



**TRUCKEE SANITARY DISTRICT
FISCAL YEAR 2023
ANNUAL BUDGET**



*Committed to Protecting Truckee's
Public Health and Environment Since 1906*

Adopted June 16, 2022

**TRUCKEE SANITARY DISTRICT
FISCAL YEAR - 2023
ANNUAL BUDGET**

Board of Directors:

Denny Anderson, President

Brian K. Smart, Vice President

Jerry Gilmore

Nelson Van Gundy

Marcus Waters, DC

District Budget Workgroup:

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TABLE OF CONTENTS

RESOLUTION ADOPTING THE FY23 ANNUAL BUDGET

BUDGET MEMORANDUM FROM GENERAL MANAGER

TABLES

1. Annual Budget – All Funds – FY23
2. Operating Budget – Fund 1 - FY23 - Comparison to FY22 Budget and Projected Actuals
3. Staffing Plan – FY23
4. Outside Services Budget Detail – FY23
5. Computer Hardware, Software, IT Support Budget Detail – FY23
6. Travel & Training Budget Detail – FY23
7. Capital Improvement – Fund 4 – 5-Year Budget Plan – FY23 thru FY27
8. Capital Improvement – Fund 5 – 5-Year Budget Plan – FY23 thru FY27
9. Description of Capital Projects – FY23
10. Fleet and Equipment Replacement Schedule – FY23 thru FY27
11. Fund Balance – FY23

APPENDICES

- A. Operating Budget Detail – Budgeted Expenditures By Category, Code and Department
- B. 20-Year Reserve Fund Forecast Table, Assumptions and Chart
- C. SAD 5 (Fund 10) & Martis Valley Interceptor Cost Allocation Memorandum

**TRUCKEE SANITARY DISTRICT
BOARD OF DIRECTORS
RESOLUTION NO. 2022-111**

**A RESOLUTION ADOPTING THE OPERATING AND CAPITAL
BUDGET FOR FISCAL YEAR 2022-2023
FOR THE TRUCKEE SANITARY DISTRICT**

WHEREAS, the staff of the Truckee Sanitary District have developed a budget for fiscal year 2022-23; and

WHEREAS, the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all District funds for fiscal year 2022-23; and

WHEREAS, the Board of Directors has been provided copies of the District's budget; and

WHEREAS, the Board of Directors has reviewed the District's budget; and

WHEREAS, the Board of Directors has determined that the proposed budget is consistent with the effective delivery of services by the District; and

WHEREAS, the Board of Directors has determined that the budget shows that with necessary Board action, there will be sufficient District revenues and financial reserves to meet the District's financial obligations over the next fiscal year.

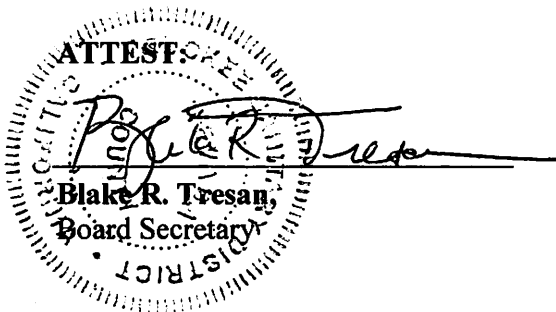
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Truckee Sanitary District does hereby adopt the budget for fiscal year 2022-2023.

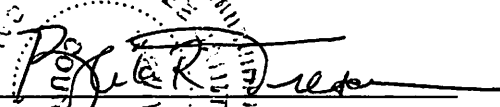
PASSED AND ADOPTED by the Board of Directors of the Truckee Sanitary District at a regular meeting of the Board, held on the 16th day of June, 2022, by the following roll call vote:

AYES:	Anderson, Gilmore, Smart, Van Gundy, Waters
NOES:	None
ABSENT:	None
ABSTAIN:	None



Dennis Anderson,
President of the Board of Directors



ATTEST:

Blake R. Tresan,
Board Secretary

MEMORANDUM



Date: June 16, 2022
To: Board of Directors
From: Blake R. Tresan, General Manager
Subject: FISCAL YEAR 2023 ANNUAL BUDGET

The purpose of this memorandum is to present the annual budget for the Truckee Sanitary District (“District”) for fiscal year 2023 (FY23). The budget lays out a financial map for the District for the period July 1, 2022 through June 30, 2023. The budget is separated into two categories: operations and capital, and tracks changes in the five District reserve funds. This year’s budget was developed with the goal of achieving the District’s mission of protecting the public health and environment while providing its customers with the highest level of service consistent with the prudent management of public funds.

The budget is summarized in Table 1 and supporting documentation is provided in subsequent tables and appendices.

This budget was prepared as a group effort and the work of Mark Wasley, Raymond Brown, Eric Sundale, and Angie Rea should be acknowledged and commended. Of course, every employee of the District deserves recognition for their hard work and continued success in achieving the District’s mission.

Organization and Business

Truckee Sanitary District is the public agency responsible for the collection and conveyance of wastewater in the greater Truckee area. The District was formed in 1906, making it one of the oldest special districts in California. Initial wastewater collection and treatment facilities serving portions of Truckee were constructed in 1908, with expansion in the ensuing years to keep up with growth in the Truckee area. The District is one of five sewer collection agencies in the Truckee-North Tahoe area that convey wastewater to the Tahoe-Truckee Sanitation Agency (T-TSA) for treatment and reclamation. TSD appoints a representative to the T-TSA Board.

The District’s boundaries encompass an area of approximately 39 square miles. The District serves about 12,035 residential units and approximately 570 commercial accounts as of June 30, 2021. Service is provided through approximately 215 miles of gravity mains, 16 miles of force mains, 187 miles of laterals and 44 lift stations.

The District is overseen by a 5-member Board of Directors that sets policies for the District including adopting the annual budget for revenues and expenses, setting rates and charges, and directing the investment of District funds. The General Manager serves as District Treasurer.

FY22 Highlights

Before presenting the FY23 budget, it is worthwhile to highlight a few FY22 items where the projected actual results differ from the approved budget:

- Operating Revenue is projected to be \$0.52 million greater than FY22 budget, primarily due to higher than budgeted property tax revenue from both Nevada and Placer Counties and additional user fee revenue due to development/growth in the District.
- Operating Expenditures are projected to be \$0.06 million less than FY22 budget after accounting for an additional discretionary contribution of \$300,000 to the District's California Pension Prefunding Trust (CEPPT) account and an additional contribution of \$0.20 million into the California Employers Retiree Benefits Trust (CERBT) account, both approved by the Board in April 2022. The reduction in expenditures, prior to the discretionary contributions were, in part, due to savings in salaries and wages due to an intentional delay in hiring of one full-time position and not utilizing seasonal laborers, savings in medical insurance premiums for employees and retirees due to a change in PERS medical plans, and lower than anticipated expenditures for activities restricted by the Covid-19 pandemic (e.g, travel, training, employee relations).
- The Board reviewed the District's Reserve Fund Policy on April 21, 2022 with minor changes incorporated in Resolution 2022-105 adopted May 19, 2022. The Reserve Fund Policy sets minimum target reserves for each of the District's funds and a 90% funded status target for the District's Pension and Retiree Health liabilities.
- The Board approved a General Fund transfer of \$1.80 million into the District's Major Capital Improvement Fund on April 21, 2022, further strengthening this Board-designated fund to pay for future capital expenditures of the District.

FY23 Budget Highlights

FY23 Fund 1 – Operating Budget

- Net operating revenues (revenues less expenditures) for FY23 are estimated to be \$1.64 million and \$2.00 million is projected to be transferred to Fund 5 to fund future capital expenditures.
- Operating revenues for FY23 are budgeted at \$11.88 million (2.22% increase over FY22 projected actuals, a 6.98% increase over FY22 budget).
 - User fee revenue is budgeted at \$4.38 million in FY23 (1.00% increase over FY22 projected actuals). User fees represent 36.9% of total operating revenues.
 - Property tax revenue is budgeted at \$7.26 million for FY23 (4.00% increase over FY22 projected actuals). Property taxes represent 61.1% of total operating revenues.
- Operating expenditure for FY23 are budgeted at \$10.30 million (a 7.29% increase from FY22 projected actuals, 6.63% increase over FY22 budget), including:
 - \$4.90 million in salaries and wages;
 - \$3.10 million in benefits and payroll burden;
 - \$0.37 million in other post-employment benefits (OPEB);
 - \$1.93 million in other operating costs.

FY23 Funds 4 & 5 – Capital Budget

- Capital expenditures in FY23 are estimated to be \$1.84 million, including:
 - \$0.10 million in capacity facilities expansion;
 - \$0.41 million in collections system improvements;
 - \$0.46 million in vehicle purchases;
 - \$0.87 million in other capital projects.

FY23 – Total Budget

- Total District reserves in FY23 are estimated to increase by approximately \$0.06 million beginning the year at \$17.00 million and ending the year at \$17.06 million.

FY23 Budget Details

A detailed description of the annual budget for FY23 is provided below.

Operating Budget – Fund 1

The majority of the District’s day-to-day financial activity is tracked through its operating budget. Funds associated with the operating budget are maintained in the General Fund or Fund 1. In FY23, staff anticipates an increase in Fund 1 operating revenues of approximately \$0.26 million and an increase of \$0.70 million in expenditures over the current year projected actuals (Table 2).

Operating Revenues

Overall, operating revenues are budgeted at \$11.88 million (2.22% increase from FY22 projected actuals, 6.98% increase from FY22 budget) – an increase of \$0.26 million over FY22 projected actuals. This increase in revenue is primarily attributable to increased property tax revenues resulting from continued residential and commercial development and rising real estate values and an estimated 1.0% increase in user fees due to an increase in the District’s customer base.

Staff is budgeting a 4.0% increase in property tax revenues over FY22 projected actuals. While fluctuating on a year-to-year basis, property tax revenues over the past 25 years have shown an average annual increase of 6.6% per year. Based on historic trends, additional development in the Truckee Community, housing inventory turn-over and rising real estate prices, staff supports using the 4.0% increase as a realistic and conservative assumption for the FY23 budget.

