



# TAHOE CITY PUBLIC UTILITY DISTRICT

## MEMORANDUM

---

<b>TO:</b>	Board of Directors	<b>DATE:</b>	April 12, 2018
<b>C:</b>	Board Committees		
<b>FROM:</b>	Sean Barclay General Manager	<b>SUBJ:</b>	District Long-Term Financial Planning Phase 1 – Financial Foundations

---

### RECOMMENDATION:

No recommendation – for information and discussion only.

### BACKGROUND:

Since the adoption of the 2018 Operating and Capital budgets in November 2017, staff have been working on preparing a series of presentations for the Board on long term financial planning, with an emphasis on capital project prioritization and potential financing options. These presentations will lay the groundwork for a more formal Long-Term Financial Planning process. The goal for the Long Term Financial Planning process will be to ensure the District is financially prepared to fulfill our Mission, to accomplish the Strategic Initiatives identified in the District's 2016-2019 Strategic Plan and develop a strategy to secure financial sustainability into the future.

According to the Government Finance Officers Association (GFOA), a Long-Term Financial Plan is:

- **A combination of technical analysis and strategizing.** Long-term forecasts and analysis are used to identify long-term imbalances. Then, financial strategies are developed to counteract these imbalances.
- **A collaborative and visionary process.** A plan does not just forecast the status quo into the future. It considers different possible futures. It also involves other stakeholders. Elected officials, operating departments, and the public can all help identify financial issues, develop consensus strategies, and ensure a successful implementation.
- **An anchor of financial sustainability.** A plan develops big-picture and long-term thinking among elected and appointed officials.

This Long-Term plan will become an essential governance and management tool for the District and one of the key components of an overall organizational strategic plan. While work on the official Long-Term Financial plan will likely begin in 2019, beginning this month, staff will bring information to the Board intended to bring the Board, the public and staff to an equal level of understanding of the District's current financial position, capital infrastructure needs, project commitments and goals, and existing financial policies.

This month's presentation will focus on the District's current financial position, with a look back at how we got here, together with a brief overview of the District's long-term project list. It's important to note that thanks to the Board's strong fiscal leadership over the past years, the District is currently in a very strong financial position.

### FINANCIAL IMPACTS:

No financial impact.

### ATTACHMENTS:

- None

### REVIEW TRACKING:

Submitted By: Sean Barclay  
Sean Barclay  
General Manager

Approved By: Ramona Cruz  
Ramona Cruz  
Chief Financial Officer

# Long-Term Financial Planning Financial Foundations

---

Tahoe City Public Utility District – April 2018



# Long-Term Financial Planning

---

- Goal – Ensure the District is financially prepared to:
  - Achieve District Mission
  - Accomplish Strategic Initiatives
  - Ensure financial sustainability
  
- Long-Term Financial Plan
  - Combination of technical analysis and strategizing
  - Collaborative and visionary process
  - Anchor of financial sustainability



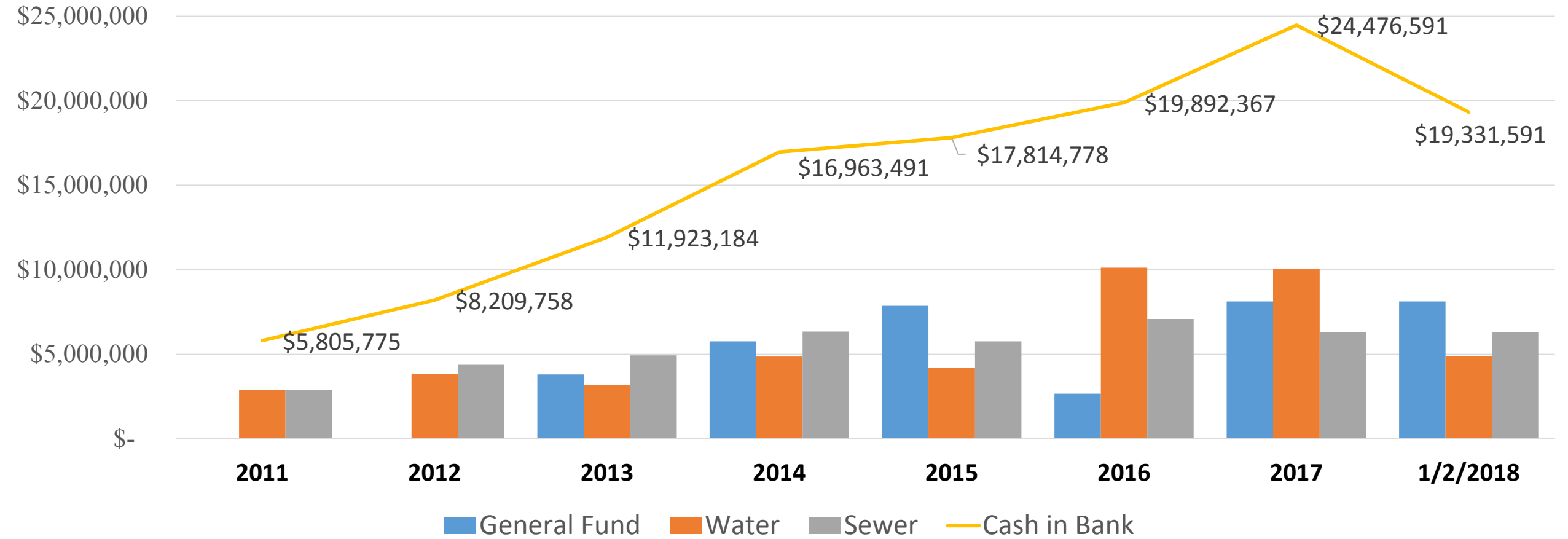
# Financial Foundations

---

- Purpose
  - Develop common understanding of current financial position (strong!)
  - Understand the magnitude of Capital Investment Needs
  
- District Cash Position (How we got to current position)
  - Water
  - Sewer
  - General Fund
  
