

Tuolumne City Sanitary District

Regular Meeting - June 2, 2026

AGENDA SUPPORTING DATA

3. CONSENT CALENDAR

- a) Approval of minutes of the Regular Meeting held May 5, 2026
- b) Approval of warrants for the month of May 2026
- c) Review of FY 2025/2026 Profit & Loss Report

Background

Consent Calendar items are considered routine and only one approval motion is required.

The purpose of the Consent Calendar is to provide an efficient means for routine items. Consent items are still a matter of public business and the public is allowed to comment on any item on the agenda, Consent of otherwise.

There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items to be set aside for separate discussion; and the Board President approves its removal from the Consent Calendar. As a matter of procedure, this request should always be honored.

If there is a request to individually discuss and consider any item on the Consent Calendar, then it is appropriate for the Board President to set that item aside, and ask for a motion approving the remaining Consent Calendar items first, and then take up the pulled item (s) as if they were separately listed on the agenda.

Recommendation:

I move to approve items on the Consent Calendar as presented.

**TUOLUMNE CITY SANITARY DISTRICT
18050 BOX FACTORY ROAD
TUOLUMNE, CA 95379**

**BOARD OF DIRECTORS – REGULAR MEETING MINUTES
May 5, 2026 at 6 PM**

DIRECTORS PRESENT: John Feriani, President/Chair
Darrin Evans
Jason Hart
William Waters

DIRECTORS ABSENT: Nick Ohler, Vice President/Chair

DISTRICT REPRESENTATIVES: Jeff Cooley, General Manager
Brenda Bonillo, Office Manager/District Secretary
Ben Kikugawa, CPO (via phone)

One member of the public was present.

1. President Feriani called the meeting to order at 6:02 PM.

2. Public Forum: (3 minutes per item maximum)

No members of the public were present to speak, and no correspondence was received for review.

3. Consent Calendar (one motion to include the following):

- a) Approval of minutes – Regular Meeting held March 3, 2026
- b) Approval of warrants for the months of March & April 2026
- c) Review of FY 2025/2026 Profit & Loss Report

MOTION: Director Hart moved to approve items of the Consent Calendar as presented. Director Evans seconded, and the motion carries by the following vote:

Ayes: J. Feriani, D. Evans, J. Hart, and W. Waters (4)

Nays: None

Abstain: None

Absent: N. Ohler

4. PUBLIC HEARING: Proposition 218 Rate Increase pursuant to Article XIII D, Section 6 of the California Constitution regarding proposed 6% increases to wastewater rates for Fiscal Years 2026/27 through 2030/31

- a. Open Public Hearing (limit 3 minutes per speaker)
- b. Rate Study Summary
- c. Close Public Hearing
- d. Tally Letters of Protest and announcement of results
- e. Board discussion and adoption of Resolution No. 2026-03

President Feriani opened the public hearing and provided a summary of proposed 6% increase.

President Feriani opened public comments. No comments were heard.

Mr. Cooley provided a summary of the rate study created by an independent consultant Robert D. Niehaus, Inc.

4. PUBLIC HEARING: Proposition 218 Rate Increase pursuant to Article XIII D, Section 6 of the California Constitution regarding proposed 6% increases to wastewater rates for Fiscal Years 2026/27 through 2030/31 – continued

President Feriani referred staff to confirm that all required Prop 218 notices were properly mailed at least 45 days in advance and summarize the status of any written protests received to date.

Staff confirmed notices were mailed to all record owners on March 12, 2026. We received 24 written protests out of 712 affected parcels to date. No additional protests were received at the public hearing. This does not constitute a majority protest.

Feriani stated the written protests do not constitute a majority. The board may now consider adopting the proposed rate adjustments, and asked for a motion.

