructure	34,718,103	265,936	-	1,834,430	36,818,469
Buildings - administration	3,785,404	-	-	-	3,785,404
Equipment and machinery	7,021,010	453,372	(175,288)	-	7,299,094
Total capital assets, being depreciated	<u>111,570,161</u>	<u>1,015,750</u>	<u>(175,288)</u>	<u>3,946,954</u>	<u>116,357,577</u>
Accumulated depreciation					
Water utility system - infrastructure	(25,903,388)	(1,911,745)	-	-	(27,815,133)
Sewer utility system - infrastructure	(19,377,438)	(764,349)	-	-	(20,141,787)
Buildings - administration	(1,372,243)	(93,180)	-	-	(1,465,423)
Equipment and machinery	(5,558,076)	(268,241)	171,131	-	(5,655,186)
Total accumulated depreciation	<u>(52,211,145)</u>	<u>(3,037,516)</u>	<u>171,131</u>	<u>-</u>	<u>(55,077,530)</u>
Capital assets, being depreciated, net	<u>59,359,016</u>	<u>(2,021,766)</u>	<u>(4,158)</u>	<u>3,946,954</u>	<u>61,280,047</u>
Total capital assets, net	<u>\$ 66,896,846</u>	<u>\$ (146,464)</u>	<u>\$ (61,503)</u>	<u>\$ -</u>	<u>\$ 66,688,879</u>
Depreciation expense FY 15:					
Water utility system - infrastructure		\$ 1,911,745			
Sewer utility system - infrastructure		764,349			
Buildings - administration		93,180			
Equipment and machinery:					
Water		50,123			
Sewer		42,022			
Operations non-departmental		176,097			
Total depreciation expense		<u>\$ 3,037,516</u>			

## Depreciation Ratio

	<u>FY17</u>	<u>FY18</u>
<b>BUDGET:</b>		
Capital improvements:		
WATER FUND	\$ 1,884,350	\$ 3,507,950
SEWER FUND	925,796	1,031,956
TOTAL	<u>2,810,146</u>	<u>4,539,906</u>
Reserves:		
WATER FUND	298,698	656,914
SEWER FUND	276,798	107,406
TOTAL	<u>575,496</u>	<u>764,320</u>
Combined:		
WATER FUND	2,183,048	4,164,864
SEWER FUND	1,202,594	1,139,362
TOTAL	<u>3,385,642</u>	<u>5,304,226</u>
<b>DEPRECIATION:</b>		
WATER FUND	\$ 2,020,556	\$ 1,925,138
SEWER FUND	833,602	794,235
TOTAL	<u>\$ 2,854,158</u>	<u>\$ 2,719,373</u>
<b>RATIO:</b>		
WATER FUND	<b>1.08</b>	<b>2.16</b>
SEWER FUND	<u>1.44</u>	<u>1.43</u>
TOTAL	<u><u>1.19</u></u>	<u><u>1.95</u></u>

The second part of Schedule 7 is a display of the ration of capital investment versus depreciation. For FY 17 and FY 18, 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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 46,195	\$ 46,890	\$ 45,434	\$ 44,480
Fixed Expenses	-	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	295	210	700	718
Equipment Rental & Maintenance	-	-	-	-
Outside Services	12,609	11,644	63,340	67,400
Travel, Meeting & Membership	44,264	9,874	61,245	63,545
Additional Operating Expenses	-	-	-	-
<b>TOTAL BOARD OF DIRECTORS EXPENSES</b>	<b>\$ 103,363</b>	<b>\$ 68,618</b>	<b>\$ 170,719</b>	<b>\$ 176,143</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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 2,055,863	\$ 2,421,363	\$ 2,563,422	\$ 2,905,230
Fixed Expenses	341,574	353,031	323,757	337,353
Vehicle Maintenance & Fuel	48,732	52,470	57,801	59,651
Chemicals & Supplies	92,563	79,770	96,567	99,658
Equipment Rental & Maintenance	61,564	40,850	68,777	63,675
Outside Services	106,510	119,483	72,897	10,198
Travel, Meeting & Membership	33,421	66,118	8,699	8,977
Additional Operating Expenses	118,226	110,600	104,583	102,986
Debt Schedule - Principal	132,939	141,570	74,195	-
Debt Schedule - Interest	20,192	11,561	2,301	-
<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>\$ 3,011,584</b>	<b>\$ 3,396,816</b>	<b>\$ 3,372,999</b>	<b>\$ 3,587,728</b>