Operating Expenditures

Operating expenses for FY23 are budgeted at \$10.30 million (7.29% increase from FY22 projected actuals, 6.63% increase from FY22 budget). The increase (FY23 budget vs FY22 budget), is mostly attributable to a 7.0% cost of living (COLA) wage increase approved by the Board on May 19, 2022, and related increased payroll related burden costs.

Staffing: According to the staffing plan, a total of 40.92 full-time-equivalents (FTEs) will be employed by the District during the coming year (Table 3). This is an increase of 1.46 FTE from FY22 projected actuals. The staffing increase includes the addition of one full-time administrative position that was not filled for most of FY22 and seasonal field maintenance workers during the summer months. The Board-approved 7.0% cost of living adjustment (COLA) has been incorporated in the annual budget.

Employee Benefits: The District provides employees with a number of benefits including health insurance, pension contributions, social security, workers compensation insurance, Medicare tax, dental insurance and vision expense reimbursement. Overall, these benefits are estimated to cost the District \$3.10 million in FY23 (2.12% decrease from FY 22 projected actuals, 1.09% increase from FY22 budget). The decrease between FY23 budget and FY22 projected actuals is due primarily to a one-time Board approved FY22 additional discretionary contribution of \$0.30 to the District’s CEPPT account.

Pension Contributions: For FY23, the District anticipates making \$1.57 million in pension contributions to CalPERS. These contributions include \$502,000 in employer normal costs, \$204,000 in Classic employee normal costs paid for by the District, \$364,000 in required payments against the District’s UAL, and a \$500,000 discretionary contribution to the District’s CEPPT account to prefund future payments towards the UAL. Pension Prefunding Payments (CEPPT or

Additional discretionary payments (ADP) towards the District's UAL) save the District future interest payments that would otherwise be included on the outstanding UAL balance at the CalPERS discount rate (currently 6.8%). Excluding CEPPT and ADP contributions, the District's normal costs and required UALs to CalPERS in FY23 are anticipated to increase by \$107,000 over FY22 projected actuals. As the District's staffing continues to shift from Classic to PEPRA (18 to 23 respectively for FY23), pension normal costs and Classic employee normal costs will continue to decrease, with potential offsetting increases due to salary increases, CalPERS discount rate changes and other actuarial assumption changes.

Health Insurance: The District provides health insurance for its employees through a contract with CalPERS. CalPERS sets premiums for each calendar year in the prior June. For calendar 2023, medical health insurance premiums are anticipated to increase by 10% (January – June). The overall health insurance costs for the District are estimated to be \$0.82 million in FY23, a decrease of \$29,000 over FY22 projected actuals. This savings is primarily due to a change in medical plans, from PERS Choice to PERS Gold effective January 2022, (six months, FY22, vs twelve months, FY23, of savings by changing plans, even with an anticipated 10% increase in calendar 2023).

Payroll Burden: The District contributes to Social Security, Medicare, and subscribes to workers compensation insurance on behalf of the employees. Combined, these payroll burden items are anticipated to cost the District \$421,000 in FY23, an increase of \$37,000 over FY22 projected actuals, mostly attributable to an increase in salaries and wages.

Dental & Vision Coverage: The District provides dental insurance for its employees. The cost of the premiums for dental insurance is anticipated to increase by \$6,000 in FY23 over FY22 projected actuals due to an anticipated 10% increase in coverage. Vision coverage is provided through a District sponsored reimbursement program. For FY23, vision costs are anticipated to increase by \$5,000 from FY22 projected actuals.

Retiree Benefits: District retirees are eligible for health insurance benefits (OPEB) through CalPERS in accordance with a vesting program. Upon retirement, employees with 10 years of CalPERS service credit, receive 50% of their health insurance costs covered by the District. For each additional year of service with the District, employees receive a 5% increase up to 100% of their health insurance costs after 20 years of service. To be eligible, retirees must utilize the District's insurance provider. The District has two cost components associated with providing retiree health insurance: 1) the cost of premiums for retirees, and 2) contributions or disbursements to/from the District's retiree health trust fund (CERBT). For FY23, the District anticipates expenditures for health insurance premiums for retirees to be \$265,000, a \$60,000 increase over FY22 projected actuals, primarily driven by, an additional retiree, an FY22 refund of \$35,000, and anticipated increases in health insurance premium rates. The District anticipates making a CERBT contribution of \$100,000 in FY23. As of the June 30, 2021 OPEB valuation report, the value of the District's health trust fund is \$6,789,000, \$106,000 higher than the estimated OPEB liability of \$6,683,000, slightly over 100% funded. Accordingly, in future years, the District anticipates being able to take disbursements from the CERBT to help offset the actual cost of retiree premiums. Every two years, the District contracts with an actuary to determine the valuation and funded status of the District's OPEB liability.

Outside Services: Staff anticipates a \$52,000 increase in Outside Service costs in FY23 over the FY22 projected actuals. Services to be provided in this category can be seen in Table 4 and include

IT consulting services, the annual financial audit, utility billing consulting services, and other general engineering services.

IT Hardware/Software: Information technology costs for both hardware and software are anticipated to increase in FY23 by approximately \$24,000 over FY22 projected actuals. The majority of the IT costs are for routine annual software licensing and maintenance with some monies targeted for the purchase of additional work stations/laptops and mobile devices (Table 5).

Staff Training/Travel: Staff training/travel costs (Table 6) are projected to be approximately \$64,000 higher than the FY22 projected actuals. This increase is primarily due to the lifting of Covid-19 restrictions for FY23 travel/training. Local and off-site trainings, conferences, and workshops are budgeted for operations, engineering, and administrative staff in FY23.

Net Operating Revenues

Overall, operating revenues are budgeted to exceed expenditures by \$1.64 million for FY23. A total of \$2.00 million is budgeted to be transferred to Fund 5 to help fund future capital expenditures and Fund 1 is anticipated to retain sufficient funds to ensure a 60% funding reserve is available at the beginning of the following fiscal year as defined in the District's Reserve Fund Policy.

A detailed operating budget broken down by general ledger account number and department can be seen in Appendix A.

Capital Budget – Funds 4 & 5

Capital expenditures are defined as items with costs that exceed \$15,000. Capital expenditures may be capitalized and depreciated if owned by the District and have a useful life estimated to exceed five years.

Capital Budget Revenues

The District receives revenues to fund capital expenditures from a combination of sources, including connection fees, interest earnings, and transfers from Fund 1 net operating revenues. In FY23, connection fees are anticipated to generate \$0.29 million in revenue. Interest earnings are anticipated to generate approximately \$0.04 million. The majority of the District's cash reserves are kept in LAIF, yielding slightly more than 0.255% interest over the last year, with a 0.50% interest rate assumption for FY22. A total of \$2.00 million is anticipated to be transferred to Fund 5 from Fund 1 to help fund future capital expenditures.

Capital Budget Expenditures

Staff has developed a detailed 5-year capital improvement plan that includes approximately \$1.84 million in capital expenditures for FY23 and \$10.10 million over the next five years (Tables 7 and 8). Significant capital expenditures projected for FY23 include \$460,000 in vehicle purchases, \$400,000 in corporate yard parking mill & overlay, \$120,000 in lift station capacity upgrades, \$120,000 to update the District's permit and utility billing software, and \$195,000 in Town of Truckee related manhole adjustments. A brief description of each capital project can be seen in Table 9. A detailed schedule of proposed vehicle and equipment purchases can be seen in Table 10.

Fund Balances

The District projects it will start FY23 with approximately \$17.00 million in cash reserves. These District reserves are held in five funds as described below. Table 11 shows the changes in fund reserves anticipated during the upcoming year. Overall, it is projected that the District will end the year with \$17.06 million in cash reserves, an increase of approximately \$0.06 million during FY23. The District has a reserve fund policy that sets minimum target amounts for each fund. A copy of the Reserve Fund policy is available on the District's website and was most recently reviewed and readopted in May 2022. The FY23 budget indicates that all funds will meet or exceed target balances throughout FY23.

Fund 1 – General Fund (unrestricted)

Monies in Fund 1 or the General Fund are used for the day-to-day operations of the District. Revenue sources for Fund 1 consist primarily of user fees and property taxes. Expenditures include employee salaries and wages, benefits, and operating expenses. The District receives user fees and property taxes from Nevada and Placer County according to the Teeter payment schedule, with distributions only in January (55%), May (40%), & July (5%). According to the Reserve Fund Policy, the District targets starting each fiscal year with sufficient monies in Fund 1 to fund for 60% (approximately seven months (July – January)) of budgeted operating expenditures.

Fund 4 – Capital Reserve Fund (restricted)

The Capital Reserve Fund is a restricted fund for use only on projects that increase the capacity of the sewer system. Revenue sources for this fund come from connection fees and interest earnings. Expenditures include capital sewer projects that increase capacity. The District completed hydraulic model and a connection fee study in FY 2021, adopted in October, 2021, resulting in an increase in the connection fee from \$750/edu - \$1,440/edu, effective January, 2022. The District's Reserve Fund Policy sets a target minimum balance for Fund 4 at 60% of the cumulative expected expenditures over the subsequent 5 years while also calling for the connection fee to be reviewed annually for inflation and a full connection fee study to be completed every 10 years.

Fund 5 – Major Capital Improvements Reserve Fund (Board designated/unrestricted)

Fund 5 or the Major Capital Improvements Reserve Fund is a board designated fund for use on capital improvements (items with a cost of greater than \$15,000). This fund has no revenue source other than interest earnings and the transfer of net revenues from the General Fund. The District's Reserve Policy sets a target minimum balance for Fund 5 at 60% of the cumulative expected expenditures over the subsequent 5 years.

Fund 6 – Emergency Contingency Reserve Fund (Board designated/unrestricted)

The Emergency Contingency Reserve Fund is a board designated fund for use in the event of emergencies. Monies cannot be withdrawn from this fund without Board approval.

