



TAHOE CITY PUBLIC UTILITY DISTRICT

MEMORANDUM

TO:	Board of Directors	DATE:	June 7, 2022
FROM:	Sean Barclay General Manager	SUBJ:	Long-Term Financial Planning - Financial Forecasting – 10-Year Capital Project Priorities Funding Analysis

RECOMMENDATION:

The Board receive a presentation on the results of a financial forecasting analysis for the District's 10-Year capital project priorities in the Water Fund and General Fund (Parks & Recreation) areas.

BACKGROUND:

At the March 2022 Board of Directors meeting, the Board reviewed and discussed potential alternatives for funding the Tahoe Cedars and Madden Creek water system reconstruction projects. Due to the magnitude of the estimated costs of these projects and the list of other capital priorities for the District, the Board directed staff to prepare 10-Year Capital Improvement Plans for the Water Fund and General Fund (Parks & Recreation); and to determine revenue requirements necessary to fund these plans.

Staff worked with the District's Long-Term Financial Plan (LTFP) consultants and the District's LTFP Ad-Hoc Committee (Directors Pang and Wilkens) to complete the attached 10-Year Capital Improvement Plans (Capital Plans). Simultaneously, the team developed a comprehensive financial forecasting model designed to evaluate scenarios and determine what actions might be necessary to fund the Capital Plans.

After completion and rigorous review of numerous scenarios and alternatives, the team settled on modeling a Capital Plan funding scenario that includes a blend of debt financing and pay-as-you go funding. To achieve the revenues necessary to fund the entire list of projects identified in the Capital Plans under this scenario and maintain long-term fiscal stability, the District will need to raise water rate revenue and commit future property tax revenue towards new water capital debt. The presentation will provide the Board an opportunity to review the Capital Plans, review and discuss the financial forecasting model and to review the funding scenario and summary conclusions.

This 10-year financial forecasting effort marks the culmination of a comprehensive and rigorous long-term financial planning process conducted by the District. The LTFP team feels confident that the Board can now act on implementing a strategy for the funding of the Tahoe Cedars and Madden Creek reconstruction projects. If the Board agrees, the LTFP team will begin the development on a set of recommendations for high-level funding strategy for presentation to the Board at an upcoming meeting.

STRATEGIC FOCUS AREA:

- Long-Term Financial Sustainability
- Infrastructure & Property – Protection and Improvement

FINANCIAL IMPACTS:

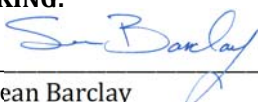
No financial impact.

ATTACHMENTS:

- Long-Term Financial Planning Presentation – Financial Forecasting – 10-Year Capital Project Priorities Funding Analysis
- 10-Year Capital Improvement Plan – Water and General Fund (Parks & Recreation)
- 10-Year Financial Forecasting Model – Water Fund and General Fund

REVIEW TRACKING:

Submitted By: _____


Sean Barclay
General Manager

Long-Term Financial Planning

Financial Forecasting – 10-Year Capital Project Priorities Funding Analysis



Tahoe City Public Utility District

Presentation Outline

- Review critical Long-Term Financial Planning (LTFP) Questions
- Review the 10-year District Capital Project Priorities (Water & General Fund)
- Review & discuss the 10-Year Financial Forecasting Model & scenario analysis
- Review & discuss summary conclusions
- Review next steps in LTFP process
- Receive feedback



Critical LTFP Questions – Answered

What is the condition of the Tahoe Cedars and Madden Creek Water Systems?

- *Failing*
- *No water meters*
- *Significant deficiencies in water infrastructure for fire fighting*

What is the recommended capital infrastructure approach?

- *Full replacement of both systems*

What is estimated cost of full replacement?*

- *Tahoe Cedars - \$37M (not including privately owned infrastructure relocations)*
- *Madden Creek - \$7M*

What funding sources are available to pay for these replacement projects?

- *General water rate revenue*
- *Property tax revenue*
- *System customer specific revenue (rates, special assessment)*
- *Potential grant funding*

**as of Master Plan adoption in Feb. 2021*



Critical LTFP Questions – Answering Today

- **What are the District's other capital priorities (besides Tahoe Cedars/Madden Creek)?**
- **What actions are necessary for the District to be able to pay for the entire 10-Year CIP?**
- **What is the District's borrowing capacity?**

Having answers to these questions will allow the Board to provide direction to staff on a funding approach for the Tahoe Cedars and Madden Creek system replacement projects



What are the District's 10-Year capital priorities?



10-Year Capital Improvement Plan (CIP)

Water and General Fund Projects – 10-year total investment \$103M

- Includes currently identified projects
- 10-Year CIP (2024-2033) – incorporates 2022 & 2023 planned capital
- All costs shown on the 10-Year CIP are in 2021 dollars (no inflation)
- Annual escalator for inflation is applied in the model
- Includes ongoing pay/go rehabilitation and replacement projects
- Water CIP does not include any future water system acquisitions or related system rehabilitation projects
- Projects with “secured” grant funding are noted and offset by the grant funding amount
- Selected a balance of debt financing and pay-go designed to maintain flexibility and strong cash position
- Limited debt financing to large “one-time” projects per Debt Management Policy (No. 2040)



10-Year Capital Improvement Plan - Water

Water Projects – 10-year total investment - \$77M

Debt Financed – \$59M

- Tahoe Cedars Water System Distribution Improvements
- Madden Creek Water System Distribution Improvements
- West Shore Storage Augmentation (Storage Only – 2 Tanks)
- Admin Facility Improvement Projects (Water Fund Share)

Pay-Go Financed – \$18M

- Water system improvements, rehab and replacement projects



10-Year Capital Improvement Plan – General Fund

General Fund/Parks Projects – 10-year total investment - \$26M

Debt Financed – \$9M

- Bike Trail Rehabilitation
- Admin Facility Improvements (General Fund Share)

Pay-Go Financed – \$17M

- Tahoe City Community Center Occupancy Conversion
- TCGC/WSP Clubhouse Contribution
- TCGC/WSP Irrigation System Rehabilitation
- Facility improvements, rehab and replacement projects



What actions are necessary for the District to be able to pay for the entire 10-Year CIP?