Personnel Summary:	Actuals	Budget	Budget
Operations Non-Departmental (#210)	FY 16	FY 17	FY 18
<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 II/III/IV	9	9	10
<b>TOTAL FULL-TIME POSITIONS</b>	<b>17</b>	<b>17</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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 786,606	\$ 732,101	\$ 884,299	\$ 941,234
Fixed Expenses	-	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	513	681	6,800	7,180
Equipment Rental & Maintenance	-	-	-	-
Outside Services	19,377	11,662	69,785	32,785
Travel, Meeting & Membership	1,707	1,294	40,972	42,558
Additional Operating Expenses	143	197	33,670	38,410
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>\$ 808,346</b>	<b>\$ 745,935</b>	<b>\$ 1,035,526</b>	<b>\$ 1,062,167</b>

<b>Personnel Summary:</b>	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>
Administration (#220)	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
<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/Safety Coordinator	1	0	0
Human Resources Director & Risk Manager	0	1	1
Safety/Worker Comp./Risk Coordinator	0	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>4</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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 1,074,257	\$ 1,214,921	\$ 1,298,062	\$ 1,480,878
Fixed Expenses	-	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	2,347	2,247	2,115	2,115
Equipment Rental & Maintenance	-	-	-	-
Outside Services	18,952	22,952	19,310	24,000
Travel, Meeting & Membership	5,310	5,723	9,790	9,072
Additional Operating Expenses	-	-	-	-
<b>TOTAL ENGINEERING EXPENSES</b>	<b>\$ 1,100,866</b>	<b>\$ 1,245,843</b>	<b>\$ 1,329,277</b>	<b>\$ 1,516,065</b>

<b>Personnel Summary:</b>	Actuals	Budget	Budget
Engineering (#230)	FY 16	FY 17	FY 18
<b>Full-Time Positions</b>			
Assistant Engineer	1	1	1
Associate Engineer I/II	2	2	2
District Engineer	1	1	1
Engineering Administrative Assistant	1	1	1
Engineering Services Technician	1	1	1
Engineering Tech/Inspector	1	1	1
GIS Technician	0	0	1
Senior Land Surveyor	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>8</b>	<b>8</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 also 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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 1,163,894	\$ 1,362,847	\$ 1,404,344	\$ 1,634,237
Fixed Expenses	-	-	-	-
Vehicle Maintenance & Fuel	-	-	-	-
Chemicals & Supplies	50,685	50,244	58,693	58,805
Equipment Rental & Maintenance	3,183	4,380	-	-
Outside Services	91,943	111,317	108,781	128,813
Travel, Meeting & Membership	3,675	4,962	6,208	6,073
Additional Operating Expenses	-	-	-	-
<b>TOTAL FINANCE EXPENSES</b>	<b>\$ 1,313,380</b>	<b>\$ 1,533,750</b>	<b>\$ 1,578,026</b>	<b>\$ 1,827,928</b>

Personnel Summary:	Actuals	Budget	Budget
Finance (#240)	FY 16	FY 17	FY 18
<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 & Systems Administrator	0	0	1
Purchasing Agent	1	1	1
Senior Accounting Assistant	1	1	1
Warehouse Worker	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>11</b>	<b>11</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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 2,688,343	\$3,141,645	\$3,397,997	\$3,689,095
Fixed Expenses	231,262	260,310	363,060	396,742
Vehicle Maintenance & Fuel	137,249	143,188	138,722	143,161
Chemicals & Supplies	624,341	558,243	656,114	668,618
Equipment Rental & Maintenance	35,870	40,958	42,831	45,110
Outside Services	274,710	297,408	266,260	273,208
Travel, Meeting & Membership	8,532	15,719	1,233	1,272
Additional Operating Expenses	248,916	48,276	24,291	25,749
Debt Schedule - Principal	364,112	382,215	351,999	273,684
Debt Schedule - Interest	159,081	136,310	115,390	102,957
<b>TOTAL WATER EXPENSES</b>	<b>\$ 4,772,416</b>	<b>\$5,024,271</b>	<b>\$5,357,896</b>	<b>\$5,619,596</b>

