

# Tuolumne City Sanitary District

## Regular Meeting - May 5, 2026

### AGENDA SUPPORTING DATA

#### 3. CONSENT CALENDAR

- a) Approval of minutes of the Regular Meeting held March 3, 2026
- b) Approval of warrants for the months of March and April 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  
March 3, 2026 at 6 PM**

DIRECTORS PRESENT: John Feriani, President/Chair  
Nick Ohler, Vice President/Chair  
Darrin Evans  
Jason Hart

DIRECTORS ABSENT: William Waters

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

No members of the public were present.

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1. President Feriani called the meeting to order at 6:03 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 February 3, 2026
- b) Approval of warrants for the month of February 2026
- c) Review of FY 2025/2026 Profit & Loss Report

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

***Ayes: J. Feriani, N. Ohler, D. Evans, and J. Hart (4)***

***Nays: None***

***Abstain: None***

***Absent: W. Waters***

4. Discussion/Action: Sewer rate study revisions and proceed with Proposition 218 rate increase

Staff provided clarification on projected revenue data and provided additional rate structure selections.

***MOTION: President Feriani moved to approve the rate study proposal from SUSP/RDN, move forward with a financial plan option at 6%, review the increase annually, begin Proposition 218 process, and adopt the 5-year rate schedule. Director Hart seconded, and the motion carries by the following vote:***

***Ayes: J. Feriani, N. Ohler, D. Evans, and J. Hart (4)***

***Nays: None***

***Abstain: None***

***Absent: W. Waters***

5. Staff Reports

a) Operations/Collection System Report by Ben Kikugawa

Mr. Kikugawa provided an Operations/Collection System Report for the month of February 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
- Regional Sewer Advisory Committee

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

No comments.

7. Directors Comments

No comments.

8. President Feriani adjourned the meeting at 6:53 PM

Respectfully submitted:

Approved:

\_\_\_\_\_  
Brenda Bonillo  
District Secretary

\_\_\_\_\_  
John Feriani  
Board President

# Accounts Payables List

March 2026

Item No. 3 b.

<u>INVOICE DATE</u>	<u>VENDOR</u>	<u>ACCOUNT # / INVOICE #</u>	<u>REASON FOR PAYMENT</u>	<u>AMOUNT</u>
3/1/2026	Anthem Blue Cross		Employee Ins March 2026	\$ 3,586.23
3/31/2026	Brenda Bonillo		March 2026 Mileage	\$ 69.60
3/27/2026	CalPERS		Employer payments (2 payrolls)	\$ 2,202.31
3/26/2026	Cooley Environmental Consulting	2026-003	District Management	\$ 4,560.00
3/22/2026	Employee Purchase Cards		March-26	\$ 4,273.15
3/1/2026	First American Bank		March 2026 Contributions	\$ 812.59
3/2/2026	Global Industrial	124172090 & 124181405	Water Leak Detection Device	\$ 1,918.97
3/3/2026	Grainger	9828285081, 9831952537, 293	Equipment repairs	\$ 526.58
3/6/2026	Hunt & Sons	989823	Generator fuel	\$ 2,042.64
3/2/2026	LK Lehman	158095	Road base	\$ 210.21
3/12/2026	Precision Enviro-Tech	P2600372 - TCSD	Monthly & Annual Monitoring	\$ 405.00
3/11/2026	Superior Propane (Kamps)		Propane	\$ 1,320.70
2/28/2026	SUSP	3322	Rate Study - 2nd payment	\$ 7,480.00
3/31/2026	Toshiba Financial Services		Printer contract	\$ 196.95
2/28/2026	TPPA	February 2026	Power	\$ 3,831.50
3/9/2026	Uline	205162555	Contractor bags	\$ 161.27
3/26/2026	Univar	53777031	Caustic soda	\$ 9,017.24
3/14/2026	Verizon	6138549572 & 6137627479	Cell phone	\$ 124.73
				<b>\$ 42,739.67</b>

# Accounts Payables List

April 2026

Item No. 3 b.

<u>INVOICE DATE</u>	<u>VENDOR</u>	<u>ACCOUNT # / INVOICE #</u>	<u>REASON FOR PAYMENT</u>	<u>AMOUNT</u>
4/23/2026	49er Water Services	QB-4432	Monthly Monitoring	\$ 374.00
4/1/2026	Anthem Blue Cross		Employee Ins April 2026	\$ 3,586.23
4/30/2026	Brenda Bonillo		April 2026 Mileage	\$ 82.65
4/24/2026	CalPERS		Employer payments (2 payrolls)	\$ 2,188.35
4/29/2026	Cooley Environmental Consulting	2026-004	District Management	\$ 2,208.75
4/10/2026	Cooper Controls	1282	Annual calibration	\$ 1,440.00
3/16/2026	Dept of Water Resources	1800181598	Grinding Rock Permit - FY 2027	\$ 15,195.00
4/23/2026	Employee Purchase Cards		April-26	\$ 4,006.09
4/1/2026	First American Bank		April 2026 Contributions	\$ 812.59
4/9/2026	Foothill Pest Control	1453550	Quarterly treatment	\$ 242.00
4/20/2026	General Plumbing	S6659324	Culvert repair supplies	\$ 550.47
4/16/2026	Jorgensen	6246627	Fire extinguisher service	\$ 459.78
4/14/2026	Mountainside Equipment	2682	Pipehunter	\$ 4,024.16
4/15/2026	Toshiba Financial Services		Printer contract	\$ 196.95
3/30/2026	TPPA	March 2026	Power	\$ 3,386.98
4/1/2026	TUD		Water	\$ 1,283.64
4/3/2026	Verizon	6140163681 & 61401073880	Cell phone	\$ 124.88
				<b>\$ 40,162.52</b>

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
<b>Ordinary Income/Expense</b>													
<b>Income</b>													
District Collected	\$ -	\$ -	\$ -	\$ 203,317.33	\$ 10,849.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,166.64
County Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,210.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,210.04
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,688.10
Interest Income	\$ 12.11	\$ -	\$ 51,726.16	\$ -	\$ 12.20	\$ 50,500.99	\$ 11.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,263.40
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
<b>Total Income</b>	<b>\$ 1,062.11</b>	<b>\$ 7,067.00</b>	<b>\$ 136,160.68</b>	<b>\$ 204,369.58</b>	<b>\$ 22,351.84</b>	<b>\$ 498,976.26</b>	<b>\$ 11.94</b>	<b>\$ 728.00</b>	<b>\$ 108,894.43</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 979,621.84</b>
<b>Expense</b>													
<b>Automotive (District Vehicles)</b>													
Fuel	\$ -	\$ 66.81	\$ 126.79	\$ 611.85	\$ 136.31	\$ 53.72	\$ 179.28	\$ 158.21	\$ 2,234.91	\$ 209.66	\$ -	\$ -	\$ 3,777.54
<b>Total Automotive (District Vehicles)</b>	<b>\$ -</b>	<b>\$ 66.81</b>	<b>\$ 126.79</b>	<b>\$ 611.85</b>	<b>\$ 136.31</b>	<b>\$ 53.72</b>	<b>\$ 179.28</b>	<b>\$ 158.21</b>	<b>\$ 2,234.91</b>	<b>\$ 209.66</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,777.54</b>
<b>USDA Loan</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,714.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,714.27</b>
<b>Business Insurance</b>													
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auto/Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Liability	\$ 29,044.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,044.87
<b>Total Business Insurance</b>	<b>\$ 29,044.87</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,044.87</b>
<b>Legal Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Licenses, Permits &amp; Fees</b>	<b>\$ 17,757.42</b>	<b>\$ 350.00</b>	<b>\$ -</b>	<b>\$ 4,702.00</b>	<b>\$ 36,701.00</b>	<b>\$ 112.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,736.42</b>
<b>Office Expense</b>													
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	\$ -	\$ -	\$ 5,915.96
<b>Total Office Expense</b>	<b>\$ 3,645.40</b>	<b>\$ 810.48</b>	<b>\$ 466.38</b>	<b>\$ 962.46</b>	<b>\$ 307.46</b>	<b>\$ 662.64</b>	<b>\$ 951.26</b>	<b>\$ 500.78</b>	<b>\$ 1,366.13</b>	<b>\$ 564.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,237.93</b>
<b>Operating Supplies</b>	<b>\$ 2,155.16</b>	<b>\$ 13,104.13</b>	<b>\$ 3,331.51</b>	<b>\$ 10,724.71</b>	<b>\$ 890.38</b>	<b>\$ 12,294.34</b>	<b>\$ 530.46</b>	<b>\$ 818.94</b>	<b>\$ 11,486.91</b>	<b>\$ 2,776.26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,112.80</b>
Safety Equipment	\$ 2,630.33	\$ -	\$ (25.73)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814.31	\$ -	\$ -	\$ 3,418.91
<b>Total Operating Supplies</b>	<b>\$ 4,785.49</b>	<b>\$ 13,104.13</b>	<b>\$ 3,305.78</b>	<b>\$ 10,724.71</b>	<b>\$ 890.38</b>	<b>\$ 12,294.34</b>	<b>\$ 530.46</b>	<b>\$ 818.94</b>	<b>\$ 11,486.91</b>	<b>\$ 3,590.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 61,531.71</b>
<b>Payroll &amp; Employee Costs</b>													
Education	\$ -	\$ -	\$ 381.10	\$ 50.00	\$ (350.55)	\$ -	\$ -	\$ 995.00	\$ 408.30	\$ 729.32	\$ -	\$ -	\$ 2,213.17
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	\$ -	\$ -	\$ 35,862.30
Employee Mileage	\$ 61.60	\$ 64.40	\$ 51.80	\$ 64.40	\$ 53.60	\$ 161.00	\$ 55.10	\$ 68.15	\$ 69.60	\$ 82.65	\$ -	\$ -	\$ 732.30
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	\$ -	\$ -	\$ 23,649.22
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	\$ -	\$ -	\$ 8,125.90
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	\$ -	\$ -	\$ 23,464.63
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	\$ -	\$ -	\$ 306,991.48
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	\$ -	\$ -	\$ 14,760.10
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	\$ -	\$ -	\$ 462.00
<b>Total Payroll &amp; Employee Costs</b>	<b>\$ 37,256.91</b>	<b>\$ 53,395.04</b>	<b>\$ 37,701.95</b>	<b>\$ 37,869.45</b>	<b>\$ 37,359.61</b>	<b>\$ 38,204.01</b>	<b>\$ 55,314.64</b>	<b>\$ 40,085.88</b>	<b>\$ 39,761.34</b>	<b>\$ 39,312.27</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 416,261.10</b>

