



FINAL
2023 -24
FISCAL YEAR BUDGET
June 7, 2023

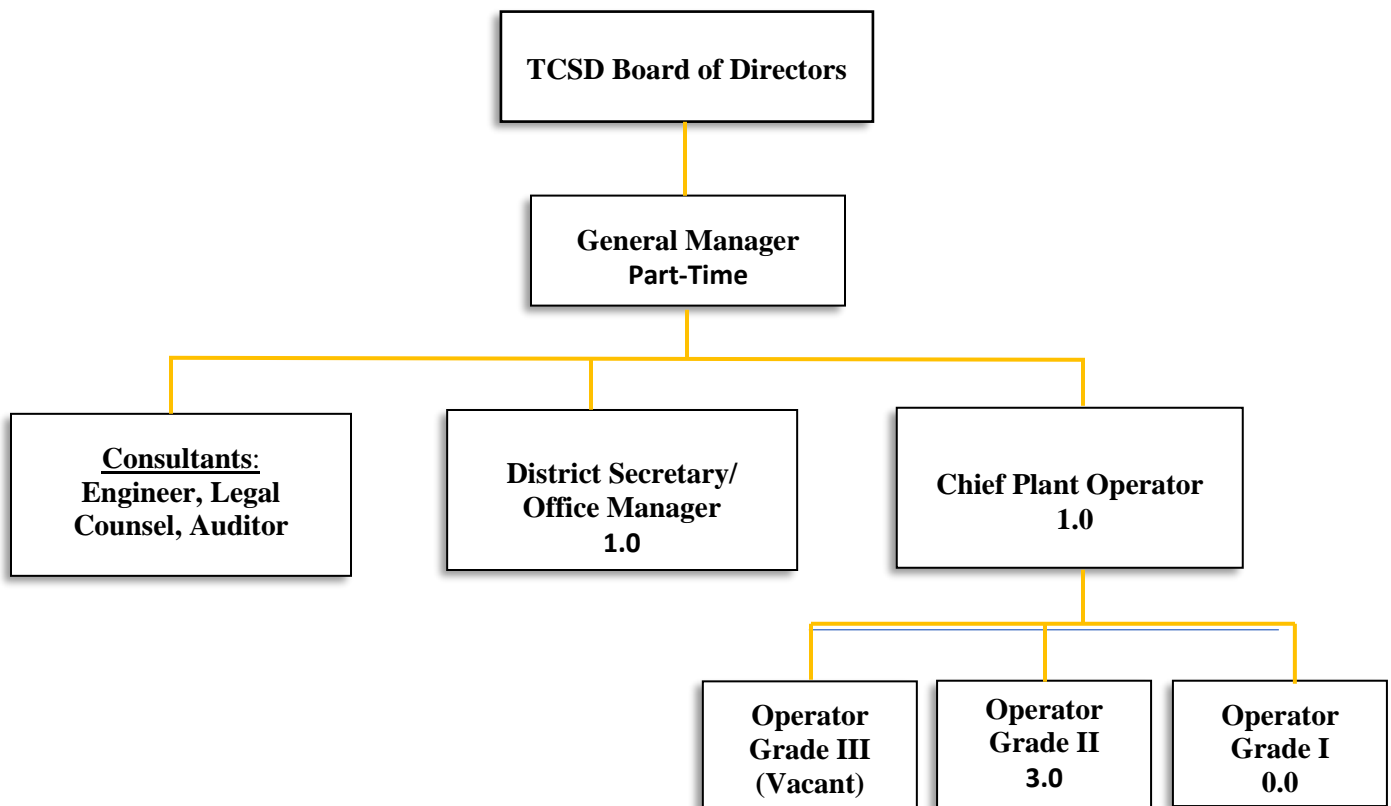
18050 Box Factory Road • (P.O. Box 1238) • Tuolumne, CA • (209) 928-3517