MOTION: Director Hart moved to adopt Resolution No. 2026-03 approving the 5-year schedule of 6% annual sewer rate adjustments as detailed in the 2026 Sewer Rate Study dated March 10, 2026, with the first adjustment effective July 1, 2026, and subsequent annual adjustments on July 1 each following year through 2030/31. Director Evans seconded, and the motion carries by the following vote:

Ayes: J. Feriani, D. Evans, J. Hart, and W. Waters (4)

Nays: None

Abstain: None

Absent: N. Ohler

5. Discussion/Action: Resolution No. 2026-04 – approval to participate in CalPERS 457 Plan

Staff provided a brief background of the CalPERS 457 Plan which offers employees the opportunity to defer a portion of their compensation on a pre-tax basis, with a wide range of investment options and low administrative costs. Participation is voluntary, and all District employees will be eligible to participate.

MOTION: Director Evans moved to adopt Resolution No. 2026-04 approving adoption of CalPERS 457 Plan, authorizing the General Manager to execute the Employer Adoption Agreement. Director Hart seconded, and the motion carries by the following vote:

Ayes: J. Feriani, D. Evans, J. Hart, and W. Waters (4)

Nays: None

Abstain: None

Absent: N. Ohler

6. Staff Reports

a) Operations/Collection System Report by Ben Kikugawa

Mr. Kikugawa provided an Operations/Collection System Report for the month of April 2026, and responded to questions.

b) District General Manager Report by Jeff Cooley

- CA Department of Finance Prop 1 Grant Audit of TCSD Grants
- Sewer System Management Plan
- Municipal Service Review Report Draft Received
- Phase 2 Project Completion Report

7. Discussion/Action: The formation of a Tuolumne Township Community Service District (20 mins max)

No comments.

8. Directors Comments

President Feriani reported his attendance at the Carter Cemetery District meeting held May 4, 2026, and provided information on the property next to their property. Update provided on LAFCo meeting regarding TCSD & TPRD MSR's. The next MSR's will be on special districts fire.

Director Waters stated the rate increase was necessary, and he wished protestors would attend meetings.

9. President Feriani adjourned the meeting at 6:40 PM

Respectfully submitted:

Approved:

Brenda Bonillo
District Secretary

John Feriani
Board President

Accounts Payables List

May 2026

Item No. 3 b.

<u>INVOICE DATE</u>	<u>VENDOR</u>	<u>ACCOUNT / INVOICE #</u>	<u>REASON FOR PAYMENT</u>	<u>AMOUNT</u>
5/16/2026	49er Water Services	QB-4592 & 4717	Annual & Monthly Monitoring	\$ 1,034.00
5/1/2026	Anthem Blue Cross		Employee Ins May 2026	\$ 3,586.23
5/29/2026	Brenda Bonillo		May 2026 Mileage	\$ 65.25
5/24/2026	CalPERS		Employer payments (2 payrolls)	\$ 2,190.59
2/15/2026	Condor Earth	93161	2nd Semi-Annual Reporting	\$ 4,504.35
5/28/2026	Cooley Environmental Consulting	2026-005	District Management	\$ 3,348.75
5/26/2026	Crowder Supply		Hydraulic Pump Power Pack	\$ 6,583.01
5/23/2026	Employee Purchase Cards		May-26	\$ 3,308.00
5/1/2026	First American Bank		May 2026 Contributions	\$ 812.59
5/12/2026	Mountainside Equipment	26105	Repairs to back hoe & pipehunter	\$ 2,248.87
5/21/2026	Napa/Sonora Auto	215363 & 215379	Parts to jack hammer	\$ 330.69
5/26/2026	PRI Industrial Inc.	579308	300' Sewer Jetter Hose	\$ 578.22
5/15/2026	Toshiba Financial Services		Printer contract	\$ 196.95
4/30/2026	TPPA	April 2026	Power	\$ 2,289.50
5/28/2026	USA Blue Book	S04077346	Lab supplies	\$ 422.11
7/1/2026	USDA	Loan Payment # 28	Interest payment	\$ 36,664.27
5/3/2026	Verizon	6142677751 & 6143591481	Cell phone	\$ 124.75
				\$ 68,288.13

2025/2026 PROFIT AND LOSS

Item No. 3 c.