Fund 10 – SAD 5 Trust Fund (restricted)

The SAD 5 Trust Fund is a restricted fund for use on sewer-related activities in the SAD 5 (Armstrong Tract) area only. This fund was originally created with excess monies from the creation of Sewer Assessment District 5. This fund has no revenue source other than interest earnings. The District performs approximately \$60,000 of maintenance work on the SAD 5 assets each year. These monies are originally drawn from the General Fund and later allocated to and reimbursed from Fund 10. The method for determining this allocation can be seen in Appendix C. There is no minimum target balance for this fund, and Fund 10 will be utilized until fully depleted.

20-Year Forecast

Staff has included in this year's budget a model that forecasts revenues, expenditures and fund balances over a 20-year period (Appendix B). The 20-year forecast is a modeling tool used by the District as a guide to better anticipate medium and long-term trends for revenues, expenditures, and cash reserves, and to help ensure the District's financial health over time. Assumptions used for this 20 Year Forecast are included in Appendix B as is a chart depicting target and projected reserves. Trends to highlight include:

- Fund 1 – General Fund (unrestricted)
 - 1.00% annual user fee increase based on anticipated growth of customers
 - 6.00% annual user fee increase FY32 – FY36;
 - 3.00% annual property tax increase;
 - Gradual, steady anticipated decreases in Classic pension retirement expenses with gradual, smaller anticipated increases in PEPRAs pension retirement expenses.
- Reserve Fund 4 – Capital Reserve Fund (restricted)
 - Anticipated capacity related capital improvement expenditures funded solely from connection fees and interest income on Fund 4 reserve balance.
- Reserve Fund 5 – Major Capital Improvement Reserve Fund (Board designated/unrestricted)
 - Anticipated steady increases in capital improvement expenditures funded from net operating revenues and interest income on Fund 5 reserve balance.
- Fund 6 – Emergency Contingency Reserve Fund (Board designated/unrestricted)
 - Maintain balance of \$3,000,000.
- Fund 10 – SAD 5 Trust Fund (restricted)
 - Allocation of Operations & Maintenance expenses; anticipated depletion of Reserve Fund 10 – SAD 5 Trust in FY25.

As with any long-term, dynamic forecasting model, as new information that may affect financial trends materialize, staff will incorporate those changes into the model. The 20-year forecast model, with current assumptions incorporated, indicate the District's continued strong financial position moving forward.

Conclusion

The FY23 Budget provides a financial plan for the District to continue delivering its customers the highest level of service consistent with the prudent management of public funds. Total revenues of the District are anticipated to exceed the operating and capital expenditures in the upcoming year by \$0.06 million, mostly driven by capital expenditures of \$1.84 million; this outcome results in a 0.35% increase in cash reserves from \$17.00 to \$17.06 million. Overall, the District's financial position remains stable, with no debt (other than pension, OPEB and compensated absences liabilities), and cash reserves that meet or exceed the targets set forth in the District's Reserve Fund Policy. The District will continue to strive towards a 90% funded status with its pension and retiree health benefit funding strategies. As always, staff will do its best to keep the Board updated on the budget as the year progresses and welcomes the Board's input on all budget related items.

Table 1
Truckee Sanitary District
Annual Budget - All Funds - FY2023

FUND	AMOUNT
UNRESTRICTED FUNDS	
Fund 1 - General Fund	
REVENUE	
User Fees	4,380,000
Fees for Services	75,000
Tax Revenue - Ad Valorem	7,260,000
Interest Earned	62,000
Rents & Leases	3,000
Other Income	95,000
TOTAL REVENUE	<u>11,875,000</u>
EXPENDITURES	
Salaries & Wages	4,901,300
Pension Benefits	1,570,400
Health & Other Benefits	1,107,400
Payroll Burden	421,200
Retiree Health/OPEB	365,000
Liability Insurance	210,000
Repairs & Maintenance	391,700
Utilities & Phone Services	188,300
Ad Valorem & Sewer Svc Billing Fees to Counties	155,000
Operating Supplies	122,300
Fuel Expense - Unleaded & Diesel	93,000
Outside Services	222,000
Legal Fees	40,000
Travel/Training/Mtgs; Gen-Safety-EE Relations; Public Outreach	150,400
Info Tech & Office Expenses	216,000
Dues, Subscriptions & Memberships	36,900
Uniforms, Linen & Safety Boots	29,700
Environmental Permits & Fees	35,000
LAFCO Expenses	10,000
Printing & Publications	30,000
Miscellaneous (Prior Yr Credits, Bank Fees, Other)	4,400
EXPENDITURE SUBTOTAL	<u>10,300,000</u>
<i>Cost Allocations to Funds 4, 5 & 10</i>	<u>65,000</u>
TOTAL EXPENDITURES	<u>10,235,000</u>
GENERAL FUND NET INCOME (LOSS)	1,640,000
<i>Transfer to Fund 5</i>	<u>(2,000,000)</u>
GENERAL FUND NET INCREASE (DECREASE)	<u><u>(360,000)</u></u>

continued

Table 1
Truckee Sanitary District
Annual Budget - All Funds - FY2023

FUND	AMOUNT
BOARD DESIGNATED FUNDS	
Fund 5 - Major Improvement Reserve Fund	
REVENUE	
Interest	25,000
EXPENDITURES	(1,740,000)
Transfers from Fund 1	2,000,000
FUND 5 NET INCOME (LOSS)	285,000
Fund 6 - Emergency Contingency Reserve Fund	
REVENUE	-
EXPENDITURES	-
Transfers	-
FUND 6 NET INCOME (LOSS)	-
RESTRICTED FUNDS	
Fund 4 - Capital Reserve Fund	
REVENUE	
Connection Fees	290,000
Interest	10,000
TOTAL REVENUE	300,000
EXPENDITURES	(100,000)
Transfers	-
FUND 4 NET INCOME (LOSS)	200,000
Fund 10 - SAD 5 Trust Fund	
REVENUE	
Interest	-
EXPENDITURES	(65,000)
Transfers	-
FUND 10 NET INCOME (LOSS)	(65,000)
TOTAL REVENUE - ALL FUNDS	12,200,000
TOTAL EXPENDITURE - ALL FUNDS	(12,140,000)
NET INCOME (LOSS) - ALL FUNDS	60,000

APPROVED BY BOARD OF DIRECTORS AT THEIR REGULAR MEETING JUNE 16, 2022

Blake R. Tresan, Secretary to the Board

Table 2
TRUCKEE SANITARY DISTRICT
FUND 1 - OPERATING BUDGET - FY23
COMPARISON to FY22 Budget and Projected Actuals

Fund 1 - General Fund	Budget FY22	Projected FY22	Budget FY23	FY23 Budget to FY22 Budget		FY23 Budget to FY22 Projected	
				Fav/(Unfav) \$	Fav/(Unfav) %	Fav/(Unfav) \$	Fav/(Unfav) %
REVENUE							
User Fees	4,250,000	4,335,000	4,380,000	130,000	3.1%	45,000	1.0%
Fees for Services	60,000	70,000	75,000	15,000	25.0%	5,000	7.1%
Tax Revenue - Ad Valorem	6,670,000	6,979,200	7,260,000	590,000	8.8%	280,800	4.0%
Interest Earned	37,000	31,400	62,000	25,000	67.6%	30,600	97.5%
Rents & Leases	3,000	2,000	3,000	-	0.0%	1,000	50.0%
Other Income	80,000	200,000	95,000	15,000	18.8%	(105,000)	-52.5%
TOTAL REVENUE	11,100,000	11,617,600	11,875,000	775,000	6.98%	257,400	2.22%
EXPENDITURES							
Salaries & Wages	4,545,300	4,427,200	4,901,300	(356,000)	-7.8%	(474,100)	-10.71%
Pension Benefits	1,472,300	1,763,300	1,570,400	(98,100)	-6.7%	192,900	10.9%
Health & Other Benefits	1,198,700	1,018,600	1,107,400	91,300	7.6%	(88,800)	-8.7%
Payroll Burden	394,500	384,300	421,200	(26,700)	-6.8%	(36,900)	-9.6%
Retiree Health/OPEB	303,500	352,000	365,000	(61,500)	-20.3%	(13,000)	-3.7%
Liability Insurance	163,000	168,000	210,000	(47,000)	-28.8%	(42,000)	-25.0%
Repairs & Maintenance	350,000	347,000	391,700	(41,700)	-11.9%	(44,700)	-12.9%
Utilities & Phone Services	164,500	178,400	188,300	(23,800)	-14.5%	(9,900)	-5.5%
Ad Valorem & Sewer Svc Billing Fees to Counties	150,000	151,100	155,000	(5,000)	-3.3%	(3,900)	-2.6%
Operating Supplies	94,000	80,400	122,300	(28,300)	-30.1%	(41,900)	-52.1%
Fuel Expense - Unleaded & Diesel	62,000	92,500	93,000	(31,000)	-50.0%	(500)	-0.5%
Outside Services	224,500	170,500	222,000	2,500	1.1%	(51,500)	-30.2%
Legal Fees	40,000	70,000	40,000	-	0.0%	30,000	42.9%
Travel/Training/Mtgs; Gen-Safety-EE Relations; Public Outreach	153,500	85,800	150,400	3,100	2.0%	(64,600)	-75.3%
Info Tech & Office Expenses	209,200	192,000	216,000	(6,800)	-3.3%	(24,000)	-12.5%
Dues, Subscriptions & Memberships	41,400	41,900	36,900	4,500	10.9%	5,000	11.9%
Uniforms, Linen & Safety Boots	25,700	24,200	29,700	(4,000)	-15.6%	(5,500)	-22.7%
Environmental Permits & Fees	28,700	34,400	35,000	(6,300)	-22.0%	(600)	-1.7%
LAFCO Expenses	8,000	8,000	10,000	(2,000)	-25.0%	(2,000)	-25.0%
Printing & Publications	25,000	8,000	30,000	(5,000)	-20.0%	(22,000)	-275.0%
Miscellaneous (Prior Yr Credits, Bank Fees, Other)	6,200	2,400	4,400	1,800	29.0%	(2,000)	-83.3%
EXPENDITURE SUBTOTAL	9,660,000	9,600,000	10,300,000	(640,000)	-6.63%	(700,000)	-7.29%
<i>Fund Allocations to: Funds 4, 5, 6 & 10</i>							
<i>Fund 5 - Major Improvement Reserve Fund</i>	-	-	-				
<i>Fund 6 -Contingency Reserve Fund</i>	-	-	-				
<i>Fund 10 share 1.79% of Dept 1000</i>	(60,000)	(60,000)	(65,000)				
<i>Total Cost Allocations</i>	<i>(60,000)</i>	<i>(60,000)</i>	<i>(65,000)</i>				
TOTAL EXPENDITURES	9,600,000	9,540,000	10,235,000				
GENERAL FUND NET INCOME (LOSS)	1,500,000	2,077,600	1,640,000				
<i>Total Income (Loss) Transfer to Fund 5</i>	<i>(1,650,000)</i>	<i>(1,800,000)</i>	<i>(2,000,000)</i>				
GENERAL FUND NET INCREASE (DECREASE)	(150,000)	277,600	(360,000)				

