



Tahoe-Truckee Sanitation Agency
Annual Budget
Fiscal Year 2023-2024

Adopted: _____

**Tahoe-Truckee Sanitation Agency
Annual Budget
Fiscal Year 2023-2024**

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Dale Cox, Director
David Smelser, Director
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Appendix

Appendix A: General Fund Budget Expenditure Summary

Introduction

The Tahoe Truckee Sanitation Agency (Agency or T-TSA) was formed on May 1, 1972, to comply with the Porter-Cologne Water Quality Control Act and to provide wastewater treatment to the communities of north and west shores of Lake Tahoe, Truckee, and the Truckee River corridor. T-TSA owns, operates, and maintains the Truckee River Interceptor (TRI) and Water Reclamation Plant (WRP). T-TSA collects and treats sewerage from its five (5) member Districts: North Tahoe Public Utility District, Tahoe City Public Utility District, Alpine Springs County Water District, Olympic Valley Public Utility District and Truckee Sanitary District. The NorthStar Community Services District also contributes wastewater to T-TSA, via the Truckee Sanitary District sewer collection system, however, it is not considered a member district. T-TSA is governed by a five (5) member Board of Directors and each Director is appointed from each of the member districts.

The TRI is approximately 19 miles, ranges in diameter from 18-inches to 42-inches and conveys wastewater to the WRP. The WRP provides advanced treatment of all wastewater flows and is capable of treating a maximum 7-day average flow during the summer months of 9.6 million gallons per day (MGD) and has a peak instantaneous flow capacity of 15.4 MGD. The wastewater treatment process consists of screening, grit removal, primary clarification, high-purity oxygen activated sludge treatment, phosphorus stripping, chemical phosphorus removal, recarbonation, biological nitrogen removal, granular media filtration, disinfection, and odor control. The final effluent from the WRP is discharged to disposal fields, via sub-surface flow.

The mission of T-TSA is to:

- Operate and maintain the wastewater treatment plant and related facilities in a sound, efficient and effective manner.
- Maintain a workplace that fosters professional growth and job satisfaction.
- Protect its assets and investments through sound financial policies and practices.
- Improve service through long-range planning and the wise use of technology.
- Lead the discussion of strategy development for regional wastewater issues for the benefit of all customers and the environment.

The Agency maintains numerous funds which are collectively utilized for (1) maintaining the daily operations of the Agency, (2) implementation of capital improvement projects, and (3) maintaining reserves. Daily operations are administered through the General Fund (Fund 10). Capital improvements which are designated as individual projects estimated at \$25,000 or greater are administered through two funds: Wastewater Capital Reserve Fund (Fund 02) and Replacement, Rehabilitation and Upgrade Fund (Fund 06) depending on the project scope. The Emergency and Contingency Reserve Fund (Fund 07) is the reserve fund to manage Agency financial obligations, mitigate risks due to revenue shortfalls and unanticipated expenses, aid in long-term financial planning, and insulate ratepayers from large, abrupt increases in service charges.

This annual budget is prepared to project revenues and expenditures that are anticipated for the daily operations of the Agency for fiscal year 2023-2024 commencing July 1, 2023, through June 30, 2024, and to plan for capital improvements over the next five (5) fiscal years. The operating budget and capital improvement plan (CIP) formats for fiscal year 2023-2024 are similar to the past fiscal year.

This annual budget includes the following: (1) a review of fiscal year 2022-2023 revenues and expenditures; (2) fiscal year 2023-2024 revenues; (3) fiscal year 2023-2024 expenditures; (4) capital improvements plan (5-year); (5) fund summaries; (6) Unfunded Accrued Liability; (7) end of year projected balances; and (8) General Fund budget expenditures summary.

Fund Descriptions

The Agency maintains its assets through various funds and bank institutions. There is one (1) operating fund (Fund 10) and three (3) reserve funds (Funds 02, 06 & 07). The Agency's Fund Policy can be referenced from its website (www.ttsa.net). The descriptions and assigned fund numbers of each fund are as follows:

Fund 10: General Fund

The General Fund revenue source is provided through the collection of property tax revenue, sewer service charges, fund interest, and miscellaneous revenue. The fund is used to pay the costs and expenses relating to the operation and maintenance of the wastewater transport, treatment, disposal, and related facilities, including expenditures to support the Administrative, Operations, Maintenance, and Engineering departments.

The General Fund amount shall be fixed at the beginning of each fiscal year as part of the budget process. It ordinarily shall be in an amount equal to 60% of the annually budgeted expenses plus the annually budgeted Unfunded Accrued Liability (UAL) payment. At the end of each fiscal year, surplus money in the General Fund exceeding this minimum target balance shall be transferred to the Replacement, Rehabilitation and Upgrade Fund. If at the end of fiscal year, the General Fund does not have a surplus equal to 60% of the annually budgeted expenses plus the annually budgeted UAL payment, monies from the Replacement, Rehabilitation and Upgrade Fund shall be transferred to the General Fund to meet the minimum target balance.

Fund 02: Wastewater Capital Reserve Fund

The Wastewater Capital Reserve Fund is funded from connection fee revenue and fund interest. The purpose of the fund is to finance capital improvement and expansion facility projects that are necessary or appropriate to provide capacity to serve new development within the Agency's boundaries and to maintain a high level of sewer service for the benefit of such new development. The fund will be used for such capital improvement projects estimated to cost \$25,000 or greater. A capital improvement project costing less than \$25,000 generally will be funded from the General Fund. The Wastewater Capital Reserve Fund is a restricted fund; therefore, monies in the fund shall not be used for any other purpose or transferred to any other fund.

The Wastewater Capital Reserve Fund also may be borrowed from or directly used to cover in part uninsured emergency and catastrophic losses to capital facilities, including the sewage treatment plant and interceptor pipelines (facilities which benefit both new and existing development), and other necessary capital facility reserve needs.

The Wastewater Capital Reserve Fund balance shall be equal to the unexpended connection fee revenue balance. The Agency periodically will evaluate and adjust the connection fee amounts as appropriate in light of the anticipated future development plans and expectations and capacity expansion requirements. The Wastewater Capital Reserve Fund shall have a minimum target balance equal to fifty percent (50%) of the projected five years (current, plus four) of the planned budget for the capital improvement projects.

Fund 06: Replacement, Rehabilitation and Upgrade Fund

The Replacement, Rehabilitation and Upgrade Fund is funded from the transfer of monies from the General Fund as described above and fund interest. The purpose of the fund is to finance capital improvement projects to replace, rehabilitate and upgrade the existing plant, facilities, equipment, and appurtenances. The fund will be used for such capital improvement projects estimated to cost \$25,000 or greater. A capital improvement project costing less than \$25,000 generally will be funded from the General Fund.

The Replacement, Rehabilitation and Upgrade Fund balance shall be equal to the unexpended revenue balance of transfers to and from the General Fund. The Agency periodically will evaluate and adjust the target balance as appropriate in light of the anticipated future capital needs of the wastewater system. The Replacement, Rehabilitation and Upgrade Fund shall have a minimum target balance equal to fifty percent (50%) of the projected five years (current, plus four) of the planned budget for the capital improvement projects.

Fund 07: Emergency and Contingency Reserve Fund

The Emergency and Contingency Reserve Fund is funded by available Agency funds and fund interest. The Agency periodically may fund the Emergency and Contingency Reserve Fund through an appropriation in the Agency budget. The Agency will strive to replenish the fund as part of the budget in any fiscal year following any year in which money was withdrawn from the fund.

The Emergency and Contingency Reserve Fund is intended to manage Agency financial obligations, mitigate risks due to revenue shortfalls and unanticipated expenses, aid in long-term financial planning, and insulate ratepayers from large, abrupt increases in service charges. The fund is established for the following purposes and may be used for the following expenditures and needs: to fund costs and expenses arising out of or caused by an emergency or disaster; to fund unbudgeted and unanticipated capital improvements, repairs, and replacements; to pay unbudgeted and unanticipated operation, maintenance, management, or administrative expenses that are not covered by regular operating revenue; to pay uninsured losses; and, to cover other cash flow needs due to revenue delays or funding shortfalls.

The target fund balance is a minimum of \$4 million. The Agency will periodically evaluate and adjust the minimum fund balance accordingly.

Fund Administration

The majority of funds are deposited within the Local Agency Investment Fund (LAIF) which is an investment program for California local governments and special districts. The program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars of pooled funds, using the investment expertise of the State Treasurer's Office investment staff. In FY23, the Agency invested \$10 million in U.S. Treasury Securities and FDIC Insured Certificates of Deposit. Additionally, the Agency will be investing in CalClass in FY24.