	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
<b>Professional Services</b>													
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			\$ 570.50
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			\$ 6,249.00
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			\$ 34,419.75
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			\$ 38,403.75
<b>Total Professional Services</b>	<b>\$ 13,689.00</b>	<b>\$ 5,570.00</b>	<b>\$ 21,397.50</b>	<b>\$ 5,086.00</b>	<b>\$ 13,179.50</b>	<b>\$ 4,916.75</b>	<b>\$ 6,189.75</b>	<b>\$ 5,325.25</b>	<b>\$ 13,012.00</b>	<b>\$ 3,277.25</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,643.00</b>
<b>Repairs &amp; Maintenance</b>													
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			\$ 7,352.53
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			\$ 11,567.56
R&M - Equip rentals (storage re	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>Total Repairs &amp; Maintenance</b>	<b>\$ 632.76</b>	<b>\$ 1,070.36</b>	<b>\$ 2,607.44</b>	<b>\$ 101.45</b>	<b>\$ 1,025.62</b>	<b>\$ 2,935.61</b>	<b>\$ 2,501.56</b>	<b>\$ 1,604.21</b>	<b>\$ 1,587.12</b>	<b>\$ 4,853.96</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,920.09</b>
<b>Utilities</b>													
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				\$ 47,288.77
Telephones/Internet	\$ 521.96	\$ 711.66	\$ 727.54	\$ 728.63	\$ 753.61	\$ 753.59	\$ 754.42	\$ 632.04	\$ 725.84	\$ 425.88			\$ 6,735.17
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			\$ 6,528.14
Propane	\$ -	\$ -	\$ -	\$ -	\$ 1,194.89	\$ -	\$ -	\$ -	\$ 1,320.70	\$ -			\$ 2,515.59
<b>Total Utilities</b>	<b>\$ 7,858.33</b>	<b>\$ 9,025.14</b>	<b>\$ 7,605.54</b>	<b>\$ 8,442.96</b>	<b>\$ 6,748.59</b>	<b>\$ 5,982.01</b>	<b>\$ 4,601.44</b>	<b>\$ 5,711.83</b>	<b>\$ 5,480.25</b>	<b>\$ 1,744.52</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,200.61</b>
<b>Total Expense</b>	<b>\$ 114,670.18</b>	<b>\$ 83,391.96</b>	<b>\$ 73,211.38</b>	<b>\$ 68,500.88</b>	<b>\$ 96,348.47</b>	<b>\$ 65,161.08</b>	<b>\$ 212,982.66</b>	<b>\$ 54,205.10</b>	<b>\$ 75,042.66</b>	<b>\$ 53,553.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 897,067.54</b>
<b>Net Ordinary Income</b>	<b>\$ (113,608.07)</b>	<b>\$ (76,324.96)</b>	<b>\$ 62,949.30</b>	<b>\$ 135,868.70</b>	<b>\$ (73,996.63)</b>	<b>\$ 433,815.18</b>	<b>\$ (212,970.72)</b>	<b>\$ (53,477.10)</b>	<b>\$ 33,851.77</b>	<b>\$ (53,553.17)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,554.30</b>
<b>Other Income/Expense</b>													
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Vendor Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
<b>Total Other Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Other Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income</b>	<b>\$ (113,608.07)</b>	<b>\$ (76,324.96)</b>	<b>\$ 62,949.30</b>	<b>\$ 135,868.70</b>	<b>\$ (73,996.63)</b>	<b>\$ 433,815.18</b>	<b>\$ (212,970.72)</b>	<b>\$ (53,477.10)</b>	<b>\$ 33,851.77</b>	<b>\$ (53,553.17)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,554.30</b>

# TUOLUMNE CITY SANITARY DISTRICT

TCS  
18050 BOX FACTORY ROAD  
TUOLUMNE, CA 95379

## REGULAR MEETING STAFF REPORT

PHONE: 209.928.3517  
EMAIL: [bbonillo@tcsdistrict.com](mailto:bbonillo@tcsdistrict.com)

Agenda Item No.4

To: Board of Directors  
From: Jeff Cooley, General Manager  
Subject: Proposition 218 Process for Proposed 6% Annual Sewer Rate  
Adjustments (5-Year Schedule) and Recommendations for Adoption  
Date: May 5th, 2026

### **BACKGROUND**

The Tuolumne City Sanitary District (TCS) delivers essential wastewater collection, treatment, and disposal services. Sewer service fees for the District are collected as an assessment on customers' annual property tax bill. Currently the monthly sewer service fee is \$52.75 per month per Equivalent Dwelling Unit (EDU). The last rate increase was implemented in January of 2011. For comparison below are the current monthly sewer rates for surrounding Districts provided in the rate study:

- Jamestown Sanitary District \$106.02
- TUD \$ 68.99
- Groveland CSD \$167.39

These neighboring districts have implemented ongoing rate increases in recent and upcoming fiscal years. TCS is by far the lowest sewer rate in Tuolumne County.

Rising costs—including operations and maintenance, labor, utilities, chemicals, regulatory compliance (permits, biosolids), and capital needs for aging infrastructure—necessitate structured increases.

The Board directed preparation of the 2026 Sewer Rate Study by RDN, a rate analysis consultant. This comprehensive study uses a cost-of-service methodology to develop a 5-year rate schedule with 6% annual increases.

Projected Rate Path:

Current (FY 2025-26): \$52.75 per EDU/month  
Proposed Rate Adjustments of 6% per year for 5 years  
Year 1 (Effective Date-July 1<sup>st</sup>, 2026): \$55.92  
Year 2: \$59.28  
Year 3: \$62.84  
Year 4: \$66.61  
Year 5: \$70.61

These compound increases address cumulative cost pressures while remaining proportional to service provided. The Study projects that without this schedule, the District would face recurring deficits, depleted reserves, deferred maintenance, and potential service risks. A phased 5-year plan is standard for California sanitary districts, offering stability over abrupt large hikes.

Proposition 218 explicitly authorizes a schedule of fees or charges for up to five years, including annual adjustments (provided they stay within the cost of service and are fully noticed).

### **PROPOSITION 218 PROCEDURAL COMPLIANCE**

The District has complied with all requirements under California Constitution Article XIII D, Section 6, and related statutes:

**Notice Mailing:** Notices detailing the full 5-year rate schedule, the Rate Study, and hearing information were mailed via first-class mail more than 45 days in advance to record owners (per the latest equalized assessment roll) and known liable tenants.

**Undeliverable Notices:** Approximately 50 notices returned undeliverable. Staff documented returns, cross-checked Tuolumne County Assessor records and posted all materials online. Failure to receive notice does not invalidate proceedings.

**Public Availability:** The full Study proposed 5-year schedule, sample bills for each year, and supporting data have been publicly available.

### **SUBSTANTIVE COMPLIANCE WITH PROPOSITION 218**

The Rate Study demonstrates the 5-year schedule meets all five substantive tests:

1. Revenues do not exceed required funds for sewer service.
2. Revenues are used solely for sewer purposes.
3. Charges are proportional to each parcel's cost of service (via EDU or equivalent methodology).
4. Service is used by or available to properties.
5. No charge for general governmental services.

The Study includes detailed projections, sensitivity analyses, and capital improvement projects. Annual adjustments remain within cost-of-service limits each year.

## **FISCAL IMPACT**

The 6% annual increases are projected to generate cumulative additional revenue over the period, allocated to:

- Operations & maintenance
- Capital rehabilitation (pipes, pump stations, treatment upgrades)
- Reserve restoration for emergencies and rate stabilization

Detailed forecasts, cash flow projections, and rate vs. cost comparisons are in the Study. This phased approach minimizes rate shock, supports bond/grant eligibility, and avoids larger future increases.

The recommended schedule best balances needs, equity, and Prop 218 compliance.

## **ENVIRONMENTAL AND OTHER CONSIDERATIONS**

The rate schedule is CEQA-exempt (fiscal activity, no physical impacts). It supports District goals for infrastructure resilience and service reliability.

## **ATTACHMENTS**

2026 Sewer Rate Study (full + executive summary with 5-year tables).

Sample Prop 218 Notice (showing full schedule).

Draft Resolution No. 2026-03 (approving the 5-year rate schedule).

Year-by-year rate tables and sample customer bill impacts (refer to page 18 of rate study).

## **RECOMMENDATIONS**

- Open the public hearing on the proposed 5-year sewer rate adjustment schedule as required by Proposition 218.
- Receive and consider oral public comments, written protests, and (if applicable) written objections.
- Close the public hearing.
- Receive the tabulation of written protests from the District Secretary and determine whether a majority protest exists.
- 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 of each following year through 2030/2031

Staff recommends approval to ensure reliable sewer service for the Tuolumne community.