- District Reserves
  
- Long-Term Capital Investment Needs/Facilities to address
  
- Where are we going next

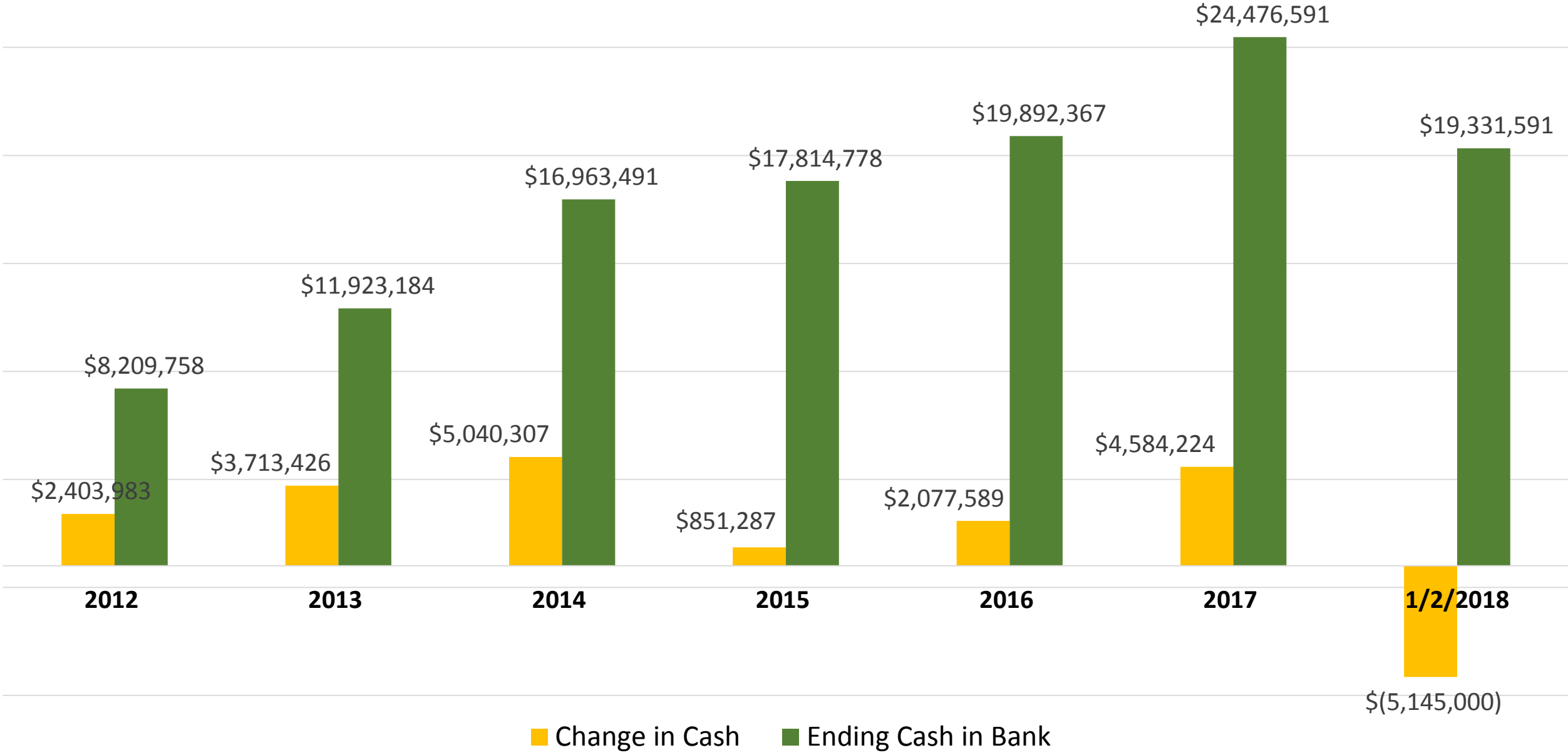


# All District - Cash in Bank



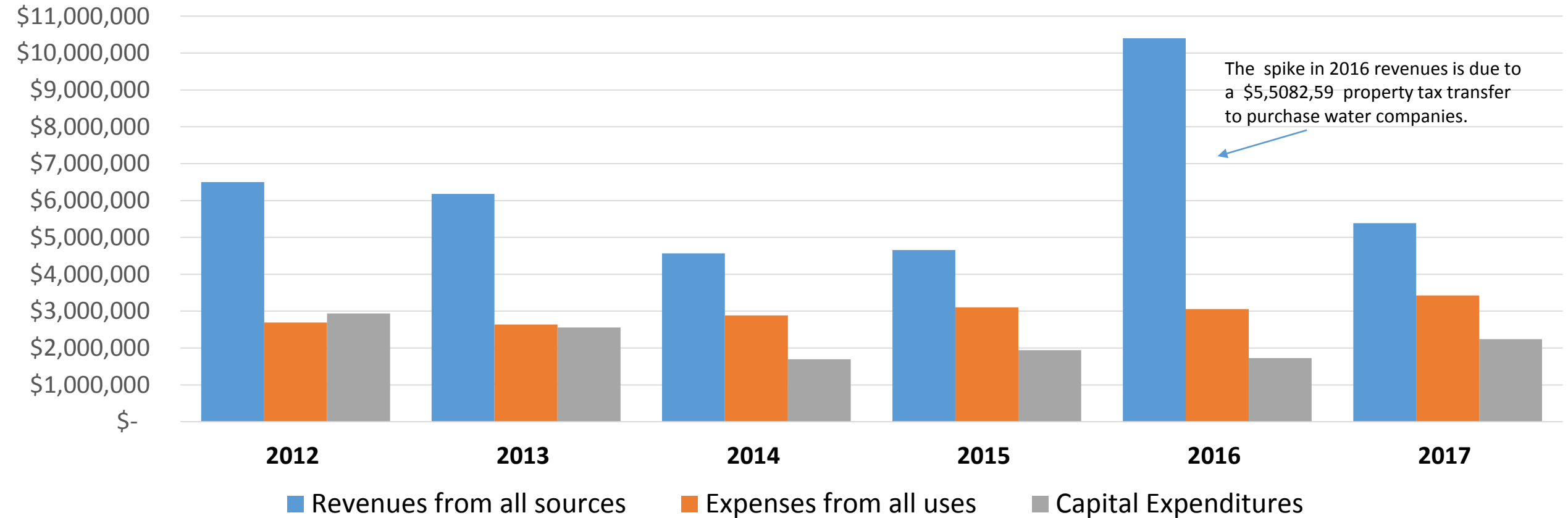
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>1/2/2018</u>
General Fund	\$ 551	\$ 1,300	\$ 3,811,117	\$ 5,757,365	\$ 7,868,962	\$ 2,671,192	\$ 8,126,297	\$ 8,126,297
Water	\$ 2,902,612	\$ 3,831,274	\$ 3,170,986	\$ 4,866,133	\$ 4,181,681	\$ 10,130,058	\$ 10,043,346	\$ 4,898,346
Sewer	\$ 2,902,612	\$ 4,377,184	\$ 4,941,081	\$ 6,339,993	\$ 5,764,135	\$ 7,091,117	\$ 6,306,948	\$ 6,306,948
Cash in Bank	\$ 5,805,775	\$ 8,209,758	\$ 11,923,184	\$ 16,963,491	\$ 17,814,778	\$ 19,892,367	\$ 24,476,591	\$ 19,331,591