Tuolumne City Sanitary District **Organization**

Elected Officials: BOARD OF DIRECTORS

John Feriani, Board President
Wren Easter, Board Vice President
Nick Ohler, Director
Jason Hart, Director
Sam Gonzales, Director

District Staff Organizational Chart



TUOLUMNE CITY SANITARY DISTRICT
BUDGET
FOR THE FISCAL YEAR ENDING
JUNE 30, 2024

BUDGETARY AND FINANCIAL POLICIES FOR FY 2023/24

The Board of Directors in adopting the Budget hereby approves the following budgetary and financial policies and goals for the Fiscal Year:

1. Structurally Balanced Budget

The budget will be structurally balanced for the fiscal year. Cost controls and efficient use of District resources are top priorities.

2. Service Priorities

The annual budget process will be used to develop annual service priorities and the level and type of resources to fund those services.

3. User Fees will cover the Cost of Services Provided

Fees will be set at a level to recover costs and to establish adequate reserves; rate increases will only be considered when service demands require it.

4. One-Time Resources are for One-Time Uses

One-time resources such as grant funding will not be used to fund ongoing operations and are to be used for one-time purposes.

5. Capital Projects Budgeted Contemplate both One-Time and Ongoing Costs

When approving capital expenditures, the Board of Directors will consider both the capital (onetime) and operating (ongoing) components of costs.

6. Emergency, Operating and Mandated Reserves will be maintained

- Emergency reserves of 8% minimum and a 10% target are established based on the total annual operating budget and District Debt Service.
- Operating reserves of three (3) months (25%) of annual operating expense are established.

- Loan Reserves shall be maintained in accordance with the *Installment Sale Agreement* and *Trust Agreement* with the United States Department of Agriculture (USDA) dated as of June 1, 2012 and any future requirements.
- A *Property Tax Reserve* shall consist of all Property Taxes received during the fiscal year and shall accumulate annually until the Board determines that these funds are authorized for expenditure.
- A *Retirement Reserve* shall be maintained consisting of three percent (3%) of annual wages to be used in the event of any future unfunded liability in the retirement program.
- Other reserves shall be established as required by funding agencies and as determined by the Board of Directors.

7. Revenue Projections will be Conservative

Revenue projections are to be objectively prepared using a reasonably conservative approach.

8. Financial Reporting will use Generally Accepted Standards

The District will prepare annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

9. Appropriate Grants will be sought

The District will seek grants that address District priorities and are felt to provide a substantial net benefit. Priorities will be placed on grants that can correct facility deficiencies and reduce operating and maintenance costs. The District shall maintain support to ensure compliance with grant terms and requirements.

10. Debt Maintained at Appropriate Levels

The term of any new debt acquired will generally not exceed the life of the asset being acquired, capital leases, when used, will be part of a comprehensive strategy, and debt will not be used to fund operations.

11. Investments will be Conservatively Managed

Investments shall be managed with the priorities of safety of principal, liquidity (availability of cash), and yield (investment income).

FISCAL YEAR 2023/24 BUDGET SUMMARY

The Tuolumne City Sanitary District (*TCSD* or *District*) is a single purpose sewer District formed in July 1941 as a Special District under California Health & Safety Code Section 6400 et seq. The District currently operates a 350,000 gallon per day design flow wastewater treatment plant located in the unincorporated community of Tuolumne in Tuolumne County, California. The wastewater treatment plant (WWTP) serves a community population of approximately 1867 residents. The District provides sewer service to 1807 total *equivalent Dwelling Units* (EDU's) with 924 of these connections being residential. The largest commercial customer within the District is the Black Oak Casino and Resort. The WWTP process includes activated sludge – extended aeration followed by secondary clarification. The Title 22 compliant effluent is piped to the District owned Grinding Rock Reservoir for storage and land application on the private Baker Ranch in accordance with a long-term disposal agreement.