**Table 3
Truckee Sanitary District
Staffing Plan FY2023**

DEPARTMENT	Actual				Projected FY 22	Budget FY 23
	FY 18	FY 19	FY 20	FY 21		
1000 - Operations & Maintenance	18.25	18.00	17.00	18.00	17.25	17.92
1300 - Building & Grounds	1.00	1.00	1.00	1.00	1.00	1.00
2000 - Lift Stations	3.00	3.00	3.00	3.00	3.00	3.00
4000 - Engineering/Inspections	7.00	7.08	7.00	7.00	7.00	7.00
5000 - Fleet & Equipment	1.00	1.00	1.00	1.00	1.00	1.00
6000 - Administration	10.00	11.00	11.50	10.00	10.21	11.00
TOTAL FTE	40.25	41.08	40.50	40.00	39.46	40.92

Projected FY22

Ops includes 1 CSML that add effective 5/15/22
 Ops includes 1 Seasonal Intern that add effective 5/15/22
 Admin includes 1 Admin Assist II add effective 4/18/22

Budget FY23

Ops includes 1 Seasonal Intern 7/1-10/31/22 and 5/1-6/30/23
 Ops includes 1 retirement and promotion O&M Supervisor @ 11/30/22

Table 4
Truckee Sanitary District
Fund 1 - General Fund - FY 2023
Outside Services Budget Detail

Department	Description (GL 42050)	Amount
1000-Operations & Maintenance		
	Misc Testing/Compaction	1,000
	Safety Consulting	3,000
	CHH Auditometric Testing	1,000
	SSMP Audit/Simulated Inspection	10,000
	Air test and Seal	5,000
		20,000
1300-Buildings & Grounds		
	CA Security Alarm	3,000
	Fire Protection - Overhead Fire	3,000
	Fuel Pump Calibration	1,000
	Window Cleaning	3,000
	Paver Re-installation	8,000
		18,000
2000-Lift Stations		
	Sierra Controls/SCADA Telem. Assistance	10,000
	Gasboy	3,000
	Cashman Equipment	5,000
	HVAC Boiler Service	3,000
		21,000
4000-Engineering		
	Engineering (Design, Planning, CEQA, Code, etc.)	20,000
	Geotechnical Services	5,000
	IT Support	20,000
	WEST consulting (Dump Closure)	4,000
	DTSC fees for Dump Closure	4,000
		53,000
6000-Administration		
	Answering Service	2,000
	DATCO Testing	3,500
	Flex-Plan/Navia Benefits	10,000
	Wellness Navia Fees	2,500
	HR/Admin Assistance - HRC	7,000
	Mgt/Supervisory Devt - CEO	15,000
	Records Retention/Gladwell	5,000
	Truckee River Watershed Council - Weed Warrior	4,000
	Actuarial Services/TCS	10,000
	Synap - Utility Billing Consulting	15,000
	Audit - James Marta & Co	33,000
	Contingency	3,000
		110,000
Total Outside Services		222,000

Table 5
Truckee Sanitary District
Fund 1 - General Fund - FY 2023
Computer Hardware, Software & IT Support Budget Detail

Department	Description (GL 41020 & 41030)	Amount
Hardware upgrade/purchase - 01-4000-41030		
	5 Laptop Computers	14,000
	New BDR Server	8,000
	5 Mobile Tablets/Accessories	3,500
	UPS replacements	500
	Tape Backup Drive	5,000
	Contingency	20,000
Total Hardware		51,000
Software Expense - 01-4000-41020		
	Annual Maintenance	
	ClearSCADA	7,250
	Citrix Server (SCADA)	1,200
	ESRI	12,000
	Granite	6,500
	Lucity / TriTech / Central Square	19,000
	InfoSewer	1,500
	ParcelQuest	7,500
	PC TopKat-Gasboy	750
	Rockwell Engineering	5,250
	Springbrook	17,000
	Alpha Group (website design and hosting)	2,500
	Civic Clerk	8,000
	MSDS Online	3,300
	Trakstar	5,000
	Dell Sonicwall	500
		97,250
	Software upgrade/purchase	
	Cloud based Backup and Recovery	10,000
	Microsoft Office 365	5,000
	Lucity Mobile	4,500
	Adobe Acrobat	3,600
	Darktrace Network Security	16,000
	Contingency	13,650
		52,750
Total Software & IT Support		150,000
Total Hardware, Software & IT Support Expense		201,000

Table 6
Truckee Sanitary District
Fund 1 - General Fund - FY 2023
Travel & Training Budget Detail

Department	Description (GL 41090)	Amount
1000-Operations & Maintenance		
	CWEA Annual Conference	3,000
	CWEA Northern Regional Conf	2,000
	CWEA Safety Day	1,000
	CWEA Awards Banquet	500
	CWEA Cert Prep Classes	500
	NASSCO Training	-
	Competent Trench Training	200
	Tri-State Reg Training Conf	3,000
	AC Pipe Training	1,400
	Meetings & Travel	1,000
		12,600
1300-Building & Grounds		
	CWEA Safety Day	100
	CWEA Awards Banquet	100
		200
2000-Lift Stations		
	CWEA Annual Conference	2,500
	CWEA Safety Day	800
	Electrical Diagnosis Class	2,500
	Tri-State Conference	2,500
	Meetings & Travel	-
	Telepace Training	2,500
		10,800
4000-Engineering		
	WEFTEC Annual Conference	4,000
	CSDA Conference	2,500
	Lucity Annual Conference and Training	5,000
	IT Training for Admin Tech	2,500
	ESRI User Conference	5,000
		19,000
5000-Equipment & Fleet		
	Workshop safety class	200
	Meetings & Travel	300
		500

continued

Table 6
Truckee Sanitary District
Fund 1 - General Fund - FY 2023
Travel & Training Budget Detail

Department	Description (GL 41090)	Amount
6000-Administration		
	CASA Annual Conference	6,000
	CASA Winter Conference	6,000
	CalPERS Conference	2,000
	Leadership Training - Mgt/Supervisory	5,000
	NTT Leadership	1,000
	Various on-site training & webinars	3,000
	SHRM Conference	3,000
	CalPELRA	-
	Board Exec Training	2,000
	CSMFO/GFOA Conferences	4,000
	CSDA Conferences & Webinars	4,000
	Springbrook Conference	4,000
	CSDA Legislative Days (Board 1)	2,000
	CSDA Leadership Academy	2,000
	GFOA Webinar Training	2,000
	APA Payroll Webinars/Ref Materials	2,000
	APA Payroll Conference/Certification	-
	WEFTEC-New Orleans	3,000
	Meetings & Travel - Misc	3,000
		54,000
Total		97,100

Table 7
Truckee Sanitary District
Capital Budget - FY23 - 5 Year Plan
Fund 4 - Capital Facilities (Capacity)

CAPITAL PROJECT	Budget					Total
	FY23	FY24	FY25	FY26	FY27	
<u>Pipes</u>						
Pipeline Capacity Expansion - CT07-A08	-	-	50,000	-	-	50,000
Pipeline Capacity Expansion - CT07-A08a	-	-	120,000	-	-	120,000
Pipeline Capacity Expansion - TD24-A07	-	-	-	240,000	-	240,000
Pipeline Capacity Expansion - CT09-B28	-	-	-	-	90,000	90,000
Extending Laterals to Committed Donner Lake Lots	-	-	-	-	50,000	50,000
Total Pipes	-	-	170,000	240,000	140,000	550,000
<u>Lift Stations</u>						
Lift Station 1B Upgrade Capacity	100,000	175,000	-	-	-	275,000
Lahontan Lift Station Upgrade for Capacity - LAH3-FM	-	400,000	-	-	-	400,000
Lahontan Lift Station Upgrade for Capacity - LAH3	-	-	250,000	-	-	250,000
Lahontan Lift Station Upgrade for Capacity - LAH4	-	-	-	185,000	-	185,000
Lahontan Lift Station Upgrade for Capacity - LAH5	-	-	-	-	185,000	185,000
Total Lift Stations	100,000	575,000	250,000	185,000	185,000	1,295,000
<u>Fleet</u>						
2,000 Gal Septic Hauling Truck - O&M/Construction	-	-	-	-	300,000	300,000
Total Fleet	-	-	-	-	300,000	300,000
<u>Facilities</u>						
Administration Building Expansion Design	-	-	-	100,000	100,000	200,000
Total Facilities	-	-	-	100,000	100,000	200,000
TOTAL CAPITAL EXPENDITURES	100,000	575,000	420,000	525,000	725,000	2,345,000

Table 8
Truckee Sanitary District
Capital Budget - FY23 - 5 Year Plan
Fund 5 - Major Capital Improvements

