Controller's Final Budget Report

FY 2025-2026

May 21, 2025

- The budget in you Board packet reflects no amount changes since we presented the Tentative budget to you in March, therefore I will summarize it briefly.

- Overall, there is a 7.76% increase in the Salaries and Benefits category due to potential salary merit increases, in accordance with the salary schedule adopted in January 2024, a 13.9% increase in employee health insurance costs, and a 3.5% PERS increase.

- Power & Utilities costs are down 5.57%. This is mostly due to lower electricity rates, but our usage has gotten more efficient too.

- The Repairs, Maintenance and Supplies category increased 16% primarily because replacement mechanical parts costing more than $1,000 were previously capitalized as assets, but at the auditors' suggestion that limit has been increased to $2,500. The increase in the Maintenance Repairs category will now include those things between the $1,000 and $2,500 limit. This category also includes repairs to our aging backhoe and increased automation as our SCADA system expands.

- The Engineering and Consulting category is increasing by $20,000 because HDR's assessment of our collection system, which started 2 years ago, is still not complete. It wasn't in last year's budget at all. Additionally, every two years, we are required to have a full GASB 75 actuarial study done regarding OPEB benefits. The cost of that will be $7,500.

- There is an approximate $54,000 increase in the Insurance and Other category, reflecting steady increases in all items, but especially Lab Sampling costs and Lab Supplies.

- The Capital Outlay category increased from $100,000 to $200,000 for the purchase and installation of items and small projects not on the Capital Development Plan that are needed each year to keep our plant updated. That figure has been $100,000 since I came to work here more than 18 years ago. This current year's general fund capital outlay has included expenditures such as a snowplow, heat tape on the gutters over our electrical equipment, a new centrifuge rotating assembly, and replacement of an ARV box destroyed by a rock-slide off Kingsbury Grade.

- Overall, the tentative Operations and Maintenance budget increased from last year's by $362,711 or 9.65%.

- Because the Authority operates as an Enterprise Fund, projected Operating Revenues increased by $358,461 over last year's revenues. The Operating Revenues amount includes the Capital Assessment portion of rates which funds the Capital Development projects as well as O & M expenses.

- There is a projected Operating Loss as Depreciation exceeds the Special Assessment revenue of $2,250,00. Depreciation Expense does not factor into rates. However, the money we are bringing in for replacement of capital assets is less than the amount they are depreciating.

- In Nonoperating Revenues, we estimated less interest earned from our investments as overall interest rates continue to trend down.

    - On Page 6 of the Budget, the Statement of Cash Flows, Under Item C, Cash Flows from Capital and Related Financing Activities, for Acquisition and Construction of Capital Assets, we budget $3,971,600 for Capital Development Plan (Construction Fund) projects and $200,000 for general capital outlay to replace smaller pumps and equipment. The Construction Fund projects include completion of the Main Pump Station Improvements, beginning work on the Export Line

replacement, Plant Switchgear replacement and the Road and Concrete Improvements.

- Of course, all of these changes directly impact user rates.

    a. KGID's rate will increase by 1.5%.

    b. RHGID's rate will decrease by 1.4%.

    c. Tahoe Douglas District's rate will increase by 10.3% because last year's flow percentage was 1.25% higher than before. Every 1% of flow increase results in more than $60,000 in rates.

    d. In-Authority residential rate will increase by a little more than 5%, from $594 per year to $624 per year ($52 per month).

    e. Commercial rates will increase by 5.5%. While the $30 per year residential increase is very moderate, the commercial increase raises Harrah's/Harvey's rates, our largest users by $60,000 per year.

    f. I want to remind you that each participating district only pays for the facilities it uses. KGID only shares plant expenses because it doesn't use our pump stations. Round Hill and Tahoe Douglas District share plant expenses and Main Pump Station (MPS) ones. Our In-Authority users pay their portion of plant and MPS expenses and ***all*** Beach Pump Station and collection line expenses.

    g. Also, at the end of each fiscal year, when final calendar year flows and actual expenses are tallied, the participating districts' rates are adjusted. If we have overestimated either flow percentages or expenses, they get money back.

Douglas County Lake Tahoe Sewer Authority
Wastewater Reclamation Plant

P.O. Box 578, Zephyr Cove, NV 89448 775-588-3558 • 775-588-1845 fax

Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, NV 89706

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY herewith submits the FINAL budget for the fiscal year ending **June 30, 2026**

This budget contains 1 funds, including Debt Service, requiring property tax revenues totaling $ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0 If the final computation requires, the tax rate will be lowered.

This budget contains 0 governmental fund types with estimated expenditures of $ 0 and 1 proprietary funds with estimated expenses of $ **6,638,360**

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I PAULA EAST-JANICKI
(Printed Name)
AUTHORITY CONTROLLER
(Title)
certify that all applicable funds and financial operations of this Local Government are listed herein.