The District funds its operations primarily through *User Fees*. These fees were last increased in January 2011. The fees are annually placed on the tax rolls as a *Sewer Assessment Charge* for most District customers. The District is estimating that it will collect \$1,097,428 in *sewer service assessments* this fiscal year. This is approximately \$12,165 less than actual revenues received in fiscal year 2021-22 and approximately \$1476 more than projected revenues for the 2022-23 fiscal year. These reductions are a result of the COVID-19 impact on attendance at the Black Oak Casino. The District's two largest customers are the Tuolumne Band of the Me-Wuk Indians (Tribe) who own and operate the Black Oak Casino Resort and Rancheria, and the Summerville Union School District. The casino and school district are billed on a fee for service basis. The combined fees received from the Tribe and school district account for approximately 46.5% of the annual *sewer* revenues anticipated to be received in the 2023/24 FY. Other proposed revenues for this fiscal year include *Grant Funds, Connection Fees, Interest Income* and *Property Taxes*. A summary of the District's anticipated revenue is provided on Chart 1, page 7.

Currently the District budgets five (5) full-time equivalent (FTE) employees along with a part-time contract General Manager and a part-time contract District Engineer (see organizational chart on page 2). The full-time employees include

the District Secretary/Office Manager, the Chief Plant Operator and three full-time Wastewater Operator II positions.

Budgeted amounts for personnel are identified under *Salaries & Benefits*. Overall, these costs are about \$25,366 less than budgeted amounts for the prior fiscal year. One of our Grade II Operators will be leaving the district which will result in a reduction in overall personnel costs. The *Wages* category includes an approximate five percent (5.0%) Cost of Living Adjustment (COLA) and Merit Increases for those employees eligible. *Retirement* costs are stable with an additional 3% of wages going to a retirement reserve fund.

The primary costs associated with the operation and maintenance of District facilities are identified in the individual *Budget Line Items*. *Services & Supplies* are up approximately \$39,900 over budgeted amounts last year based on anticipated expenses. *Professional Services* are down approximately \$29,500. *Repairs & Maintenance* is down approximately \$5,375 due to the completion of certain activities last year. *Insurance, License, Permits & Membership Fees* are up just over \$5,400 this year due to noticed premium increases.

Proposed for this years' budget is funding for construction activities associated with the completion of the Wastewater Collection System (WWCS) Improvement Project. This project is 100% grant funded through the *State Revolving Fund (SRF) Program*. \$451,896 is budgeted for the Collection System (CS) construction grant. The WWCS project commenced construction on August 1, 2022 and should be completed by October 2023. WWCS work is focused on the Carter basin and will replace both mainlines and sewer laterals, as well as the repair and or replacement of sewer utility manholes. Sewer laterals on the customer's property is now eligible for funding and are being replaced where necessary.

The only equipment purchase proposed for this year under Capital Outlay is the replacement of an All-Terrain Vehicle (ATV) for \$28,000. Under *Capital Outlay – Projects*, \$15,000 additional funding is identified for miscellaneous projects. A summary of the individual *Budget Line Items* is provided on the following pages. Overall District expenses are identified on Chart 2 on page 8.