# All District - Change in Cash and Cash Balances



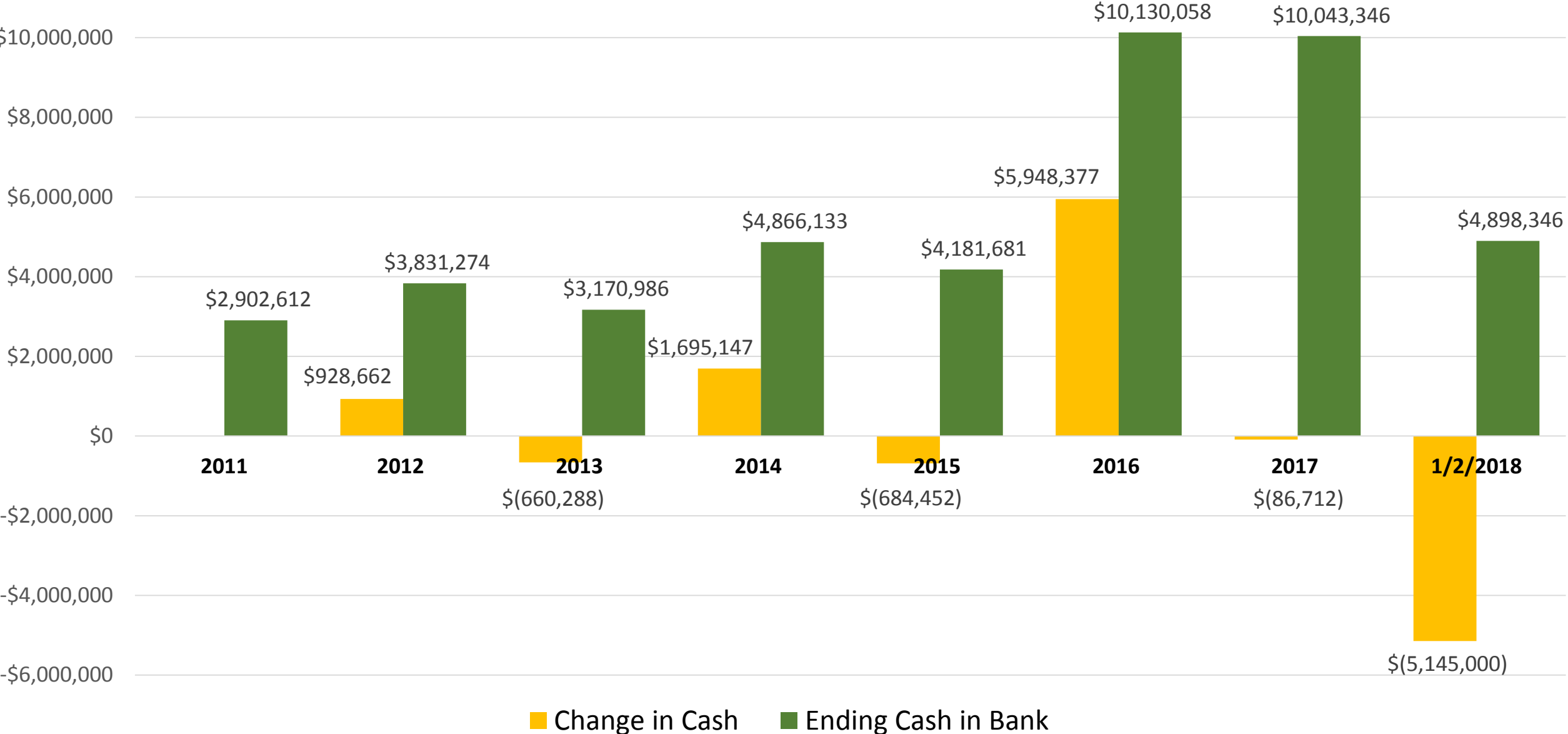
# Water - 2012 Through 2017

## Revenue, Expenses and Capital Expenditures



	2012	2013	2014	2015	2016	2017
Revenues from all sources	\$ 6,499,298	\$ 6,179,812	\$ 4,567,337	\$ 4,660,718	\$ 10,403,102	\$ 5,385,135
Expenses from all sources	(2,690,357)	(2,637,209)	(2,883,253)	(3,103,853)	(3,055,099)	(3,425,086)
Capital expenditures	(2,939,415)	(2,555,521)	(1,695,147)	(1,943,600)	(1,728,937)	(2,240,794)
Accounting adjustments	59,136	(1,647,370)	1,706,210	(297,717)	329,311	194,033
Change in cash	<u>\$ 928,662</u>	<u>\$ (660,288)</u>	<u>\$ 1,695,147</u>	<u>\$ (684,452)</u>	<u>\$ 5,948,377</u>	<u>\$ (86,712)</u>

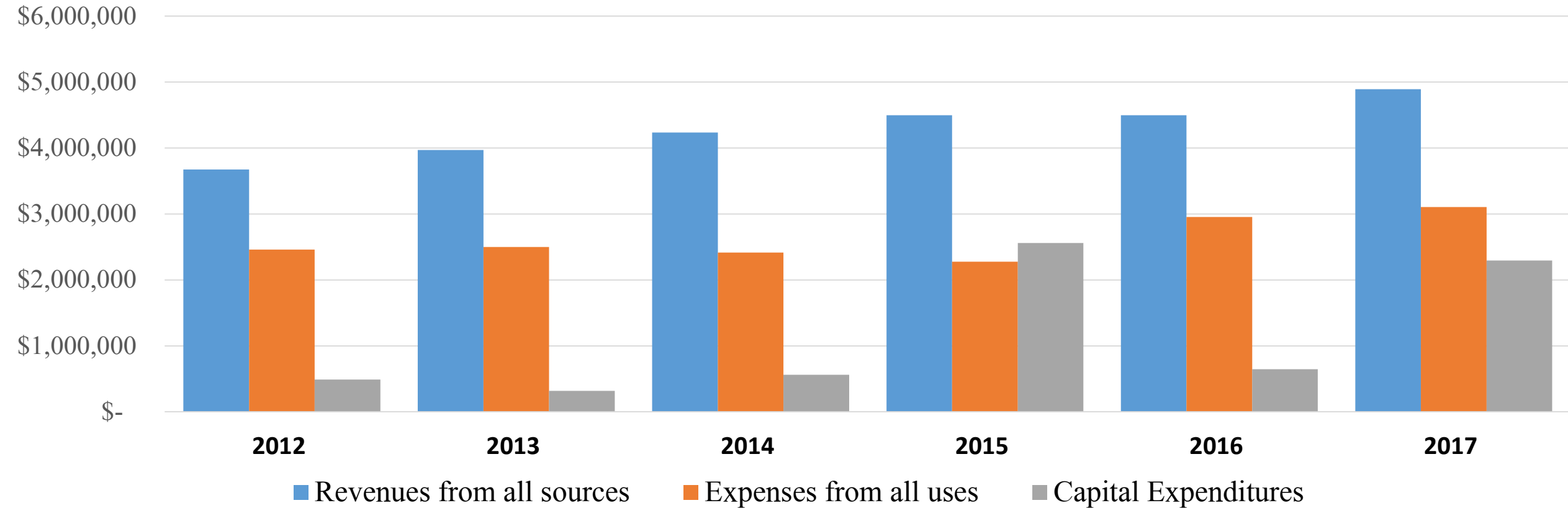
# Water - Change in Cash and Cash Balance 2011 through 1/2/2018