Signed _____

Dated: May 21, 2025

Phone: 775/586-8575

APPROVED BY THE GOVERNING BOARD

_____

_____

_____

_____

_____

_____

_____

SCHEDULED PUBLIC HEARING:
(Must be held from May 19, 2025 to May 31, 2025 this year)

Date and Time May 21, 2025 9:30 a.m. Publication Date May 10, 2025

Place: Administrative Bldg., Wastewater Reclamation Plant, Round Hill, Nevada

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FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 6/30/2024	ESTIMATED CURRENT YEAR ENDING 6/30/2025	BUDGET YEAR ENDING 6/30/2026
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation	10	10	10
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports			
Other **Board Members**	5	5	5
TOTAL	15	15	15

POPULATION (AS OF JULY 1)	2550	2550	2550
SOURCE OF POPULATION ESTIMATE*	Sewer Connections	Sewer Connections	Sewer Connections
Assessed Valuation (Secured and Unsecured Only)	n/a	n/a	n/a
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	n/a	n/a	n/a
TAX RATE General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund	0	0	0
Other			
TOTAL TAX RATE	0	0	0

*** Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA

SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2026

Budget Summary for DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

FUND NAME	*	OPERATING REVENUES (1)	OPERATING EXPENSES (2) **	NONOPERATING REVENUES (3)	NONOPERATING EXPENSES (4)	OPERATING TRANSFERS IN (5)	OPERATING TRANSFERS OUT(6)	NET INCOME (7)
PROPRIETARY	**E**	**6,383,519**	**6,471,917**	**661,984**	**166,442**	**0**	**0**	**407,144**
TOTAL		**6,383,519**	**6,471,917**	**661,984**	**166,442**	**0**	**0**	**407,144**

* FUND TYPES: E - Enterprise
I - Internal Service
N - Nonexpendable Trust

** Include Depreciation

PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2024	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2025	(3) BUDGET YEAR ENDING 06/30/26 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/26 FINAL APPROVED
OPERATING REVENUE				
Sewer Fees	**3,027,920**	**2,954,264**	**3,169,075**	**3,169,075**
Contracts - Other Districts	**2,875,322**	**3,053,544**	**3,201,445**	**3,201,445**
Other Fees	**18,173**	**17,250**	**13,000**	**13,000**
Total Operating Revenue	**5,921,415**	**6,025,058**	**6,383,519**	**6,383,519**
OPERATING EXPENSE				
Salaries, Benefits	**1,923,180**	**2,212,923**	**2,384,755**	**2,384,755**
Utilities	**467,577**	**501,520**	**504,778**	**504,778**
Chemicals, Supplies	**114,276**	**129,750**	**129,750**	**129,750**
Legal, Accounting	**97,555**	**97,500**	**97,500**	**97,500**
Engineering and Consulting	**133,718**	**121,000**	**86,000**	**86,000**
Repairs and Maintenance	**307,272**	**344,825**	**311,300**	**311,300**
Insurance, Other	**281,486**	**321,779**	**371,576**	**371,576**
Fuels, Lubricants	**28,255**	**34,860**	**34,860**	**34,860**
Depreciation/Amortization	**2,347,977**	**2,509,046**	**2,551,399**	**2,551,399**
Total Operating Expense	**5,701,296**	**6,273,203**	**6,471,917**	**6,471,917**
Operating Income or (Loss)	**220,119**	**(248,145)**	**(88,398)**	**(88,398)**
NONOPERATING REVENUES				
Interest Earned	**887,170**	**550,000**	**380,000**	**380,000**
Property Taxes	**0**	**0**	**0**	**0**
Consolidated Tax	**137,984**	**137,984**	**137,984**	**137,984**
Capacity Fees	**78,040**	**170,160**	**0**	**0**
Gain on Disposal of Assets	**1,250**	**8,700**	**0**	**0**
Lease Income	**174,772**	**144,000**	**144,000**	**144,000**
Total Nonoperating Revenues	**1,279,216**	**1,010,844**	**661,984**	**661,984**
NONOPERATING EXPENSES				
Interest on Bonds	**186,930**	**180,182**	**166,442**	**166,442**
Loss on Disposal Of Assets	**0**	**0**	**0**	**0**
Total Nonoperating Expenses	**186,930**	**180,182**	**166,442**	**166,442**
Net Income before Operating Transfers	**1,312,405**	**582,517**	**407,144**	**407,144**
Operating Transfers (Schedule T)				
In	**0**	**0**	**0**	**0**
Out	**0**	**0**	**0**	**0**
Net Operating Transfers	**0**	**0**	**0**	**0**
CHANGE IN NET POSITION	**1,312,405**	**582,517**	**407,144**	**407,144**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND ENTERPRISE (PROPRIETARY)