As monies are required for expenditures, they are withdrawn from LAIF and placed in financial institutions for further distribution. All financial transactions in LAIF are recorded and fund balances are disseminated through Agency accounting procedures.

Fiscal Years 2022-2023 & 2023-2024 Budgets

Fund Revenues

Fund Revenue Summary

Fiscal Year 2022-2023:

FY23 projected actuals are in line with FY23 projected budget. Items of note are that General Fund revenue is expected to be higher than budget by 5.9% due to increased Sewer Service Charge, Ad Valorem and Fund Interest.

Fiscal Year 2023-2024:

FY24 revenue budget is approximately 17.1%, or \$3.5M greater than FY23 projected actuals revenue. This is primarily due to the increase in Sewer Service Charges from the rate increase.

When evaluating budgets for both fiscal years, FY24 budget is 119.3% of FY23 budget equating to an increase of approximately \$3.9M.

Table 1: Fund Revenue Summary

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|---|-------------------|-----------------------------|--|-------------------|--|---------------------------------|
| General Fund (#10) | 17,751,000 | 18,793,000 | 105.9% | 22,456,000 | 119.5% | 126.5% |
| Wastewater Capital Reserve Fund (#2) | 2,320,000 | 1,623,000 | 70.0% | 1,511,000 | 93.1% | 65.1% |
| Replacement, Rehabilitation and Upgrade Fund (#6) | 87,000 | 117,000 | 134.5% | 100,000 | 85.5% | 114.9% |
| Emergency and Contingency Reserve Fund (#7) | 70,000 | 81,000 | 115.7% | 70,000 | 86.4% | 100.0% |
| Total Revenue | 20,228,000 | 20,614,000 | 101.9% | 24,137,000 | 117.1% | 119.3% |

Fund 10: General Fund Revenue

Fiscal Year 2022-2023:

The FY23 projected actual revenues for the General Fund are 105.9% of the FY23 budget.

Fiscal Year 2023-2024:

The FY24 budget for the total General Fund revenues are 19.5% greater than the FY23 projected actuals, approximately \$3.7M, mostly due to the Sewer Rate Fee increase for FY24.

When comparing the FY24 budget to prior year's budget, the increase is 26.5%, approximately \$4.7M. The increase is mainly due to the recent increases in the Sewer Rate Fees. The following assumptions were made when budgeting General Fund Revenues for FY24:

- 1) Sewer Service Charges include the increase that was approved by the Board through the proposition 218 process.
- 2) Ad Valorem Revenue was increased by 3.0% from projected FY23 actuals.
- 3) Fund Interest includes LAIF and Bank interest, as well as investment earnings on the U.S. Treasury Securities purchased.

Table 2: General Fund Revenue

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|-----------------------------|-------------------|-----------------------------|--|-------------------|--|---------------------------------|
| Sewer Service Charges | 13,171,000 | 13,616,000 | 103.4% | 17,026,000 | 125.0% | 129.3% |
| Ad Valorem | 4,445,000 | 4,930,000 | 110.9% | 5,078,000 | 103.0% | 114.2% |
| Fund Interest - LAIF/Banks | 45,000 | 151,000 | 335.6% | 254,000 | 168.2% | 564.4% |
| Other Revenue | 65,000 | 71,000 | 109.2% | 73,000 | 102.8% | 112.3% |
| Temporary Discharge Permits | 25,000 | 25,000 | 100.0% | 25,000 | 100.0% | 100.0% |
| Total Revenue | 17,751,000 | 18,793,000 | 105.9% | 22,456,000 | 119.5% | 126.5% |

Fund 02: Wastewater Capital Reserve Fund Revenue

Fiscal Year 2022-2023:

The FY23 projected actual revenues for Wastewater Capital Reserve Fund are \$914K lower than the FY23 budget, approximately a 70.0% of budget. This is primarily due to a significant decrease in connections fees, possibly due to the significant weather in the area.

Fiscal Year 2023-2024:

The FY24 budget includes an estimated \$1.1M in connection fee revenues. This is based on an assumption of a 0.5% growth in connected EDUs or an additional 214 EDUs paying the nominal T-TSA connection fee of \$5,000 per EDU. Connection fee revenues for FY24 are estimated to be slightly lower than those collected the past several years. This is based on trend data and no indication of any large commercial or multi-family units being developed within the T-TSA service area in the coming year.

When comparing FY24 budget to FY23 budget, there is a decrease of approximately \$809K.

Table 3: Wastewater Capital Reserve Fund Revenue

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|----------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Sewer Connection Fee | 2,129,000 | 1,215,000 | 57.1% | 1,071,000 | 88.1% | 50.3% |
| Fund Interest - LAIF/Banks | 191,000 | 408,000 | 213.6% | 440,000 | 107.8% | 230.4% |
| Total Revenue | 2,320,000 | 1,623,000 | 70.0% | 1,511,000 | 93.1% | 65.1% |

Fund 06: Replacement, Rehabilitation and Upgrade Fund Revenue

Fiscal Year 2022-2023:

FY23 projected actuals are approximately 134.5% of the FY23 budget, which is due to the increased interest rates for LAIF.

Fiscal Year 2023-2024:

LAIF interest rates are expected to decrease in FY24; therefore, the FY24 budget is 85.5% of the FY23 projected actuals, resulting in a decrease of \$17K.

When comparing year over year budgets, FY24 budget is 14.9% higher than the FY23 budget.

Table 4: Replacement, Rehabilitation and Upgrade Fund Revenue

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|----------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Fund Interest - LAIF/Banks | 87,000 | 117,000 | 134.5% | 100,000 | 85.5% | 114.9% |
| Total Revenue | 87,000 | 117,000 | 134.5% | 100,000 | 85.5% | 114.9% |

Fund 07: Emergency and Contingency Reserve Fund Revenue

Fiscal Year 2022-2023:

FY23 projected actuals are approximately 115.7% of the FY23 budget, which is due to the increased interest rates for LAIF.

Fiscal Year 2023-2024:

LAIF interest rates are expected to decrease in FY24; therefore, the FY24 budget is 86.4 % of the FY23 projected actuals, resulting in a decrease of \$11K.

When comparing year over year budgets, FY24 budget is consistent with FY23 Budget.

Table 5: Emergency and Contingency Reserve Fund Revenue

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|----------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Fund Interest - LAIF/Banks | 70,000 | 81,000 | 115.7% | 70,000 | 86.4% | 100.0% |
| Total Revenue | 70,000 | 81,000 | 115.7% | 70,000 | 86.4% | 100.0% |

Fund Expenditures

Fund 10: General Fund Expenditures – Summary

Fiscal Year 2022-2023:

Projected actuals of FY23 are 91.3% of FY23 budget, approximately \$1.6M under budget. This is due to a reduction of expenditures Employee Benefits, Contractual Services, Professional Services, and Supplies, Repairs and Maintenance. The reduction is mostly due to the Retiree Health Insurance Premium reimbursement of \$450K. Additionally, there is an expected overall reduction of projected expenditures in FY23 for Contractual Services, mostly chemical of (\$192K); Professional Services, mostly Engineering contractors and Legal (\$347K) and Supplies, Repairs and Maintenance, mostly in Warehouse Stock (\$252K).

Fiscal Year 2023-2024:

The FY24 expenditure budget is 113.0%, \$2.1M, of the FY23 projected actual expenditures. This is primarily due to larger increases in Employee Benefits, Contractual Services, Professional Services, Conferences and Training, Utilities, and Supplies, Repairs & Maintenance. Note, when comparing FY24 budget to FY23 projected actuals, the projected actuals were under budget; therefore, inflating the variances slightly. The increase is a result of some expenditures carrying forward from

prior year and higher expected inflation. Items of note, are as follows: 1) Health Benefits does not include a Retiree Health Insurance Reimbursement in FY24; 2) Contractual Services include an increase in Chemicals of \$339K with \$224K in Sodium Hypochlorite, note FY23 actuals do not include a full year of Sodium Hypochlorite; 3) Professional Services have an overall increase of \$130K in Engineering Consultant Fees and \$104K in Legal Fees and includes Class and Compensation study for \$78K; 4) Conferences and Training have an overall increase of \$168K which includes carryover training from prior year as well as the new Supervisor/Manager training of approximately \$68K; 5) Increases in utilities have been consistent in FY23 and are expected to continue to increase in FY24 with an estimate budget increase of \$154K; 6) There is an increase in Supplies Repairs and Maintenance of \$343K mostly in Warehouse Stock and TRI-Mechanical.