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Actual Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	2025/2026 Totals
Ordinary Income/Expense													
Income													
District Collected	\$ -	\$ -	\$ -	\$ 203,317.33	\$ 10,849.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,849.31	\$ -	\$ 225,015.95
County Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,210.04	\$ -	\$ -	\$ -	\$ 237,673.93	\$ -	\$ -	\$ 560,883.97
Casino Service Charges	\$ -	\$ -	\$ 79,532.00	\$ -	\$ -	\$ 75,690.00	\$ -	\$ -	\$ 106,863.00	\$ -	\$ -	\$ -	\$ 262,085.00
Property Tax	\$ -	\$ -	\$ 2,505.52	\$ -	\$ 10,079.50	\$ 47,103.08	\$ -	\$ -	\$ -	\$ 41,138.37	\$ -	\$ -	\$ 100,826.47
Interest Income	\$ 12.11	\$ -	\$ 51,726.16	\$ -	\$ 12.20	\$ 50,500.99	\$ 11.94	\$ -	\$ 52,434.85	\$ -	\$ -	\$ -	\$ 154,698.25
Other Income (sale of surplus & SRF)	\$ 1,050.00	\$ 7,067.00	\$ 2,397.00	\$ 1,052.25	\$ 1,410.83	\$ 2,472.15	\$ -	\$ 728.00	\$ 2,031.43	\$ -	\$ -	\$ -	\$ 18,208.66
Total Income	\$ 1,062.11	\$ 7,067.00	\$ 136,160.68	\$ 204,369.58	\$ 22,351.84	\$ 498,976.26	\$ 11.94	\$ 728.00	\$ 161,329.28	\$ 278,812.30	\$ 10,849.31	\$ -	\$ 1,321,718.30
Expense													
Automotive (District Vehicles)													
Fuel	\$ -	\$ 66.81	\$ 126.79	\$ 611.85	\$ 136.31	\$ 53.72	\$ 179.28	\$ 158.21	\$ 2,164.91	\$ 209.66	\$ 348.34	\$ -	\$ 4,055.88
Total Automotive (District Vehicles)	\$ -	\$ 66.81	\$ 126.79	\$ 611.85	\$ 136.31	\$ 53.72	\$ 179.28	\$ 158.21	\$ 2,164.91	\$ 209.66	\$ 348.34	\$ -	\$ 4,055.88
USDA Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,714.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,714.27
Business Insurance													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto/Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Liability	\$ 29,044.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,044.87
Total Business Insurance	\$ 29,044.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,044.87
Legal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, Permits & Fees	\$ 17,757.42	\$ 350.00	\$ -	\$ 4,702.00	\$ 36,701.00	\$ 112.00	\$ -	\$ -	\$ 114.00	\$ -	\$ 311.25	\$ -	\$ 60,047.67
Office Expense													
Software or Maintenance	\$ 3,240.00	\$ 99.99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99.99
Advertising	\$ -	\$ 103.25	\$ 58.50	\$ -	\$ -	\$ 110.63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272.38