10-Year Financial Forecasting Model

Usable on an ongoing basis to forecast and incorporate updates as decisions are made along the way

- Includes the 10-Year Capital Improvement Plan just discussed
- Includes reasonable and conservative assumptions
- Includes major variables that will require board policy direction
- Uses key metrics to determine long-term fiscal stability
 - Unrestricted cash
 - Reserve balances
 - Debt service coverage
- Serves as a guide to evaluate financial position and borrowing capacity
- Staff will not execute a 10-year plan at once, rather will work with the Board on series of recommendations over ten-years



10-Year Financial Forecasting Model - Assumptions

Includes the three potential funding sources that the board reviewed in March:

- Water rate revenue
- Property tax revenue
- Tahoe Cedars/Madden Creek – Supplemental Revenue (rates or special assessment)

10-Year modeling period – 2024-2033 (includes 2022 budget and 2023 projections to model cash)

Assumes bonds are the financing mechanism (most expensive/conservative option, 4% bond rate)

Assumes 30-year debt service period

- Per IRS tax rules, bonds are issued in 3-year increments
- Full debt service payments begin in 2031

Annual water rate revenue increases (5.5%/year 2024-2029 and 4%/year 2030-2033)

Annual operating expense increases in both water and general funds

Annual 3.0% growth in property tax revenue



10-Year Financial Forecasting Model - Variables

Critical Policy Questions

1. Level of property tax revenue to fund new water debt service

- Current assumption is 33% of new water debt will be funded by property tax revenue transfer (reaches a max of \$1.5M/year, once full debt payments are reached in 2031)

2. Tahoe Cedars/Madden Creek – Supplemental Revenue

- Through a cost-of-service analysis, determining customer specific capital infrastructure costs that are unique to the TC/MC replacement projects, and, therefore, should be paid for by those customers. Currently modeled at about \$450k/year for 30 years.



10-Year Financial Forecasting Model – Evaluation Metrics

Critical Metrics to evaluate long-term fiscal stability

- Unrestricted cash balance and future trend after pay-go capital and maintaining reserves (positive and growing is ideal)
- % of unrestricted cash balance as a % of annual planned operating expenditures (>50% is ideal)
- Debt service coverage ratio is met in each year (maintain a minimum of 1.20)
- % of the TC/MC Replacement Project annual debt service covered by TC/MC supplemental revenue (12.8%)
- % of annual property tax revenue used for new and existing water debt service (% determined on a project-by-project basis)



WATER FUND

10-Year Financial Forecasting Model

10-Year Financial Forecasting Model – Water Fund

	Current Rate Study		Next Rate Study Period									
	6.73%	6.44%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	4.0%	4.0%	4.0%	4.0%
<i>Water Rate Revenue Increase (Annual)</i>												
<i>% of New Water Debt Service paid from Property Tax Transfer</i>			33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
<i>Values in \$1,000</i>												
	Budget	Projected										
Fiscal Year / Calendar Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
REVENUE												
Current Planned Revenue (Rates, Fees, Exist. Prop. Tax Transfers, Interest, Other)	10,029	9,579	10,456	11,007	11,591	12,206	12,826	13,496	14,007	14,524	15,059	15,633
NEW - Prop. Tax Transfer to Water Fund - % of New Water Financing Debt Service	-	-	-	563	563	563	1,173	1,173	1,173	1,529	1,529	1,529
NEW - Tahoe Cedars / Madden Creek - Supplemental Revenue	-	-	442	442	442	442	442	442	442	442	442	442
Total Revenue	\$10,029	\$9,579	\$10,897	\$12,012	\$12,596	\$13,211	\$14,441	\$15,112	\$15,622	\$16,495	\$17,030	\$17,604
EXPENSE												
Personnel	1,903	2,026	2,177	2,343	2,504	2,672	2,851	3,041	3,245	3,464	3,698	3,947
Operations	3,554	3,643	3,926	4,125	4,317	4,519	4,730	4,952	5,186	5,432	5,690	5,960
Total Expense	5,457	5,669	6,103	6,468	6,821	7,191	7,581	7,993	8,431	8,896	9,387	9,907
DEBT SERVICE												
WLRWTP Debt Service - \$20M SRF Loan (Total)	95	188	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123
New Water Financing Debt Service	-	-	-	1,707	1,707	1,707	3,556	3,556	3,556	4,634	4,634	4,634
Total Debt Service	\$95	\$188	\$1,123	\$2,830	\$2,830	\$2,830	\$4,679	\$4,679	\$4,679	\$5,757	\$5,757	\$5,757
Annual Net Surplus/(Deficit)	\$4,477	\$3,722	\$3,671	\$2,714	\$2,945	\$3,190	\$2,182	\$2,440	\$2,513	\$1,842	\$1,885	\$1,940
<i>Debt Service Coverage (Minimum 1.20x)</i>	48.13	20.80	4.27	1.96	2.04	2.13	1.47	1.52	1.54	1.32	1.33	1.34
CASH FLOW												
Total Cash Beginning Balance	\$6,462	\$8,144	\$7,304	\$7,829	\$9,327	\$11,142	\$12,957	\$12,047	\$12,649	\$12,801	\$11,459	\$9,989
Plus: Annual Surplus/(Deficit)	4,477	3,722	3,671	2,714	2,945	3,190	2,182	2,440	2,513	1,842	1,885	1,940
Minus: Pay-Go Water Capital (Inflated)	(2,727)	(4,476)	(3,089)	(1,071)	(1,072)	(1,286)	(3,087)	(1,737)	(2,276)	(3,114)	(3,333)	(1,516)
Minus: Pay-Go Vehicle Capital - Water Fund Share (Inflated)	(68)	(86)	(57)	(145)	(58)	(89)	(5)	(101)	(85)	(70)	(22)	(146)
Total Cash Ending Balance	\$8,144	\$7,304	\$7,829	\$9,327	\$11,142	\$12,957	\$12,047	\$12,649	\$12,801	\$11,459	\$9,989	\$10,267
Total Water Reserves (Current Policy Minimums - Oper./Fleet/Infra./Acq.)¹	\$6,174	\$6,274	\$6,437	\$6,503	\$6,544	\$6,637	\$6,734	\$6,837	\$6,947	\$7,063	\$7,186	\$7,316
Unrestricted Cash Balance	\$1,970	\$1,030	\$1,392	\$2,824	\$4,598	\$6,320	\$5,313	\$5,812	\$5,854	\$4,396	\$2,803	\$2,951
<i>Unrestricted Cash + Avail. Reserves as % of Annual Exp (Min. 25% per Policy - Ideal 50%)</i>	89%	70%	72%	92%	114%	134%	115%	116%	112%	91%	71%	70%