When comparing year over year budgets, the FY24 budget is 3.1 %, \$556K, higher than the FY23 budget. This is primarily due to increases in Salaries & Wages, Contractual Services and Utilities. The Salaries & Wages increase is due to cost-of-living adjustments to all departments, budgeting Salaries and Wages for all employees at the highest step and adding two FTE’s – one to Finance and Administration and one to IT.

Table 6: 2023-2024 General Fund Expenditures – Summary

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|------------------------------------|-------------------|-----------------------------|--|-------------------|--|---------------------------------|
| Salaries & Wages | 6,194,000 | 6,590,000 | 106.4% | 6,567,000 | 99.7% | 106.0% |
| Employee Benefits | 3,701,100 | 2,843,500 | 76.8% | 3,602,500 | 126.7% | 97.3% |
| Director Fees | 9,500 | 9,500 | 100.0% | 9,500 | 100.0% | 100.0% |
| Vehicles - Maintenance | 90,000 | 91,500 | 101.7% | 83,000 | 90.7% | 92.2% |
| CSRMA Insurance | 336,000 | 330,000 | 98.2% | 415,000 | 125.8% | 123.5% |
| Professional Memberships | 53,500 | 42,000 | 78.5% | 53,500 | 127.4% | 100.0% |
| Agency Permits & Licenses | 203,000 | 207,000 | 102.0% | 225,000 | 108.7% | 110.8% |
| Office Expenses | 327,000 | 259,000 | 79.2% | 336,500 | 129.9% | 102.9% |
| Contractual Services | 2,610,000 | 2,418,000 | 92.6% | 2,740,500 | 113.3% | 105.0% |
| Professional Services | 756,000 | 409,000 | 54.1% | 689,000 | 168.5% | 91.1% |
| Conferences & Training | 126,000 | 46,000 | 36.5% | 214,000 | 465.2% | 169.8% |
| Utilities | 1,308,000 | 1,259,500 | 96.3% | 1,413,000 | 112.2% | 108.0% |
| Supplies, Repairs & Maintenance | 1,143,000 | 891,500 | 78.0% | 1,234,500 | 138.5% | 108.0% |
| Total Expenditures | 16,857,100 | 15,396,500 | 91.3% | 17,583,000 | 114.2% | 104.3% |
| CalPERS Unfunded Accrued Liability | 1,303,500 | 1,181,000 | 90.6% | 1,144,000 | 96.9% | 87.8% |
| Total Expenditures with UAL | 18,160,600 | 16,577,500 | 91.3% | 18,727,000 | 113.0% | 103.1% |

Fund 10: General Fund Expenditures – Summary by Department

When comparing the FY24 department budgets to the total budget, the department breakdown is as follows: Operations & Maintenance = 66.0% (Operations Department = 41.1%, Maintenance Department = 24.9%); Engineering Department = 9.1%, and Administrative Department = 18.8%; Even though the CalPERS UAL applies to all departments, it has been listed as its own “department” reference and is 6.1% of the total budget.

Table 7: 2023-2024 General Fund Expenditures – Summary by Department

| Department | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|------------------------------------|-------------------|-----------------------------|--|-------------------|--|---------------------------------|
| Administrative | 3,134,500 | 3,139,000 | 100.1% | 3,517,000 | 112.0% | 112.2% |
| Operations | 7,068,000 | 6,637,000 | 93.9% | 7,690,000 | 115.9% | 108.8% |
| Engineering | 1,877,100 | 1,447,000 | 77.1% | 1,706,000 | 117.9% | 90.9% |
| Maintenance | 4,777,500 | 4,173,500 | 87.4% | 4,670,000 | 111.9% | 97.7% |
| CalPERS Unfunded Accrued Liability | 1,303,500 | 1,181,000 | 90.6% | 1,144,000 | 96.9% | 87.8% |
| Total Expenditures | 18,160,600 | 16,577,500 | 91.3% | 18,727,000 | 113.0% | 103.1% |

Fund 10: General Fund Expenditures – Administrative Department

Fiscal Year 2022-2023:

Projected actuals of FY23 are 100.1% of FY23 budget, \$5K over budget. Salaries and Wages were \$219K over budget due to salaries for two General Managers concurrently netted against \$117K under budget for Professional Services primarily due to lower legal fees.

Fiscal Year 2023-2024:

The FY24 budget is \$378K (12.2%) greater than the FY23 projected actuals, due to increases in Insurance, Professional Services and Conferences and Training. the Property Insurance is expected to increase by 30%-35% and the other insurances 5%-10%. This is an increase of \$85K. The increase in professional services is primarily due to the Class and Comp Study, \$78K and \$104K in Legal Fees. Conferences and Training have increased by \$96K which includes \$78K for Supervisor/Manager Training.

Comparing FY24 budget to FY23 budget, there is an increase of \$383K, or 12.2%, which is due to increases in Salaries & Wages, Employee Benefits primarily due to the cost-of-living adjustments and an additional FTE. There is also an increase in Insurance, as noted above. Lastly, there is an increase in Conferences and Training of \$68K for the Supervisor/Manager Training.

Table 8: General Fund Expenditures – Administrative Department

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|---------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Salaries & Wages | 1,196,000 | 1,415,000 | 118.3% | 1,293,000 | 91.4% | 108.1% |
| Employee Benefits | 647,000 | 590,000 | 91.2% | 694,500 | 117.7% | 107.3% |
| Director Fees | 9,500 | 9,500 | 100.0% | 9,500 | 100.0% | 100.0% |
| CSRMA Insurance | 336,000 | 330,000 | 98.2% | 415,000 | 125.8% | 123.5% |
| Professional Memberships | 35,000 | 30,500 | 87.1% | 36,000 | 118.0% | 102.9% |
| Office Expenses | 90,500 | 90,000 | 99.4% | 128,000 | 142.2% | 141.4% |
| Contractual Services | 167,000 | 170,500 | 102.1% | 179,500 | 105.3% | 107.5% |
| Professional Services | 481,000 | 364,000 | 75.7% | 514,000 | 141.2% | 106.9% |
| Conferences & Training | 43,500 | 15,500 | 35.6% | 111,500 | 719.4% | 256.3% |
| Utilities | 129,000 | 124,000 | 96.1% | 136,000 | 109.7% | 105.4% |
| Total Expenditures | 3,134,500 | 3,139,000 | 100.1% | 3,517,000 | 112.0% | 112.2% |

Fund 10: General Fund Expenditures – Operations Department

Fiscal Year 2022-2023:

Projected actuals of FY23 are 93.9% of FY23 budget, \$431K under budget. This is due to Employee Benefits and Contractual Services. This is primarily due to the FY23 Retiree Health Insurance reimbursement.

Fiscal Year 2023-2024:

The FY24 budget is 115.9% of the FY23 projected actuals which is \$1.0M higher. Part of this increase is within Salaries & Wages and Employee Benefits of \$529K which is primarily due to the 4.8% cost-of-living adjustments and budgeting all salaries at the highest step. Additionally, there was a 22.9%, \$392K, increase in FY24 budget over FY23 projected actuals for Contractual Services due to a significant increase in chemicals. Utilities have been steadily increasing, there is a budgeted increase of \$138K in utilities.

Comparing FY24 budget to FY23 budget, the increase is smaller, 8.8%, which is due to increases in Salaries and Wages, Contractual Services and Utilities.

Table 9: General Fund Expenditures – Operations Department

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|---------------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Salaries & Wages | 2,208,000 | 2,272,000 | 102.9% | 2,418,000 | 106.4% | 109.5% |
| Employee Benefits | 1,428,500 | 1,084,500 | 75.9% | 1,467,500 | 135.3% | 102.7% |
| Professional Memberships | 6,500 | 4,000 | 61.5% | 6,500 | 162.5% | 100.0% |
| Agency Permits & Licenses | 202,000 | 207,000 | 102.5% | 225,000 | 108.7% | 111.4% |
| Office Expenses | 30,000 | 61,500 | 205.0% | 26,500 | 43.1% | 88.3% |
| Contractual Services | 1,838,500 | 1,714,000 | 93.2% | 2,106,000 | 122.9% | 114.5% |
| Conferences & Training | 11,000 | 6,000 | 54.5% | 16,000 | 266.7% | 145.5% |
| Utilities | 1,171,500 | 1,131,000 | 96.5% | 1,268,500 | 112.2% | 108.3% |
| Supplies, Repairs & Maintenance | 172,000 | 157,000 | 91.3% | 156,000 | 99.4% | 90.7% |
| Total Expenditures | 7,068,000 | 6,637,000 | 93.9% | 7,690,000 | 115.9% | 108.8% |

Fund 10: General Fund Expenditures – Engineering Department

Fiscal Year 2022-2023:

Projected actuals of FY23 are 77.1% of FY23 budget, \$430K under budget. This is primarily due to Professional Services being under budget by \$230K, which includes on-call services not being utilized and remaining portion of the budget of \$175K for the review and preparation of a pretreatment program. The pretreatment program project was initiated but not concluded in the fiscal year and there were minimal general engineering consultant services utilized, therefore, the budgeted amounts were not fully expended.

