



FINAL
2021 -22
FISCAL YEAR BUDGET
(For the Period of July 1, 2021 – June 30, 2022)
JUNE 2, 2021

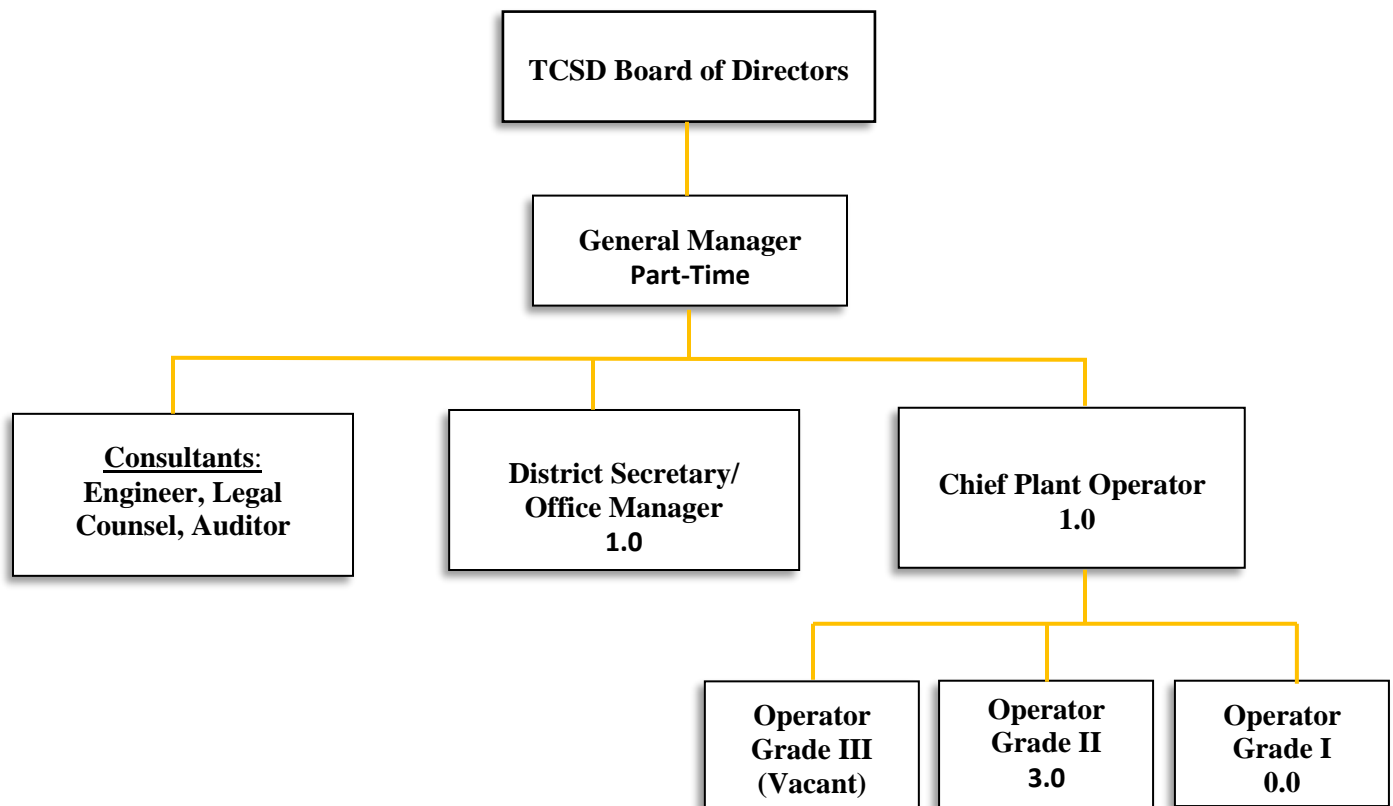
18050 Box Factory Road • (P.O. Box 1238) • Tuolumne, CA • (209) 928-3517

Tuolumne City Sanitary District **Organization**

Elected Officials: BOARD OF DIRECTORS

John Feriani, Board President
Wren Easter, Board Vice President
William Waters, Director
Jason Hart, Director
Sam Gonzales, Director