¹Operating Reserve - Per District Policy - 90 days of the annual water operating budget
 Fleet & Equipment Replacement Reserve - Per District Policy - annualized value of the 15-year fleet and equipment replacement plan (water fund share)
 Water Infrastructure Capital Replacement Reserve - Per District Policy - minimum of \$1.5M

GENERAL FUND

10-Year Financial Forecasting Model

10-Year Financial Forecasting Model – General Fund

ASSUMED - Growth in Property Tax Revenue
Values in \$1,000

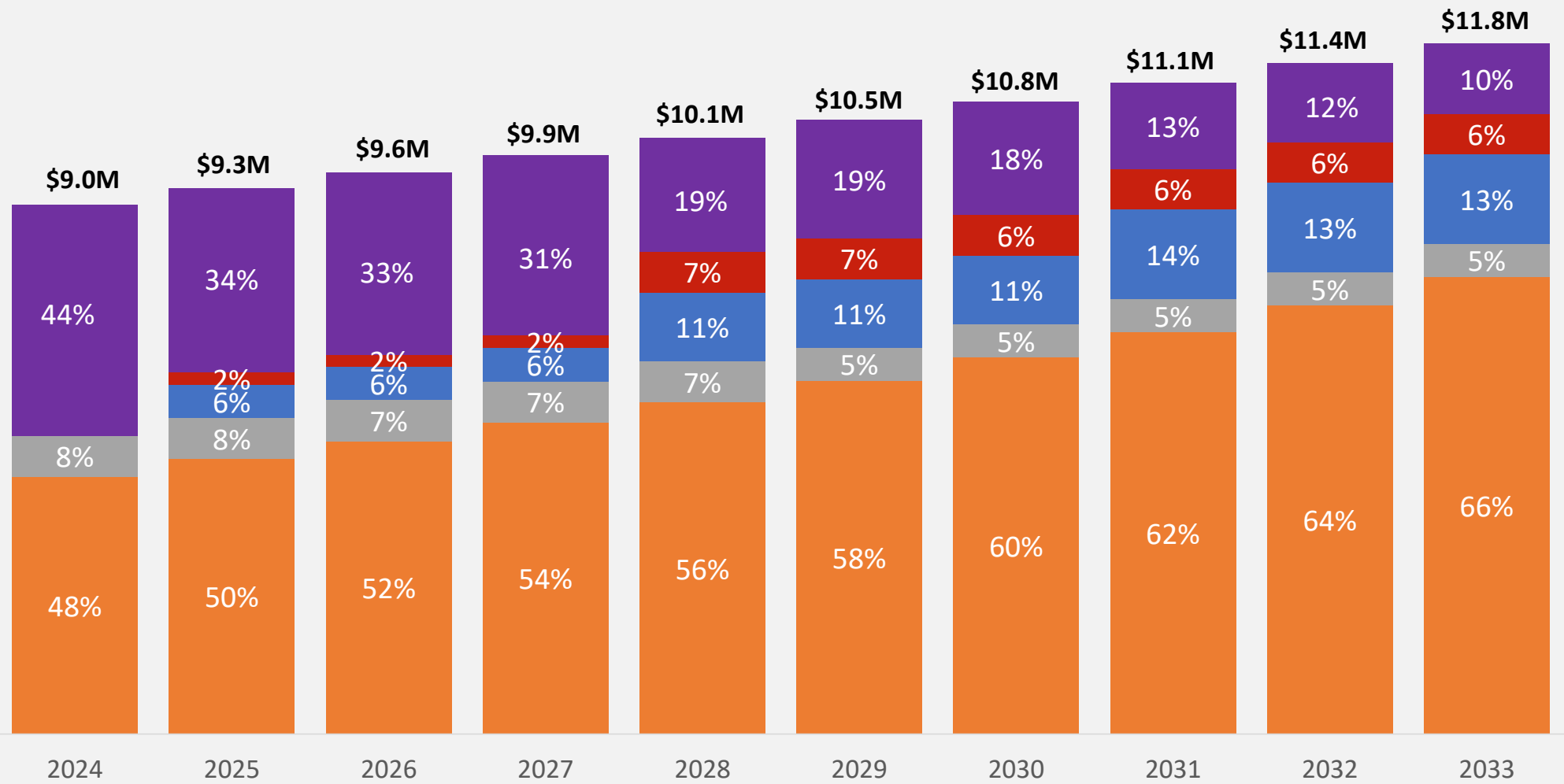
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Fiscal Year / Calendar Year	Budget 2022	Projected 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
REVENUE												
Current - Property Tax Total (Placer County and El Dorado County)	8,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091	11,423	11,766
Current - Parks, Recreation, and Golf Fees	2,079	2,050	2,086	2,124	2,163	2,201	2,241	2,281	2,322	2,364	2,407	2,450
Current - Interest Income	143	167	128	124	132	138	150	163	174	180	185	189
Total Revenue	\$10,722	\$10,972	\$11,232	\$11,536	\$11,862	\$12,193	\$12,541	\$12,898	\$13,264	\$13,635	\$14,015	\$14,405
EXPENSE												
Parks, Recreation, and Golf (personnel and operations combined)	5,891	6,082	6,483	6,817	7,162	7,531	7,921	8,337	8,784	9,262	9,766	10,297
Non-Operating (Tax Collection Fees)	405	110	112	114	116	119	121	123	126	128	128	128
Property Tax Transfer to Sewer Fund - Harbor Master SRF Debt Service	140	140	140	140	140	140	140	-	-	-	-	-
Property Tax Transfer to Water Fund - TC/MC Rate Transition	385	185	-	-	-	-	-	-	-	-	-	-
Property Tax Transfer to Water Fund - WLTRWTP Debt Service	48	94	562	562	562	562	562	562	562	562	562	562
Property Tax Transfer for Water System Acquisition Reserve	866	-	-	-	-	-	-	-	-	-	-	-
Subtotal Current Planned Expense	\$7,735	\$6,611	\$7,297	\$7,633	\$7,980	\$8,352	\$8,744	\$9,022	\$9,472	\$9,952	\$10,456	\$10,987
NEW - Property Tax Transfer to Water Fund - % of New Water Financing Debt Service	-	-	-	563	563	563	1,173	1,173	1,173	1,529	1,529	1,529
NEW - General Fund Project Financing (Series 2024) Debt Service	-	-	-	214	214	214	214	214	214	214	214	214