Postage	\$ -	\$ -	\$ -	\$ 241.60	\$ -	\$ -	\$ -	\$ -	\$ 468.00	\$ -	\$ -	\$ -	\$ 709.60
Supplies	\$ 405.40	\$ 607.24	\$ 407.88	\$ 720.86	\$ 307.46	\$ 552.01	\$ 951.26	\$ 500.78	\$ 898.13	\$ 564.94	\$ 461.02	\$ -	\$ 6,376.98
Total Office Expense	\$ 3,645.40	\$ 810.48	\$ 466.38	\$ 962.46	\$ 307.46	\$ 662.64	\$ 951.26	\$ 500.78	\$ 1,366.13	\$ 564.94	\$ 461.02	\$ -	\$ 10,698.95
Operating Supplies	\$ 2,155.16	\$ 13,104.13	\$ 3,331.51	\$ 10,724.71	\$ 890.38	\$ 12,294.34	\$ 530.46	\$ 818.94	\$ 11,486.91	\$ 2,692.26	\$ 1,548.50	\$ -	\$ 59,577.30
Safety Equipment	\$ 2,630.33	\$ -	\$ (25.73)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814.31	\$ -	\$ -	\$ 3,418.91
Total Operating Supplies	\$ 4,785.49	\$ 13,104.13	\$ 3,305.78	\$ 10,724.71	\$ 890.38	\$ 12,294.34	\$ 530.46	\$ 818.94	\$ 11,486.91	\$ 3,506.57	\$ 1,548.50	\$ -	\$ 62,996.21
Payroll & Employee Costs													
Education	\$ -	\$ -	\$ 381.10	\$ 50.00	\$ (350.55)	\$ -	\$ -	\$ 995.00	\$ 408.30	\$ 729.32	\$ 278.10	\$ -	\$ 2,491.27
Employee Health Premiums	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 3,586.23	\$ 39,448.53
Employee Mileage	\$ 61.60	\$ 64.40	\$ 51.80	\$ 64.40	\$ 53.60	\$ 161.00	\$ 55.10	\$ 68.15	\$ 69.60	\$ 82.65	\$ 65.25	\$ -	\$ 797.55
Employer Retirement Contribut	\$ 2,112.45	\$ 3,141.78	\$ 2,108.97	\$ 2,141.57	\$ 2,121.43	\$ 2,140.15	\$ 3,276.23	\$ 2,215.98	\$ 2,202.31	\$ 2,188.35	\$ 2,190.59	\$ -	\$ 25,839.81
Health Saving Acct (H S A)	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ 812.59	\$ -	\$ 8,938.49
Payroll Taxes	\$ 2,083.74	\$ 3,107.03	\$ 2,089.40	\$ 2,102.03	\$ 2,115.72	\$ 2,140.32	\$ 3,231.77	\$ 2,200.45	\$ 2,221.92	\$ 2,172.25	\$ 2,181.69	\$ -	\$ 25,646.32
Wages & Salaries	\$ 27,238.32	\$ 40,661.13	\$ 27,312.18	\$ 27,730.10	\$ 27,656.12	\$ 27,977.72	\$ 42,257.22	\$ 28,778.11	\$ 29,044.88	\$ 28,335.70	\$ 28,518.74	\$ -	\$ 335,510.22
Workers Comp	\$ 1,319.98	\$ 1,958.88	\$ 1,317.68	\$ 1,340.53	\$ 1,322.47	\$ 1,344.00	\$ 2,032.50	\$ 1,387.37	\$ 1,373.51	\$ 1,363.18	\$ 1,367.15	\$ -	\$ 16,127.25
Payroll County Costs - Other (Q	\$ 42.00	\$ 63.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 63.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ 42.00	\$ -	\$ 504.00
Total Payroll & Employee Costs	\$ 37,256.91	\$ 53,395.04	\$ 37,701.95	\$ 37,869.45	\$ 37,359.61	\$ 38,204.01	\$ 55,314.64	\$ 40,085.88	\$ 39,761.34	\$ 39,312.27	\$ 39,042.34	\$ -	\$ 455,303.44