**RECOMMENDED MOTION:**

I move 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 of each following year through 2030/2031

**BOARD ACTION:**

<input type="checkbox"/> Resolution No _____	Moved by: _____	Second by: _____
_____AYES	_____NOES	_____ABSTAINED
_____ABSENT	<input type="checkbox"/> No Action Taken	

# TUOLUMNE CITY SANITARY DISTRICT

## 2026 Sewer Rate Study

### Final Report

March 10, 2026



# SUSP



SPECIALIZED UTILITIES SERVICES PROGRAM  
ENGINEERING



**TUOLUMNE CITY SANITARY DISTRICT  
2026 SEWER RATE STUDY**

**FINAL REPORT**

Prepared for:

Tuolumne City Sanitary District  
18050 Box Factory Road  
Tuolumne, CA 95379

Prepared by:

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(805) 962-0611

RDN Project Number 387.03

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# EXECUTIVE SUMMARY

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## Study Overview

The Tuolumne City Sanitary District (District) retained Robert D. Niehaus, Inc. (RDN) to develop a comprehensive Sewer Rate (Study), which includes financial planning, revenue requirements, cost of service, and rate-setting analyses. The Study's overall goal is to develop a financial plan to identify necessary revenue to meet the District's financial needs and propose rates and fees, which recover the costs from ratepayers commensurate with their service requirements. RDN collaborated with District staff to evaluate the District's financial stability, given the current and projected future financial conditions. The main focus of the current study includes:

1. Projecting account growth based on historical data and inputs from District staff for the study period (FY 2026 – FY 2030);
2. Developing a 10-year financial plan for the District to ensure financial sufficiency to fund day-to-day operation and maintenance, debt service requirements, and capital improvement and replacement projects while building up reserves to the District's target level, 5-years of which is used for the rate projection;
3. Conducting a Cost of Service analysis to equitably allocate the costs of providing service to customers commensurate with their service requirements;
4. Designing rates based on the results of COS analysis to establish a strong nexus between costs and pricing of rates;
5. Conducting a rate comparison survey to assess how the proposed rates compare with current rates;
6. Developing an administrative record, which effectively communicates the findings of the Study.

## Summary of Recommendations

RDN recommends the following changes and modifications to the current rates and fees based on the findings of the Study:

- Adopt the proposed financial plan which will allow the District to maintain reserves and accomplish capital spending targets
- Adjust revenues each year of the study period by 6 percent
- Align the cost allocation for customers based on the Cost of Service analysis.

## Current Rates

The District's customers currently pay a fixed annual service charge. The monthly charge is based on each customer's relative number of billing units, called equivalent dwelling units (EDUs). According to District staff, the number of billing units is determined based on the type of customer.<sup>1</sup> The number of EDUs are relative to an average single family residential customer. The current sewer rates as described are displayed in Table 1.

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<sup>1</sup> Tuolumne City Sanitary District User Classification Table

*Table 1. Current Sewer Rates*

Rate Category	Rate per EDU
Monthly	\$52.75
Annual	\$633.00

## Proposed Rates

The proposed rates maintain the District’s current rate structure of billing customers based on an EDU basis. The recommended rate adjustments will allow the District to maintain healthy reserve fund balances, maintain planned debt service requirements, and execute necessary capital improvement projects over five-year study period. Proposed annual revenue adjustments presented in this Study are 6.0 percent per year. Table 2 and Table 3 show the proposed revenue adjustments and rates for the study period, respectively.

*Table 2. Proposed Revenue Adjustments*

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue Adjustment	6.0%	6.0%	6.0%	6.0%	6.0%

*Table 3. Proposed Sewer Rates*

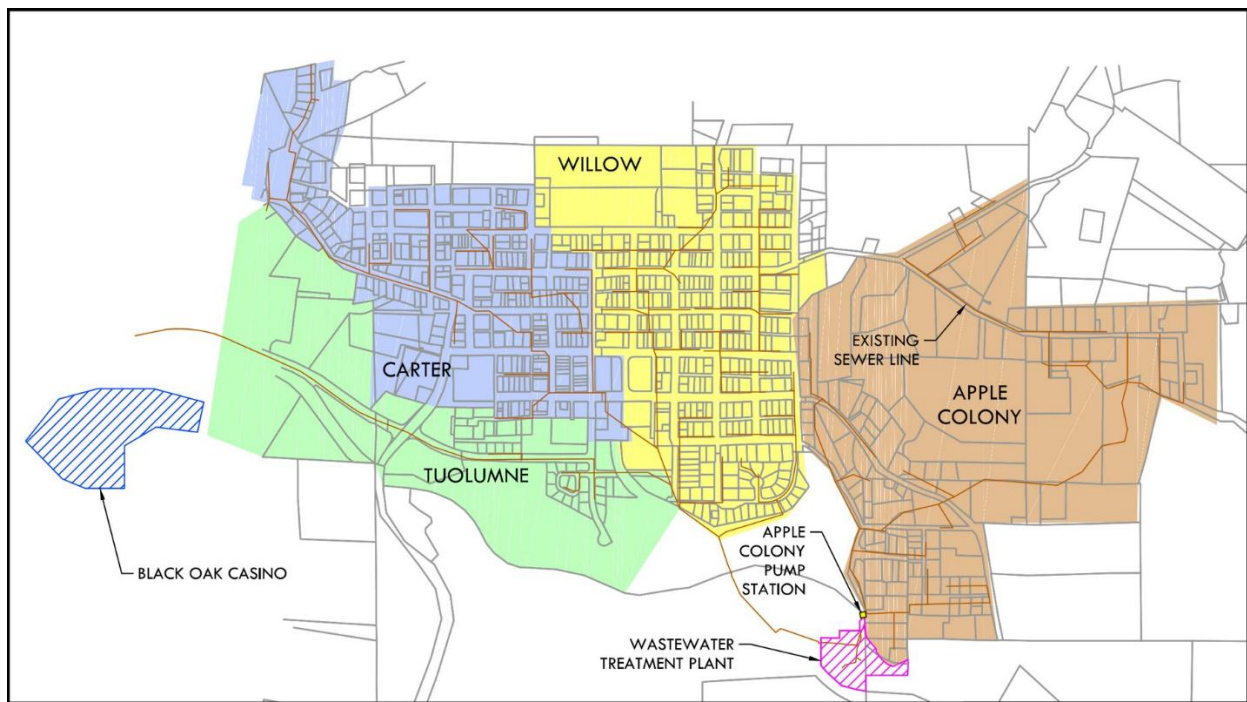
Rate Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly	\$55.92	\$59.28	\$62.84	\$66.61	\$70.61
Annual	\$671.04	\$711.36	\$754.08	\$799.32	\$847.32

# 1 INTRODUCTION

Tuolumne is an unincorporated community of about 1,317 population, located southeast of Sonora in Tuolumne County, at an elevation of about 2,600 feet in the rolling foothills of the Sierra Nevadas. Tourism, retirement and welfare incomes are the principal economic resources of the area. The Tuolumne City Sanitary District (District, TCSD) is a California Special District formed by the Board of Supervisors of Tuolumne County, California, on July 16, 1941, upon petition for formation thereof pursuant to the Sanitary District Act of 1923 as contained in the California Health and Safety Code Section 64000 et seq. The District operates and maintains sewer service for the community of Tuolumne Township and immediate surrounding areas, including the Black Oak Casino Resort. The District operates a single wastewater treatment plant, which underwent a major expansion and upgrade that was completed in 2013.

Figure 1 shows the District service area.

*Figure 1. Tuolumne City Sanitary District*



## 1.1 Methodology

The sewer rates formulated in the Study were developed using principles set forth by the Water Environment Federation (WEF). RDN rate-making practices incorporate methods described in the WEF Financing and Charges for Sewer Systems Manual 27<sup>2</sup>. Figure 2 presents the steps taken to develop the District's proposed rates.

<sup>2</sup> Financing and Charges for Sewer Systems, WEF Manual of Practice Number 27, Water Environment Federation

Figure 2. Rate Study Process



- **Financial Planning and Revenue Requirements:** develop a ten-year financial plan based on the projected revenues and annual costs which include operating, debt service, and capital expenses. The District’s target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.
- **Cost of Service:** evaluate the customer classifications and allocate costs based on their service requirements.
- **Rate Design:** design rates to equitably recover the rate revenue requirements from each customer.

## 1.2 Legal Framework

The primary goal of this study is to help the District establish rates that achieve the District’s objectives of revenue stability, equitable cost recovery, and ratepayer affordability. This section of the report describes the legal framework considered in developing the rates to ensure that the calculated cost of service rates provide a fair and equitable allocation of costs to the different customer classes.

### California Constitution - Article XIII D, Section 6 (Proposition 218)

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. Between 2002 and today, California courts have ruled that fees associated with providing Sewer services are “property-related” and thus under the jurisdiction of Prop 218. The principal requirements for fairness of the fees related to public Sewer service are as follows: Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service. Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel. Reliance by an agency on any parcel map, including, but not limited to, an assessor’s parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.

The rates developed in this Report use a methodology to establish an equitable system of charges that recover the cost of providing service and fairly apportion costs to each customer as required by Proposition 218.

### 1.3 Key Assumptions

A test year, FY 2026, was selected for which costs are to be analyzed, and rates established for this study. The financial plan was built for the next 10 years, which includes the five-year study period, FY 2027 through FY 2031 with a detailed revenue adjustment plan. The District’s fiscal year starts on July 1 and ends on June 30.

#### Escalation Factors

The financial plan was built based on an assumption in the projected escalation of revenues and expenses associated with both operations and maintenance (O&M) and capital improvement projects (CIPs). Escalation factors were calculated for eight independent variables using historical Consumer Price Index (CPI) data from the West – Size Class B/C, between the year 2000 and the most current calendar year<sup>3</sup>, and projections by the Federal Reserve Bank of St. Louis (FRED) Economic Research Division, Quarterly Census of Employment and Wages (QCEW), and Engineering News Record (ENR) Building Cost Index (BCI). All escalation factors were developed by calculating an average rate of change and projecting that rate into future years. Table 4 displays the escalation factors estimated for the District.