NEW - General Fund Project Financing (Series 2027) Debt Service	-	-	-	-	-	-	472	472	472	472	472	472
Subtotal New Expense/Debt Service	-	-	-	778	778	778	1,860	1,860	1,860	2,216	2,216	2,216
Total Expenditure	\$7,735	\$6,611	\$7,297	\$8,411	\$8,758	\$9,130	\$10,604	\$10,882	\$11,332	\$12,168	\$12,672	\$13,203
Annual Net Surplus/(Deficit)	\$2,987	\$4,361	\$3,935	\$3,125	\$3,104	\$3,063	\$1,937	\$2,016	\$1,932	\$1,467	\$1,343	\$1,202
CASH FLOW												
Total Cash Beginning Balance	\$12,392	\$14,413	\$16,878	\$12,943	\$12,481	\$13,349	\$13,940	\$15,193	\$16,445	\$17,570	\$18,203	\$18,706
Plus: Annual Surplus/(Deficit)	2,987	4,361	3,935	3,125	3,104	3,063	1,937	2,016	1,932	1,467	1,343	1,202
Minus: Pay-Go Parks & Recreation Capital (Inflated)	(727)	(1,809)	(7,806)	(3,550)	(2,082)	(2,125)	(603)	(619)	(635)	(653)	(670)	(688)
Minus: Pay-Go Vehicles Capital - P&R and Admin Share (Inflated)	(239)	(87)	(64)	(38)	(154)	(347)	(82)	(145)	(171)	(182)	(170)	(98)
Total Cash Ending Balance	\$14,413	\$16,878	\$12,943	\$12,481	\$13,349	\$13,940	\$15,193	\$16,445	\$17,570	\$18,203	\$18,706	\$19,122
Total General Fund Reserves (Current Policy Mins. - Oper./Fleet/Infra/Priority Proj.):	\$3,839	\$3,780	\$3,928	\$4,082	\$4,269	\$4,361	\$4,458	\$4,562	\$4,674	\$4,794	\$4,920	\$5,052
Unrestricted Cash Balance	\$10,574	\$13,099	\$9,016	\$8,398	\$9,080	\$9,579	\$10,734	\$11,883	\$12,896	\$13,409	\$13,786	\$14,069
Unrestricted Cash + Avail. Reserves as % of Annual Exp (Min. 25% per Policy - Ideal 50%)	221%	257%	179%	163%	166%	165%	173%	180%	183%	181%	176%	171%

Operating Reserve - Per District Policy - 90 days of the annual general fund operating budget
 Fleet & Equipment Replacement Reserve - Per District Policy - annualized value of the 15-year fleet and equipment replacement plan (general fund share)
 General Fund Infrastructure Capital Replacement Reserve - Per District Policy - minimum of \$1.0M
 Priority Project Capital Reserve - Per District Policy - annual Board designation, maintained current \$1.0M

Annual Property Tax Distribution

- Net Gen. Fund Ops. Exp.
- New Gen. Fund Debt Serv.
- Existing Debt Serv.
- Remaining Property Tax
- New Wtr. Debt Serv.