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	2025/2026 Totals
Professional Services													
Accounting & Auditor (CPA)	\$ -	\$ -	\$ 12,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000.00
County AP/Assessment Costs	\$ 70.00	\$ 70.00	\$ 59.50	\$ 56.00	\$ 56.00	\$ 49.00	\$ 59.50	\$ 49.00	\$ 42.00	\$ 59.50	\$ 45.50	\$ -	\$ 616.00
Engineer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Testing - Precision Env.	\$ 390.00	\$ 390.00	\$ 390.00	\$ 405.00	\$ 2,221.00	\$ 400.00	\$ 869.00	\$ 405.00	\$ 405.00	\$ 374.00	\$ 1,034.00	\$ -	\$ 7,283.00
Consultant - misc projects	\$ 8,075.25	\$ 2,022.50	\$ 4,245.50	\$ 1,252.50	\$ 8,005.00	\$ 691.50	\$ 962.50	\$ 525.00	\$ 8,005.00	\$ 635.00	\$ 5,139.35	\$ -	\$ 39,559.10
Contracted Agency Management	\$ 5,153.75	\$ 3,087.50	\$ 4,702.50	\$ 3,372.50	\$ 2,897.50	\$ 3,776.25	\$ 4,298.75	\$ 4,346.25	\$ 4,560.00	\$ 2,208.75	\$ 3,348.75	\$ -	\$ 41,752.50
Total Professional Services	\$ 13,689.00	\$ 5,570.00	\$ 21,397.50	\$ 5,086.00	\$ 13,179.50	\$ 4,916.75	\$ 6,189.75	\$ 5,325.25	\$ 13,012.00	\$ 3,277.25	\$ 9,567.60	\$ -	\$ 101,210.60
Repairs & Maintenance													
R&M - Plant,Outfall, Collection	\$ 123.02	\$ 586.88	\$ 2,308.59	\$ 14.13	\$ -	\$ 2,296.83	\$ 75.99	\$ 994.02	\$ 254.59	\$ 698.48	\$ 68.55	\$ -	\$ 7,421.08
R&M - Equipment & Vehicles	\$ 509.74	\$ 483.48	\$ 298.85	\$ 87.32	\$ 1,025.62	\$ 638.78	\$ 2,425.57	\$ 610.19	\$ 1,332.53	\$ 4,155.48	\$ 9,768.73	\$ -	\$ 21,336.29
R&M - Equip rentals (storage re	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Repairs & Maintenance	\$ 632.76	\$ 1,070.36	\$ 2,607.44	\$ 101.45	\$ 1,025.62	\$ 2,935.61	\$ 2,501.56	\$ 1,604.21	\$ 1,587.12	\$ 4,853.96	\$ 9,837.28	\$ -	\$ 28,757.37
Utilities													
Garbage & Recycling	\$ -	\$ -	\$ -	\$ 132.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132.94
Power	\$ 7,301.37	\$ 7,330.19	\$ 6,843.00	\$ 6,371.27	\$ 4,755.31	\$ 3,657.13	\$ 3,812.02	\$ 3,831.50	\$ 3,386.98	\$ 2,289.50	\$ -	\$ -	\$ 49,578.27
Telephones/Internet	\$ 521.96	\$ 711.66	\$ 727.54	\$ 728.63	\$ 753.61	\$ 753.59	\$ 754.42	\$ 632.04	\$ 725.84	\$ 425.88	\$ 289.75	\$ -	\$ 7,024.92
Water (Drinking & TUD)	\$ 35.00	\$ 983.29	\$ 35.00	\$ 1,210.12	\$ 44.78	\$ 1,571.29	\$ 35.00	\$ 1,248.29	\$ 46.73	\$ 1,318.64	\$ 83.36	\$ -	\$ 6,611.50
Propane	\$ -	\$ -	\$ -	\$ -	\$ 1,194.89	\$ -	\$ -	\$ -	\$ 1,320.70	\$ -	\$ -	\$ -	\$ 2,515.59
Total Utilities	\$ 7,858.33	\$ 9,025.14	\$ 7,605.54	\$ 8,442.96	\$ 6,748.59	\$ 5,982.01	\$ 4,601.44	\$ 5,711.83	\$ 5,480.25	\$ 4,034.02	\$ 373.11	\$ -	\$ 65,863.22
Total Expense	\$ 114,670.18	\$ 83,391.96	\$ 73,211.38	\$ 68,500.88	\$ 96,348.47	\$ 65,161.08	\$ 212,982.66	\$ 54,205.10	\$ 74,972.66	\$ 55,758.67	\$ 61,489.44	\$ -	\$ 960,692.48
Net Ordinary Income	\$ (113,608.07)	\$ (76,324.96)	\$ 62,949.30	\$ 135,868.70	\$ (73,996.63)	\$ 433,815.18	\$ (212,970.72)	\$ (53,477.10)	\$ 86,356.62	\$ 223,053.63	\$ (50,640.13)	\$ -	\$ 361,025.82
Other Income/Expense													
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vendor Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ (113,608.07)	\$ (76,324.96)	\$ 62,949.30	\$ 135,868.70	\$ (73,996.63)	\$ 433,815.18	\$ (212,970.72)	\$ (53,477.10)	\$ 86,356.62	\$ 223,053.63	\$ (50,640.13)	\$ -	\$ 361,025.82