CHART 1 - REVENUE BY SOURCE

2023-24 FISCAL YEAR REVENUE

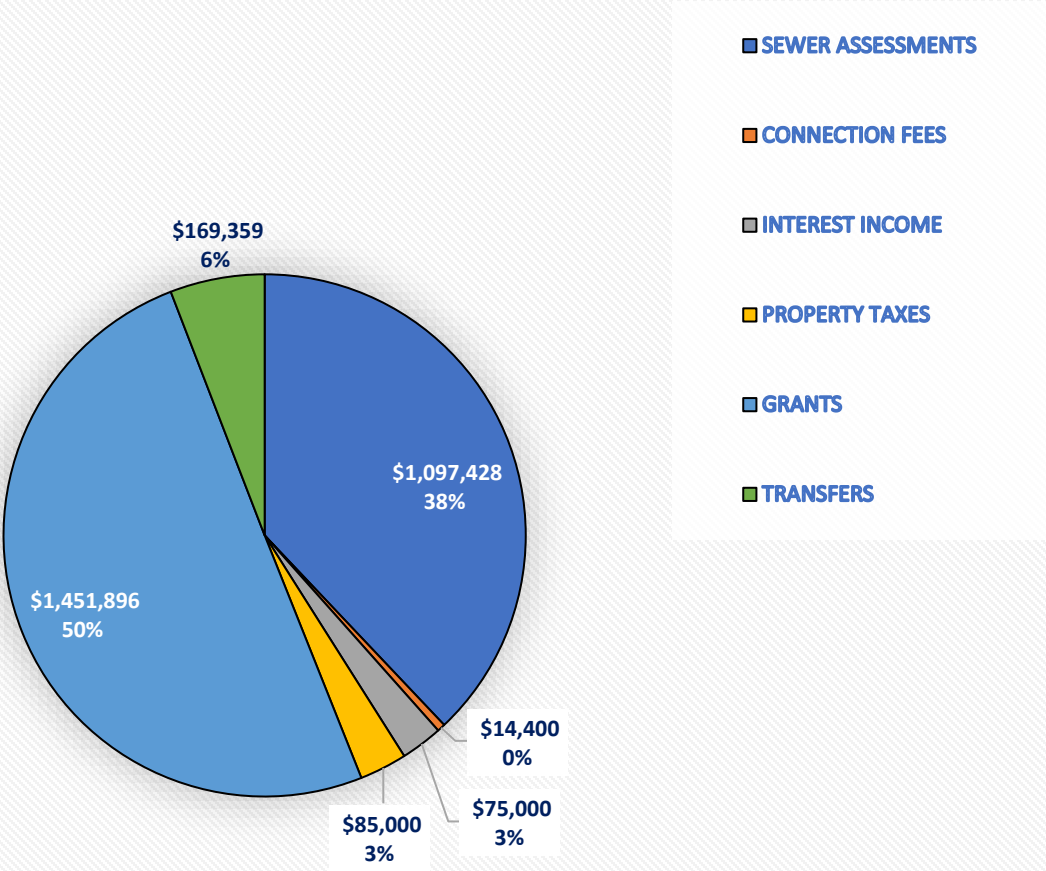
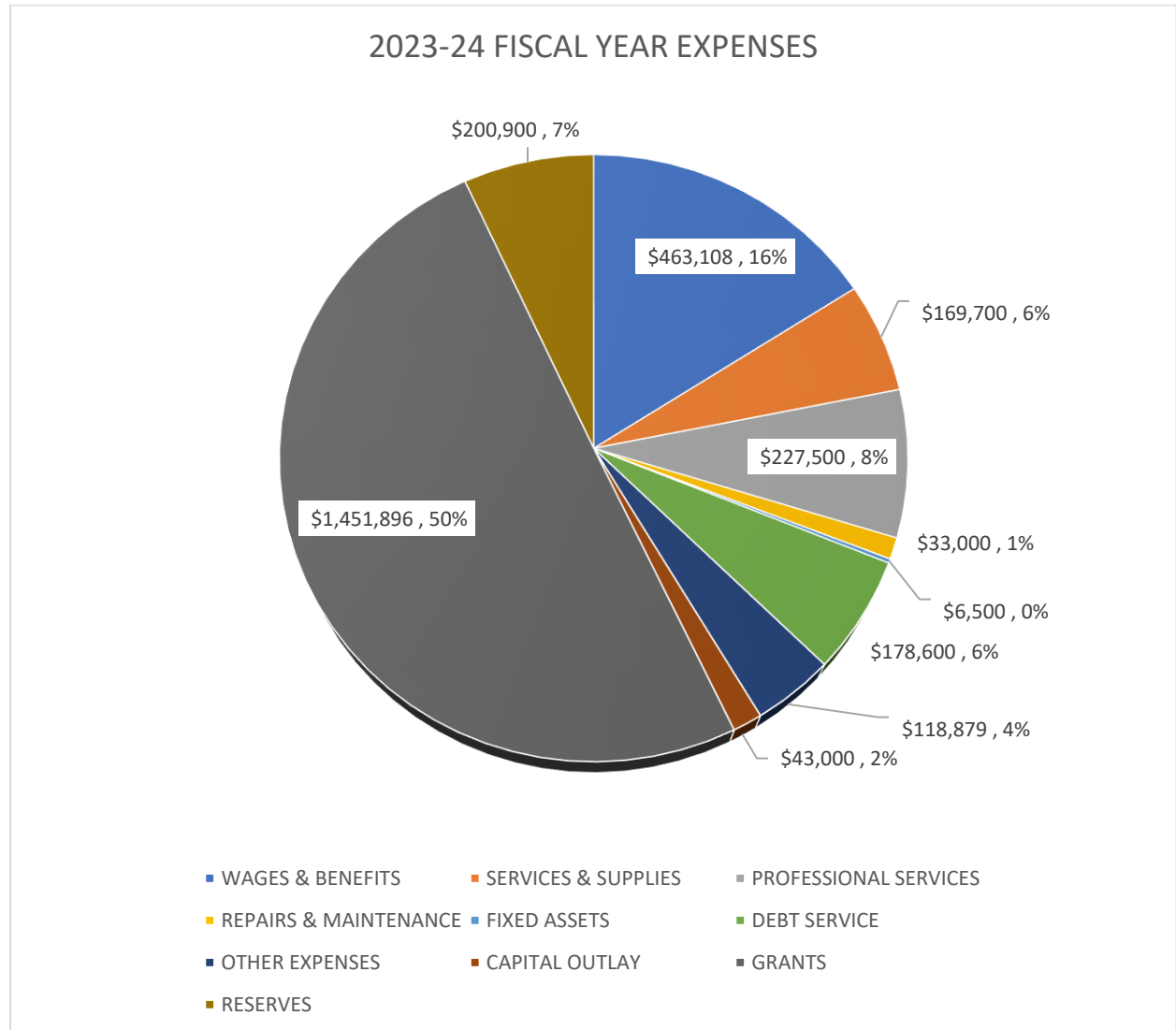