CAPITAL PROJECT	Budget					Total
	FY23	FY24	FY25	FY26	FY27	
Collection System Infrastructure Projects						
Lift Station Electrical Upgrade	120,000	50,000	50,000	50,000	50,000	320,000
Town Paving Project - Manhole Adjustments	195,000	60,000	60,000	60,000	60,000	435,000
Drywell Cathodic Protection Coating - All Drywells	50,000	50,000	50,000	50,000	50,000	250,000
Glenshire Grit Collection Tank Installation	25,000	25,000	-	-	-	50,000
Alder Creek Force Main Check Valve Upgrade	25,000	-	-	-	-	25,000
Pipeline Rehabilitation	-	150,000	-	150,000	-	300,000
Install/Replace/Upgrade existing long laterals T.D.	-	100,000	-	100,000	-	200,000
Additional Flushing Vault Glenshire Drive	-	75,000	-	-	-	75,000
TSD Manhole Rehabilitation Projects	-	50,000	-	50,000	-	100,000
Drywell Cathodic Protection Upgrade	-	25,000	-	-	-	25,000
Foxmead/River Park LS Upgrade	-	-	250,000	-	-	250,000
Easement Acquisitions	-	-	75,000	-	-	75,000
Conversion of Telemetry phone lines to Radio	-	-	60,000	-	-	60,000
Donner Lake Sub Station Plumbing Replacement	-	-	40,000	-	-	40,000
Donner Creek Bypass System	-	-	-	250,000	250,000	500,000
Alder Creek LS Emergency Overflow Tank Expansion	-	-	-	60,000	-	60,000
Replace Pumps and Motors Alder Creek	-	-	-	-	250,000	250,000
Collection System Infrastructure Projects Subtotal	415,000	585,000	585,000	770,000	660,000	3,015,000
Other Capital Projects						
Engineering						
Corporation Yard Parking Mill & Overlay	400,000	-	-	250,000	-	650,000
Hand Held/Truck Radio Upgrade	50,000	-	-	-	-	50,000
Server Upgrade	50,000	-	-	-	50,000	100,000
Phone System Replacement	35,000	-	-	-	-	35,000
Gas Island Upgrade keypad and controller	30,000	-	-	-	-	30,000
Security Camera Upgrade	25,000	-	-	-	-	25,000
Paint Lift Station in Lah/MV	15,000	-	-	-	-	15,000
FOB Roof Replacement	-	200,000	-	-	-	200,000
Boiler Replacements	-	100,000	-	-	100,000	200,000
Admin Building Office Improvement Project	-	100,000	-	-	-	100,000
Scada Hardware Upgrade Admin Building	-	50,000	-	-	-	50,000
SCADA Software Upgrade	-	40,000	-	-	-	40,000
Corporation Yard Overhead Door Replacement	-	20,000	-	-	-	20,000
Upgrade boiler controls Admin Building	-	10,000	-	-	-	10,000
Admin Building Landscape Project	-	-	100,000	-	-	100,000
Bypass Hose Replacement (6 inch)	-	-	50,000	-	-	50,000
Telemetry radio upgrade	-	-	-	100,000	-	100,000
Corporation Yard Defensible Space	-	-	-	30,000	-	30,000
Corporation Yard PRV on Underground Pipes	-	-	-	25,000	-	25,000
	605,000	520,000	150,000	405,000	150,000	1,830,000
Administration						
Finance and Accounting Software Replacement	125,000	-	-	-	-	125,000
Electronic Document Management System	70,000	-	-	-	-	70,000
Copiers Replacement (3)	50,000	-	-	-	-	50,000
District Website Update	-	20,000	-	-	-	20,000
Future Equipment Replacement - Administration	15,000	15,000	15,000	15,000	15,000	75,000
	260,000	35,000	15,000	15,000	15,000	340,000
Vehicle and Equipment						
Vehicle & Equipment Replacement (see schedule)	460,000	355,000	965,000	565,000	220,000	2,565,000
Other Capital Projects Subtotal	1,325,000	910,000	1,130,000	985,000	385,000	4,735,000
TOTAL CAPITAL EXPENDITURES	1,740,000	1,495,000	1,715,000	1,755,000	1,045,000	7,750,000

Table 9
Truckee Sanitary District
Description Of Capital Projects

Capital Projects	Description
Fund 4 - Capital Facilities (Capacity)	
Pipeline Capacity Expansion	Hydraulic model has indicated pipeline may be undersized and in need of upsizing.
Extending Laterals to Committed Donner Lake Lots	To provide sewer laterals to the committed SAD 4 parcels.
Lahontan Lift Station Upgrade for Capacity	Hydraulic model has indicated station pumps may be undersized and in need of upsizing.
Lift Station 1B Upgrade Capacity	Hydraulic model has indicated station pumps may be undersized and in need of upsizing.
2,000 Gal Septic Hauling Truck	Additional septic hauling truck to meet anticipated growth in customer services.
Administrative Building Expansion Design	Administration building expansion design to house additional staff serving anticipated increase in customers.
Fund 5 - Major Capital Improvements	
Collection System Infrastructure Projects	
Lift Station Electrical Upgrade	Last lift station upgrade was 1999. This project will upgrade the lift station PLC, starters, and controls to current supported models.
Town Paving Project - Manhole Adjustments	Adjustment of manhole frame and covers. Typically done by Town paving contractor and reimbursed to Town. Includes \$60k for summer 2022 and \$135k for summer 2021
Drywell Cathodic Protection Coating	Corrosion prevention cathodic coating for lift station drywells, per the cathodic protection analysis in FY19.
Glenshire Grit Collection Tank Installation	Install drop manhole before pressure gravity siphons to collect debris from entering siphon system
Alder Creek Force Main Check Valve Upgrade	Existing check valve is unserviceable. Need to install infrastructure to service check valve.
Pipeline Rehabilitation	Pipeline rehabilitation via cured-in-place liners.
Install/Replace/Upgrade Existing Long Laterals T.D.	Replace aged or misaligned long laterals in Tahoe Donner acquired by District in 2017.
Additional Flushing Vault Glenshire Drive	Add additional underground storage vault to aid in Cleaning Old Greenwood outfall.
TSD Manhole Rehabilitation Projects	Manhole rehabilitation via cementitious or other lining method.
Drywell Cathodic Protection Upgrade	Corrosion prevention cathodic upgrade for lift station drywells, per the cathodic protection analysis in FY19.
Foxmead/River Park LS Upgrade	Consolidation of three lift stations located within 300 feet of each other into a single station.
Easement Acquisitions	Purchase of easements on private properties to ensure access to District facilities.
Conversion of Telemetry phone lines to Radio	Evaluate and implement hardware to provide a store and forward protocol or additional repeater to reduce the District's dependence on the leased phone circuit.
Donner Lake Sub Station Plumbing Replacement	Replace guide rails, check valves, and stand pipes on the sub stations at Donner Lake.
Donner Creek Bypass System	Evaluate and design a mechanism to bypass the line (CT03-A09 to CT06-A31) in Donner Creek in the event of a break.
Alder Creek LS Emergency Overflow Tank Expansion	Review contingency planning and design method to contain a spill in the station failure.
Replace Pumps and Motors Alder Creek	Evaluate and determine if Alder Creek pumps need replacement due to parts availability.
Other Capital Projects	
Corporation Yard Parking Mill & Overlay	Full Lot Mill & Overlay.
Hand held/Truck Radio Upgrade	Replace aged voice radio system for all vehicles and portable radios.
Server Upgrade	District Data and File Storage Server(s).
Phone System Replacement	Replace aging phone system for admin facility.
Gas Island Upgrade Keypad and Controller	Due to wear and age of keypad and controller a replacement of the items is scheduled.
Security Camera Upgrade	Upgrade of security camera system.
Paint Lift Station in LAH/MV	Routine repainting of Lahontan 1-6 control panels and generators.
FOB Roof Replacement	FOB roof is past 20 year warranty. This is a placeholder for the evaluation and potential replacement of the roof.
Boiler Replacements	Replace aged boilers.
SCADA Hardware Upgrade Admin Building	Replacement of the SCADA computer and PLC due to age of the equipment.
SCADA Software Upgrade	The routine upgrade of SCADA software. Replacement software TBD.
Corporation Yard Overhead Door Replacement	Replace aging overhead doors.
Upgrade Boiler Controls Admin Building	Due to obsolescence of the equipment a PLC upgrade is required.
Admin Building Landscape Project	Refresh and update landscaping at TSD's main building front façade and west entry including design, irrigation system, drainage.
Bypass Hose Replacement (6 Inch)	Replace the aged bypass hose that is used for emergency contingencies.
Telemetry Radio Upgrade	Due to age of the equipment a bulk telemetry radio upgrade is anticipated.
Corporation Yard Defensible Space	Vegetation maintenance to mitigate potential wildfire spread.
Corporation Yard PRV on Underground Pipes	Pressure Release Valve installation related to high incoming TDPUD pressure.
Finance and Accounting Software Replacement	Replace outdated finance and accounting software.
Electronic Document Management System	Purchase & implement system to electronically archive documents. Includes consultant, hardware, & implementation costs.
Copiers Replacement (3)	Current copiers leases ending; Replace with updated models.
District Website Update	To refresh and upgrade District website periodically.
Future Equipment Replacement - Administration	Placeholder to update office equipment on an as needed basis.
Vehicle and Equipment Replacement & Disposals	See detailed schedule.