Fiscal Year 2023-2024:

The FY24 budget is 117.9%, approximately \$259K over FY23 projected actuals due to carrying over the unused budget for the pretreatment program project and general engineering consultant services, as stated above.

The FY24 budget is 90.9% of the FY23 budget, with the largest reduction in Contractual Services and Professional Services.

Table 10: General Fund Expenditures – Engineering Department

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|---------------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Salaries & Wages | 830,000 | 794,000 | 95.7% | 828,000 | 104.3% | 99.8% |
| Employee Benefits | 347,600 | 307,500 | 88.5% | 369,500 | 120.2% | 106.3% |
| Professional Memberships | 3,000 | 2,000 | 66.7% | 3,500 | 175.0% | 116.7% |
| Office Expenses | 31,000 | 20,500 | 66.1% | 4,500 | 22.0% | 14.5% |
| Contractual Services | 272,500 | 193,500 | 71.0% | 200,000 | 103.4% | 73.4% |
| Professional Services | 275,000 | 45,000 | 16.4% | 175,000 | 388.9% | 63.6% |
| Conferences & Training | 34,500 | 14,500 | 42.0% | 38,500 | 265.5% | 111.6% |
| Utilities | 1,500 | 2,000 | 133.3% | 0 | 0.0% | 0.0% |
| Supplies, Repairs & Maintenance | 82,000 | 68,000 | 82.9% | 87,000 | 127.9% | 106.1% |
| Total Expenditures | 1,877,100 | 1,447,000 | 77.1% | 1,706,000 | 117.9% | 90.9% |

Fund 10: General Fund Expenditures – Maintenance Department

Fiscal Year 2022-2023:

Projected actuals of FY23 are 87.4% of the budgeted amount, a difference of \$604K, primarily due to Employee Benefits which would include a portion of the Retiree Health Insurance reimbursement. Additionally, Supplies, Repairs & Maintenance were under budget \$223K due to reduced purchasing in Warehouse Stock.

Fiscal Year 2023-2024:

The FY24 budget is 11.9% or \$497K higher than FY23 projected actuals. This is due to an increase in Employee Benefits and Supplies, Repairs & Maintenance. The increase in Employee Benefits is due to the Retiree Health Insurance Reimbursement in FY23. The increase in Supplies, Repairs and Maintenance is due to the increase in Warehouse Stock and the carryforward of budgeted purchases from FY23 that were not made in FY23.

The FY24 budget is 97.7% of FY23 budget which is \$223K lower than FY23 budget which is reasonable.

Table 11: General Fund Expenditures – Maintenance Department

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) |
|---------------------------------|------------------|-----------------------------|--|------------------|--|---------------------------------|
| Salaries & Wages | 1,960,000 | 2,109,000 | 107.6% | 2,028,000 | 96.2% | 103.5% |
| Employee Benefits | 1,278,000 | 861,500 | 67.4% | 1,071,000 | 124.3% | 83.8% |
| Vehicles - Maintenance | 90,000 | 91,500 | 101.7% | 83,000 | 90.7% | 92.2% |
| Professional Memberships | 9,000 | 5,500 | 61.1% | 7,500 | 136.4% | 83.3% |
| Office Expenses | 175,500 | 87,000 | 49.6% | 177,500 | 204.0% | 101.1% |
| Contractual Services | 332,000 | 340,000 | 102.4% | 255,000 | 75.0% | 76.8% |
| Conferences & Training | 37,000 | 10,000 | 27.0% | 48,000 | 480.0% | 129.7% |
| Utilities | 6,000 | 2,500 | 41.7% | 8,500 | 340.0% | 141.7% |
| Supplies, Repairs & Maintenance | 889,000 | 666,500 | 75.0% | 991,500 | 148.8% | 111.5% |
| Total Expenditures | 4,777,500 | 4,173,500 | 87.4% | 4,670,000 | 111.9% | 97.7% |

Capital Improvement Plan (CIP) Expenditures

Fund 02: Wastewater Capital Reserve Fund Expenditures

Table 12 identifies the projects and expenditures for the 5-year Capital Improvements Plan (CIP) within the Wastewater Capital Reserve Fund. The projects include those identified in the 2022 Master Sewer Plan, the 2022 SCADA/IT Master Plan, and all other Agency staff identified projects.

The fund continues to provide a percentage of the 2020 Wastewater Revenue Refunding Bond debt payment. Overall, FY24 capital improvements is approximately \$1.1M and the 5-year total for the capital improvements is approximately \$15.9M. When debt service payment is included, the 5-year total fund expenditure is approximately \$25.9M.

Table 12: 2023-2024 Wastewater Capital Reserve Fund CIP Expenditures (5-Year)

| Item No. | Project Description | FY24 | FY25 | FY26 | FY27 | FY28 | Total |
|---|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| 1 | Disinfection Process Modernization | 500,000 | 0 | 0 | 467,000 | 3,508,000 | 4,475,000 |
| 2 | FY23 Scada/IT Develop Standards | 237,000 | 0 | 0 | 0 | 0 | 237,000 |
| 3 | Improve Physical Security | 167,000 | 0 | 0 | 171,000 | 0 | 338,000 |
| 4 | Digestion Improvements Project | 81,000 | 252,000 | 918,000 | 1,879,000 | 0 | 3,130,000 |
| 5 | Lime Systems Improvements | 56,500 | 0 | 0 | 0 | 0 | 56,500 |
| 6 | River Crossing, Gravity Main (MH 33 and MH 35) | 31,500 | 57,000 | 237,000 | 0 | 0 | 325,500 |
| 7 | Plant Wide Electrical Improvements (Phase 1) | 12,500 | 35,000 | 36,500 | 0 | 0 | 84,000 |
| 8 | TWAS Pump Replacement Project | 7,000 | 0 | 0 | 0 | 0 | 7,000 |
| 9 | Equipment/Vehicle Warehouse | 0 | 625,000 | 1,875,000 | 0 | 0 | 2,500,000 |
| 10 | WASSTRIP Implementation | 0 | 0 | 0 | 0 | 952,000 | 952,000 |
| 11 | Nitrified Effluent Recycle Pilot | 0 | 50,000 | 423,000 | 0 | 0 | 473,000 |
| 12 | BNR Structural Retrofit and Nitrified Effluent | 0 | 0 | 0 | 0 | 277,000 | 277,000 |
| 13 | Upgrade Reports | 0 | 0 | 107,500 | 0 | 0 | 107,500 |
| 14 | Plant Coating Improvements | 0 | 85,500 | 0 | 0 | 0 | 85,500 |
| 15 | Maintenance/E&I Shop Improvements | 0 | 0 | 0 | 110,000 | 0 | 110,000 |
| 16 | River Crossing, Gravity Main (MH 65 and MH 66) | 0 | 0 | 7,000 | 12,500 | 10,500 | 30,000 |
| 17 | River Crossing, Gravity Main (MH 88 and MH 89) | 0 | 0 | 22,500 | 42,000 | 35,000 | 99,500 |
| 18 | TRI Renewal Program | 0 | 0 | 0 | 0 | 118,000 | 118,000 |
| 19 | Primary and Secondary Treatment Repairs | 0 | 7,500 | 31,000 | 32,000 | 0 | 70,500 |
| 20 | Phosphorus Removal and Recarb Rehabilitation | 0 | 51,000 | 215,000 | 223,000 | 0 | 489,000 |
| 21 | Plant Wide Electrical Improvements (Phase 2) | 0 | 0 | 0 | 0 | 135,000 | 135,000 |
| 22 | Grit System Improvements | 0 | 0 | 0 | 0 | 50,500 | 50,500 |
| 23 | Primary and Secondary Treatment Rehab Project | 0 | 144,500 | 613,000 | 636,500 | 0 | 1,394,000 |
| 24 | Recarbonation Improvements | 0 | 0 | 0 | 0 | 15,500 | 15,500 |
| 25 | Solids Dewatering Improvements | 0 | 0 | 0 | 0 | 15,000 | 15,000 |
| 26 | Filtration Rehabilitation Project | 0 | 0 | 0 | 0 | 35,500 | 35,500 |
| 27 | AWT Improvements | 0 | 0 | 0 | 0 | 48,500 | 48,500 |
| 28 | Plant Air System Upgrades | 0 | 121,500 | 115,000 | 0 | 0 | 236,500 |
| Subtotal | | 1,092,500 | 1,429,000 | 4,600,500 | 3,573,000 | 5,200,500 | 15,895,500 |
| Debt Payment on 2020 Wastewater Revenue Refunding | | 2,206,000 | 2,397,000 | 2,597,000 | 2,811,000 | 0 | 10,011,000 |
| Annual Total | | 3,298,500 | 3,826,000 | 7,197,500 | 6,384,000 | 5,200,500 | 25,906,500 |