TUOLUMNE CITY SANITARY DISTRICT

TCS
18050 BOX FACTORY ROAD
TUOLUMNE, CA 95379

REGULAR MEETING STAFF REPORT

PHONE: 209.928.3517
EMAIL: bbonillo@tcsdistrict.com

Agenda Item 4.

To: Board of Directors
From: Jeff Cooley, General Manager
Subject: Fiscal Year (FY) 2026-27 Draft Budget
Date: June 2nd, 2026

Background: Each fiscal year (July 1st through June 30th) the Board adopts a budget for the District. The Budget is a financial plan that provides estimates of the anticipated revenues and expenditures for the coming fiscal year. The Draft Budget was prepared by staff for review by the Board. A review of the proposed budget will be presented at the Board meeting. Staff will review the comments from the Board and public and make appropriate revisions to the Draft Budget. A Public Hearing will be advertised for the next Board meeting on July 7th, 2026 for adoption of the final fiscal year Budget for 2026-27.

Discussion: Attached for your review is the “*Draft FY 2026-27 Budget Summary*.” The Budget is structured into four distinct categories: Operating Revenues, Operating Expenses, Non-Operating Revenues and Non-Operating Expenses. The Budget document itself is structured to provide an overview of all revenues and expenses on the first two pages of the document. The succeeding pages provide more detailed information that makes up the summary, as well as, supporting documentation and information. This detailed information will be made part of the final budget package that will be available at the next meeting.

The District is an *Enterprise Organization* meaning that the revenue it receives is based on a fee-for-services in respect to the sewer services provided to the community. As a result, the District’s financial statements are treated similarly to a private enterprise. *Operating Revenues* are based on service charges to our customers and *Operating Expenses* are those costs directly involved in providing sewer services. For the coming fiscal year estimated Operating and Non-Operating expenses are proposed at \$2,945,955. Estimated total Operating and Non-Operating Revenue which include the 6% rate increase are proposed at \$2,945,955. There are no other SRF Grant funded projects currently funded or planned for this upcoming fiscal year. Included in the revenue projections are potential SRF Planning Grants totaling \$1,300,000.

In respect to the *Operating Budget* costs reflect what we anticipate spending for the year based on this fiscal year's costs with increases in areas of volatility such as fuel, electrical costs and other services and supplies. A 3.5% wage increase is proposed effective January 1, 2027. This proposed increase is based on the April Consumer Price Index (CPI) and trying to remain competitive with wages paid by the Tuolumne Utilities District (TUD) and Jamestown Sanitary District (JSD).

Proposed Capital Outlay and Fixed Assets budget includes the following:

- Collection System Improvements \$80,000
- Clarifier Repairs-Divers \$30,000
- Shop Improvements \$10,000
- Misc Projects \$10,000
- New Trench Plates \$ 7,000
- Miscellaneous Tools \$ 7,000
- TOTAL \$144,000**

Please review these materials and let me know if you have any questions.

Fiscal Impact: Estimated Fiscal Year Total Expenses: \$2,945,955.00

Attachment(s): Draft Fiscal Year 2026/27 Budget Summary.

Recommendation: Review and comment on the 2026/27 Fiscal Year Budget Summary.

Recommended Motion: I move to have a public hearing on July 7th to consider adoption of the 2026-2027 Fiscal Year Budget.