<b>Personnel Summary:</b>	<b>Actuals</b>	<b>Budget</b>	<b>Budget</b>
Water (#300)	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
<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 II/III	4	4	5
Water Foreman	1	1	1
Water Master	1	1	1
Water Operator II/III	7	7	7
Water Regulatory Compliance Spec/Operator	1	1	1
Water Superintendent	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>23</b>	<b>23</b>	<b>24</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 17 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	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 1,044,265	\$ 1,147,282	\$ 1,275,647	\$ 1,426,762
Fixed Expenses	114,061	130,575	237,162	237,858
Vehicle Maintenance & Fuel	79,188	88,835	68,813	70,439
Chemicals & Supplies	295,214	282,325	231,762	236,836
Equipment Rental & Maintenance	30,093	20,133	58,549	42,513
Outside Services	295,655	330,958	252,249	163,009
Travel, Meeting & Membership	9,170	7,339	-	-
Additional Operating Expenses	53,335	38,309	50,731	52,259
Debt Schedule - Principal	145,703	150,936	151,287	144,847
Debt Schedule - Interest	58,238	51,880	42,946	35,676
<b>TOTAL SEWER EXPENSES</b>	<b>\$ 2,124,922</b>	<b>\$ 2,248,572</b>	<b>\$ 2,369,146</b>	<b>\$ 2,410,199</b>

Personnel Summary:	Actuals	Budget	Budget
Sewer (#300)	FY 16	FY 17	FY 18
<b>Full-Time Positions</b>			
Utility Worker I/II	4	4	5
Wastewater Foreman	1	1	1
Wastewater Operator III	3	4	4
Wastewater Superintendent	1	1	1
<b>TOTAL FULL-TIME POSITIONS</b>	<b>9</b>	<b>10</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 also 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 - BY CATEGORY (SUMMARY)

EXPENSES BY CATEGORY	FY15 ACTUAL	FY16 ADOPTED	BUDGET FY17	BUDGET FY18
Personnel	\$ 8,859,423	\$ 10,067,049	\$ 10,869,204	\$ 12,121,915
Fixed Expenses	686,897	743,916	923,979	971,953
Vehicle Maintenance & Fuel	265,169	284,493	265,336	273,251
Chemicals & Supplies	1,065,958	971,473	1,052,751	1,073,930
Equipment Rental & Maintenance	130,710	106,321	170,157	151,298
Outside Services	819,756	882,472	852,622	699,413
Travel, Meeting & Membership	106,079	105,306	128,147	131,497
Additional Operating Expenses	420,620	197,382	213,275	219,404
Debt Schedule - Principal	642,754	674,721	577,481	418,531
Debt Schedule - Interest	237,511	199,751	160,637	138,633
<b>TOTAL EXPENSES</b>	<b>\$ 13,234,877</b>	<b>\$ 14,232,883</b>	<b>\$ 15,213,589</b>	<b>\$ 16,199,825</b>