CHART 2.) Expenses by Category



In respect to personnel costs the proposed wage schedule below is recommended for approval to be effective January 1, 2024. The current wage schedule is proposed to be increased by approximately five percent (5%) to reflect the increase in the *cost of living*. Current employees would receive this increase on January 1, 2024 and would also be eligible for a *Merit Increase* of 5% on their anniversary date, provided the employee has not reached Step 5. *Merit Increases* are subject to satisfactory job performance.

TUOLUMNE CITY SANITARY DISTRICT HOURLY WAGE SCHEDULE (JANUARY 1, 2024)

JOB TITLE	POSITIONS	RANGE #	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
WASTEWATER OPERATIONS							
Wastewater Chief Plant Operator	1	32	\$35.22	\$36.98	\$38.83	\$40.77	\$42.81
Wastewater Operator – Grade 3	0	26	\$30.42	\$31.94	\$33.54	\$35.22	\$36.98
Wastewater Operator – Grade 2	3	22	\$27.59	\$28.97	\$30.42	\$31.94	\$33.54
Wastewater Operator – Grade 1	0	16	\$23.84	\$25.03	\$26.28	\$27.59	\$28.97
Wastewater Operator Trainee (OIT)		8	\$19.61	\$20.59	\$21.62	\$22.70	\$23.84
Wastewater Operator Intern		4	\$17.79	\$18.68	\$19.61	\$20.59	\$21.62
Laborer		1	\$16.53	\$17.35	\$18.22	\$19.13	\$20.09
ADMINISTRATION							
General Manager		Wages	Paid	Per	Contract	Part	Time
District Engineer		Wages	Paid	Per	Contract	Part	Time
District Secretary / Office Manager	1	32	\$35.22	\$36.98	\$38.83	\$40.77	\$42.81
Full Time Equivalent (FTE)							
TOTAL FTE POSITIONS	5						