BOARD ACTION:

<input type="checkbox"/> Resolution No _____	Moved by: _____	Second by: _____
_____ AYES	_____ NOES	_____ ABSTAINED
_____ ABSENT	<input type="checkbox"/> No Action Taken	

2025-2026 Approved	2026-2027 Proposed	2026-2027 Approved
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OPERATING REVENUE

Sewer Assessments	\$ 1,156,710	\$ 1,227,754
<u>Total Operating Revenue:</u>	<u>\$ 1,156,710</u>	<u>\$ 1,227,754</u>

NON-OPERATING REVENUE

Connection Fees	\$ 7,200	\$ 7,200
Interest Income	\$ 100,000	\$ 180,000
Property Tax Revenues	\$ 100,000	\$ 105,000
SRF Planning Grants	\$ 1,300,000	\$ 1,300,000
SRF Construction - WWTP	\$ 200,000	\$ -
Transfer from Reserves - Sludge Removal	\$ 150,000	\$ -
Transfer from Reserves	\$ 136,213	\$ 126,001
<u>Total Non-Operating Revenue:</u>	<u>\$ 1,993,413</u>	<u>\$ 1,718,201</u>

<u>Total Revenue</u>	<u>\$ 3,150,123</u>	<u>\$ 2,945,955</u>	<u>\$ -</u>
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OPERATING EXPENSES

Salaries & Benefits	\$ 491,697	\$ 514,203	
Services & Supplies	\$ 191,791	\$ 187,634	
Professional Services	\$ 131,500	\$ 134,000	
Repairs & Maintenance	\$ 33,000	\$ 38,000	
Insurance, License, Permits & Fees	\$ 102,405	\$ 103,505	
Capital Outlay	\$ 101,000	\$ 137,000	
Fixed Assets	\$ 7,500	\$ 7,000	
<u>Total Operating Expenses:</u>	<u>\$ 1,058,893</u>	<u>\$ 1,121,343</u>	<u>\$ -</u>

NON-OPERATING EXPENSES

Transfer to Reserves - Sludge Removal	\$ 150,000	\$ 60,000	
Transfer to Property Tax Reserve	\$ 100,000	\$ 105,000	
WWTP/Reservoir SRF Planning Grant	\$ 650,000	\$ 650,000	
Collection System Planning SRF Grant	\$ 650,000	\$ 650,000	
WWTP SRF Construction Grant	\$ 200,000	\$ -	
Collection System SRF Construction Grant	\$ -	\$ -	
<u>Total Non-Operating Expenses:</u>	<u>\$ 1,750,000</u>	<u>\$ 1,465,000</u>	<u>\$ -</u>

2025-2026 Approved	2026-2027 Proposed	2026-2027 Approved
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DEBT SERVICE

USDA Interest Payments	\$ 75,500	\$ 73,400	
USDA Principle Payments	\$ 105,000	\$ 110,000	
<u>Total Debt Service Expenses:</u>	<u>\$ 180,500</u>	<u>\$ 183,400</u>	<u>\$ -</u>

RESERVES

Pension Reserve Fund (9076)	\$ 10,730	\$ 11,212	
WWTP/Equipment Repl Reserve (9071)	\$ -	\$ -	
Collection System/Equipment Repl Reserve (9071)	\$ -	\$ -	
Sludge Handling Reserve (9071)	\$ 50,000	\$ 60,000	
WWTP Construction Reserve (9071)	\$ -	\$ -	
Collection System Construction Reserve (9071)	\$ -	\$ -	
Property Tax Reserve (9074)	\$ 100,000	\$ 105,000	
USDA Debt Service Reserve - <i>Restricted</i> (9073)	\$ -	\$ -	
USDA Depreciation Reserve - <i>Restricted</i> (9072)	\$ -	\$ -	
Emergency Reserve - <i>Restricted</i> (9071)	\$ -	\$ -	
Operating Reserve - <i>Restricted</i> (9071)	\$ -	\$ -	