10-Year Financial Forecasting Model – Summary

If Board provides general policy direction regarding:

- Continuing annual water rate revenue increases from all water customers
- Through a cost-of-service analysis, determining customer specific capital infrastructure costs that are unique to the TC/MC replacement projects, and, therefore, should be paid for by those customers
- Dedicating property tax revenues to fund new water capital infrastructure debt

Then:

- District can fund the 10-year CIP through a mixture of debt/pay-go financing and maintain long-term fiscal stability while maintaining some flexibility in the general fund



Critical LTFP Questions – Answered Today

What are the District's other capital priorities (besides Tahoe Cedars/Madden Creek)?

- Identified on the 10-Year CIP

What actions are necessary for the District to be able to pay for the entire 10-Year CIP?

- Increase water rate revenue
- Dedicate property tax revenue to pay for new water capital infrastructure debt
- Utilize a combination of debt financing and pay-go financing

What is the District's borrowing capacity?

- Enough to complete the identified 10-year CIP and maintain some financial flexibility if necessary
- Currently adequate to meet all identified CIP projects. Additional borrowing would require raising rates or dedicating additional property tax to debt payments



Next Steps in LTFP Process

- Prepare a Tahoe Cedars / Madden Creek replacement project focused near-term funding strategy for Board review and approval at an upcoming meeting
- Begin general public outreach and focused Tahoe Cedars / Madden Creek outreach after receiving Board direction/approval on the overall financial strategy



Questions, Comments, Feedback?



10-Year Capital Improvement Plan - Water

All Values are 2021 Dollars (No Inflation)													
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024 - 2034 Project Subtotal
WATER PROJECTS													
Water Debt Financing													
Tahoe Cedars Water System Distribution Replacement				\$ 3,250,000	\$ 4,442,833	\$ 4,239,667	\$ 4,619,833	\$ 4,456,500	\$ 4,430,333	\$ 4,217,667	\$ 4,133,000	\$ 3,494,167	\$ 37,284,000
Madden Creek Water System Distribution Replacement				\$ 3,044,167	\$ 673,833	\$ 3,369,167							\$ 7,087,167
West Shore Storage Augmentation (Storage Only - 2 Tanks)				\$ 475,450	\$ 492,550	\$ 3,377,250	\$ 2,039,200	\$ 366,550	\$ 2,531,250	\$ 843,750			\$ 10,126,000
Admin Facility Improvement Projects							\$ 1,000,000	\$ 2,000,000	\$ 2,000,000				\$ 5,000,000
SUBTOTAL WATER DEBT FINANCING	\$ -	\$ -	\$ -	\$ 6,769,617	\$ 5,609,217	\$ 10,986,083	\$ 7,659,033	\$ 6,823,050	\$ 8,961,583	\$ 5,061,417	\$ 4,133,000	\$ 3,494,167	\$ 59,497,167
Water Pay as you Go													
Tahoe Cedars Water System Distribution Improvements - P&D < 2025	\$ 175,000	\$ 500,000	\$ 500,000										\$ 500,000
Madden Creek Water System Distribution Improvements P&D < 2025	\$ 172,000	\$ 215,000	\$ 608,833										\$ 608,833
West Shore Storage Augmentation (Storage Only) - P&D* < 2025	\$ 306,280	\$ 250,000	\$ 360,400										\$ 360,400
Public Projects Relocations/Upgrades	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 100,000
Madden Creek Distribution Improvements - Phases 1 & 2	\$ 596,079												\$ -
Hwy 28 Conductor Crossing Project	\$ 537,221	\$ 581,898											\$ -
CA FLAP SR89 - Fanny Bridge - Water Relocations	\$ -	\$ 170,150											\$ -
Rubicon Wells 2 & 3 - Backup Power Project*	\$ 164,341	\$ 666,704											\$ -
Lower Meeks Bay PRV*		\$ 107,169	\$ 287,756										\$ 287,756
Rubicon Tank No. 1 Water Feed Line Replacement*	\$ 40,513	\$ 176,550											\$ 176,550
The Drive WLR			\$ 87,832	\$ 612,864									\$ 700,696
Dardanelles WLR*	\$ 96,360	\$ 446,760											\$ -
Concrete Tank Rehabilitation (Four Seasons & Tahoe Tavern)	\$ 16,300	\$ 38,650	\$ 97,350										\$ 97,350
Smart Meter Replacement Program	\$ 200,000	\$ 700,000	\$ 700,000										\$ 700,000
Highlands Easements Service Line Replacements (Polybutylene)				\$ 100,104	\$ 403,632								\$ 503,736
Moana Circle WLR*	\$ 145,200	\$ 344,850											\$ -
Lagoon WLR						\$ 179,520	\$ 1,974,720						\$ 2,154,240
TC Main Emergency Water Supply Project					\$ 74,629	\$ 706,641	\$ 176,660						\$ 957,930
Rubicon Water System Transmission Improvements								\$ 193,594	\$ 580,782	\$ 2,175,625	\$ 2,175,625		\$ 5,125,626
Fairway WLR (Bunker to NTFPD)											\$ 100,776	\$ 891,480	\$ 992,256
Water System Master Metering				\$ 40,000	\$ 250,000								\$ 290,000
Unidentified Water Line Replacements								\$ 200,000	\$ 1,000,000	\$ 1,000,000			\$ 2,200,000
Tahoe City Main Source Augmentation Projects - Highlands Well										Not funded in this model			\$ -
Operational Capital Projects	\$ 196,047	\$ 35,547	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,000,000
SUBTOTAL WATER PAY AS YOU GO	\$ 2,655,341	\$ 4,243,278	\$ 2,852,171	\$ 962,968	\$ 938,261	\$ 1,096,161	\$ 2,561,380	\$ 1,403,594	\$ 1,790,782	\$ 2,385,625	\$ 2,486,401	\$ 1,101,480	\$ 17,755,373
Water Capital Total	\$ 2,655,341	\$ 4,243,278	\$ 2,852,171	\$ 7,732,585	\$ 6,547,478	\$ 12,082,244	\$ 10,220,413	\$ 8,226,644	\$ 10,752,365	\$ 7,447,042	\$ 6,619,401	\$ 4,595,647	\$ 77,252,540