Table 10
Truckee Sanitary District
Capital Budget - FY23 - 5 Year Plan
Vehicle & Equipment Replacement Schedule - Fund 5

DESCRIPTION	Budget					Total
	FY23	FY24	FY25	FY26	FY27	
CCTV Mainline Truck O&M/TV	400,000	-	-	-	-	400,000
Full Size SUV - District Engineer/Asst GM Vehicle	50,000					50,000
Public Outreach/Education Trailer	10,000	-	-	-	-	10,000
Tractor w/Snow blower - O&M/Construction	-	200,000	-	-	-	200,000
2 Ton 5-yd Dump Truck & Sander - O&M/Construction	-	75,000	-	-	-	75,000
Generator 150 kw - Lift Station		60,000	-	-	-	60,000
Shoring Carrier Trailer - O&M/Construction	-	20,000	-	-	-	20,000
Hydro-Excavation Combo Cleaner Vacuum Truck	-	-	550,000	-	-	550,000
Loader w/ 12 ft Blade - O&M/Construction	-	-	200,000	-	-	200,000
Backhoe/Loader	-	-	175,000	-	-	175,000
Generator - Caterpillar - 75kw - Lift Stations			40,000			40,000
CCTV Mainline/Lateral Truck - O&M/TV	-	-	-	400,000	-	400,000
Bypass Trailer/Hose Reel System - Lift Stations	-	-	-	75,000		75,000
Generator Onan 20DNAF/Glenshire Gen Shed/Sulfide - Lift Stations				60,000		60,000
Flatbed Equipment Trailer - O&M/Construction	-	-	-	30,000	-	30,000
Bypass Trailer/Hose Reel System (Martis Camp) - Lift Stations	-	-	-	-	60,000	60,000
Generator - Caterpillar - 60KW - Lift Stations					60,000	60,000
Portable Bypass Pump 6" - Lift Station	-	-	-	-	50,000	50,000
Portable Bypass Pump 3" - Lift Station	-	-	-	-	50,000	50,000
Total Vehicles & Equipment	460,000	355,000	965,000	565,000	220,000	2,565,000

**Table 11
TRUCKEE SANITARY DISTRICT
Fund Balance by Fund**

	Fund					Total
	Unrestricted	Board Designated		Restricted		
	1 General Fund	5 Major Capital	6 Emergency	4 Capital Reserve	10 SAD 5 Trust	
<u>FY23 Budget</u>						
Revenues	11,875,000	25,000	-	300,000	-	12,200,000
Expenditures	10,300,000	1,740,000	-	100,000	-	12,140,000
Cost Allocation	(65,000)	-	-	-	65,000	-
Net Expenditures	10,235,000	1,740,000	-	100,000	65,000	12,140,000
Net Revenues	1,640,000	(1,715,000)	-	200,000	(65,000)	60,000
Transfers	(2,000,000)	2,000,000	-	-	-	-
Net Increase / (Decrease)	(360,000)	285,000	-	200,000	(65,000)	60,000
<u>Fund Balance</u>						
Beginning Balance - Projected	6,823,000	5,011,000	3,000,000	1,969,000	197,000	17,000,000
Net Increase / (Decrease)	(360,000)	285,000	-	200,000	(65,000)	60,000
Ending Balance	6,463,000	5,296,000	3,000,000	2,169,000	132,000	17,060,000
<u>Target Reserves</u>						
Ending Balance	6,463,000	5,296,000	3,000,000	2,169,000	132,000	17,060,000
Target Reserve	6,070,000	4,285,000	3,000,000	1,705,000	-	15,060,000
Over / (Under)	393,000	1,011,000	-	464,000	132,000	2,000,000
Target Achieved	Yes	Yes	Yes	Yes	Yes	Yes

Target Reserve Notes

Fund	Minimum Target Reserve per Reserve Fund Policy
1 - General Fund	60% of projected Fund 1 expenses for FY24 to support cash flow through January 2024
5 - Major Capital	60% of projected Fund 5 expenditures for following 5 years (FY24-FY28)
6 - Emergency Contingency	Board determined at \$3,000,000
4 - Capital Reserves	60% of projected Fund 4 expenditures for following 5 years (FY24-FY28)
10 - SAD 5 Trust	No minimum target reserve

Appendix A
TRUCKEE SANITARY DISTRICT
FUND 1 - GENERAL FUND - FY 2023
Budgeted Expenditures by Category & Department

Account	Description	Department						Total
		1000 Operations & Maintenance	1300 Buildings & Grounds	2000 Lift Station Maintenance	4000 Engineering & Inspections	5000 Fleet & Equipment	6000 Administration	
EXPENDITURES								
Salaries & Wages								
40100	Salaries & Wages	1,821,700	61,400	389,700	973,200	107,900	1,373,400	4,901,300
40110	Accrued Benefits	53,000	1,800	10,300	28,900	3,200	40,800	138,000
40105	Directors' Fees	-	-	-	-	-	36,000	36,000
Pension Benefits								
40300	Retirement Contrib-EE Classic	77,400	-	20,600	75,100	-	31,100	204,200
40301	Retirement Contrib-ER Classic	129,200	-	34,300	125,200	-	51,900	340,600
40302	Retirement Contrib-ER Pepra	65,300	4,500	8,000	7,100	7,900	68,400	161,200
40305	Retirement Contrib-ER UAL Classic	137,100	4,600	29,300	73,300	8,100	103,500	355,900
40306	Retirement Contrib-ER UAL Pepra	3,300	100	700	1,700	200	2,500	8,500
40307	Retirement Contrib-ER ADP Classic	-	-	-	-	-	-	-
40320	Retirement Contrib-CEPPT	192,700	6,500	41,200	102,900	11,400	145,300	500,000
Health & Other Benefits								
40401	Med Ins Prem-EE/BOD	314,900	23,000	68,900	141,400	23,000	245,600	816,800
40402	Med Deduct Reimb-EE/BOD	37,000	2,000	6,000	14,000	2,000	32,000	93,000
40403	Med Out-of-Pocket-EE/BOD	9,300	500	1,500	3,500	500	8,000	23,300
40404	Dental Ins Prem-EE/BOD	25,600	2,100	6,200	11,400	2,100	18,900	66,300
40405	Vision Exam Reimb-EE/BOD	9,300	500	1,500	3,500	500	8,000	23,300
40406	Glasses/Contct Reimb-Active Emp	-	-	-	-	-	-	-
40407	Eye Surgery Reimb-Active Empl	-	-	-	-	-	-	-
40420	Life Ins Prem-Active EE	11,400	700	2,600	4,600	700	7,100	27,100
40440	Safety & Wellness Incentive Program-EE/BOD	-	-	-	-	-	35,000	35,000
40445	Physicals, Vaccines, DTAP	-	-	-	-	-	5,000	5,000
40610	Car & Phone Allowance	-	-	-	-	-	16,400	16,400
40430	Directors' 457 Deferred Comp	-	-	-	-	-	1,200	1,200
Payroll Burden								
40200	Social Security Tax	110,600	3,800	24,200	54,400	6,700	76,500	276,200
40210	Medicare Tax	26,400	900	5,700	14,100	1,600	20,400	69,100
40221	Workers' Comp Ins	46,600	1,600	10,400	11,000	2,900	3,400	75,900
Retiree Health/OPEB								
40500	OPEB / CERBT Contribution	38,500	1,300	8,200	20,600	2,300	29,100	100,000
40501	Med Ins Prem-Retired Empl/Dir	102,100	3,400	21,800	54,600	6,000	77,100	265,000
40502	Dental Ins Prem-Ret Empl/Dir	-	-	-	-	-	-	-
40505	Med Ded Reimb-Retired Empl/Dir	-	-	-	-	-	-	-
Liability Insurance								
41000	General Liability Insurance	-	-	-	-	-	210,000	210,000
Repairs & Maintenance								
43020	Repairs & Maintenance (R&M)	200,000	31,700	60,000	-	90,000	10,000	391,700
Utilities & Phone Services								
44060	Mobile Phones/Data Plns/Pagers	-	-	-	10,000	-	-	10,000
44010	Electricity & Water	-	500	85,000	-	-	-	85,500
44020	Natural Gas	-	45,000	-	-	-	-	45,000
44030	Solid Waste Disposal	-	10,000	-	-	-	-	10,000
44040	Wastewater Treatment Fees	-	7,000	-	-	-	-	7,000
44050	Propane	-	1,800	3,000	-	-	-	4,800
44070	Telephone Expense	-	-	12,000	-	-	10,000	22,000
44080	Internet Service	-	-	-	-	-	4,000	4,000
Ad Valorem & Sewer Svc Billing Fees to Counties								
41070	Billing Expense	-	-	-	-	-	155,000	155,000
Supplies - Operating & Safety								
42010	Operating Supplies/Equip/Furniture	51,000	15,000	3,300	2,000	16,000	35,000	122,300
Fuel Expense								
42000	Fuel Expense-Unleaded & Diesel	60,000	-	16,000	15,000	-	2,000	93,000
Outside Services								
42050	Outside Services-General	20,000	18,000	21,000	53,000	-	110,000	222,000
Legal Fees								
41060	Legal Fees	-	-	-	-	-	40,000	40,000
Travel/Training/Mtgs: Gen-Safety-EE Relations								
41090	Travel/Training/Meetings	12,600	200	10,800	19,000	500	54,000	97,100
41120	Employee Relations	1,500	100	200	800	-	30,000	32,600
41125	Public Education & Outreach	-	-	-	-	-	17,200	17,200
42035	LogoWear	-	-	-	-	-	3,500	3,500
Info Tech & Office Expenses								
41030	Computer Hardware Expense	-	-	-	51,000	-	-	51,000
41020	Software Expense	-	-	-	150,000	-	-	150,000
41010	Office Supplies	-	-	-	-	-	15,000	15,000
Dues, Subscriptions & Memberships								
41040	Dues/Subscriptions/Memberships	8,000	200	1,000	2,500	200	25,000	36,900
Uniforms, Linen & Safety Boots								
40615	Uniform Allowance	-	-	-	-	-	-	-
42030	Uniforms	23,000	300	600	1,000	300	-	25,200
42040	Linen Service	-	-	-	-	4,500	-	4,500
Environmental Permits & Fees								
42060	Environmental Permits & Fees	12,000	1,500	20,000	-	1,500	-	35,000
LAFCO Expenses								
41150	LAFCO Expenses	-	-	-	-	-	10,000	10,000
Printing & Publications								
41050	Printing & Publication Expense	-	-	-	-	-	30,000	30,000
Misc-Current YR								
41080	Bank Charges	-	-	-	-	-	2,500	2,500
45000	Other Expense	500	-	1,000	200	-	200	1,900
TOTAL EXPENDITURES		3,600,000	250,000	925,000	2,025,000	300,000	3,200,000	10,300,000