District Staff Organizational Chart



TUOLUMNE CITY SANITARY DISTRICT
BUDGET
FOR THE FISCAL YEAR ENDING
JUNE 30, 2022

BUDGETARY AND FINANCIAL POLICIES FOR FY 2021/22

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

1. Structurally Balanced Budget

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

2. Service Priorities

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

3. User Fees will cover the Cost of Services Provided

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

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

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

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

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

6. Emergency, Operating and Mandated Reserves will be maintained

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

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

7. Revenue Projections will be Conservative

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

8. Financial Reporting will use Generally Accepted Standards

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

9. Appropriate Grants will be sought

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

10. Debt Maintained at Appropriate Levels

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

11. Investments will be Conservatively Managed

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

FISCAL YEAR 2021/22 BUDGET SUMMARY

The Tuolumne City Sanitary District (*TCSD* or *District*) is a single purpose sewer District formed in July 1941 as a Special District under California Health & Safety Code Section 6400 et seq. The District currently operates a 350,000 gallon per day design flow wastewater treatment plant located in the unincorporated community of Tuolumne in Tuolumne County, California. The wastewater treatment plant (WWTP) serves a community population of approximately 1867 residents. The District has 723 total service connections with 676 of these connections being residential. The largest commercial customer within the District is the Black Oak Casino. The WWTP process includes activated sludge – extended aeration followed by secondary clarification. The Title 22 compliant effluent is piped to the District owned Grinding Rock Reservoir for storage and land application on the private Baker Ranch in accordance with a long-term disposal agreement.

The District funds its operations primarily through *User Fees*. These fees were last increased in January 2011. The fees are annually placed on the tax rolls as a *Sewer Assessment Charge* for most District customers. The District is estimating that it will collect \$1,110,024 in *sewer assessments* this fiscal year. This is approximately \$86,000 less than actual revenues received in fiscal year 2019-20 and approximately \$27,000 less than projected revenues for the 2020-21 fiscal year. These reductions are a result of the COVID-19 impacts on attendance at the Black Oak Casino. The District's two largest customers are the Tuolumne Band of the Me-Wuk Indians who own and operate the Black Oak Casino Resort and Rancheria, and the Summerville Union School District. The casino and school district are billed on a fee for service basis. The combined fees received from these two customers account for approximately 48% of the annual *sewer* revenues anticipated to be received in the 2021/22 FY. Other proposed revenues for this fiscal year include *Grant Funds*, *Connection Fees*, *Interest Income* and *Property Taxes*. A summary of the Districts anticipated revenue is provided on Chart 1, page 7.

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

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

Budgeted amounts for personnel are identified under *Salaries & Benefits*. Overall, these costs are about \$27,280 more than budgeted amounts for the prior fiscal year. There are no proposed changes in staffing levels for the fiscal year. The *Wages* category includes a one-and-one-half percent (1.5%) *Cost of Living Adjustment* (COLA) and *Merit Increases* for those employees eligible. *Retirement* costs are stable with an additional 3% of wages going to a retirement reserve fund.

The primary costs associated with the operation and maintenance of District facilities are identified in the individual *Budget Line Items*. *Services & Supplies* are down approximately \$5750 over budgeted amounts last year based on anticipated expenses. *Professional Services* are also down approximately \$32,000. *Repairs & Maintenance* is down approximately \$42,500 due to the completion of certain activities completed last year at the treatment plant and at the spray fields. *Insurance, License, Permits & Membership Fees* are up again this year by approximately \$7830 due to noticed increases.

Proposed for this years' budget is a substantial increase in funding for construction activities. Most of these activities are 100% grant funded through the *State Revolving Fund (SRF) Program*. \$1,509,859 is budgeted for the Wastewater Treatment Plant (WWTP) construction grant and \$500,000 for the Wastewater Collection System (WWCS) construction grant. The District executed the state SRF construction grant contract for the WWTP project at the May 6th, 2020 meeting and the construction grant agreement for the WWCS at the February 3rd, 2021 meeting. The District anticipates that construction could begin in the spring of 2022 on replacing portions of the collection system. Work will be focused on the Carter basin and will replace both mainlines and sewer laterals, as well as the repair and or replacement of sewer manholes. Sewer laterals on the customer's property is now eligible for funding. It is anticipated WWTP project will be completed in FY 2021-22 and the WWCS project in FY 2022-23.

The equipment purchases proposed for this year are under Capital Outlay include an additional Dumpster Box for the Dump Truck, acquisition of welding equipment (both of these purchases are carry-overs from last fiscal year) and a

Skid Steer/Loader replacement. Under *Capital Outlay – Projects*, additional funding is identified for planning work on the Apple Colony Lift Station, as well as Reservoir and Sprayfield Improvement projects. A summary of the individual *Budget Line Items* is provided on the following pages. Overall District expenses are identified on Chart 2 on page 8.