<u>Total Reserves Expenses:</u>	<u>\$ 160,730</u>	<u>\$ 176,212</u>	<u>\$ -</u>
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<u>Total Expenses</u>	<u>\$ 3,150,123</u>	<u>\$ 2,945,955</u>	
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<u>Increase In Cash</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>
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TCSD CPO Monthly Operation/Maintenance Report

May 2026

General Plant Operation/Maintenance

- Daily plant maintenance/housekeeping
- Daily/Monthly/Semi-Annual sampling and reporting
- Data collecting/recording /reporting
- SCADA monitoring
- Compliance enforcement
- Equipment cleaning/maintenance/calibrating
- Exercise equipment/valves
- SSO prevention
- Safety enforcement/prevention is performed daily through a facility safety walk and regular inspections

Safety Report

- A booklet provided by SDRMA on *Planning Ahead for Wildfire Season* was reviewed by operators.
- Pull stations to the fire alarm system was found to be not working on May 1st. A technician with Jorgenson Company came to correct the issue on May 21.
- A draft Confined Space Program was finalized on May 27.
- A third operator received their in-person confined space initial training on May 8th.

Call out/Plug up/Spill/Collection System

Multiple USAN line location and markings were performed.
High school private lateral and outfall line is checked regularly.

- 753 feet of sewer mainline cleaned. 468 feet of mainline was inspected.
- The pressure pump on the Pipehunter flush truck was overhauled with new seals and worn internal components. A new drive belt was also replaced.
- No callouts occurred during the month of May.
- We are still waiting on the approval for an encroachment permit submitted on April 23rd. A follow-up Email was sent to Brian Eaton on May 27th.

TCSD CPO Monthly Operation/Maintenance Report

May 2026

Apply Colony Lift Station

Daily Apple Colony lift station inspections performed as required by SDRMA

- Regular cleaning on May 7th caused debris to become lodged in the number 2 check-valve. The valve was de-ragged and placed back in service.

Plant Operations

Additional activity performed at the Plant, above and beyond daily general operations and maintenance

- The 1st Semi-annual groundwater samples were collected by Condor Earth on May 4th.
- Operators have started the Headworks Dump Station Project. Multiple issues with our hydraulic breaker is delaying the project.

Bakers Reservoir and Dam/Outfall line

- Freeboard was recorded at 4.5 feet on May 26.

TUOLUMNE CITY SANITARY DISTRICT

TCS
18050 BOX FACTORY ROAD
TUOLUMNE, CA 95379

REGULAR MEETING STAFF REPORT

PHONE: 209.928.3517
EMAIL: bbonillo@tcsdistrict.com

To: Board of Directors
From: Jeff Cooley, General Manager
Subject: General Manager Report
Date: June 2nd 2026

Agenda Item: 5 (b)

The General Manager is actively collaborating with staff and consultants on several critical initiatives. These include:

- **CA Department of Finance SRF Planning Grants Status**
District staff have submitted two SRF Planning Grants applications that would allow the District to formulate and design a number of needed projects including new aeration basin technologies, berms at Baker Ranch, upgrades to the WWTP headworks and secondary clarifiers, and complete and upgrade to the Apple Colony lift station. As of this month, SRF staff informed the District due to the lack of clean water funding these project will remain in queue until their funding landscape changes.
- **Sewer System Management Plan**
District staff has initiated a comprehensive audit of the current Sewer System Management Plan (SSMP) to evaluate its effectiveness, ensure continued compliance with State Water Resources Control Board Order No. 2006-0003-DWQ (and any subsequent amendments), and identify opportunities for improvement in light of recent operational experience, regulatory updates, and system changes. The audit process is currently underway and includes review of maintenance records, spill history, inspection data, and program implementation effectiveness. Upon completion of the audit, staff will prepare and present recommended updates to the SSMP for Board consideration and approval later this year. This proactive effort will help maintain the District's certification status and support ongoing goals of protecting public health and water quality through effective sewer system management. Staff will provide a more detailed update following completion of the audit phase.