CAPITAL IMPROVEMENT BUDGET  
WATER FUND PROJECTS by FISCAL YEAR

No.	Project Name	FY17	FY18	FY19	FY20	FY21
1	Phoenix Dam Improvements		\$ 50,000			
2	Sonora WTP Rate Valve	\$ 18,000				
3	Sierra Pines Property Purchase	150,000				
4	Phoenix Lake Preservation and Restoration Plan	5,000	5,000	\$2,267,000		
5	Annual Ditch Improvements	100,000	100,000	\$ 100,000	\$ 100,000	\$ 100,000
6	Techite Replacement	45,000	260,000			
7	Sonora Distribution Improvements		225,000		306,250	579,687
8	Matelot Pipeline	20,000	335,000			
9	Ditch Meters		65,000			
10	Upper Columbia Ditch Shoot Flume	40,000	160,000			
11	Eureka Ditch Pipe Segments		40,000	105,000	175,000	
12	Apple Valley/Scenic View Intertie		60,000	284,375	61,875	
13	Upper Columbia Spill #1		20,000	70,312		
14	Cuesta Heights Tank	810,000	1,060,000	829,688	342,188	
15	Rawhide Bridge Water Main	45,000	385,000			
16	Jamestown Reservoir Improvements	15,000		236,875		
17	Peer Review of DitchLoss		5,000			
18	Enterprise Resource Program		137,500			
19	Gold Springs - Porcina Water Line Relocation	25,000				
20	Baldwin Flume Sheets	12,000				
21	Oneil Tunnel Assessment	7,500				
22	General Distribution Improvements	50,000	50,000			
23	Vac-Con Hydro Excavator	315,000				
24	Replace Backhoe #136 (1987)		80,000			
25	Tank Ladders	30,000				
26	Replace Maint Truck #81 2003 1 Ton Utility 4X4	42,000				
27	Replace Maint Truck #45 1996 1 Ton Flatbed 4X4		35,000			
28	Connect Brentwood on Zone 2 PRV		30,000			
29	Replace Truck #14 1989 Crew Cab 4X4		35,000			
30	Replace Truck #86 2005 1/2 Ton 4X4	30,000				
31	Replace Truck #89 2006 1/2 Ton 4X4	30,000				
32	BTI Hydraulic Breaker		17,500			
33	Replace Truck #84 2004 Toyota 4X4	25,000				
34	Ditch Domestic - Expedition Drive					
35	Indigeny (Summers) 6" Magmeter	12,000				
36	14" Magmeter at Sonora WTP		12,000			
37	12" Magmeter for Greenley Tank		10,000			
38	10 Each Trench Plates	9,800				
39	Ponderosa, Canyon View Pump # 2 Replacement	8,000				
40	Edco 24" walk-behind saw	7,000				
41	CWS Stick Mounted Ripper for JD 160	5,600				
42	Domain controller, server 2012, exchange server	5,250				

CAPITAL IMPROVEMENT BUDGET  
WATER FUND PROJECTS by FISCAL YEAR

No.	Project Name	FY17	FY18	FY19	FY20	FY21
43	CWS Stick Mounted Ripper for JD 410	4,200				
44	Section 4 Ditch - Ryan Ct. Improvements	18,000				
45	Replace Ditch Truck #73 2002 1 Ton Flatbed 4X4		50,000			
46	Transmate Quik Value Insertion Machine		35,000			
47	Replace #39 1995 Kubota Backhoe		28,000			
48	Replace Truck #6 2008 1/2 Ton 4X4		21,000			
49	Replace Truck #6 2008 1/2 Ton 4X4		21,000			
50	Replace #128 1993 Portable Generator		21,000			
51	Replace Truck #75 2002 1/2 Ton 4X4		21,000			
52	Replace Truck #85 2005 1/2 Ton 4X4		21,000			
53	Tank Demolition "Upper Hillview Tank 1"," Meadowbrook Tanks 1&2", "Tehachapi",		25,000			
54	Replace Truck #49 1995 S-10 Blazer		17,500			
55	Replace #30 1993 Air Compressor		14,000			
56	Rock Tough Grizzly Rock Screen & Separator		14,000			
57	Sonora Vista Tank Power and Telemetry		12,000			
58	Replace #131 1975 Saw Cutter Trailer		10,500			
59	Replace #21 1987 Flatbed Trailer		8,400			
60	SCADA Upgrades		7,000			
61	American Compaction Sheel DC-185		4,550			
62	Treated Water System Optimization Plan			30,000		
63	Sierra Pines WTP & Consolidate CR with CF			1,055,625	1,055,625	
64	Systemwide Meter Replacement				400,000	400,000
65	Lower Pagani Siphon				163,750	
66	BL's Shoot Flume				96,875	
67	Section 4 Ditch Siphon #1				23,750	180,938
68	Section 4 Ditch Siphon #2				23,750	121,000
69	Zelinsky Tank Abandonment					102,500
70	Upsize Ponderosa Lower Pond Pipeline to Plant			45,000		
71	Peaceful Pines Wells and Distribution System			45,000		
72	Cedar Ridge, Generator at Springs Well			25,000		
73	Cedar Ridge, Generator at Hitching Post pump station			25,000		
74	Replace Truck #5 2008 1/2 Ton 4x4			21,000		
75	Replace Truck #71 2001 1/2 Ton 4x4			21,000		
76	Replace Truck #82 2004 1/2 Ton 4x4			21,000		
77	Tuolumne, Generator at Tuolumne WTP				50,000	20,000
78	Replace Truck #99 2008 1 1/2 Ton 4x4					42,000
79	Replace Truck #9 2010 Toyota 4x4					17,500
80	Replace #88 2006 Toyota Car					17,500
81	TUD Centralized Office Facility improvements					24,763
<b>Total (Water CIP)</b>		<b>\$1,884,350</b>	<b>\$3,507,950</b>	<b>\$5,181,875</b>	<b>\$2,799,063</b>	<b>\$1,605,888</b>