CHART 1 - REVENUE BY SOURCE

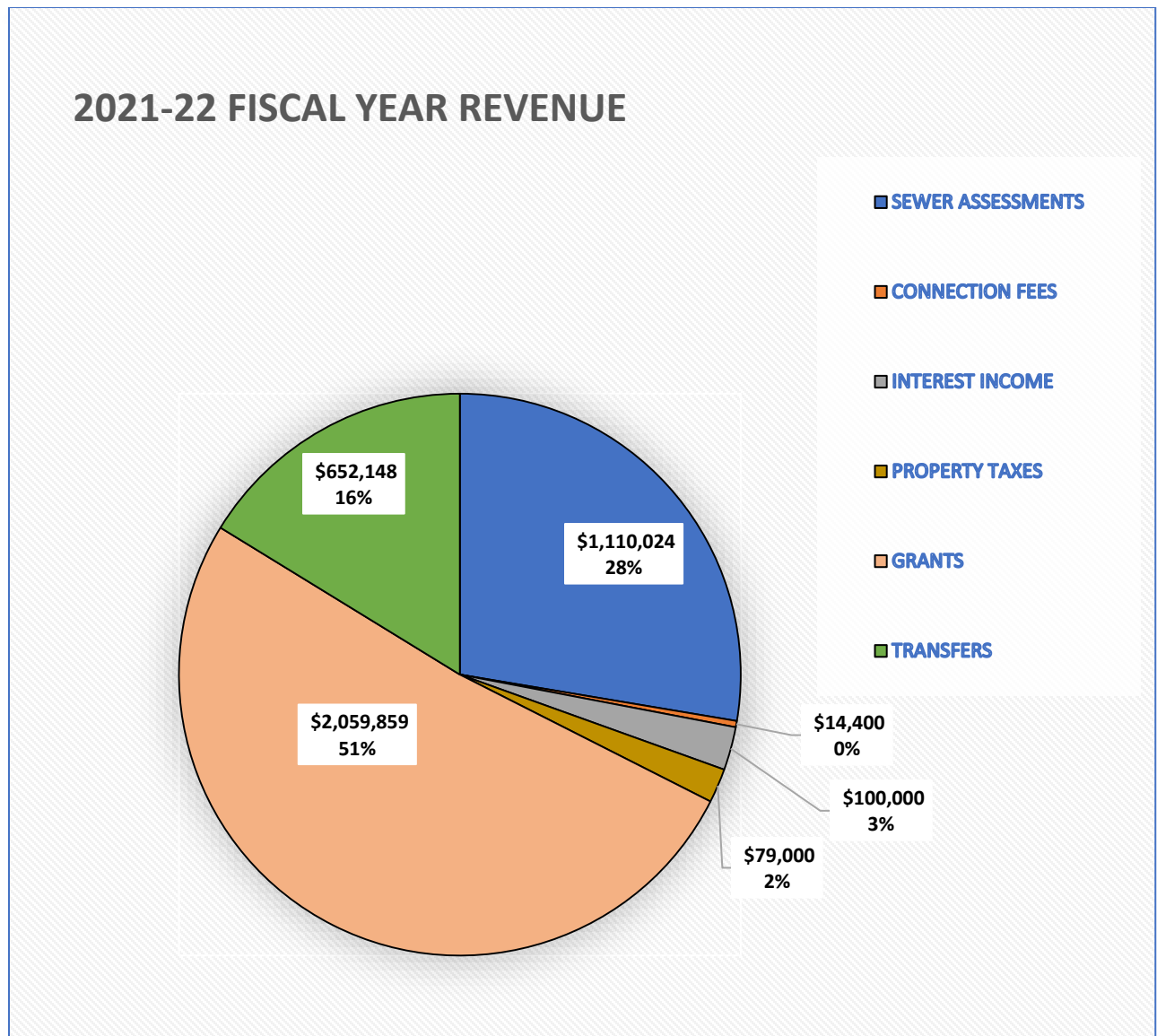
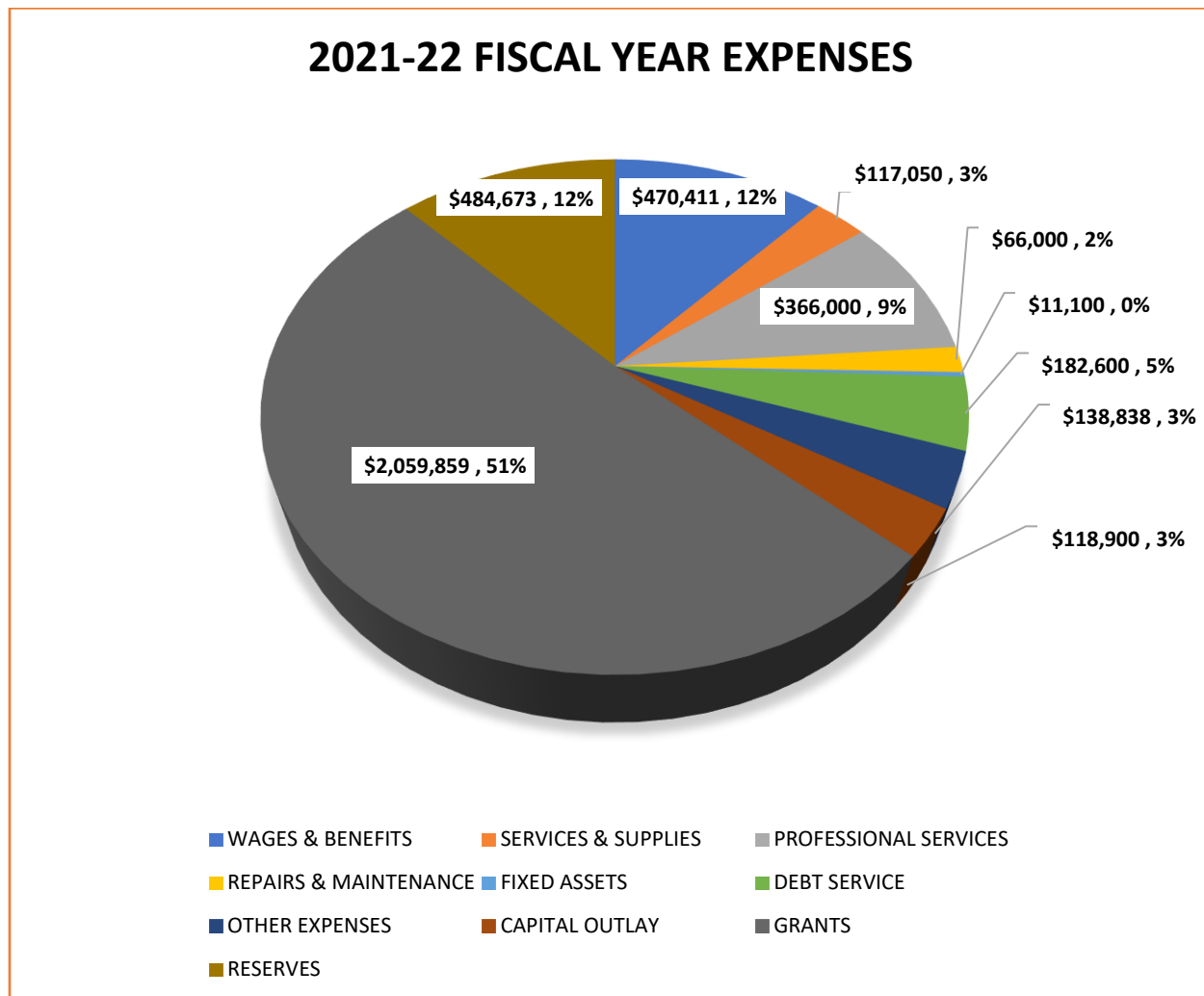