The following is a description of each of the above listed projects:

- 1 Construct new ultraviolet (UV) facility or other disinfection alternative for plant effluent disinfection.
- 2 Establish design guide for all SCADA programming and interfaces to IT applications.
- 3 Install employee ID card readers for secure access at WRP perimeters and critical building entrances.
- 4 New boilers, pumps, and other major mechanical equipment to support sludge digestion,

- heating, and gas handling systems.
- 5 Replace conveyance system for hydrated lime.
 - 6 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 33 and 35.
 - 7 Replace and upgrade various electrical and instrumentation equipment throughout the plant on a phased schedule.
 - 8 Replace TWAS pumps.
 - 9 Construction of a new warehouse for storage of Agency vehicles, heavy equipment, and miscellaneous equipment.
 - 10 Address phosphorous production at treatment plant and find viable solution to process remaining phosphorous.
 - 11 Perform pilot study on nitrified effluent recycle.
 - 12 Repair cracks in BNR structure, replace BNR beads, construct Nitrified Effluent Recycle pipeline, and new base flood elevation sump pump, and water cannons.
 - 13 Integrate SCADA data with LIMS and WIMS data to automate operations reports for water quality.
 - 14 Recoating of various equipment and facilities to improve longevity.
 - 15 Improvements to relocate mechanical and E&I maintenance shops.
 - 16 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 65 and 66.
 - 17 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 88 and 89.
 - 18 Address aging and deteriorating gravity sewer main through periodical R&R projects.
 - 19 Repair concrete masonry unit (CMU) walls and areas with water damage in concrete. Install gutters.
 - 20 Replace flocculation basin and recarbonation basin gates and repair concrete in clarifiers/basins.
 - 21 Replace and upgrade various electrical and instrumentation equipment throughout the plant on a phased schedule.
 - 22 Repair the structural concrete surface and recoat rake arms.
 - 23 Repair concrete throughout area and roof decks. Replace return activated sludge pumps with higher capacity pumps, replace drives for clarifier mechanisms, and replace oxygenation basin mixer drives.
 - 24 Repair concrete in basin.
 - 25 Upgrade dewatering polymer feed system and rebuild centrifuge.
 - 26 Recoat filtration tanks. Replace filter media.
 - 27 Resurface floor and structural beams, replace metal roof and demolish abandoned equipment.
 - 28 Replace plant air system tank and compressors. Address NFPA 820 compliance analysis findings.

Fund 06: Replacement, Rehabilitation and Upgrade Fund Expenditures

Table 13 identifies the projects and expenditures for the 5-year CIP within the Replacement, Rehabilitation and Upgrade Fund. The projects include projects identified in the 2022 Master Sewer Plan, the 2022 SCADA/IT Master Plan, and all other Agency staff identified projects.

The fund continues to provide a percentage of the 2020 Wastewater Revenue Refunding Bond debt payment. Overall, FY24 capital improvements is approximately \$6.6M and the 5-year total for the capital improvements is approximately \$60.0M. When debt service payment is included, the 5-year total fund expenditure is approximately \$63.7M.

Table 13: 2023–2024 Replacement, Rehabilitation and Upgrade Fund CIP Expenditures (5-Year)

| Item No. | Project Description | FY24 | FY25 | FY26 | FY27 | FY28 | Total (\$) |
|--|---|------------------|------------------|-------------------|-------------------|------------------|-------------------|
| 1 | Building Roof Replacements | 1,268,000 | 0 | 0 | 1,552,000 | 606,000 | 3,426,000 |
| 2 | Front Entry Landscape Improvements | 1,260,000 | 0 | 0 | 0 | 0 | 1,260,000 |
| 3 | Digestion Improvements Project | 501,000 | 1,850,000 | 6,732,000 | 13,779,000 | 0 | 22,862,000 |
| 4 | Lime Systems Improvements | 414,000 | 0 | 0 | 0 | 0 | 414,000 |
| 5 | LEL Equipment Replacement | 364,000 | 95,000 | 284,000 | 0 | 0 | 743,000 |
| 6 | Cashman CAT 938M Wheel Loader w/ stand equip | 297,000 | 0 | 0 | 0 | 0 | 297,000 |
| 7 | FY23 Scada/IT Replace Servers | 285,000 | 0 | 0 | 0 | 0 | 285,000 |
| 8 | River Crossing, Gravity Main (MH 33 and MH 35) | 255,000 | 461,000 | 1,913,000 | 0 | 0 | 2,629,000 |
| 9 | Upgrade Networks | 188,000 | 196,000 | 0 | 0 | 0 | 384,000 |
| 10 | Harmonic Filter Replacement For Area 71 | 148,000 | 0 | 0 | 0 | 0 | 148,000 |
| 11 | Plant-wide NFPA 820 Compliance Evaluation | 126,000 | 0 | 0 | 0 | 0 | 126,000 |
| 12 | Visible Reinforcement Study | 105,000 | 0 | 0 | 0 | 16,000 | 121,000 |
| 13 | Light vehicle replacement | 104,000 | 0 | 112,000 | 0 | 0 | 216,000 |
| 14 | Filter Press Feed Pump VFD Replacement | 103,000 | 0 | 0 | 0 | 0 | 103,000 |
| 15 | Plant Wide Electrical Improvements (Phase 1) | 92,000 | 256,000 | 271,000 | 0 | 0 | 619,000 |
| 16 | 2-Water Valve Replacements | 86,000 | 0 | 0 | 0 | 0 | 86,000 |
| 17 | Odorous Air VFD Replacement | 80,000 | 0 | 0 | 0 | 0 | 80,000 |
| 18 | Cashman CAT Skid Steer Loader | 78,000 | 0 | 0 | 0 | 0 | 78,000 |
| 19 | BIPS Strainer Basket Refurbishment | 75,000 | 0 | 0 | 0 | 0 | 75,000 |
| 20 | Condition Assessment and Inspection | 74,000 | 74,000 | 0 | 0 | 0 | 148,000 |
| 21 | Lab Equipment Replacements | 73,000 | 30,000 | 63,000 | 0 | 0 | 166,000 |
| 22 | Maintenance Carts | 63,000 | 31,000 | 0 | 0 | 0 | 94,000 |
| 23 | Replacement Primary Sludge Pumps | 63,000 | 0 | 0 | 0 | 0 | 63,000 |
| 24 | TWAS Pump Replacement Project | 50,000 | 0 | 0 | 0 | 0 | 50,000 |
| 25 | Misc Plant Rehab Project | 50,000 | 52,000 | 54,000 | 56,000 | 0 | 212,000 |
| 26 | Breaker replacement based off FY23 Arc Flash Study | 49,000 | 0 | 0 | 0 | 0 | 49,000 |
| 27 | WAS Thickening Improvements Project | 46,000 | 0 | 0 | 0 | 0 | 46,000 |
| 28 | Cake Discharge VFD Replacement | 41,000 | 0 | 0 | 0 | 0 | 41,000 |
| 29 | Operation Forklift Replacement | 40,000 | 0 | 0 | 0 | 0 | 40,000 |
| 30 | 2-Water System Improvements | 40,000 | 171,000 | 0 | 0 | 0 | 211,000 |
| 31 | Replacement Valves for Digesters | 35,000 | 0 | 0 | 0 | 0 | 35,000 |
| 32 | VFD Replacements | 34,000 | 0 | 34,000 | 0 | 0 | 68,000 |
| 33 | BNR Blower Replacement | 29,000 | 0 | 28,000 | 0 | 0 | 57,000 |
| 34 | Filter Press Hydraulic Power Unit | 26,000 | 0 | 0 | 0 | 0 | 26,000 |
| 35 | Phosphorus Stripper Flow Meters and Modulating Valves | 17,000 | 18,000 | 0 | 0 | 0 | 35,000 |
| 36 | Primary & Secondary Treatment Rehab Project | 0 | 1,059,000 | 4,495,000 | 4,666,000 | 0 | 10,220,000 |
| 37 | Plant Air System Upgrades | 0 | 892,000 | 841,000 | 0 | 0 | 1,733,000 |
| 38 | Plant Coating Improvements | 0 | 626,000 | 0 | 0 | 0 | 626,000 |
| 39 | Replace WRP PLCs (quantity 13) | 0 | 421,000 | 397,000 | 413,000 | 428,000 | 1,659,000 |
| 40 | Phosphorus Removal and Recarb Rehabilitation | 0 | 371,000 | 1,577,000 | 1,637,000 | 0 | 3,585,000 |
| 41 | Communications Network Replacement | 0 | 249,000 | 0 | 0 | 0 | 249,000 |
| 42 | Replace Pilot PLCs (quantity 4) | 0 | 227,000 | 314,000 | 222,000 | 0 | 763,000 |
| 43 | Asphalt Sealing and Replacement Project | 0 | 201,000 | 0 | 0 | 82,000 | 283,000 |
| 44 | Translucent Panel Rehab | 0 | 71,000 | 0 | 0 | 0 | 71,000 |
| 45 | SCADA Repeater Replacement | 0 | 57,000 | 0 | 0 | 0 | 57,000 |
| 46 | Primary and Secondary Treatment Repairs | 0 | 53,000 | 226,000 | 234,000 | 0 | 513,000 |
| 47 | BIPS Pump Rebuild | 0 | 50,000 | 0 | 0 | 0 | 50,000 |
| 48 | Replace RTUs (quantity 14) | 0 | 0 | 162,000 | 169,000 | 175,000 | 506,000 |
| 49 | Odorous Air Biofilter Media Replacement | 0 | 0 | 56,000 | 0 | 0 | 56,000 |
| 50 | Plant Radio Repeater | 0 | 0 | 55,000 | 0 | 0 | 55,000 |
| 51 | River Crossing, Gravity Main (MH 65 and MH 66) | 0 | 0 | 49,000 | 92,000 | 76,000 | 217,000 |
| 52 | River Crossing, Gravity Main (MH 88 and MH 89) | 0 | 0 | 34,000 | 63,000 | 52,000 | 149,000 |
| 53 | TRI Renewal Program | 0 | 0 | 0 | 0 | 867,000 | 867,000 |
| 54 | Maintenance/E&I Shop Improvements | 0 | 0 | 0 | 807,000 | 0 | 807,000 |
| 55 | Chemical Storage and Feed System Improvements | 0 | 0 | 0 | 0 | 84,000 | 84,000 |
| 56 | Plant Wide Electrical Improvements (Phase 2) | 0 | 0 | 0 | 0 | 990,000 | 990,000 |
| 57 | Grit System Improvements | 0 | 0 | 0 | 0 | 371,000 | 371,000 |
| 58 | Recarbonation Improvements | 0 | 0 | 0 | 0 | 115,000 | 115,000 |
| 59 | Solids Dewatering Improvements | 0 | 0 | 0 | 0 | 108,000 | 108,000 |
| 60 | Filtration Rehabilitation Project | 0 | 0 | 0 | 0 | 261,000 | 261,000 |
| 61 | AWT Improvements | 0 | 0 | 0 | 0 | 354,000 | 354,000 |
| Subtotal | | 6,559,000 | 7,511,000 | 17,697,000 | 23,690,000 | 4,585,000 | 60,042,000 |
| Debt Payment on 2020 Wastewater Revenue Refunding Bond (26.8%) | | 808,000 | 878,000 | 951,000 | 1,029,000 | 0 | 3,666,000 |
| Total | | 7,367,000 | 8,389,000 | 18,648,000 | 24,719,000 | 4,585,000 | 63,708,000 |