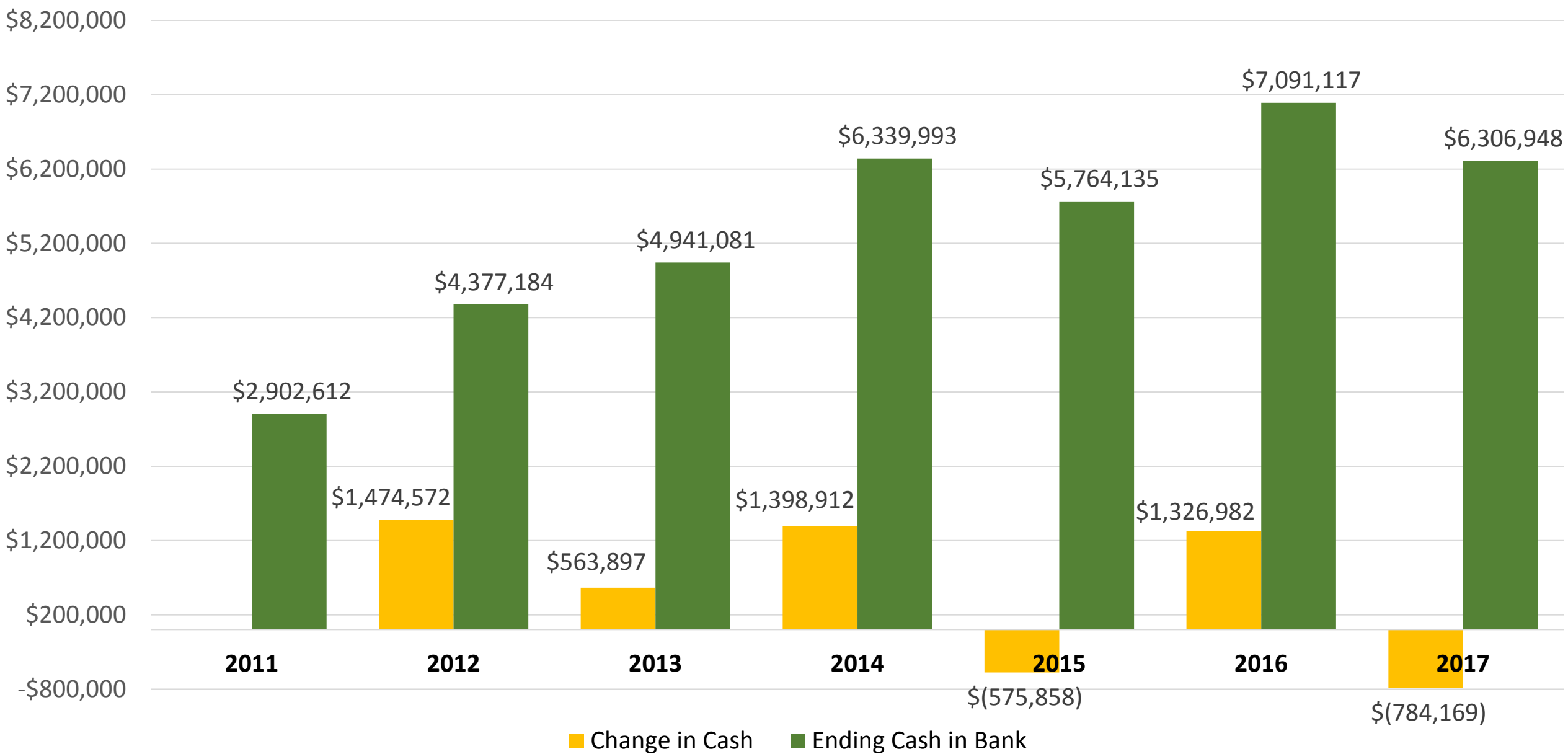
# Sewer - 2012 Through 2017

## Revenue, Expenses and Capital Expenditures

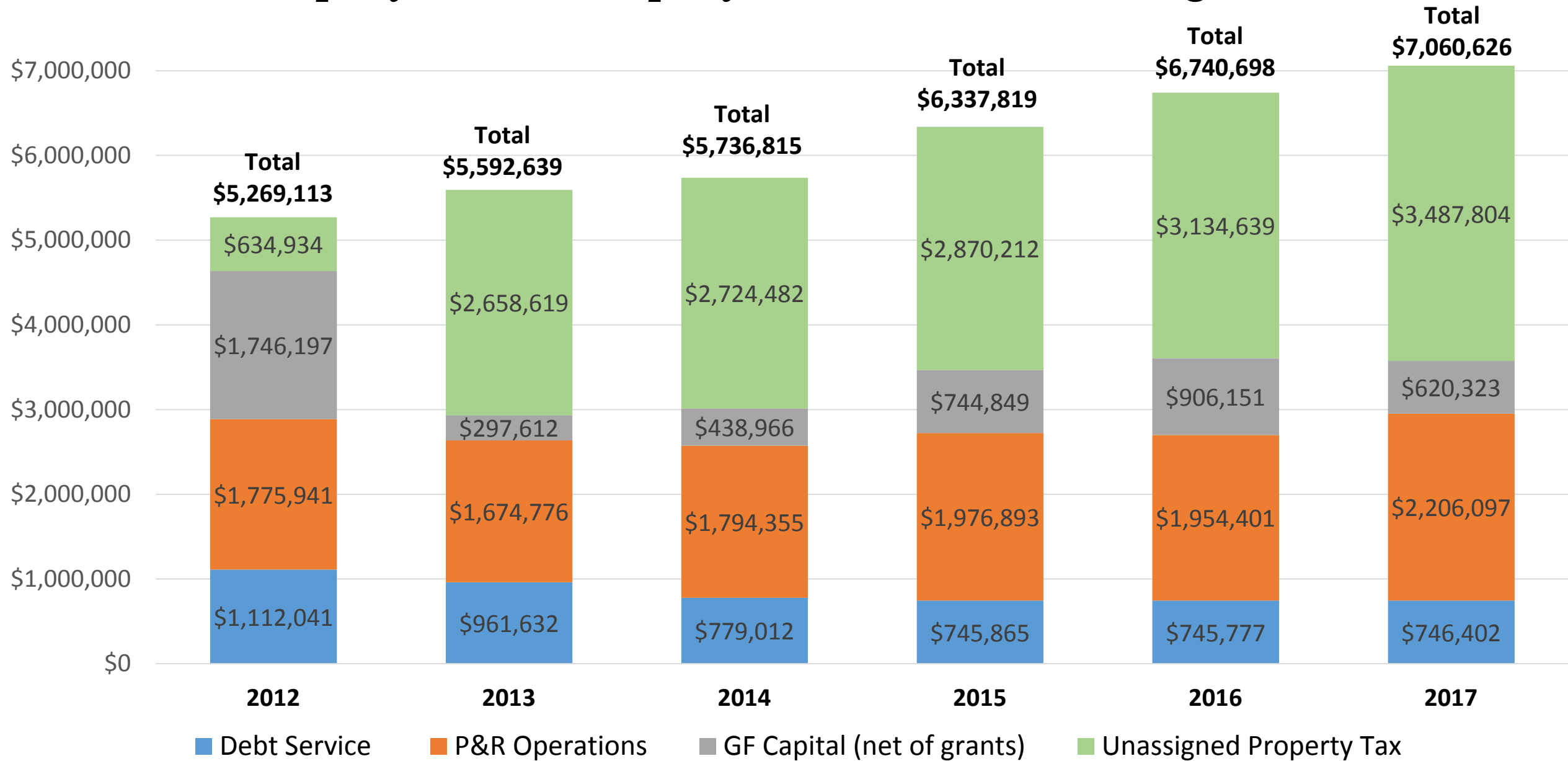


	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues from all sources	\$ 3,672,392	\$ 3,969,133	\$ 4,234,684	\$ 4,496,643	\$ 4,496,188	\$ 4,890,686
Expenses from all sources	(2,459,020)	(2,497,848)	(2,413,540)	(2,276,207)	(2,953,052)	(3,103,651)