*Table 4. Estimated Expense Escalation Factors*

Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Payroll	4.4%	4.4%	4.4%	4.4%	4.4%
Other Employee	4.4%	4.4%	4.4%	4.4%	4.4%
Utilities	6.5%	6.5%	6.5%	6.5%	6.5%
Chemicals	6.1%	6.1%	6.1%	6.1%	6.1%
Fuel/Automobile	3.3%	3.3%	3.3%	3.3%	3.3%
Construction	5.6%	5.6%	4.1%	4.1%	4.1%
Insurance	9.6%	8.8%	6.4%	6.4%	4.3%
Overall	3.1%	3.1%	3.1%	3.1%	3.1%

<sup>3</sup> Bureau of Labor Statistics (2025) *Consumer Price Indices West – Size Class B/C, Not Seasonally Adjusted*.

## 2 FINANCIAL PLAN

RDN built a 10-year financial model for the District’s sewer system to meet the system’s long-term financial goals. The detailed rate analysis was performed for the first five years.

### 2.1 Billing Units

RDN first projected customer growth based on customer billing units to estimate the District’s revenue generated from rates. RDN utilized the District’s billing records from FY 2025 and the FY 2026 Budget to determine the current billing units and used this as the starting point for the projections. RDN projects that the number EDUs per year throughout the study period will remain stable based on the long-term average of sewer flow and strength. The current and projected billing unit counts are displayed in Table 5.

*Table 5. Customer Billing Units*

Customer Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
EDUs	1,840.36	1,840.36	1,840.36	1,840.36	1,840.36	1,840.36

### 2.2 Revenues

Based on the projected billing units, RDN conducted a revenue analysis using the current sewer rates. The District currently collects revenues from rates, connection fees, interest income, property taxes and grants. Forecasted revenues by category are shown in Table 6.

*Table 6. Projected Status Quo Revenue<sup>4</sup>*

Revenue Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Fixed Rate Revenue	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948
Connection Fees	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Interest Income	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Property Tax Revenues	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Grants	\$1,500,000	\$0	\$0	\$0	\$0	\$0
Transfers	\$286,213	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$3,158,361</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>

### 2.3 Operating and Maintenance (O&M) Expense

The District’s FY 2026 Budget anticipated approximately \$950,000 in expenses, classified as O&M expenses. The itemized O&M expenses were carefully reviewed by RDN and forecasted over the study period using the escalation factors discussed in the Key Assumptions section. On average overall, O&M Expenses are expected to increase by 4.3 percent annually through the ten year study period. By FY 2031, annual O&M expenses are projected to reach around \$1.2 million. O&M expenses by function are shown in Table 7.

<sup>4</sup> Note that grants and transfers are only projected for the current Fiscal Year, FY 2026, as they are not predictable sources of revenue.

**Table 7. Projected Operating Expenses**

Operating Expense Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Salaries and Benefits	\$361,486	\$377,517	\$394,260	\$411,746	\$430,007	\$449,078
Medical HSA Allowance	\$57,600	\$60,155	\$62,822	\$65,609	\$68,518	\$71,557
CalPERS Contributions	\$27,930	\$29,169	\$30,463	\$31,814	\$33,225	\$34,698
Workmans Compensation	\$19,992	\$20,878	\$21,804	\$22,771	\$23,781	\$24,836
Payroll Taxes	\$21,689	\$22,651	\$23,656	\$24,705	\$25,800	\$26,945
Employee Education	\$2,500	\$2,611	\$2,727	\$2,848	\$2,974	\$3,106
Employee Misc	\$500	\$522	\$545	\$570	\$595	\$621
Office Supplies	\$14,321	\$14,758	\$15,208	\$15,672	\$16,150	\$16,643
General Supplies	\$12,720	\$13,108	\$13,508	\$13,920	\$14,345	\$14,783
Caustic Soda	\$45,000	\$47,723	\$50,610	\$53,672	\$56,920	\$60,364
Pest Control	\$1,200	\$1,237	\$1,274	\$1,313	\$1,353	\$1,395
Safety Equipment	\$2,000	\$2,061	\$2,124	\$2,189	\$2,255	\$2,324
Fuel/Mileage/Generator	\$6,600	\$6,815	\$7,037	\$7,266	\$7,503	\$7,747
Miscellaneous	\$10,000	\$10,305	\$10,620	\$10,944	\$11,277	\$11,621
Garbage	\$1,000	\$1,065	\$1,134	\$1,207	\$1,286	\$1,369
Power	\$83,000	\$88,382	\$94,114	\$100,217	\$106,716	\$113,636
Telephones	\$5,000	\$5,324	\$5,670	\$6,037	\$6,429	\$6,846
SCADA	\$1,250	\$1,288	\$1,327	\$1,368	\$1,410	\$1,453
Water	\$7,700	\$8,199	\$8,731	\$9,297	\$9,900	\$10,542
Propane	\$2,000	\$2,130	\$2,268	\$2,415	\$2,571	\$2,738
Professional Service	\$131,500	\$135,512	\$139,647	\$143,907	\$148,298	\$152,822
Repair and Maintenance	\$33,000	\$34,832	\$36,765	\$38,279	\$39,856	\$41,497
License Permits and Membership Fees	\$69,905	\$72,038	\$74,236	\$76,501	\$78,835	\$81,240
Insurance	\$32,500	\$35,623	\$38,776	\$41,249	\$43,881	\$45,764
<b>Total</b>	<b>\$950,393</b>	<b>\$993,903</b>	<b>\$1,039,324</b>	<b>\$1,085,515</b>	<b>\$1,133,884</b>	<b>\$1,183,624</b>

## 2.4 Capital Improvement Projects

In addition to the costs associated with daily operation and maintenance, the District estimates rate funded capital project spending needs around \$441,000 per year for the study period based on system depreciation and sludge removal. The District also needs to accomplish major capital projects during the study period such as the Carter Basin Pipeline, the Apple Colony Lift Station, and the Apple Colony Pipeline; however, these projects will only occur if grant funding becomes available. Under the proposed financial plan, rate funded CIP spending levels will increase as revenue becomes available through the rate adjustment plan. The average proposed rate funded CIP spending for the 5-year rate setting period is \$310,000 a year. The projected CIP spending includes \$60,000 a year in sludge removal costs. Table 8 shows the planned annual CIP expenses for the study period.

**Table 8. Planned Capital Expenditures**

Capital Funding Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Grants (if available)	\$1,500,000	\$5,000,000	\$13,000,000	\$1,450,000	\$37,450,000	\$1,300,000
Rates	\$258,500	\$260,000	\$285,000	\$310,000	\$335,000	\$360,000
<b>Total</b>	<b>\$1,758,500</b>	<b>\$5,260,000</b>	<b>\$13,285,000</b>	<b>\$1,760,000</b>	<b>\$37,785,000</b>	<b>\$1,660,000</b>

## 2.5 Debt Service

The District currently has outstanding annual debt service payments of approximately \$180,500 a year. Outstanding debt includes the USDA Installment Payment. Table 9 shows the Sewer utility’s annual debt service payment schedule by loan as well as the total debt service payment.

*Table 9. Sewer Debt Service Payment Schedule*

Description	Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
USDA Installment Payment	Principal	\$105,000	\$110,000	\$110,000	\$115,000	\$115,000	\$120,000
USDA Installment Payment	Interest	\$75,500	\$73,400	\$71,200	\$69,000	\$66,700	\$64,400
<b>Total</b>		<b>\$180,500</b>	<b>\$183,400</b>	<b>\$181,200</b>	<b>\$184,000</b>	<b>\$181,700</b>	<b>\$184,400</b>

## 2.6 Proposed Reserve Policy

The District must maintain an appropriate reserve balance to ensure that day-to-day operations will continue during emergencies and guarantee the future stability of the system. The District’s only formal reserve policy is to transfer \$60,000 a year into a fund for sludge removal. This amount was included in the capital plan. The District does have the following cash accounts and starting balances (FY 2026):

**Cash:** Liquid non-reserve funds with a balance of \$2.3 million

**Restricted Cash:** Restricted funds which include the bond reserve with a balance of \$666,840

**Designated Cash:** Specific reserve funds with a balance of \$2.0 million

**Property Tax:** An account which holds the District’s property tax revenues with a balance of \$1.1 million

The financial plan proposed in this study will maintain the District’s cash balance levels.

## 2.7 Status Quo Financial Proforma

Table 10 shows the status quo financial proforma throughout the study period based on the financial inputs described in the previous sections.