**APPENDIX B
TABLE 1**

**TRUCKEE SANITARY DISTRICT
20-YEAR FORECAST ASSUMPTIONS**

REVENUE ASSUMPTIONS

User Fees		No Increases FY23 - FY31
User Fees		6.00% Increase FY32 - FY36
User Fees		No Increases FY37 - FY42
Property Tax	% Year over Year	3.00%
Users (# of EDUs)	% Year over Year	1.00%
Interest Earned	ROI	1.00%

EXPENSE ASSUMPTIONS

Salaries	% Year over Year	3.00%
ER Taxes, Med Ins, Acc Benes	% Year over Year	5.00%
CERBT	Based on Trust Fund Balance	
Retiree Bill Premiums	Based on Actuarial Rpt through FY30, then 4% Thereafter	
Retirement - Normal Costs	Based on Calpers Valuation Rpt Percentages	
Retirement - UAL	Based on \$0.5M CEPPT Contribution for FY23, at \$250,000 for anticipated CalPERS assumption change in discount rate from 7.0% to 6.8%.	
O & M	% Year over Year	3.00%
Capital Expenditures	% Completed	100.00%

RESERVE FUND POLICY

Fund 1 Target	60% of Operating Expenses
Fund 5 Target	60% of 5-year rolling Fund 5 Expenses
Fund 6 Target	\$3,000,000