The following is a description of each of the above listed projects:

- 1 Replace roof membrane/covering on plant buildings on a periodic basis.
- 2 Improvements to Administrative Building front entry landscape.
- 3 New boilers, pumps, and other major mechanical equipment to support sludge digestion, heating, and gas handling systems.
- 4 Replace conveyance system for hydrated lime.
- 5 Replace LEL equipment for Facilities 13 and 53.
- 6 Cashman CAT 938M Wheel Loader w/ stand equipment.
- 7 Replace obsolete server hardware and software to provide a current, reliable platform for SCADA applications.
- 8 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 33 and 35.
- 9 Upgrade the WRP SCADA network, remote site radio network and non-managed switches to a self-healing dual-ring network.
- 10 Replace electronic harmonic filter.
- 11 Plant-wide NFPA 820 evaluation to identify deficient areas and required capital improvements.
- 12 Perform structural integrity analysis of TRI pipe segments with visible reinforcement defects.
- 13 Light vehicle replacement.
- 14 Replace filter press feed pump VFD.
- 15 Replace and upgrade various electrical and instrumentation equipment throughout the plant on a phased schedule.
- 16 Replace isolation valves on buried non-potable water mains.
- 17 Replace odorous air VFD.
- 18 Cashman CAT Skid Steer Loader.
- 19 BIPS Strainer Basket Refurbishment.
- 20 Inspection of interior of various tanks, pipelines, and pump stations that have not had recent inspections performed.
- 21 Replacement of various aged laboratory equipment, as needed.
- 22 Purchase of additional various maintenance utility carts.
- 23 Replacement Primary Sludge Pumps.
- 24 Replace TWAS Pump.
- 25 Replace sludge pumps/piping, pump rooms 53 and 13 mechanical equipment, flocculators, and scum pumps.
- 26 Replace existing reclaimed water hydropneumatics tank.
- 27 Plant-wide replacements of variable frequency drives throughout plant on an as-needed basis.
- 28 Improvements to relocate mechanical and E&I maintenance shops.
- 29 Operation Forklift Replacement.
- 37 Replace plant air system tank and compressors. Address NFPA 820 compliance analysis findings.
- 38 Recoating of various equipment and facilities to improve longevity.
- 40 Replace flocculation basin and recarbonation basin gates and repair concrete in clarifiers/basins.
- 41 Replacement of aged network communications equipment and cabling.
- 42 Replace Siemens PLCs identified for Pilot PLC Replacement with new PLCs.
- 43 Seal and/or replace damaged asphalt. Cost is recurring for each phase.
- 44 Refurbish existing Kalwall architectural panels.
- 45 SCADA Repeater Replacement.
- 46 Repair concrete masonry unit (CMU) walls and areas with water damage in concrete. Install gutters.
- 47 BIPS Pump Rebuild.
- 48 Replace all remaining Siemens PLCs (after Pilot Project) with new PLCs.
- 49 Repair fans. Replace MCC-69 and biofilter media.

- 50 Plant Radio Repeater.
- 51 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 65 and 66.
- 52 Rehabilitate existing gravity sewer main between TRI Manhole Nos. 88 and 89.
- 53 TRI Renewal Program.
- 54 Improvements to relocate mechanical and E&I maintenance shops.
- 55 Removal and replacement of the sulfuric acid storage tank, removal of salt tanks, and replacement of various chemical feed pumps and control panels.
- 56 Replace and upgrade various electrical and instrumentation equipment throughout the plant on a phased schedule.
- 57 Repair the structural concrete surface and recoat rake arms.
- 58 Repair concrete basin.
- 59 Upgrade dewatering polymer feed system and rebuild centrifuge.
- 60 Recoat filtration tanks. Replace filter media.
- 61 Resurface floor and structural beams, replace metal roof and demolish abandoned equipment.

Fund Summaries

The following tables provide fiscal year 2023-2024 summaries for funds that have revenues and expenditures. These funds include the General Fund, Wastewater Capital Reserve Fund and Replacement, Rehabilitation and Upgrade Fund. The Emergency and Contingency Reserve Fund does not have expenditures and is summarized in the end of year fund balance table (Table 18).