*Table 10. Status Quo Financial Proforma*

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Cash Position Opening Balance</b>	<b>\$6,115,936</b>	<b>\$6,384,904</b>	<b>\$6,319,749</b>	<b>\$6,186,372</b>	<b>\$5,979,005</b>	<b>\$5,700,569</b>
<b>Revenues</b>						
Sewer Rate Revenue	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948
Non-Operating Revenue	\$493,413	\$207,200	\$207,200	\$207,200	\$207,200	\$207,200
<b>Total Revenues</b>	<b>\$1,658,361</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>	<b>\$1,372,148</b>
<b>Expenses</b>						
Operating Expenses	\$950,393	\$993,903	\$1,039,324	\$1,085,515	\$1,133,884	\$1,183,624
Current Debt Service	\$180,500	\$183,400	\$181,200	\$184,000	\$181,700	\$184,400
<b>Total Operating and Debt Service</b>	<b>\$1,130,893</b>	<b>\$1,177,303</b>	<b>\$1,220,524</b>	<b>\$1,269,515</b>	<b>\$1,315,584</b>	<b>\$1,368,024</b>
<b>Net Revenues Before CIP</b>	<b>\$527,468</b>	<b>\$194,845</b>	<b>\$151,623</b>	<b>\$102,633</b>	<b>\$56,564</b>	<b>\$4,124</b>
<b>Capital Expenditure</b>						
Grant Funded (If Available)	\$1,500,000	\$5,000,000	\$13,000,000	\$1,450,000	\$37,450,000	\$1,300,000
Rate Funded	\$258,500	\$260,000	\$285,000	\$310,000	\$335,000	\$360,000
<b>Net Income</b>	<b>\$268,968</b>	<b>-\$65,155</b>	<b>-\$133,377</b>	<b>-\$207,367</b>	<b>-\$278,436</b>	<b>-\$355,876</b>
<b>Ending Balance</b>	<b>\$6,384,904</b>	<b>\$6,319,749</b>	<b>\$6,186,372</b>	<b>\$5,979,005</b>	<b>\$5,700,569</b>	<b>\$5,344,693</b>
Restricted Reserves	\$1,816,840	\$1,916,840	\$2,016,840	\$2,116,840	\$2,216,840	\$2,316,840
Available/Designated Cash	\$4,568,064	\$4,402,909	\$4,169,532	\$3,862,165	\$3,483,729	\$3,027,853
<b>Reserve Target</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>

## 2.8 Proposed Financial Plan Proforma

Based on the projected total revenue and necessary costs to be recovered during the study period, RDN built a financial plan that will generate sufficient revenues for the day-to-day operation and annual CIP and make appropriate contributions to reserves. The proposed financial plan will generate approximately \$1.1 million more revenue for the District, which will allow for the needed rate funded capital projects while maintaining the current fund balances. Table 11 shows the proposed financial plan through the study period under the proposed rate plan.

*Table 11. Proposed Financial Plan Pro Forma*

Proposed Rate Adjustment	0.0%	6.0%	6.0%	6.0%	6.0%	6.0%
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>Cash Position Opening Balance</b>	<b>\$6,115,936</b>	<b>\$6,384,904</b>	<b>\$6,389,646</b>	<b>\$6,400,257</b>	<b>\$6,415,413</b>	<b>\$6,442,749</b>
<b>Revenues</b>						
Sewer Rate Revenue	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948	\$1,164,948
Adjusted Sewer Rate Revenue	\$0	\$69,897	\$143,988	\$222,524	\$305,772	\$394,015
Non-Operating Revenue	\$493,413	\$207,200	\$207,200	\$207,200	\$207,200	\$207,200
<b>Total Revenues</b>	<b>\$1,658,361</b>	<b>\$1,442,045</b>	<b>\$1,516,135</b>	<b>\$1,594,672</b>	<b>\$1,677,920</b>	<b>\$1,766,163</b>
<b>Expenses</b>						
Operating Expenses	\$950,393	\$993,903	\$1,039,324	\$1,085,515	\$1,133,884	\$1,183,624
Current Debt Service	\$180,500	\$183,400	\$181,200	\$184,000	\$181,700	\$184,400
<b>Total Operating and Debt Service</b>	<b>\$1,130,893</b>	<b>\$1,177,303</b>	<b>\$1,220,524</b>	<b>\$1,269,515</b>	<b>\$1,315,584</b>	<b>\$1,368,024</b>
<b>Net Revenues Before CIP</b>	<b>\$527,468</b>	<b>\$264,742</b>	<b>\$295,611</b>	<b>\$325,156</b>	<b>\$362,336</b>	<b>\$398,139</b>
<b>Capital Expenditure</b>						
Grant Funded (If Available)	\$1,500,000	\$5,000,000	\$13,000,000	\$1,450,000	\$37,450,000	\$1,300,000
Rate Funded	\$258,500	\$260,000	\$285,000	\$310,000	\$335,000	\$360,000
<b>Net Income</b>	<b>\$268,968</b>	<b>\$4,742</b>	<b>\$10,611</b>	<b>\$15,156</b>	<b>\$27,336</b>	<b>\$38,139</b>
<b>Ending Balance</b>	<b>\$6,384,904</b>	<b>\$6,389,646</b>	<b>\$6,400,257</b>	<b>\$6,415,413</b>	<b>\$6,442,749</b>	<b>\$6,480,888</b>
Restricted Reserves	\$1,816,840	\$1,916,840	\$2,016,840	\$2,116,840	\$2,216,840	\$2,316,840
Available/Designated Cash	\$4,568,064	\$4,472,806	\$4,383,417	\$4,298,573	\$4,225,909	\$4,164,048
<b>Reserve Target</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>	<b>\$6,115,936</b>

## 2.9 Revenue Requirements

Table 12 displays the District’s revenue requirements for FY 2027. The total expense for operating, capital, and debt service is offset by non-operating revenues to compute the revenue requirements that need to be recovered from customers’ rates. RDN proposes annual revenue adjustments of 6.0 percent per year for FY 2027 through FY 2031 to reach the financial goals set by the District. The recommended adjustments will balance the budget, maintain cash balances, and fund debt service requirements through the study period.

*Table 12. Revenue Requirements for the Cost of Service Analysis*

Revenue Requirements	FY 2027
O&M Expenses	\$993,903
Debt Service	\$183,400
Capital Expenditures (CIP)	\$260,000
Non-Operating Revenue	-\$207,200
Net Balance From Operations	-\$65,155
<b>Rate Revenue Requirement</b>	<b>\$1,164,948</b>

### 3 COST OF SERVICE AND RATE DESIGN

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The purpose of a Cost of Service (COS) analysis is to allocate costs among customers commensurate with their service requirements. The Sewer system’s COS analysis utilizes a three-step approach to allocate costs equitably among customers. These steps include 1) functionalization of costs, 2) cost classification, and 3) cost allocation to customers. Provided below is a detailed discussion of the Sewer COS analysis conducted for the District and the specific steps taken for the analysis.

#### 3.1 Functionalization of Costs

The functions included in a Sewer study are:

- **Customer Service** – costs to provide billing and customer service
- **Sewer Operations** – costs associated with the transmission and treatment of sewer flow
- **Administrative and General** – costs not directly related to the other operating functions

RDN carefully distributed each of the O&M expenses and the asset items into the District’s sewer system functions. Table 13 and Table 14 show the allocation of the operating budget and the District’s sewer assets to the standard sewer functions, respectively.

*Table 13. Percentage of Operating Costs Allocated to Standard Functions<sup>5</sup>*

O&M Expense	Cost	Percent
Customer Service	\$5,000	0.5%
Operations	\$305,450	32.1%
Admin and General	\$639,943	67.3%
<b>Total</b>	<b>\$950,393</b>	<b>100.0%</b>

*Table 14. Percentage of Assets Allocated to Standard Functions*

Asset Value	Value	Percent
Customer Service	\$0	0.0%
Operations	\$8,395,276	99.9%
Admin and General	\$12,021	0.1%
<b>Total</b>	<b>\$8,407,297</b>	<b>100.0%</b>

Once costs were functionalized, RDN further classified costs into service categories (cost causative components). The cost causative components include:

- **Customer Service** – costs to provide billing and customer service
- **Operations** - costs associated with the transmission and treatment of sewer flow

Table 15 and Table 16 show the percentage of the functionalized operating costs and asset values allocated to cost causative components, respectively. Administrative and general costs are allocated based on the percentage of costs allocated to each component based on the total cost of the other categories.

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<sup>5</sup> Costs are allocated based on an analysis of individual budget and asset line items

*Table 15. Percent of Operating Costs Allocated to Cost Causative Components*

Function	Total	Operations	Customer Service
Customer Service	\$5,000	0.0%	100.0%
Operations	\$305,450	100.0%	0.0%
Admin and General	\$639,943	98.4%	1.6%
<b>Total</b>	<b>\$950,393</b>	<b>98.4%</b>	<b>1.6%</b>

*Table 16. Percent of Asset Values Allocated to Cost Causative Components*

Function	Total	Operations	Customer Service
Customer Service	\$0	0.0%	100.0%
Operations	\$8,395,276	100.0%	0.0%
Admin and General	\$12,021	100.0%	0.0%
<b>Total</b>	<b>\$8,407,297</b>	<b>100.0%</b>	<b>0.0%</b>

Table 17 shows the results of the cost of service analysis. The total rate revenue requirements are allocated to cost components that will be used to complete the rate design.

*Table 17. Total Cost of Service Allocated to Cost Components*

Category	Total	Operations	Customer Service
O&M Revenue Requirements	<b>\$993,903</b>	\$977,896	\$16,007
Non-Operating Revenue Requirements	<b>\$443,400</b>	\$443,400	\$0
Total	<b>\$1,437,303</b>	\$1,421,296	\$16,007
		99%	1%
Other Operating Revenue	<b>\$0</b>	\$0	\$0
Non-Operating Revenue	<b>-\$207,200</b>	-\$204,892	-\$2,308
Net Balance From Operations	<b>-\$65,155</b>	-\$64,430	-\$726
<b>Rate Revenue Requirement</b>	<b>\$1,164,948</b>	<b>\$1,151,974</b>	<b>\$12,974</b>

### 3.2 Rate Derivation

District engineering staff has determined the relative EDU value of 42 different customer categories<sup>6</sup>. The ratio of each customer category is shown in Table 18. To calculate the individual annual bill for each customer, the number of EDUs applicable to that customer is summed then multiplied by the proposed cost per EDU. For residential customers, the number of EDUs is 1.00.