Capital expenditures	(490,691)	(316,241)	(561,612)	(2,559,760)	(647,251)	(2,293,873)
Accounting adjustments	751,891	(591,147)	139,380	(236,534)	431,097	(277,331)
Change in cash	\$ 1,474,572	\$ 563,897	\$ 1,398,912	\$ (575,858)	\$ 1,326,982	\$ (784,169)

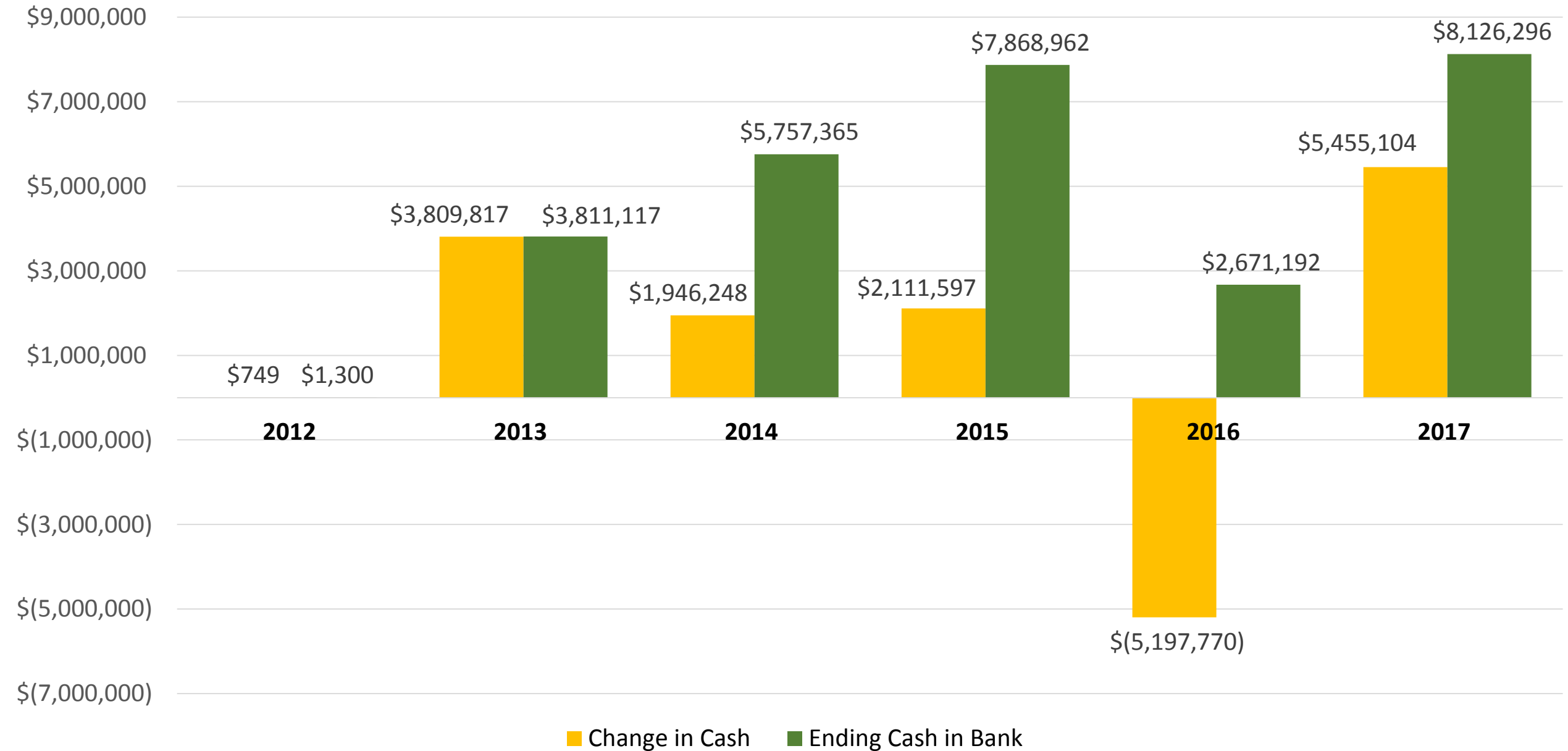
# Sewer - Change in Cash and Cash Balance 2011-2017