*Grant Funded Projects. The value presented is offset by secured grant amount.

NOT INCLUDED:

Water Company Acquisitions / System Rehabilitation

West Lake Tahoe Regional Water Treatment Plant not included above as it is financed through Calif. SRF and it's debt service payments are included separately in the Long-Term Financial Model

10-Year Capital Improvement Plan - General Fund

All Values are 2021 Dollars (No Inflation)													
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024 - 2034 Project Subtotal	
GENERAL FUND PROJECTS (Parks & Recreation)													
General Fund Debt Financing													
Bike Trail Rehab				\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000						\$ 4,100,000
Admin Facility Master Plan Projects							\$ 1,000,000	\$ 2,000,000	\$ 2,000,000				\$ 5,000,000
SUBTOTAL GENERAL FUND DEBT FINANCING	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,100,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 9,100,000
General Fund Pay as you Go													
Admin Air Handler Unit Replacements	\$ 206,464												\$ -
Admin - Boiler Replacement		\$ 75,000											\$ -
Admin - Front Main Entrance Concrete		\$ 45,000											\$ -
Admin - Windows		\$ 150,000											\$ -
Admin - Roof Replacement			\$ 172,000										\$ 172,000
Admin - Carpet Replacement			\$ 57,000										\$ 57,000
Bells Landing			\$ 200,000										\$ 200,000
Bike Trail Rehab	\$ 35,000	\$ 100,000	\$ 100,000										\$ 100,000
Bike Trails-Sequoia Crossing Safety Enhancement Upgrades* (Fully Funded)	\$ -												\$ -
Bike Trails - CMU Retaining Wall Repair at Bells Landing	\$ 30,000												\$ -
Bike Trails - Trail Safety Improvements near River Ranch		\$ 75,000											\$ -
Bike Trails - Trail Rehab from South St. to Tahoe Ski Bowl way	\$ 68,000												\$ -
Bike Trails - Interpretive Signage Replacement		\$ 100,000											\$ -
Bike Trails - Lakeside Trail V-VII Wood Plank Repairs			\$ 55,000										\$ 55,000
TCGC/WSP - Operational Imps	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
TCGC/WSP - 3rd Hole Safety and Mobility Improvements		\$ 269,313	\$ 769,188										\$ 769,188
TCGC/WSP - 2nd Hole Improvements		\$ 66,088	\$ 439,288										\$ 439,288
TCGC/WSP - Clubhouse Contribution			\$ 426,191	\$ 2,130,956									\$ 2,557,147
TCGC/WSP - Irrigation Booster Pump Station		\$ 12,000	\$ 125,000	\$ 125,000	\$ 125,000								\$ 375,000
TCGC/WSP - Irrigation System Rehabilitation				\$ 750,000	\$ 750,000								\$ 1,500,000
TCGC/WSP - Drainage Repair	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000								\$ 165,000
Kilner Park - Park Replacements and upgrades (Bathroom)		\$ 78,000	\$ 471,000										\$ 471,000
Kilner Park - Park Replacements and upgrades (ADA/Trail/Playground)		\$ 130,100	\$ 690,300										\$ 690,300
Multi-Facility Signage Project	\$ 61,164	\$ 162,132											\$ -
Equipment	\$ 83,191	\$ 99,300	\$ 9,300	\$ 80,000	\$ 26,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 465,300
TCCC - Occupancy Conversion			\$ 3,132,000										\$ 3,132,000
TCCC - Fencing Between Nursery & TCCC	\$ 17,250												\$ -
TCCC - Ongoing Grounds Improvements		\$ 3,000	\$ 40,000										\$ 40,000
Lake Forest Boat Ramp - Bathroom Improvements	\$ 43,125	\$ 71,923											\$ -
Lake Forest Boat Ramp - Pier Rehabilitation	\$ 34,500												\$ -
Commons Beach - Stair Railing Replacement		\$ 18,000	\$ 25,000										\$ 25,000
Commons Beach - Granite Post Repair		\$ 25,000											\$ -
Commons Beach - Parking Lot Overlay		\$ 40,000											\$ -
Commons Beach - Picnic Area		\$ 14,000											\$ -
NTHS Bechdolt Field - Scoreboard Replacement	\$ 15,557												\$ -
NTHS Upper Field Light Replacement					\$ 580,000								\$ 580,000
Rideout Scoreboard Replacement	\$ 8,389												\$ -
Skylandia - Camp Lodge					\$ 236,339	\$ 1,311,200							\$ 1,547,539
Skylandia - Picnic Gazebo		\$ 40,000	\$ 250,000										\$ 250,000
Skylandia - Parking Lot Improvements		\$ 20,000	\$ 70,000										\$ 70,000
Gateway (Outlet Parcel) - Wood Plank Replacement			\$ 40,000										\$ 40,000
Dog Park Enhancement		\$ 16,000											\$ -
Lake Forest Beach Sailing Program Fence			\$ 30,000										\$ 30,000
Unidentified Parks Capital Project						\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,800,000
SUBTOTAL GENERAL FUND PAY AS YOU GO	\$ 707,640	\$ 1,714,856	\$ 7,206,267	\$ 3,190,956	\$ 1,822,339	\$ 1,811,200	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 17,030,762
General Fund (Parks & Recreation) Capital Total	\$ 707,640	\$ 1,714,856	\$ 7,206,267	\$ 4,190,956	\$ 2,822,339	\$ 2,811,200	\$ 2,600,000	\$ 2,500,000	\$ 2,500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 26,130,762