<sup>6</sup> Tuolumne City Sanitary District – Exhibit A – User Classification Table

**Table 18. EDU Multiplier Calculation**

Customer Category	Multiplier	Unit	Customer Category	Multiplier	Unit
Single Family Residence	1.00		Bowling Alley	0.46	Alley
Accessory Dwelling Unit	1.00		Theater	0.02	Seat
Apartment/Mobile Home	1.00		Laundry	0.50	Machine
Motels	0.25	Room	Cleaners+	0.70	Machine
Rooming House	0.25		Plant w/office	0.07	Employee
<b>Campground</b>			Fire station	1.00	
Overnight Trailer/Dumping Facility	0.20	Space	Professional Offices	1.00	
RV individual Hookup	0.50	Space	Physician/Dentist	1.00	Office
Barber Shop	1.00		Retail Store	2.00	
Beauty Shop	2.00		Public Pool	1.00	
<b>Service Station</b>			Car Wash	2.80	Stall
W/Public Restroom	2.60		Food Market+	2.00	
Self Service	1.00		W/Grinder	1.00	Grinder
Rec Vehicle Dump Station	1.00	Dump Station	Fairgrounds	4.00	
Auto Repair Shop	1.00		Public Buildings	1.00	
Mortuary	1.00		Hospital	0.80	Bed
Bakeries	1.00		Schools	0.07	ADA
<b>Restaurant</b>			Meeting Halls	1.00	
Walk in	0.08	Seat	Public Restroom+	1.16	Toilet
24 hour	0.19	Seat	Wash Basin	0.47	Basin
w/banquet	0.05	Seat	Long-term Care Facilities	0.42	Bed
Drive-in	1.00		Industrial Bldg	0.70	Employee
Bars/Taverns	0.09	Seat			

Table 19 shows the test year cost of service based fixed charge for each unit.

**Table 19. Cost of Service Fixed Charge Derivation**

Customer Category	Unit	Rate	Customer Category	Unit	Rate
Single Family Residence		\$633.00	Bowling Alley	Alley	\$291.18
Accessory Dwelling Unit		\$633.00	Theater	Seat	\$12.66
Apartment/Mobile Home		\$633.00	Laundry	Machine	\$316.50
Motels	Room	\$158.25	Cleaners+	Machine	\$443.10
Rooming House		\$158.25	Plant w/office	Employee	\$44.31
<b>Campground</b>			Fire station		\$633.00
Overnight Trailer/Dumping Facility	Space	\$126.60	Professional Offices		\$633.00
RV individual Hookup	Space	\$316.50	Physician/Dentist	Office	\$633.00
Barber Shop		\$633.00	Retail Store		\$1,266.00
Beauty Shop		\$1,266.00	Public Pool		\$633.00
<b>Service Station</b>			Car Wash	Stall	\$1,772.40
W/Public Restroom		\$1,645.80	Food Market+		\$1,266.00
Self Service		\$633.00	W/Grinder	Grinder	\$633.00
Rec Vehicle Dump Station	Dump Station	\$633.00	Fairgrounds		\$2,532.00
Auto Repair Shop		\$633.00	Public Buildings		\$633.00
Mortuary		\$633.00	Hospital	Bed	\$506.40
Bakeries		\$633.00	Schools	ADA	\$44.31
<b>Restaurant</b>			Meeting Halls		\$633.00
Walk in	Seat	\$50.64	Public Restroom+	Toilet	\$734.28
24 hour	Seat	\$120.27	Wash Basin	Basin	\$297.51
w/banquet	Seat	\$31.65	Long-term Care Facilities	Bed	\$265.86
Drive-in		\$633.00	Industrial Bldg	Employee	\$443.10
Bars/Taverns	Seat	\$56.97			

To produce the proposed rate structure, the cost of service based rates are multiplied by the proposed annual revenue adjustment. Table 20 shows the proposed fixed charges for the study period. The proposed Fixed charges for FY 2027 should be implemented July 1, 2026.

*Table 20. Proposed Fixed Charges*

Rate Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly	\$55.92	\$59.28	\$62.84	\$66.61	\$70.61
Annual	\$671.04	\$711.36	\$754.08	\$799.32	\$847.32

### 3.3 Bill Impact and Comparison

To assess the impacts on District customers, RDN performed a bill impact analysis.

#### Customers Bill Impact

This analysis compares the rate per billing unit under current and proposed rates. In FY 2027, District residential customers will see an increase of \$3.17 a month, or \$38.04 per year in their sewer bill. Figure 3 shows the proposed monthly rate increases for the next five years compared to other local agencies. Adopted rate increases which have been approved through the Proposition 218 process for each agency are shown in the figure as well. Under the proposed rate schedule, TCSD will remain the lowest cost sewer service in the region of the agencies surveyed.

*Figure 3. Current vs. Proposed Rates for Residential Customers with 1 Unit*



## 4 CONCLUSION

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RDN recommends the following changes and modifications to the current rates and fees based on the findings of the Study:

- Adopt the proposed financial plan which will allow the District to maintain reserves and accomplish capital spending targets
- Adjust revenues each year of the study period by 6 percent
- Align the cost allocation for customers based on the Cost of Service analysis.

### Proposed Sewer Rates

Table 21 and Table 22 show the proposed revenue adjustments and rates for the study period, respectively.

*Table 21. Proposed Revenue Adjustments*

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue Adjustment	6.0%	6.0%	6.0%	6.0%	6.0%

*Table 22. Proposed Sewer Rates*

Rate Category	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Monthly	\$55.92	\$59.28	\$62.84	\$66.61	\$70.61
Annual	\$671.04	\$711.36	\$754.08	\$799.32	\$847.32



**RESOLUTION NO. 2026-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE CITY  
SANITARY DISTRICT ADOPTING A FIVE-YEAR SCHEDULE OF SEWER RATE  
INCREASES OF SIX PERCENT (6%) PER YEAR**

**WHEREAS**, the Tuolumne City Sanitary District (the “District”) is a sanitary district organized and existing under the laws of the State of California and is authorized to provide wastewater collection, treatment, and disposal services and to establish, levy, and collect fees and charges therefor; and

**WHEREAS**, any increase in fees and charges for property-related wastewater service must comply with the procedural and substantive requirements of Article XIII D, Section 6, of the California Constitution (enacted by the voters as Proposition 218 in 1996); and

**WHEREAS**, the District has prepared (or caused to be prepared) a sewer rate study analyzing the cost of providing service, projected revenue requirements, and the need for rate adjustments to maintain financial stability, fund operations, maintenance, regulatory compliance, and capital improvements; and

**WHEREAS**, on February 3, 2026, the Board of Directors authorized staff to provide notice of the proposed five-year schedule of annual six percent (6%) sewer rate increases and the date, time, and location of a public hearing on the proposal, all in compliance with Proposition 218 and applicable law; and

**WHEREAS**, in compliance with Proposition 218 and other relevant laws, staff mailed a Notice of Public Hearing and Proposed Rate Increases (“Notice”) to each affected property owner and/or customer of record in the District’s service area. The Notice contained the date, time, and place of the public hearing; a general explanation of the proposed rate increases; the amount of the fee proposed for each parcel; the basis upon which the amount was calculated; the reason for the proposed increases; and

**WHEREAS**, on May 5, 2026, the Board conducted a duly noticed public hearing to consider the proposed five-year rate increase schedule; and

**WHEREAS**, at the public hearing, the Board reviewed and considered the proposed rate schedule, the rate study, all supporting information, written and oral testimony, and any protests submitted; and

**WHEREAS**, an opportunity was provided for all interested persons to present testimony and information concerning the proposed rates; and

**WHEREAS**, the Board has tallied all valid protests received and not withdrawn and finds that a majority protest does not exist; and

**WHEREAS**, the proposed five-year rate increase schedule is necessary to recover the reasonable costs of providing wastewater service, including increased operating expenses, capital needs, regulatory requirements, and to maintain adequate reserves for public health and safety; and

**WHEREAS**, the proposed rates are consistent with the cost-of-service principles required by Proposition 218 and do not exceed the proportional cost of service attributable to each parcel or customer; and

**WHEREAS**, the California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq.) and Section 15273 of the CEQA Guidelines exempt the establishment or modification of rates, tolls, fares, or charges for the purpose of meeting operating expenses, purchasing supplies and equipment, meeting financial reserve needs, or obtaining funds for capital projects necessary to maintain service within existing service areas; and

**WHEREAS**, the Board finds that the proposed rate increases fall within the categories exempted under CEQA Section 15273; and

**WHEREAS**, the Board finds, based on the evidence in the record, that the proposed rates do not exceed the estimated reasonable cost of providing the service and bear a fair and reasonable relationship to the burden on or benefits received by each parcel or customer; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Tuolumne City Sanitary District as follows:

1. Each of the foregoing recitals is true and correct and is incorporated herein by this reference.
2. There are 713 parcels/customers subject to the proposed rate increases. The protests received do not constitute a majority protest.
3. The Notice, a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference, is hereby approved.
4. The Board hereby adopts the five-year schedule of sewer rate increases of six percent (6%) per year, to be applied annually to all existing sewer service rates and charges, commencing July 1, 2026 and continuing each fiscal year thereafter through June 30, 2031, as more particularly set forth in **Exhibit A** attached hereto and incorporated herein by this reference. The rates adopted herein shall constitute the maximum rates that may be charged during the five-year period unless further action is taken by the Board.
5. The Board further finds that each of the following is true and correct: a. Each fee imposed herein is a levy other than an ad valorem tax, a special tax, or an assessment, and is imposed upon a parcel or a person as an incident of property ownership consisting of a user fee for wastewater service. b. This wastewater service fee is for property-related services having a direct relationship to property ownership. c. Revenues derived from the

fee imposed herein will not exceed the funds required to provide property-related wastewater service. d. The revenues derived from the fee will not be used for any other purpose other than that for which the fee is imposed. e. The fee imposed herein does not exceed the proportional cost of service attributable to each parcel or customer. f. No fee is imposed unless wastewater service is actually used by, or immediately available to, the owner of the property in question. No fee is imposed on the basis of a mere potential of future use of the service. g. No fee is imposed for any general governmental service or any service that is not provided directly to the payor.