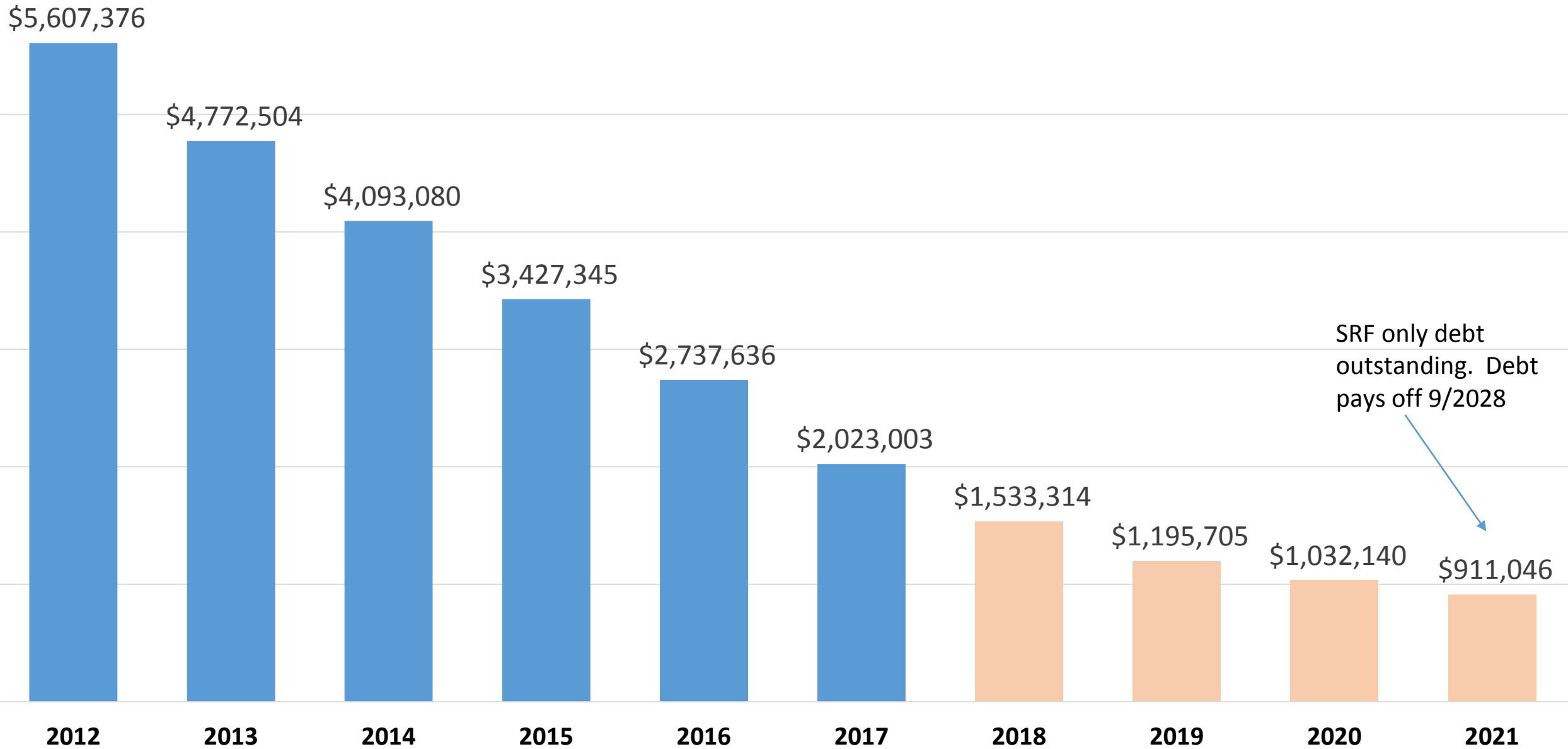
# Property Tax and Property Tax Uses - 2012 Through 2017