*Grant Funded Projects. The value presented is offset by secured grant amount.

NOT INCLUDED:
TCCC Future Improvements beyond Occupancy Conversion

10-Year Financial Forecasting Model – Water Fund

Water Rate Revenue Increase (Annual)

% of New Water Debt Service paid from Property Tax Transfer

Values in \$1,000

Current Rate Study	Next Rate Study Period										
6.73%	6.44%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	4.0%	4.0%	4.0%	4.0%
33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%

Budget Projected ➔

Fiscal Year / Calendar Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
REVENUE												
Current Planned Revenue (Rates, Fees, Exist. Prop. Tax Transfers, Interest, Other)	10,029	9,579	10,456	11,007	11,591	12,206	12,826	13,496	14,007	14,524	15,059	15,633
NEW - Prop. Tax Transfer to Water Fund - % of New Water Financing Debt Service	-	-	-	563	563	563	1,173	1,173	1,173	1,529	1,529	1,529
NEW - Tahoe Cedars / Madden Creek - Supplemental Revenue	-	-	442	442	442	442	442	442	442	442	442	442
Total Revenue	\$10,029	\$9,579	\$10,897	\$12,012	\$12,596	\$13,211	\$14,441	\$15,112	\$15,622	\$16,495	\$17,030	\$17,604
EXPENSE												
Personnel	1,903	2,026	2,177	2,343	2,504	2,672	2,851	3,041	3,245	3,464	3,698	3,947
Operations	3,554	3,643	3,926	4,125	4,317	4,519	4,730	4,952	5,186	5,432	5,690	5,960
Total Expense	5,457	5,669	6,103	6,468	6,821	7,191	7,581	7,993	8,431	8,896	9,387	9,907
DEBT SERVICE												
WLTRWTP Debt Service - \$20M SRF Loan (Total)	95	188	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123
New Water Financing Debt Service	-	-	-	1,707	1,707	1,707	3,556	3,556	3,556	4,634	4,634	4,634
Total Debt Service	\$95	\$188	\$1,123	\$2,830	\$2,830	\$2,830	\$4,679	\$4,679	\$4,679	\$5,757	\$5,757	\$5,757
Annual Net Surplus/(Deficit)	\$4,477	\$3,722	\$3,671	\$2,714	\$2,945	\$3,190	\$2,182	\$2,440	\$2,513	\$1,842	\$1,885	\$1,940
Debt Service Coverage (Minimum 1.20x)	48.13	20.80	4.27	1.96	2.04	2.13	1.47	1.52	1.54	1.32	1.33	1.34
CASH FLOW												
Total Cash Beginning Balance	\$6,462	\$8,144	\$7,304	\$7,829	\$9,327	\$11,142	\$12,957	\$12,047	\$12,649	\$12,801	\$11,459	\$9,989
Plus: Annual Surplus/(Deficit)	4,477	3,722	3,671	2,714	2,945	3,190	2,182	2,440	2,513	1,842	1,885	1,940
Minus: Pay-Go Water Capital (Inflated)	(2,727)	(4,476)	(3,089)	(1,071)	(1,072)	(1,286)	(3,087)	(1,737)	(2,276)	(3,114)	(3,333)	(1,516)
Minus: Pay-Go Vehicle Capital - Water Fund Share (Inflated)	(68)	(86)	(57)	(145)	(58)	(89)	(5)	(101)	(85)	(70)	(22)	(146)
Total Cash Ending Balance	\$8,144	\$7,304	\$7,829	\$9,327	\$11,142	\$12,957	\$12,047	\$12,649	\$12,801	\$11,459	\$9,989	\$10,267
Total Water Reserves (Current Policy Minimums - Oper./Fleet/Infra./Acq.)	\$6,174	\$6,274	\$6,437	\$6,503	\$6,544	\$6,637	\$6,734	\$6,837	\$6,947	\$7,063	\$7,186	\$7,316
Unrestricted Cash Balance	\$1,970	\$1,030	\$1,392	\$2,824	\$4,598	\$6,320	\$5,313	\$5,812	\$5,854	\$4,396	\$2,803	\$2,951
Unrestricted Cash + Avail. Reserves as % of Annual Exp (Min. 25% per Policy - Ideal 50%)	89%	70%	72%	92%	114%	134%	115%	116%	112%	91%	71%	70%