6. The General Manager (or designee) is authorized and directed to implement the adopted rate schedule, to bill and collect the rates as provided by law (including placement on the county tax roll where appropriate), and to take all necessary actions to effectuate this Resolution.
7. This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Governing Board of the Tuolumne City Sanitary District, Tuolumne County, California, on May 5, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:

ATTEST:

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John Feriani, Board President

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Brenda Bonillo, District Secretary

STATE OF CALIFORNIA)  
COUNTY OF TUOLUMNE) ss.  
TUOLUMNE CITY SANITARY DISTRICT)

CERTIFICATION OF TUOLUMNE CITY SANITARY DISTRICT RESOLUTION

I, Brenda Bonillo, District Secretary of the Tuolumne City Sanitary District, do hereby certify that this is a true and correct copy of the original Resolution No. 2026 – 03 adopted by the Governing Board of Directors of the Tuolumne City Sanitary District, California on May 5, 2026, which is now on file in my office.

Witness my hand and seal of the Tuolumne City Sanitary District, California, this 5th day of May 2026.

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Brenda Bonillo, District Secretary



## Proposition 218 Notice of Proposed Sewer Rate Adjustments

### NOTICE OF PUBLIC HEARING

A public hearing regarding Tuolumne City Sanitary District's proposed sewer rate increases will be held on:

**DATE:** Tuesday, May 5, 2026

**TIME:** 6:00 p.m.

**WHERE:** Tuolumne City Sanitary District Office, 18050 Box Factory Road, Tuolumne, CA 95379

Written protests to the proposed rate increases will be accepted if received at the District office by the end of the public hearing on May 5, 2026, as long as the protests conform to the Proposition 218 procedures provided in this notice.

The rate study is available on the District website and at the District Office.

### INTRODUCTION

The last sewer rate study conducted by the Tuolumne City Sanitary District (District) occurred in 2011. Since that time, regulations and costs for the District have changed considerably. The District, as required by Article XIID of the California Constitution (Proposition 218), has conducted a new sewer rate study to review the existing rates, and to determine the estimated future costs of maintaining the District's high level of service and meeting State regulations.

This 45-day notice is hereby given in accordance with Section 6(a) of Article XIID of the California Constitution. The purpose of this notice is to provide you with information about the proposed rate increase and changes in methodology, and to inform you about your opportunity to protest the rate increase by submitting written protests prior to or during the public hearing. On March 3rd, the District considered the sewer rate study and directed District staff to send out this notice.

### REASONS FOR THE CHANGES

**As a public agency, the revenues collected from rates must adequately fund District operations, maintenance, capital improvement projects, and compliance with existing or new State of California regulations; and meet environmental standards. The immediate needs over the next five years include:**

- **Funding Capital Projects** – The District must maintain the sewer system assets on a regular basis to ensure that major system failures do not occur. While rates will not fully cover the projects, some mix of rates, loans, and grants may be required.
- **Maintaining Healthy Reserves** – The District must prepare for future capital replacements and potential emergencies. In order to be fully prepared for all situations the District is building a reserve fund.

District staff provided a history of financial information to demonstrate the need to increase rates to support the ongoing operation of the District. The sewer rate study was conducted by Robert D.

Niehaus, Inc. (RDN), an independent economic consulting firm. Using economic trends in California and the District’s detailed financial history, RDN recommended revenue increases to ensure the sewer utility meets its reserve goals while having the funds to upgrade its aging systems and equipment, extend the life of existing equipment, and build reserve funds. As a public agency, all rates, fees and charges are calculated to cover only the actual cost of providing safe and reliable sewer service that meets State and Federal requirements. The District does not make a profit.

**HOW THE RATES WERE CALCULATED**

**Financial Planning and Revenue Requirements:** The rate study calculated a 5-year financial plan based on the projected revenues and annual costs which include operating, debt service, and capital expenses. The District’s target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.

**Cost of Service:** The study evaluated the customer classifications and allocated costs based on their service requirements.

**Rate Design:** The study designed rates to equitably recover the rate revenue requirements from each customer.

**THE PROPOSED RATE STRUCTURE CHANGES ARE AS FOLLOWS:**

The proposed rates maintain the District’s current rate structure of billing customers based on an (Equivalent Dwelling Unit) EDU basis. The recommended rate adjustments will allow the District to maintain healthy reserve fund balances, maintain planned debt service requirements, and execute necessary capital improvement projects over five-year study period. Proposed annual revenue adjustments presented in this Study are 6.0 percent per year as outlined in Table 1 below. If approved, this rate adjustments will take place on July 1, 2026.

**Table 1. Current and Proposed Fixed Charges**

Fixed Charge	Current	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Charge per EDU	\$52.75	\$55.92	\$59.28	\$62.84	\$66.61	\$70.61

**HOW TO PROTEST PROPOSED SEWER RATE CHANGES AND INCREASES**

This notice has been mailed to each parcel owner and account holder. Persons responsible for the payment of the sewer charges who wish to protest the increases can send in a written protest to the address below or attend the public hearing on the increases to register their written protest at the hearing. **Only one written protest per assessor parcel relating to the rate increase will be heard.** Written protests must be received prior to or during the public hearing on May 5, 2026. Any written protests received after the close of the public hearing will not be counted. All written protests must (at a minimum) include the following information to be counted: Address or assessor parcel numbers of property subject to the rate increase, and a clear statement protesting a particular rate or rates pursuant to this notice. The District will not adopt the rate increase if written protests are presented by a majority (50% +1) of owners or tenants of the parcels upon which the increase will be imposed. Oral protests presented at the hearing will be heard but will not be counted. Only written protests will be counted.

Protests may be mailed or personally delivered to: **Tuolumne City Sanitary District Office, 18050 Box Factory Road (Box 1238) Tuolumne, CA 95379.** Any protest must be received at District Office no later than the end of the public hearing on May 5, 2026. Any protests received after the end of the public hearing will not be counted. E-mail or electronic protests will not be counted.

Pursuant to Government Code Section 53759, a judicial action to challenge any new, increased, or extended fee or charge must be brought within 120 days of the final approval of the fee or charge.



Customer Address:

## PROTEST FORM

To protest the proposed Sewer Rate Increase, you may complete this protest form and mail, or hand deliver to:

**Tuolumne City Sanitary District Office**  
**P.O. Box 1238**  
**18050 Box Factory Road**  
**Tuolumne, CA 95379**

**To be counted, the District must receive a mailed or hand delivered written protest no later than 6:00 PM May 5, 2026. Protests may be hand-delivered up until the end of the Public Hearing. Only one protest is allowed per parcel.**

Parcel APN(s): \_\_\_\_\_

Parcel Address(s): \_\_\_\_\_

I protest the proposed sewer rate increase to fund operation, maintenance and replacement costs related to providing sewer service to properties within the Tuolumne City Sanitary District Service Area.

I hereby declare under penalty of perjury that I am the owner of the above-listed property or the authorized representative of the owner of the above listed property.

Please sign here: \_\_\_\_\_

Please print the property owner name(s) here: \_\_\_\_\_

Comments, if any:

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# TUOLUMNE CITY SANITARY DISTRICT

TCS  
18050 BOX FACTORY ROAD  
TUOLUMNE, CA 95379

REGULAR MEETING  
STAFF REPORT  
May 5, 2026

PHONE: 209.928.3517  
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## Agenda Item No. 5

To: Board of Directors  
From: Brenda Bonillo, Office Manager  
Subject: Proposed CalPERS 457 Deferred Compensation Plan  
Date: May 5, 2026

Background: District staff has been working with CalPERS representatives (Voya Financial) putting together various information and documents required in order to join the 457 plan. The CalPERS 457 Plan is a deferred compensation plan administered by CalPERS, a California state agency.

The CalPERS 457 Plan offers employees the opportunity to defer a portion of their compensation on a pre-tax basis, with a wide range of investment options (including target retirement date funds) and low administrative costs. Participation is voluntary, and all District employees will be eligible to participate.

Fiscal Impact: There is no direct cost to the District for offering the CalPERS 457 Plan. All administrative and investment fees are paid by participating employees through their accounts. The District's only responsibility are to withhold employee deferrals from payroll and remit them timely to CalPERS.

Attachment(s): Resolution No. 2026-04 adopting CalPERS 457 Plan and Employer Adoption Agreement;

Recommendation: Approve attached Resolution No. 2026-04.

Recommended Motion: I move to adopt Resolution No. 2026-04 approving adoption of CalPERS 457 Plan, authorizing the General Manager to execute the Employer Adoption Agreement.

## **RESOLUTION NO. 2026-04**

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TUOLUMNE CITY SANITARY DISTRICT APPROVING THE ADOPTION OF CalPERS 457 Plan

WHEREAS, Tuolumne City Sanitary District desires to establish a deferred compensation plan for the benefit of its employees; and

WHEREAS, the Board of Administration (the “Board”) of the California Public Employees’ Retirement System (“CalPERS”) has established the CalPERS 457 Plan (the “CalPERS 457 Plan”) which may be adopted by a governmental employer the employees of which are public employees; and

WHEREAS, Tuolumne City Sanitary District believes that the CalPERS 457 Plan and the investment options available thereunder will provide valuable benefits to its employees; and

WHEREAS, the Board has appointed Voya Financial (the Plan Recordkeeper) to perform recordkeeping and administrative services under the CalPERS 457 Plan and to act as the Board’s agent in all matters relating to the administration of the CalPERS 457 Plan; and

NOW THEREFORE BE IT RESOLVED that the Board of Directors adopts the CalPERS 457 Plan for the benefit of its employees and authorizes and directs the General Manager to execute the attached adoption agreement on behalf of the Tuolumne City Sanitary District and to provide CalPERS or any successor agent duly appointed by the Board with such information and cooperation as may be needed on an ongoing basis in the administration of the CalPERS 457 Plan. A copy of this resolution, the agreement, and any attachments thereto shall be on file in the office of Tuolumne City Sanitary District.