# General Fund - Change in Cash and Cash Balances



# Outstanding Debt - 2012 through 2021

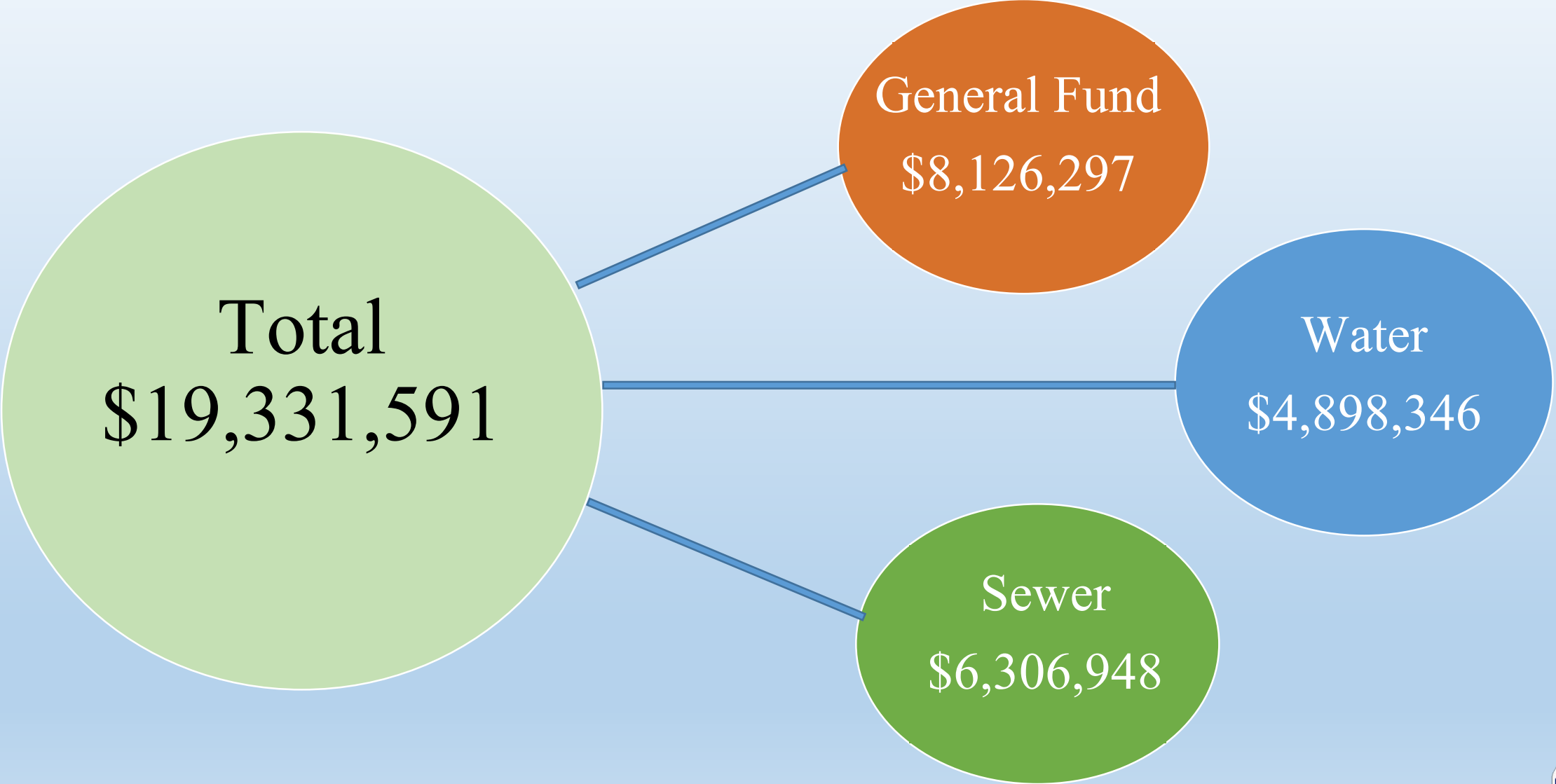


# Reserve Schedule and Cash in Bank

	Fund 23	Fund 25	Fund 10	1/2/2018
	<u>Water</u>	<u>Sewer</u>	<u>General Fund</u>	<u>Total</u>
<u>Current Reserves (2016 Board Action)</u>				
Capital Reserve	\$1,689,903	\$1,901,141	\$1,034,429	\$4,625,473
Rolling Stock Reserve	140,900	140,900	130,200	412,000
Budget Stabilization Reserve	842,295	735,594	747,637	2,325,526
Non-Water Customer Property Tax Reserve	1,267,735			1,267,735
Subtotal reserves	3,940,833	2,777,635	1,912,266	8,630,734
Add remaining cash balance	957,513	3,529,313	6,214,031	10,700,857
Total Cash in Bank	\$4,898,346	\$6,306,948	\$8,126,297	\$19,331,591



# Recap Cash in Bank January 2, 2018- By Fund



# Long-Term Capital Investment Needs

---

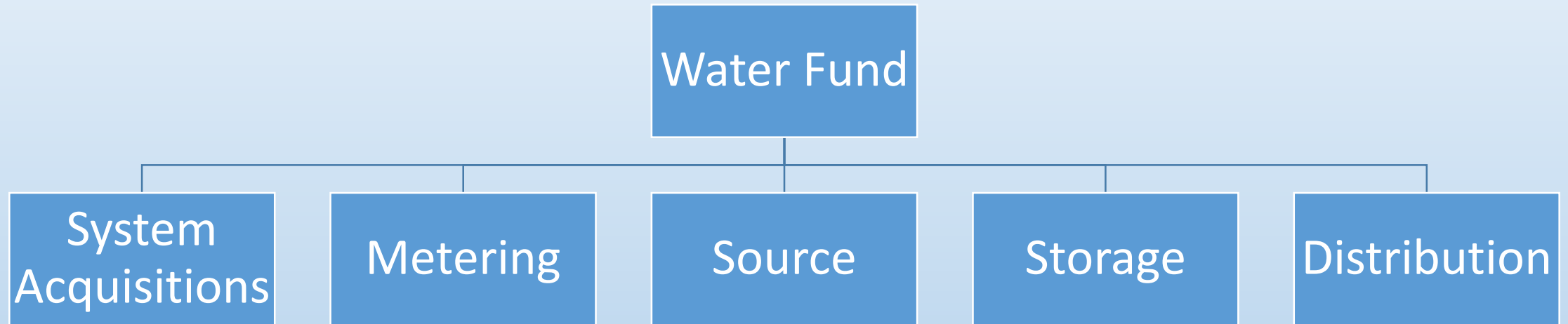
- Address Significant Infrastructure Needs (Aging/Acquired/New)
- Establish Strategic Direction
- Consider Financing Options
- Identify Workload Resources
- Goal for today – capture an accurate list
  - Understand Magnitude and Diversity of Current/Future Infrastructure
- Moving forward – in depth look at projects and \$\$





# Water Fund Capital Infrastructure

---



# Water System Acquisitions

- Skyland-Nielsen Water System
- Tahoe Park Water System
- Other/Future Water Systems



# Water System Metering

- Tahoe Cedars Water System
- Madden Creek Water System
- Timberland Water System
- Skyland-Nielsen Water System
- Tahoe Park Water System
- Other/Future Acquired Water Systems
- Master Metering Program



# Water Sources

- West Lake Tahoe Regional Water Treatment Plant
- Timberland Water System Secondary Source
- Wellhead/Building/Telemetry/Improvements for Acquired Water Systems
- Tahoe City Main - Emergency Water Source
- Tahoe City Main - Source Augmentation Project (SWTP)
- Highlands - Source Augmentation Project



# Water Storage

- West Shore Water Storage Augmentation
- Water Storage Tank Recoating Projects (ANNUAL)