CAPITAL IMPROVEMENT BUDGET  
SEWER FUND PROJECTS by FISCAL YEAR

No.	Project Name	FY17	FY18	FY19	FY20	FY21
82	Paving at RWWTP		\$ 330,000			
83	Quartz Knife Gate Valve	\$ 10,000				
84	Gold Springs FM	95,000				
85	Gold Springs Gravity	40,000				
86	General Collection System Lining	85,000	85,000	\$ 100,000	\$ 100,000	\$ 100,000
87	General Collection System Improvements	50,000	50,000	100,000	100,000	100,000
88	Saratoga LS Replacement	15,000	240,000			
89	Enterprise Resource Program		62,500			
90	Vac-Con Hydro Excavator	135,000				
91	Replace Backhoe #136 (1987)		30,000			
92	Replace Maint Truck #81 2003 1 Ton Utility 4X4	20,000				
93	Replace Maint Truck #45 1996 1 Ton Flatbed 4X4		15,000			
94	BTI Hydraulic Breaker		7,500			
95	10 Each Trench Plates	4,200				
96	Edco 24" walk-behind saw	3,000				
97	CWS Stick Mounted Ripper for JD 160	2,400				
98	Domain controller, server 2012, exchange server	2,250				
99	CWS Stick Mounted Ripper for JD 410	1,800				
100	Transmate Quik Value Insertion Machine		15,000			
101	Replace #39 1995 Kubota Backhoe		12,000			
102	Replace Truck #6 2008 1/2 Ton 4X4		9,000			
103	Replace Truck #6 2008 1/2 Ton 4X4		9,000			
104	Replace #128 1993 Portable Generator		9,000			
105	Replace Truck #75 2002 1/2 Ton 4X4		9,000			
106	Replace Truck #85 2005 1/2 Ton 4X4		9,000			
107	Replace Truck #49 1995 S-10 Blazer		7,500			
108	Replace #30 1993 Air Compressor		6,000			
109	Rock Tough Grizzly Rock Screen & Separator		6,000			
110	Replace #131 1975 Saw Cutter Trailer		4,500			
111	Replace #21 1987 Flatbed Trailer		3,600			
112	SCADA Upgrades		3,000			
113	American Compaction Sheel DC-185		1,950			
114	RWWTP Improvements			322,000		201,188
115	Dry Year Land Bank				213,785	
116	Lift Station Modernization Project			210,000		
117	Mono Village LS Replacement			287,500		
118	Debris Removal Stations			162,000	162,000	
119	Replace Vacuum Truck #63 (1999)			140,000		
120	Replace Truck #5 2008 1/2 Ton 4x4			9,000		
121	Replace Truck #71 2001 1/2 Ton 4x4			9,000		
122	Replace Truck #82 2004 1/2 Ton 4x4			9,000		
123	Replace WW Truck #97 2007 1 Ton Utility 4x4			50,000		
124	Mainline Sewer Vents (Columbia Interceptor)			8,000		
125	TWWWTP Effluent Flow Meter			4,000		
126	Digester Cleaning				25,000	
127	Sky #1 Generator				25,000	
128	Sleeve Insertion Tools				12,000	
129	Replace Truck #99 2008 1 1/2 Ton 4x4					18,000
130	Replace Truck #9 2010 Toyota 4x4					7,500
131	Replace #88 2006 Toyota Car					7,500
132	Replace #3 Sewer Pump					60,000
133	TUD Centralized Office Facility improvements					10,613
134	Wastewater Process Improvements at	\$311,348				
<b>Total (Sewer CIP)</b>		<b>\$774,998</b>	<b>\$ 924,550</b>	<b>\$1,410,500</b>	<b>\$ 637,785</b>	<b>\$ 504,801</b>