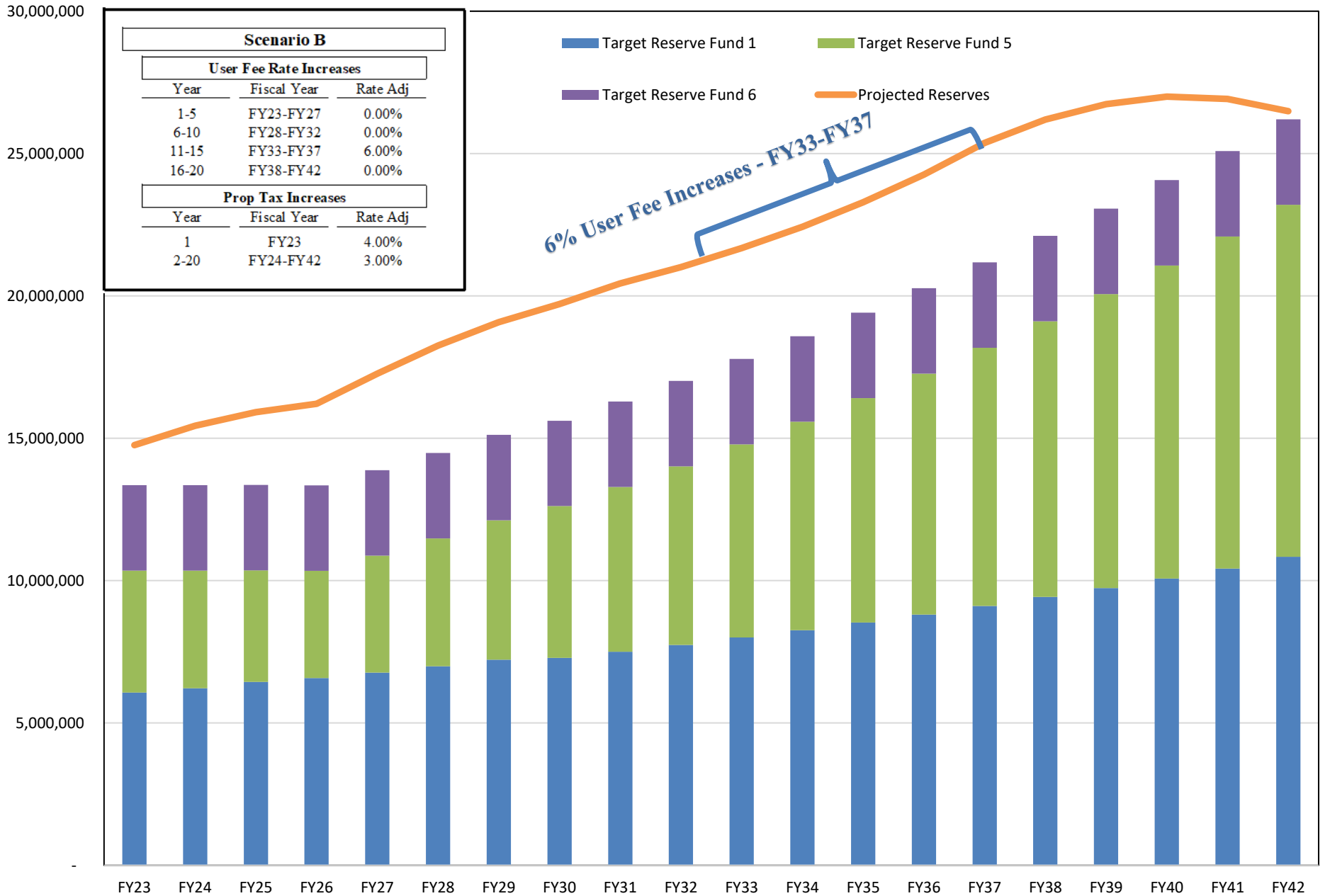
APPENDIX B

TRUCKEE SANITARY DISTRICT
20 YEAR FORECAST

FUND	BUDGET	PROJECTED	BUDGET		Forecast																	
	FY 22	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
UNRESTRICTED FUND																						
1-GENERAL																						
Beginning Balance	5,895,000	6,545,400	6,823,000	6,463,000	6,213,000	6,443,000	6,583,000	6,763,000	6,983,000	7,213,000	7,283,000	7,503,000	7,733,000	7,993,000	8,253,000	8,523,000	8,803,000	9,113,000	9,423,000	9,733,000	10,073,000	10,423,000
Revenue																						
User Fees	4,250,000	4,335,000	4,380,000	4,420,000	4,460,000	4,500,000	4,550,000	4,600,000	4,650,000	4,700,000	4,750,000	4,800,000	5,140,000	5,500,000	5,890,000	6,310,000	6,760,000	6,830,000	6,900,000	6,970,000	7,040,000	7,110,000
Fees for Services	60,000	70,000	75,000	76,000	77,000	78,000	79,000	80,000	81,000	82,000	83,000	84,000	85,000	86,000	87,000	88,000	89,000	90,000	91,000	92,000	93,000	94,000
Tax Revenue	6,670,000	6,979,200	7,260,000	7,480,000	7,700,000	7,930,000	8,170,000	8,420,000	8,670,000	8,930,000	9,200,000	9,480,000	9,760,000	10,050,000	10,350,000	10,660,000	10,980,000	11,310,000	11,650,000	12,000,000	12,360,000	12,730,000
Interest Earned	37,000	31,400	62,000	95,000	92,000	94,000	96,000	98,000	100,000	102,000	103,000	105,000	107,000	110,000	113,000	115,000	118,000	121,000	124,000	127,000	131,000	134,000
Other	83,000	202,000	98,000	101,000	104,000	107,000	110,000	113,000	116,000	119,000	123,000	127,000	131,000	135,000	139,000	143,000	147,000	151,000	156,000	161,000	166,000	171,000
Interest Earned & Other	120,000	233,400	160,000	196,000	196,000	201,000	206,000	211,000	216,000	221,000	226,000	232,000	238,000	245,000	252,000	258,000	265,000	272,000	280,000	288,000	297,000	305,000
Total Revenues	11,100,000	11,617,600	11,875,000	12,172,000	12,433,000	12,709,000	13,005,000	13,311,000	13,617,000	13,933,000	14,259,000	14,596,000	15,223,000	15,881,000	16,579,000	17,316,000	18,094,000	18,921,000	19,350,000	19,790,000	20,239,000	20,698,000
Expenditures																						
Classic Salaries excl OT/Cashouts/Safety	(2,264,000)	(2,265,000)	(2,358,900)	(2,139,000)	(1,713,000)	(1,279,000)	(1,211,000)	(925,000)	(952,000)	(981,000)	(843,000)	(524,000)	(391,000)	(403,000)	(277,000)	(142,000)	(147,000)	(151,000)	(156,000)	-	-	-
Pepra Salaries excl OT/Cashouts/Seasonal Wage	(1,908,000)	(1,793,000)	(2,242,200)	(2,657,000)	(3,228,000)	(3,915,000)	(4,140,000)	(4,586,000)	(4,724,000)	(4,865,000)	(5,179,000)	(5,679,000)	(5,997,000)	(6,178,000)	(6,501,000)	(6,838,000)	(7,044,000)	(7,255,000)	(7,472,000)	(7,857,000)	(8,092,000)	(8,336,000)
BOD Salaries	(34,400)	(34,400)	(36,000)	(37,000)	(38,000)	(39,000)	(40,000)	(41,000)	(42,000)	(43,000)	(44,000)	(45,000)	(46,000)	(47,000)	(48,000)	(49,000)	(50,000)	(52,000)	(54,000)	(56,000)	(58,000)	(60,000)
OT/Cashouts/Seasonal Wages/Safety	(210,400)	(231,100)	(126,200)	(219,000)	(219,000)	(224,000)	(229,000)	(234,000)	(239,000)	(244,000)	(250,000)	(256,000)	(262,000)	(268,000)	(274,000)	(280,000)	(287,000)	(294,000)	(301,000)	(308,000)	(315,000)	(323,000)
Accr Benes, ER Taxes, Ins, Wellness	(1,725,200)	(1,506,600)	(1,666,600)	(1,750,000)	(1,838,000)	(1,930,000)	(2,027,000)	(2,128,000)	(2,234,000)	(2,346,000)	(2,463,000)	(2,586,000)	(2,715,000)	(2,851,000)	(2,994,000)	(3,144,000)	(3,301,000)	(3,466,000)	(3,639,000)	(3,821,000)	(4,012,000)	(4,213,000)
Retirement Contrib-EE Classic	(195,600)	(195,700)	(204,200)	(185,000)	(148,000)	(111,000)	(105,000)	(80,000)	(82,000)	(85,000)	(73,000)	(45,000)	(34,000)	(35,000)	(24,000)	(12,000)	(13,000)	(13,000)	(13,000)	-	-	-
Retirement Contrib-ER Classic	(326,500)	(326,400)	(340,600)	(308,000)	(247,000)	(184,000)	(175,000)	(133,000)	(137,000)	(141,000)	(122,000)	(76,000)	(56,000)	(58,000)	(40,000)	(20,000)	(21,000)	(22,000)	(22,000)	-	-	-
Retirement Contrib-ER Pepra	(147,500)	(138,600)	(161,200)	(202,000)	(245,000)	(298,000)	(315,000)	(349,000)	(359,000)	(370,000)	(394,000)	(432,000)	(456,000)	(470,000)	(494,000)	(520,000)	(535,000)	(551,000)	(568,000)	(597,000)	(615,000)	(634,000)
Retirement Contrib-ER UAL Classic	(295,200)	(295,300)	(355,900)	(350,000)	(350,000)	(350,000)	(250,000)	(250,000)	(250,000)	(250,000)	-	-	-	-	-	-	-	-	-	-	-	-
Retirement Contrib-ER UAL Pepra	(7,500)	(7,300)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	-	-	-	-	-	-
Retirement Contrib-ER ADP Classic	-	-	-	(1,400,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement Contrib-CEPPT	(500,000)	(800,000)	(500,000)	1,400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Retiree Bills/Premiums	(265,000)	(207,000)	(265,000)	(335,000)	(367,000)	(385,000)	(420,000)	(448,000)	(484,000)	(501,000)	(519,000)	(540,000)	(562,000)	(584,000)	(607,000)	(631,000)	(656,000)	(682,000)	(709,000)	(737,000)	(766,000)	(797,000)
CERBT Inputs/Outputs	(35,000)	(145,000)	(100,000)	71,000	97,000	108,000	135,000	156,000	184,000	193,000	203,000	216,000	244,000	257,000	271,000	285,000	301,000	317,000	334,000	352,000	370,000	390,000
Operations & Maintenance	(1,745,700)	(1,654,600)	(1,934,700)	(1,993,000)	(2,053,000)	(2,115,000)	(2,178,000)	(2,243,000)	(2,310,000)	(2,379,000)	(2,450,000)	(2,524,000)	(2,600,000)	(2,678,000)	(2,758,000)	(2,841,000)	(2,926,000)	(3,014,000)	(3,104,000)	(3,197,000)	(3,293,000)	(3,392,000)
Total Expenditures	(9,660,000)	(9,600,000)	(10,300,000)	(10,112,500)	(10,357,500)	(10,730,500)	(10,963,500)	(11,269,500)	(11,637,500)	(12,020,500)	(12,142,500)	(12,499,500)	(12,883,500)	(13,323,500)	(13,754,500)	(14,200,500)	(14,679,000)	(15,183,000)	(15,704,000)	(16,221,000)	(16,781,000)	(17,365,000)
Cost Allocations (Funds 2, 4, 5, 6 & 10)	60,000	60,000	65,000	60,000	60,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain (Loss) in Fund Before Transfer	1,500,000	2,078,000	1,640,000	2,119,500	2,135,500	1,978,500	2,041,500	2,041,500	1,979,500	1,912,500	2,116,500	2,096,500	2,339,500	2,557,500	2,824,500	3,115,500	3,415,000	3,319,000	3,217,000	3,129,000	3,009,000	2,874,000
Transfers (Fund 5)	(1,650,000)	(1,800,000)	(2,000,000)	(2,369,500)	(1,905,500)	(1,838,500)	(1,861,500)	(1,821,500)	(1,749,500)	(1,842,500)	(1,896,500)	(1,866,500)	(2,079,500)	(2,297,500)	(2,554,500)	(2,835,500)	(3,105,000)	(3,009,000)	(2,907,000)	(2,789,000)	(2,659,000)	(2,461,000)
Net Gain (Loss) in Fund After Transfer	(150,000)	277,600	(360,000)	(250,000)	230,000	140,000	180,000	220,000	230,000	70,000	220,000	230,000	260,000	260,000	270,000	280,000	310,000	310,000	310,000	340,000	350,000	413,000
Ending Balance (Operating Reserve)	5,745,000	6,823,000	6,463,000	6,213,000	6,443,000	6,583,000	6,763,000	6,983,000	7,213,000	7,283,000	7,503,000	7,733,000	7,993,000	8,253,000	8,523,000	8,803,000	9,113,000	9,423,000	9,733,000	10,073,000	10,423,000	10,836,000
60% of following FY Total Operating Expenditures		6,180,000	6,070,000	6,220,000	6,440,000	6,580,000	6,770,000	6,990,000	7,220,000	7,290,000	7,500,000	7,740,000	8,000,000	8,260,000	8,530,000	8,810,000	9,110,000	9,430,000	9,740,000	10,070,000	10,420,000	10,836,000
BOARD DESIGNATED FUNDS																						
5-MAJOR IMPROVEMENTS RESERVE																						
Beginning Balance	4,317,233	4,115,300	5,011,300	5,296,300	6,223,800	6,476,500	6,624,800	7,507,500	8,274,100	8,866,300	9,431,500	9,934,300	10,276,100	10,686,400	11,175,800	11,762,100	12,455,200	13,257,800	13,774,400	14,003,100	13,926,100	13,497,400
Revenues (Interest Income)	80,000	16,000	25,000	53,000	62,200	64,800	66,200	75,100	82,700	88,700	94,300	99,300	102,800	106,900	111,800	117,600	124,600	132,600	137,700	140,000	139,300	135,000
Expenditures (Capital Projects)	(970,000)	(920,000)	(1,740,000)	(1,495,000)	(1,715,000)	(1,755,000)	(1,045,000)	(1,130,000)	(1,240,000)	(1,366,000)	(1,488,000)	(1,624,000)	(1,772,000)	(1,915,000)	(2,080,000)	(2,260,000)	(2,427,000)	(2,625,000)	(2,816,000)	(3,006,000)	(3,227,000)	(3,442,000)
Transfers from Fund 1	497,000	1,800,000	2,000,000	2,369,500	1,905,500	1,838,500	1,861,500	1,821,500	1,749,500	1,842,500	1,896,500	1,866,500	2,079,500	2,297,500	2,554,500	2,835,500	3,105,000	3,009,000	2,907,000	2,789,000	2,659,000	2,461,000
Net Gain (Loss) in Fund	(393,000)	896,000	285,000	927,500	252,700	148,300	882,700	766,600	592,200	565,200	502,800	341,800	410,300	489,400	586,300	693,100	802,600	516,600	228,700	(77,000)	(428,700)	(846,000)
Preliminary Ending Balance	3,924,000	5,011,300	5,296,300	6,223,800	6,476,500	6,624,800	7,507,500	8,274,100	8,866,300	9,431,500	9,934,300	10,276,100	10,686,400	11,175,800	11,762,100	12,455,200	13,257,800	13,774,400	14,003,100	13,926,100	13,497,400	12,651,400
60% of next 5 yrs of proj exp		4,650,000	4,284,000	4,131,000	3,921,600	3,761,400	4,108,800	4,494,000	4,899,000	5,327,000	5,791,000	6,272,000	6,784,000	7,325,000	7,880,000	8,461,000	9,070,000	9,682,000	10,327,000	10,996,000	11,666,000	12,364,000

APPENDIX B

TRUCKEE SANITARY DISTRICT 20 Year Reserve Fund Forecast



MEMORANDUM

DATE: April 18, 2022

TO: Blake R. Tresan, General Manager *BT*

FROM: Raymond P. Brown, Assistant General Manager/District Engineer *RPB*

CC: Mark Wasley, Finance and Administrative Services Manager

SUBJECT: ALLOCATION OF SAD 5 & MVI FUNDS FOR THE FY 2023 BUDGET

A significant portion of the sanitary sewer infrastructure in the Truckee Sanitary District was installed with funding from sewer assessment districts. In most cases, all the monies collected through the assessment districts were used in the initial installation of the sewer facilities. Two areas where monies remain from the initial assessments are Sewer Assessment District 5 (SAD 5) and the Martis Valley Interceptor (MVI). The remaining assessment monies from these areas is currently retained in restricted funds, called the SAD 5 Fund and MVI Fund, respectively. According to the District's legal counsel, the monies in these funds can be used to pay for ongoing operations and maintenance work within their respective areas. The purpose of this memorandum is to estimate the amount of money that should be allocated from the SAD 5 and MVI Funds for the FY 2023 budget.

For the purpose of this analysis, it is assumed that the cost of operating and maintaining sewer facilities is roughly proportional to its size. To determine the amount of money that should be allocated from the SAD 5 and MVI funds for the FY 2023 budget, staff has estimated the fraction of infrastructure in the SAD 5 and MVI to the District as a whole. A summary of this data can be seen in Table 1, below. It can be seen that SAD 5 contains approximately 1.79% of the District's assets and the MVI contains 1.21%. Therefore, it is recommended that 1.79% and 1.21% of the total Collection Systems (TSD Department 1000) operating budget be allocated from the SAD 5 and MVI funds in FY 2023, respectively, to cover these costs.

**Table 1
Comparison of Sewer Facilities in SAD 5 & MVI to District Totals**

Parameter	District Totals	SAD 5 Facilities	% in SAD 5	MVI Facilities	% in MVI
Number of Pipe Segments	4,611*	86	1.87	34	0.74
Length of Pipe Segments, ft	1,219,417*	22,382	1.84	9,493	0.78
Inch Diameter Mile	1560*	26	<u>1.67</u>	<u>33</u>	<u>2.12</u>
Average			1.79		1.21

*Number includes only "TSD Active" pipes.