THIS RESOLUTION IS APPROVED AND ADOPTED at a regular meeting of the Governing Board of the Tuolumne City Sanitary District, Tuolumne County, California, May 5, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:

ATTEST:

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John Feriani, Board President

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Brenda Bonillo, District Secretary

STATE OF CALIFORNIA)  
COUNTY OF TUOLUMNE) ss.  
TUOLUMNE CITY SANITARY DISTRICT)

CERTIFICATION OF TUOLUMNE CITY SANITARY DISTRICT RESOLUTION

I, Brenda Bonillo, District Secretary of the Tuolumne City Sanitary District, do hereby certify that this is a true and correct copy of the original Resolution No. 2026 – 04 adopted by the Governing Board of Directors of the Tuolumne City Sanitary District, California on May 5, 2026, which is now on file in my office.

Witness my hand and seal of the Tuolumne City Sanitary District, California, this 5th day of May 2026.

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Brenda Bonillo, District Secretary

# Employer Adoption Agreement

The employer identified below (the “Employer”) adopts the CalPERS 457 Plan (the “CalPERS 457 Plan” or the “Plan”) for the benefit of its employees and agrees to be bound by and subject to the terms of the Plan, as it may be amended from time to time.

The Employer further agrees and represents as follows:

1. The Employer is a political subdivision of the State of California and is eligible to adopt the Plan.
2. The Employer has duly adopted a resolution (copy attached) or taken such other official action as required for its lawful adoption and implementation of the Plan and has authorized the undersigned to execute this Agreement on its behalf.
3. The Employer has received and has had the opportunity to review the following documents and information:
  - The Plan document;
  - A description of the optional provisions of the Plan;
  - A description of the investment options available to Plan participants and historical performance data for those investment options;
  - A complete description of fees and expenses that will or may be charged to Plan participants including, but not limited to, investment fees and administrative expenses; and
  - The Enrollment Kit for eligible employees, which includes forms and information for employees to participate in the Plan.

## Contributions

4. The Employer understands that its employees will have the opportunity to defer their own compensation by designating an amount or percentage to be withheld from each paycheck and contributed to the Plan on the employee’s behalf.
5. The Employer understands that the Plan must be made available to all employees and agrees to offer all employees the opportunity to participate in the Plan.
6. The Employer understands that the Plan cannot be made available to individuals who are not the Employer’s common law employees and agrees not to offer such individuals the opportunity to participate in the Plan.
7. The Employer understands that each employee’s deferrals under the Plan and any other eligible deferred compensation plan maintained by the Employer are subject to certain limits imposed by the Plan and the federal tax code. The Employer agrees to limit employees’ deferrals under all plans maintained by the Employer to amounts that do not exceed applicable limitations.
8. The Employer agrees to deduct deferral amounts from employees’ salaries and wages in accordance with the employees’ elections, to remit all amounts deducted to the Plan as soon as reasonably practicable after such amounts are withheld, and to accurately report the amounts remitted.
9. The Employer understands and agrees that all amounts deferred under the Plan shall be 100% vested and shall be deposited in the Public Employees’ Deferred Compensation Fund (the “Fund”), a trust established to hold such amounts, for the exclusive benefit of participants and their beneficiaries. The Employer shall have no right to Fund assets or to sell, redeem, or otherwise liquidate Fund assets, except as provided Plan section 10.6.

Investments

- 10. The Employer understands and agrees that employees who defer compensation under the Plan will have the right to direct the investment of their individual Plan accounts by choosing among the investment options selected by the CalPERS Board of Administration (the "Board") and offered under the Plan. The Employer further understands and agrees that any employee who does not provide timely directions for investing his or her account will be deemed to have selected the Plan's default investment. The Plan's default investment is currently the CalPERS Target Retirement Fund designated for an employee, based on his or her expected retirement date. The Employer understands and agrees that the Board, in its sole discretion, may add, eliminate, or consolidate investment options offered under the Plan, including the Plan's default investment option.
- 11. The Employer further understands and agrees that certain fees are charged to Plan participants for investment and administration expenses, and that such fees will be offset against investment returns or deducted from participants' Plan accounts periodically.

Administration

- 12. The Employer understands and agrees that, except as specifically set forth in the Plan, the administration of the Plan and Fund is subject to the exclusive control of the Board and that the Board has the authority to retain third parties to provide investment services, record keeping, accounting, or other services for the Plan.
- 13. The Employer agrees to assist and cooperate in providing Plan information to employees and to follow administrative procedures established by the Board or its designee(s) from time to time.
- 14. The Employer has completed the attached New Employer Data Sheet, which is incorporated by reference. The Employer hereby certifies that all information provided in connection with its adoption of the Plan is true and accurate.
- 15. The Employer understands and agrees that the Board has retained the power and authority to amend the Plan from time to time, subject to limitations set forth in the California Government Code and the Plan. The Employer may not amend the Plan.
- 16. The Employer understands and agrees that its participation in the Plan may be terminated by the Employer or by the Board upon sixty (60) days advance written notice. Upon termination, all amounts held for participants will continue to be held in the Fund for the exclusive benefit of participants and their beneficiaries, except for distributions or transfers permitted under the Plan terms.

Name of Employer: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

***Accepted by CalPERS (or an agent duly appointed by the Board) on behalf of the Board of Administration of the California Public Employees' Retirement System.***

***To be completed by CalPERS***

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# TCSO CPO Monthly Operation/Maintenance Report

## April 2026

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### 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

- **2 operators completed in-person confined space training. A third operator will attend the next class in March.**
- **Operators completed an online safety course on welding safety (April 29-30)**
- **Annual refresher pesticide training was done (March 17)**
- **Annual Fire Extinguisher service (April 9)**
- **A draft Confined Space Program was completed on March 24**

### 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.

- **3,883 feet of sewer mainline cleaned.**
- **A callout to 17995 Apple Colony Rd occurred on March 16 during normal business hours. The issue was determined to belong to the property owner.**
- **A callout to an alley off Elm St. occurred during normal working hours on March 19. Responding staff did not see any signs of water surfacing anywhere in the area.**
- **A callout to the Main St alley occurred on April 4 during non-normal working hours. The complaint was water surfacing that smelled like sewer. The water was confirmed to be sewer. Upon deeper investigation it was found that an old, combined lateral that was abandoned during the Collection System Renovation Project was not capped off properly and was filling up with groundwater. Operators unearthed the pipe and properly capped it with concrete.**

# TCSD CPO Monthly Operation/Maintenance Report

## April 2026

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- A callout to the WWTP occurred on April 12 during non-normal working hours. The active alarm was for a RAS Pump Phase Failure. The pump was reset and returned to normal operation.
- A callout to the Motherlode Christian School occurred on April 17 during normal working hours. The complaint was sewer odors inside classrooms and bathrooms. The responding operator advice to fill floor drains and unused sinks with water.
- Operators have created a hard copy filing system for every parcel we service in our service area.
- The Pipehunter flush truck pressure pump was resealed by George Danicourt. Additional issues were found to need repair.
- An encroachment permit has been applied for to install a culvert on Locust St off Laurel Ave.
- Access to an interceptor manhole next to the BMX track was improved for regular and emergency access.

## Apply Colony Lift Station

Daily Apple Colony lift station inspections performed as required by SDRMA

- Nothing to report

## Plant Operations

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

- The Annual Biosolids report was submitted and certified on March 17.
- Operators gave a tour to two 5<sup>th</sup> grade classes from Summerville Elementary School on March 19.
- Annual Flow meter calibrations took place on April 2<sup>nd</sup>.

## Bakers Reservoir and Dam/Outfall line

- Freeboard was recorded at 3.0 feet on April 28
- The irrigation pump was brought online for the irrigation season.

# TUOLUMNE CITY SANITARY DISTRICT

TCS  
18050 BOX FACTORY ROAD  
TUOLUMNE, CA 95379

## REGULAR MEETING STAFF REPORT

PHONE: 209.928.3517  
EMAIL: [bbonillo@tcsdistrict.com](mailto:bbonillo@tcsdistrict.com)

To: Board of Directors  
From: Jeff Cooley, General Manager  
Subject: General Manager Report  
Date: May 5th 2026

Agenda Item: 6 (b)

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

- **CA Department of Finance Prop 1 Grant Audit of TCS District Grants**

The California Department of Finance, in coordination with the State Water Resources Control Board, conducted an audit to verify that grant expenditures complied with all requirements and that deliverables were fully met. We have received the Final Audit Report and determination by State was that we had only one minor finding and recommendation regarding procurement for professional services.

- **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.

- **Municipal Service Review Report Draft Received**

Staff received a draft MSR report draft on April 9<sup>th</sup> which was produced by the County LAFCO. The overall intent of the report is to provide an independent assessment of TCS District's wastewater service delivery to its residents and ratepayers as required under both statute and Tuolumne County LAFCO policy. This includes evaluating the current and future relationship between the availability, demand, and adequacy of wastewater services within the TCS District service area and Sphere of Influence (SOI).

- **Phase 2 Project Completion Report**

Staff completed and submitted the Phase 2 Project Completion Report to the State as per required in the grant funding agreements. This is a comprehensive report detailing all the project work completed and expenditures for the Phase 2 construction and SCADA projects. All grant funding submission requirements have been met by staff.