CHART 2.) Expenses by Category



In respect to personnel costs the proposed wage schedule below is recommended for approval to be effective January 1, 2022. The current wage schedule is proposed to be increased by approximately one-and-one-half percent (1.5%) to reflect the increase in the *cost of living*. This schedule also incorporates an increase in the state mandated minimum wage. Current employees would receive this increase on January 1, 2022 and would also be eligible for a *Merit Increase* of 5% on their anniversary date, provided the employee has not reached Step 5. *Merit Increases* are subject to satisfactory job performance.

**TUOLUMNE CITY SANITARY DISTRICT
HOURLY WAGE SCHEDULE
(JANUARY 1, 2022)**

JOB TITLE	POSITIONS	RANGE #	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
WASTEWATER OPERATIONS							
Wastewater Chief Plant Operator	1	32	\$32.56	\$34.19	\$35.90	\$37.69	\$39.58
Wastewater Operator - Grade 3	0	26	\$28.13	\$29.53	\$31.01	\$32.56	\$34.19
Wastewater Operator - Grade 2	3	22	\$25.51	\$26.79	\$28.13	\$29.53	\$31.01
Wastewater Operator - Grade 1	0	16	\$22.04	\$23.14	\$24.30	\$25.51	\$26.79
Wastewater Operator Trainee (OIT)		8	\$18.13	\$19.04	\$19.99	\$20.99	\$22.04
Wastewater Operator Intern		4	\$16.45	\$17.27	\$18.13	\$19.04	\$19.99
Laborer		1	\$15.28	\$16.04	\$16.85	\$17.69	\$18.57
ADMINISTRATION							
General Manager		Wages	Paid	Per	Contract	Part	Time
District Engineer		Wages	Paid	Per	Contract	Part	Time
District Secretary / Office Manager	1	32	\$32.56	\$34.19	\$35.90	\$37.69	\$39.58
Full Time Equivalent (FTE)							
TOTAL FTE POSITIONS	5						