Fund 10: General Fund Summary

Overall, the projected net position of Fund 10 for FY23 is 2.2M, this is primarily due to an expected increase in revenue of 5.9%, \$1.1M, and an expected reduction in expenditures of 8.7%, \$1.6M, with the largest reduction in Employee Benefits. The reduction is mostly due to the Retiree Health Insurance Premium reimbursement of \$450K, CalPERS Pepra and Classic of \$106K and a reduction of \$84K in Health Insurance Premiums. Additionally, there is an expected overall reduction of projected expenditures in FY23 for Contractual Services, mostly chemical of \$192K; Professional Services, mostly Engineering contractors and legal \$347K and Supplies, Repairs and Maintenance, mostly in Warehouse Stock \$252K.

Overall, the projected net position for Fund 10 for budgeted FY24 is an increase by \$3.7M. This increase is attributed to the increases in Sewer Rate Fees of 30% in FY24. Expenditures are consistent year over year with a general increase due to inflation.

Table 14: General Fund Summary

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY23 Projected Actuals % used of FY23 Budget (%) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) | FY24 Budget vs. FY23 Budget (% Δ) |
|------------------------------------|-------------------|-----------------------------|--|-------------------|--|---------------------------------|-----------------------------------|
| Revenues | | | | | | | |
| Sewer Service Charges | 13,171,000 | 13,616,000 | 103.4% | 17,026,000 | 125.0% | 129.3% | 22.6% |
| Ad Valorem | 4,445,000 | 4,930,000 | 110.9% | 5,078,000 | 103.0% | 114.2% | 12.5% |
| Fund Interest - LAIF/Banks | 45,000 | 151,000 | 335.6% | 254,000 | 168.2% | 564.4% | 82.3% |
| Other Revenue | 65,000 | 71,000 | 109.2% | 73,000 | 102.8% | 112.3% | 11.0% |
| Temporary Discharge Permits | 25,000 | 25,000 | 100.0% | 25,000 | 100.0% | 100.0% | 0.0% |
| Total Revenue | 17,751,000 | 18,793,000 | 105.9% | 22,456,000 | 119.5% | 126.5% | 21.0% |
| Expenditures | | | | | | | |
| Salaries & Wages | 6,194,000 | 6,590,000 | 106.4% | 6,567,000 | 99.7% | 106.0% | 5.7% |
| Employee Benefits | 3,701,100 | 2,843,500 | 76.8% | 3,602,500 | 126.7% | 97.3% | -2.7% |
| Director Fees | 9,500 | 9,500 | 100.0% | 9,500 | 100.0% | 100.0% | 0.0% |
| Vehicles - Maintenance | 90,000 | 91,500 | 101.7% | 83,000 | 90.7% | 92.2% | 0.0% |
| CSRMA Insurance | 336,000 | 330,000 | 98.2% | 415,000 | 125.8% | 123.5% | 19.0% |
| Professional Memberships | 53,500 | 42,000 | 78.5% | 53,500 | 127.4% | 100.0% | 0.0% |
| Agency Permits & Licenses | 203,000 | 207,000 | 102.0% | 225,000 | 108.7% | 110.8% | 9.8% |
| Office Expenses | 327,000 | 259,000 | 79.2% | 336,500 | 129.9% | 102.9% | 2.8% |
| Contractual Services | 2,610,000 | 2,418,000 | 92.6% | 2,740,500 | 113.3% | 105.0% | 4.8% |
| Professional Services | 756,000 | 409,000 | 54.1% | 689,000 | 168.5% | 91.1% | -9.7% |
| Conferences & Training | 126,000 | 46,000 | 36.5% | 214,000 | 465.2% | 169.8% | 41.1% |
| Utilities | 1,308,000 | 1,259,500 | 96.3% | 1,413,000 | 112.2% | 108.0% | 7.4% |
| Supplies, Repairs & Maintenance | 1,143,000 | 891,500 | 78.0% | 1,234,500 | 138.5% | 108.0% | 7.4% |
| Total Expenditures | 16,857,100 | 15,396,500 | 91.3% | 17,583,000 | 114.2% | 104.3% | 4.1% |
| CalPERS Unfunded Accrued Liability | 1,303,500 | 1,181,000 | 90.6% | 1,144,000 | 96.9% | 87.8% | -13.9% |
| Total Expenditures with UAL | 18,160,600 | 16,577,500 | 91.3% | 18,727,000 | 113.0% | 103.1% | 3.0% |
| Net Position | (409,600) | 2,215,500 | -540.9% | 3,729,000 | 168.3% | -910.4% | 111.0% |

Fund 02: Wastewater Capital Reserve Fund Summary

Overall, the total Agency fiscal year 2023-2024 Wastewater Capital Reserve Fund has a net position decrease of \$1.8M. The largest expense for this fund is the portion of the debt payment allocated to Wastewater Capital Reserve which is projected to be \$2.2M in FY24.

The projected FY24 beginning fund balance is \$19.9M which is sufficient to offset the negative net position. The \$18.1M projected ending fund balance also meets the fund target balance of fifty percent (50%) of the projected five (5) years of the planned budget for the capital improvement projects equaling approximately \$13.0M. The fund balance can be referenced in Table 18.

Table 15: Wastewater Capital Reserve Fund Summary

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) | FY24 Budget vs. FY23 Budget (% Δ) |
|---|---------------------|-----------------------------------|---------------------|---|---------------------------------------|--|
| Revenues | | | | | | |
| Sewer Connection Fee | 2,129,000 | 1,215,000 | 1,071,000 | 88.1% | 50.3% | -98.8% |
| Fund Interest - LAIF/Banks | 191,000 | 408,000 | 440,000 | 107.8% | 230.4% | 56.6% |
| Total Revenue | 2,320,000 | 1,623,000 | 1,511,000 | 93.1% | 65.1% | -53.5% |
| Expenditures | | | | | | |
| Disinfection Process Modernization | | | 500,000 | | | |
| FY23 Scada/IT Develop Standards | | | 237,000 | | | |
| Improve Physical Security | | | 167,000 | | | |
| Digestion Improvements Project | | | 81,000 | | | |
| Lime Systems Improvements | | | 56,500 | | | |
| River Crossing, Gravity Main (MH 33 and MH 35) | | | 31,500 | | | |
| Plant Wide Electrical Improvements (Phase 1) | | | 12,500 | | | |
| TWAS Pump Replacement Project | | | 7,000 | | | |
| Subtotal | | | 1,092,500 | | | |
| Debt Payment on 2020 Wastewater Revenue Refunding Bond (73.2%) | | | 2,206,000 | | | |
| Total | | | 3,298,500 | | | |
| Net Position | | | (1,787,500) | | | |

Fund 06: Replacement, Rehabilitation and Upgrade Fund Summary

Overall, the total Agency fiscal year 2023-2024 Replacement, Rehabilitation and Upgrade Fund net position is a negative \$7.3M, attributed to the proposed capital improvement projects. The largest expenses for this fund comprise of three primary projects which account for \$3.1M of the total. The projects are Building Roof Replacements at \$1.3M, Front Entry Landscape Improvements at \$1.3M and Digestion Improvement Project at \$500K.

It should be noted, the projected beginning balance in the fund is not sufficient to offset the negative net position and requires transfers totaling \$2.2M from Fund 10 and Fund 07 (General Fund and Emergency and Contingency Reserve Fund). The fund will not meet its minimum target fund balance of 50% of the projected 5 years of budget, which equals approximately \$31.9M. A breakdown of the transfer to the fund and projected end of year fund balances are shown in Table 18.