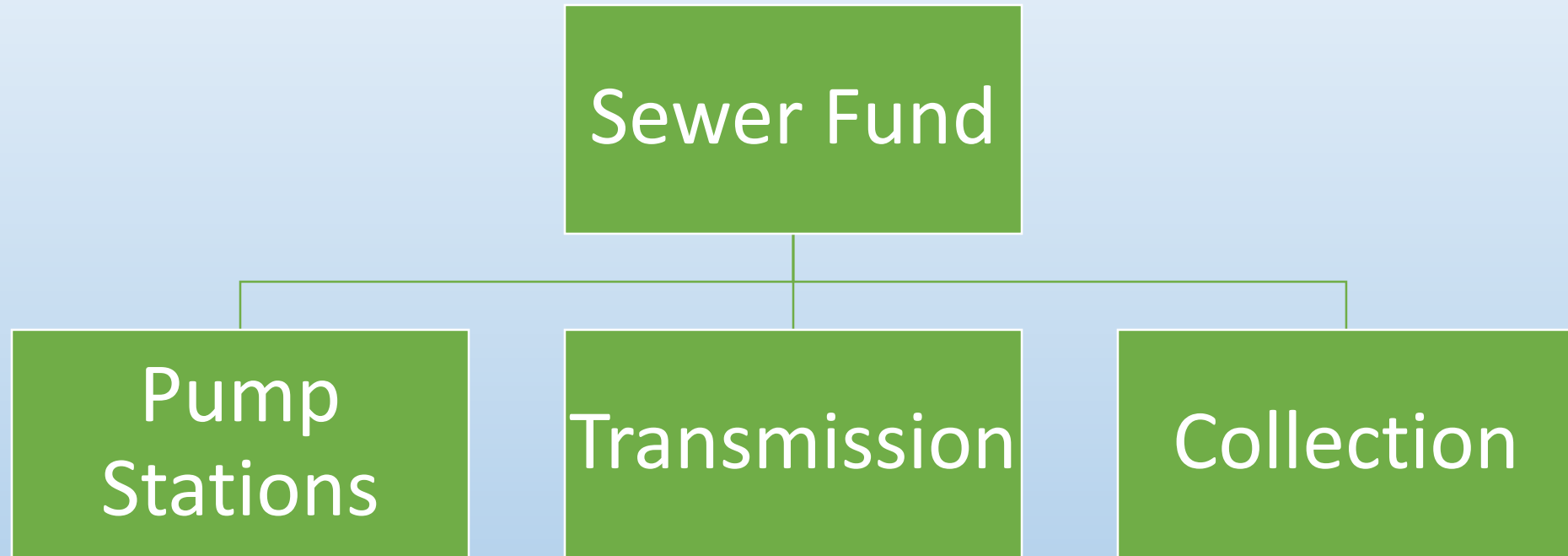
# Water Distribution

- Tahoe Cedars Water System Interconnection
- Madden Creek Water System Interconnection
- Tahoe Cedars Distribution System Rehabilitation/Replacement
- Madden Creek Distribution System Rehabilitation/Replacement
- Timberland Distribution System Rehabilitation/Replacement
- Future Interconnections / West Shore Transmission Main
- Rubicon Water System Transmission Improvements
- Water Distribution Improvements/Replacements (ANNUAL)



# Sewer Fund Capital Infrastructure

---



# Sewer Pump Stations

- Sewer Pump Station Master Plan Projects
  - Wet Well Rehabilitations
  - Wet Well Storage Improvements
  - Pump and Control Repairs/Upgrades
  - Building Repairs/Upgrades/Seismic
  - Back-Up Power Repairs/Upgrades
- Emergency Bypass Facilities





# Sewer Transmission

- Sewer Pump Station Master Plan Projects
  - Force Main Rehabilitations/Repairs/Replacements
- Odor Control Facilities (West Shore)



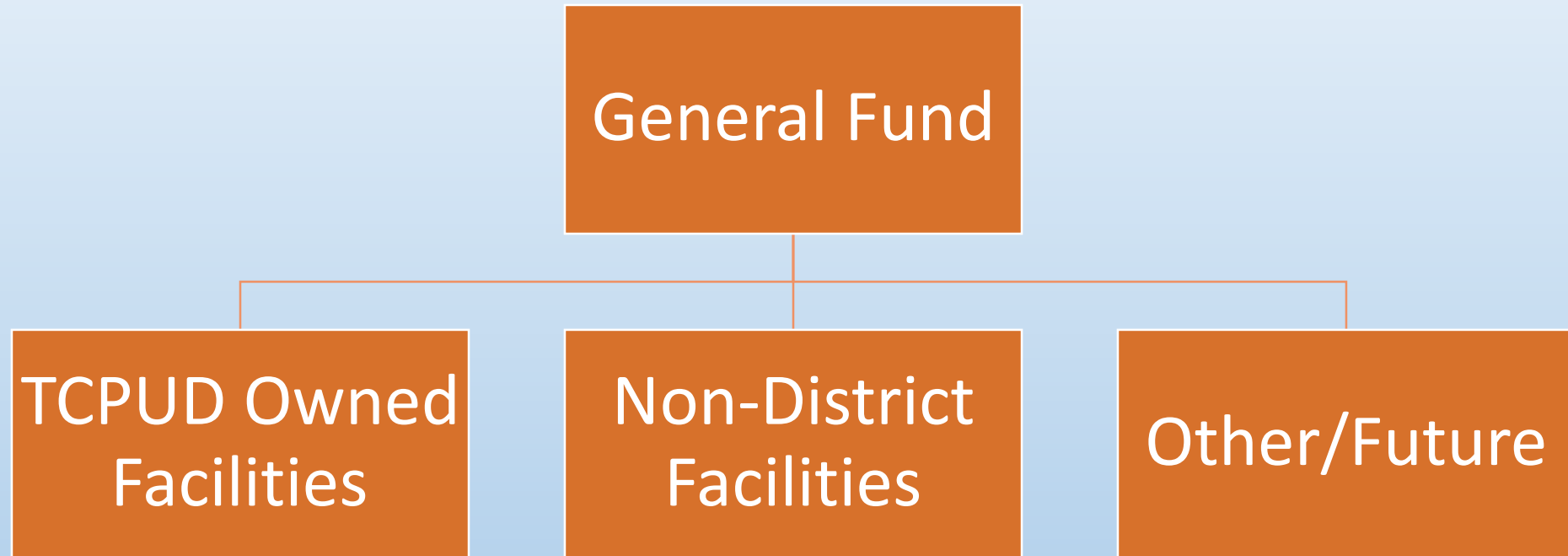
# Sewer Collection

- Sewer Collection System Improvements/Rehabilitations (ANNUAL)



# General Fund Capital Infrastructure

---



# TCPUD-Owned Facilities

## **Administrative / M&O Center**

- Admin. Building Expansion
- Upper Yard / M&O Buildings Improvements
- Parking Improvements
- Lower Yard/Joint Vehicle Maintenance Facility



# TCPUD Owned Facilities

## Tahoe City Golf Course / Winter Sports Park

- Ice Rink Expansion
- Clubhouse Replacement/Site Improvements
- Clubhouse Tenant Improvements
- BMP Compliance/Parking Lot Improvements
- M&O Building/Yard Replacement
- Drainage Repairs/Rehabilitation
- Irrigation Repairs/Rehabilitation/Improvements
- Snow Making Facilities
- Golf Course Improvements (Paths/Tees/Bunkers/Etc.)



# TCPUD Owned Facilities

## **Bike Trails**

- Surface Replacement
- Signage Improvements
- Safety Improvements

## **Lakeside Trail**

## **Tahoe City Sidewalks**

## **Fairway Community Center**

## **Highlands Community Center**

- Tahoe XC Lodge Replacement/Expansion

## **Kilner Park**

## **Bells Landing**



# Non-District Facilities

## **Pomin Field**

- Relocation/Enhancement

## **Conners Field**

## **Fenley Field**

## **NTHS Bechdolt Field**

## **NTHS Upper Field**



# Non-District Facilities

**Lake Forest Boat Ramp**

**Skylandia Beach/Park/House**

**Rideout Community Center**

**Commons Beach**

**TC Dog Park**

**Pomin Park**





# Non-District Facilities

**Lake Forest Beach**

**Lake Forest Campground**

**Heritage Plaza**

**64-Acres Raft Launch**

**Marie Sluchak Park**

**Watson Cabin**



# Other/Future

## Recreation Center

?

?



# Financial Foundations – Next Steps

---

- Financial Projections
- Strategic Prioritization
- Funding Strategies
- Financial Policy Review
- Long Term Financial Planning Process (2019)



**Thanks for your support and leadership!**

**Questions?**