Operating Reserve - Per District Policy - 90 days of the annual water operating budget
 Fleet & Equipment Replacement Reserve - Per District Policy - annualized value of the 15-year fleet and equipment replacement plan (water fund share)
 Water Infrastructure Capital Replacement Reserve - Per District Policy - minimum of \$1.5M
 Water System Acquisition & Infrastructure Improvement Property Tax Reserve - Per District Policy - \$3.0M

10-Year Financial Forecasting Model – General Fund

ASSUMED - Growth In Property Tax Revenue

3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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Values in \$1,000

Fiscal Year / Calendar Year	Budget	Projected	→									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
REVENUE												
Current - Property Tax Total (Placer County and El Dorado County)	8,500	8,755	9,018	9,288	9,567	9,854	10,149	10,454	10,768	11,091	11,423	11,766
Current - Parks, Recreation, and Golf Fees	2,079	2,050	2,086	2,124	2,163	2,201	2,241	2,281	2,322	2,364	2,407	2,450
Current - Interest Income	143	167	128	124	132	138	150	163	174	180	185	189
Total Revenue	\$10,722	\$10,972	\$11,232	\$11,536	\$11,862	\$12,193	\$12,541	\$12,898	\$13,264	\$13,635	\$14,015	\$14,405
EXPENSE												
Parks, Recreation, and Golf (personnel and operations combined)	5,891	6,082	6,483	6,817	7,162	7,531	7,921	8,337	8,784	9,262	9,766	10,297
Non-Operating (Tax Collection Fees)	405	110	112	114	116	119	121	123	126	128	128	128
Property Tax Transfer to Sewer Fund - Harbor Master SRF Debt Service	140	140	140	140	140	140	140	-	-	-	-	-
Property Tax Transfer to Water Fund - TC/MC Rate Transition	385	185	-	-	-	-	-	-	-	-	-	-
Property Tax Transfer to Water Fund - WLTRWTP Debt Service	48	94	562	562	562	562	562	562	562	562	562	562
Property Tax Transfer for Water System Acquisition Reserve	866	-	-	-	-	-	-	-	-	-	-	-
Subtotal Current Planned Expense	\$7,735	\$6,611	\$7,297	\$7,633	\$7,980	\$8,352	\$8,744	\$9,022	\$9,472	\$9,952	\$10,456	\$10,987
NEW - Property Tax Transfer to Water Fund - % of New Water Financing Debt Service	-	-	-	563	563	563	1,173	1,173	1,173	1,529	1,529	1,529
NEW - General Fund Project Financing (Series 2024) Debt Service	-	-	-	214	214	214	214	214	214	214	214	214
NEW - General Fund Project Financing (Series 2027) Debt Service	-	-	-	-	-	-	472	472	472	472	472	472
Subtotal New Expense/Debt Service	-	-	-	778	778	778	1,860	1,860	1,860	2,216	2,216	2,216
Total Expenditure	\$7,735	\$6,611	\$7,297	\$8,411	\$8,758	\$9,130	\$10,604	\$10,882	\$11,332	\$12,168	\$12,672	\$13,203
Annual Net Surplus/(Deficit)	\$2,987	\$4,361	\$3,935	\$3,125	\$3,104	\$3,063	\$1,937	\$2,016	\$1,932	\$1,467	\$1,343	\$1,202
CASH FLOW												
Total Cash Beginning Balance	\$12,392	\$14,413	\$16,878	\$12,943	\$12,481	\$13,349	\$13,940	\$15,193	\$16,445	\$17,570	\$18,203	\$18,706
Plus: Annual Surplus/(Deficit)	2,987	4,361	3,935	3,125	3,104	3,063	1,937	2,016	1,932	1,467	1,343	1,202
Minus: Pay-Go Parks & Recreation Capital (Inflated)	(727)	(1,809)	(7,806)	(3,550)	(2,082)	(2,125)	(603)	(619)	(635)	(653)	(670)	(688)
Minus: Pay-Go Vehicles Capital - P&R and Admin Share (Inflated)	(239)	(87)	(64)	(38)	(154)	(347)	(82)	(145)	(171)	(182)	(170)	(98)
Total Cash Ending Balance	\$14,413	\$16,878	\$12,943	\$12,481	\$13,349	\$13,940	\$15,193	\$16,445	\$17,570	\$18,203	\$18,706	\$19,122
Total General Fund Reserves (Current Policy Mins. - Oper./Fleet/Infra/Priority Proj.)¹	\$3,839	\$3,780	\$3,928	\$4,082	\$4,269	\$4,361	\$4,458	\$4,562	\$4,674	\$4,794	\$4,920	\$5,052
Unrestricted Cash Balance	\$10,574	\$13,099	\$9,016	\$8,398	\$9,080	\$9,579	\$10,734	\$11,883	\$12,896	\$13,409	\$13,786	\$14,069

Unrestricted Cash + Avail. Reserves as % of Annual Exp (Min. 25% per Policy - Ideal 50%)	221%	257%	179%	163%	166%	165%	173%	180%	183%	181%	176%	171%
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¹Operating Reserve - Per District Policy - 90 days of the annual general fund operating budget
 Fleet & Equipment Replacement Reserve - Per District Policy - annualized value of the 15-year fleet and equipment replacement plan (general fund share)
 General Fund Infrastructure Capital Replacement Reserve - Per District Policy - minimum of \$1.0M
 Priority Project Capital Reserve - Per District Policy - annual Board designation, maintained current \$1.0M