Table 16: Replacement, Rehabilitation and Upgrade Fund Summary

| Description | FY23 Budget (\$) | FY23 Projected Actuals (\$) | FY24 Budget (\$) | FY24 Budget vs. FY23 Projected Actuals (%) | FY24 Budget vs. FY23 Budget (%) | FY24 Budget vs. FY23 Budget (% Δ) |
|--|------------------|-----------------------------|--------------------|--|---------------------------------|-----------------------------------|
| Revenues | | | | | | |
| Fund Interest - LAIF/Banks | 87,000 | 117,000 | 100,000 | 85.5% | 114.9% | 13.0% |
| Total Revenue | 87,000 | 117,000 | 100,000 | 85.5% | 114.9% | 13.0% |
| Expenditures | | | | | | |
| Building Roof Replacements | | | 1,268,000 | | | |
| Front Entry Landscape Improvements | | | 1,260,000 | | | |
| Digestion Improvements Project | | | 501,000 | | | |
| Lime Systems Improvements | | | 414,000 | | | |
| LEL Equipment Replacement | | | 364,000 | | | |
| Cashman CAT 938M Wheel Loader w/ stand equip | | | 297,000 | | | |
| FY23 Scada/IT Replace Servers | | | 285,000 | | | |
| River Crossing, Gravity Main (MH 33 and MH 35) | | | 255,000 | | | |
| Upgrade Networks | | | 188,000 | | | |
| Harmonic Filter Replacement For Area 71 | | | 148,000 | | | |
| Plant-wide NFPA 820 Compliance Evaluation | | | 126,000 | | | |
| Visible Reinforcement Study | | | 105,000 | | | |
| Light vehicle replacement | | | 104,000 | | | |
| Filter Press Feed Pump VFD Replacement | | | 103,000 | | | |
| Plant Wide Electrical Improvements (Phase 1) | | | 92,000 | | | |
| 2-Water Valve Replacements | | | 86,000 | | | |
| Odorous Air VFD Replacement | | | 80,000 | | | |
| Cashman CAT Skid Steer Loader | | | 78,000 | | | |
| BIPS Strainer Basket Refurbishment | | | 75,000 | | | |
| Condition Assessment and Inspection | | | 74,000 | | | |
| Lab Equipment Replacements | | | 73,000 | | | |
| Maintenance Carts | | | 63,000 | | | |
| Replacement Primary Sludge Pumps | | | 63,000 | | | |
| TWAS Pump Replacement Project | | | 50,000 | | | |
| Misc Plant Rehab Project | | | 50,000 | | | |
| Breaker replacement based off FY23 Arc Flash Study | | | 49,000 | | | |
| WAS Thickening Improvements Project | | | 46,000 | | | |
| Cake Discharge VFD Replacement | | | 41,000 | | | |
| Operation Forklift Replacement | | | 40,000 | | | |
| 2-Water System Improvements | | | 40,000 | | | |
| Replacement Valves for Digesters | | | 35,000 | | | |
| VFD Replacements | | | 34,000 | | | |
| BNR Blower Replacement | | | 29,000 | | | |
| Filter Press Hydraulic Power Unit | | | 26,000 | | | |
| Phosphorus Stripper Flow Meteres and Modulating Valvees | | | 17,000 | | | |
| Subtotal | | | 6,559,000 | | | |
| Debt Payment on 2020 Wastewater Revenue Refunding Bond (26.8%) | | | 808,000 | | | |
| Total | | | 7,367,000 | | | |
| Net Position | | | (7,267,000) | | | |

Unfunded Accrued Liability

The Agency participates in the California Public Employees’ Retirement System (CalPERS) which includes a plan for Classic and PEPRA (Public Employees’ Pension Reform Act) employees. Based on the most recent annual valuation reports prepared by CalPERS, the estimated Unfunded Accrued Liability (UAL) for 06/30/21 is approximately \$14.2M.

The Agency is required to make an annual payment to the UAL of \$1.2M. There is no intention to provide an additional discretionary payment directly to CalPERS as it had in past, however, the Agency will investigate other methods to reduce the UAL. The Agency has various UAL payment options which include participation in the California Employers' Pension Prefunding Trust (CEPPT) Fund program which is a trust fund program dedicated to prefunding employer contributions to defined benefit pension systems; refinancing the UAL through the issuance of bonds; and receiving a low interest rate loan to pay off the UAL. Should any of the options be desired, the Agency will determine the appropriate prefunding or payment schedule. Should the Agency decide to proceed with direct payments to CalPERS, the Agency can determine the appropriate payment schedule at that time.

As there are alternatives that should be researched, the Agency will maintain the minimum UAL payment per the current amortization schedule as prepared by CalPERS. Table 17 identifies the total appropriate amortized payments for the next five (5) fiscal years per the current CalPERS 30-year amortization schedules for Classic and PEPRA employees.

Table 17: CalPERS UAL 5-Year Amortization Schedule Summary

| Fiscal Year | Annual Scheduled Payment (\$) |
|--------------------|--------------------------------------|
| 2023-2024 | 1,144,000 |
| 2024-2025 | 1,520,000 |
| 2025-2026 | 1,590,000 |
| 2026-2027 | 1,641,000 |
| 2027-2028 | 1,681,000 |

Projected End of Fiscal Year Fund Balances

Table 18 lists the expected fund balances at the end of fiscal year 2023-2024 to include the beginning balance, annual revenue, annual expenditure, applicable UAL payment, end of year balance, fund transfer, adjusted end of year balance, target balance, and target balance position (over/under) for each fund. The total end of year balance of all funds is approximately \$33.8M and the total target balance of all funds is approximately \$60.5M, a difference of approximately \$26.7M under target balance. It should be noted the table values have been rounded.

As noted previously, there will be transfers between the General Fund, Emergency Fund and Replacement, Rehabilitation and Upgrade Fund. In order to ensure 50% of the General Fund budgeted expenditures are covered for the first six months of the year, there will be transfers of \$1.7M to the General Fund from the Emergency Fund and Replacement, Rehabilitation and Upgrade Fund. As the General Fund receives teeter payments (January, May and July of next year), the General Fund will transfer monies to the Replacement, Rehabilitation and Upgrade Fund (RRU) as needed for Fiscal Year 2023-2024 projects. The estimated

amount needed to transfer to the RRU fund, is \$3.8M. The target balance for the Emergency and Contingency Reserve Fund is \$4M, therefore, the surplus will be transferred to the General Fund or the Replacement, Rehabilitation and Upgrade Fund as needed.

As indicated in the table, after the above transfers, there is a shortfall in the Target Balance for the Replacement, Rehabilitation and Upgrade Fund. The shortfall is attributed to the Fund Target Balance set point of “fifty percent (50%) of the projected five years (current, plus four) of the planned budget for the capital improvement projects”.

Table 18: Projected End of Year Fund Balances

| Description | General Fund (#10) | Wastewater Capital Reserve Fund (#2) | Replacement, Rehabilitation and Upgrade Fund (#6) | Emergency and Contingency Reserve Fund (#7) | Total All Funds |
|---|--------------------|--------------------------------------|---|---|-------------------|
| FY24 Fund 10 Beginning Target Fund Balance (60% of FY24 Budgeted Expenditures) | 11,694,000 | | | | |
| FY24 Estimated Actuals Beginning Fund Balance (Cash @ 5/31/23 plus net estimated June Activity) | 9,996,000 | 19,934,000 | 5,075,500 | 4,080,730 | 39,086,230 |
| Target Balance Over/(Under) | (1,698,000) | | | | |
| Transfers between funds July | 1,698,000 | | (1,617,270) | (80,730) | 0 |
| FY24 Adjusted Actuals Beginning Fund Balance | 11,694,000 | 19,934,000 | 3,458,230 | 4,000,000 | 39,086,230 |
| FY24 Budgeted Revenues | 22,456,000 | 1,511,000 | 100,000 | 70,000 | 24,137,000 |
| FY24 Budgeted Expenditures | 17,583,000 | 3,298,500 | 7,367,000 | 0 | 28,248,500 |
| FY24 CalPERS Required UAL | 1,144,000 | 0 | 0 | 0 | 1,144,000 |
| FY24 Projected Ending Fund Balance | 15,423,000 | 18,146,500 | (3,808,770) | 4,070,000 | 33,830,730 |
| Transfers between funds Mid Year | (4,000,000) | 0 | 4,070,000 | (70,000) | 0 |
| FY24 Adjusted Ending Fund Balance | 11,423,000 | 18,146,500 | 261,230 | 4,000,000 | 33,830,730 |
| FY24 Target Fund Balance | 11,694,000 | 12,951,400 | 31,853,400 | 4,000,000 | 60,498,800 |
| Target Balance Over/(Under) | | 5,195,100 | (31,592,170) | 0 | (26,668,070) |

General Fund Budget Expenditure Summary

Appendix A provides a detailed account of each department’s budgeted expenditures.

Summary

The annual budget for fiscal year 2023-2024 provides detailed operating budgets and capital improvement plans for the Agency in order to meet the waste discharge requirements and provide a high level of service to its customers. As the budget is monitored and more data is collected during the fiscal year, the Agency will be able to better determine department operating and maintenance costs and make financial decisions on its assets accordingly.

With the increases in operational expenditures and the projected CIP projects, the Agency increased Sewer Rate Fees accordingly following the Proposition 218 process. The 5-year rate increases begin in FY24 and continue through to FY28. The rate study and approved increases can be found on the Agency’s website under the transparency tab. Additionally, the Agency will continue the rate study process for Sewer Connection Fees and will also need to look into debt financing for additional funding in the upcoming fiscal years.