PROPRIETARY FUND 0	(1) ACTUAL PRIOR YEAR ENDING 6/30/2024	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2025	(3) BUDGET YEAR ENDING 06/30/26 TENTATIVE APPROVED	(4) FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	**5,809,223**	**6,025,058**	**6,383,519**	**6,383,519**
Cash Payments to Suppliers	**(1,440,901)**	**(1,551,234)**	**(1,535,764)**	**(1,535,764)**
Cash Payments to Employees	**(1,992,901)**	**(2,212,923)**	**(2,384,755)**	**(2,384,755)**
a. Net cash provided by (or used for) operating activities	**2,375,421**	**2,260,901**	**2,463,001**	**2,463,001**
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
None	**0**	**0**	**0**	**0**
b. Net cash provided by (or used for) noncapital financing activities	**0**	**0**	**0**	**0**
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction - Capital Assets	**(868,026)**	**(590,582)**	**(4,171,600)**	**(4,171,600)**
Consolidated Taxes	**137,984**	**137,984**	**137,984**	**137,984**
Lease Income	**181,509**	**144,000**	**144,000**	**144,000**
Cash Received for Capacity Fees	**78,040**	**170,160**	**0**	**0**
Debt Service Interest	**(186,930)**	**(180,182)**	**(166,442)**	**(166,442)**
Debt Service Principal	**(578,134)**	**(591,551)**	**(605,291)**	**(605,291)**
c. Net cash provided by (or used for) capital and related financing activities	**(1,235,557)**	**(910,171)**	**(4,661,349)**	**(4,661,349)**
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Redemption (Purchase) of Investments	**(980,000)**	**0**	**0**	**0**
Interest on Investments	**807,765**	**550,000**	**310,000**	**310,000**
Restricted Investments	**(34,244)**	**0**	**0**	**0**
d. Net cash provided by (or used in) investing activities	**(206,479)**	**550,000**	**310,000**	**310,000**
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	**933,385**	**1,900,730**	**(1,888,348)**	**(1,888,348)**
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	**14,054,004**	**14,987,389**	**16,888,119**	**16,888,119**
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	**14,987,389**	**16,888,119**	**14,999,771**	**14,999,771**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND: ENTERPRISE FUND

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

* - Type
1 - General Obligation Bonds
2 - G.O. Revenue Supported Bonds
3 - G.O. Special Assessment Bonds
4 - Revenue Bonds
5 - Medium-Term Financing
6 - Medium-Term Financing - Lease Purchase
7 - Capital Leases
8 - Special Assessment Bonds
9 - Mortgages
10 - Other (Specify Type)
11 - Proposed (Specify Type)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
								REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/26		(9)+(10)
NAME OF BOND OR LOAN List and Subtotal By Fund	*	TERM	ORIGINAL AMOUNT OF ISSUE	ISSUE DATE	FINAL PAYMENT DATE	INTEREST RATE	BEGINNING OUTSTANDING BALANCE 7/1/2025	INTEREST PAYABLE	PRINCIPAL PAYABLE	TOTAL
FUND: Proprietary							$	$	$	$
SRF Loan Series May 25, 2006	4	20	$2,000,000	5/25/2006	1/1/2026	3.2375%	$ 88,625.76	$ 2,157.70	$ 88,625.76	$ 90,783.46
SRF Loan Series 2007	4	20	$1,200,000	8/27/2007	7/1/2027	2.875%	$ 119,099.15	$ 3,091.39	$ 46,622.27	$ 49,713.66
SRF Loan Series 2019	4	20	$9,000,000	10/3/2019	1/1/2039	2.080%	$7,866,574.31	$ 161,193.22	$ 470,042.90	$ 631,236.12
							$	$	$	$
TOTAL ALL DEBT SERVICE							$8,074,299.22	$166,442.31	$605,290.93	$771,733.24

SCHEDULE C-1 - INDEBTEDNESS
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

Schedule of Existing Contracts

Budget Year 2025 - 2026

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: PAULA EAST-JANICKI
E-mail Address: pke@dcsid.com
Daytime Telephone: 775-586-8575

Total Number of Existing Contracts: 12

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2025-2026	Proposed Expenditure FY 2026 - 2027	Reason or need for contract:
1	Allison, MacKenzie, et al., James Cavilia, Esq.	8/2/2004		$ 47,500	$ 50,000	Legal Services
2	Bently Family Limited Partnership	10/26/1998		$ 18,500	$ 19,000	Biosolids Composting
3	Wilson Engineers, R.O. Anderson	7/18/2008		$ 57,000	$ 60,000	District General Engineering Svcs.
4	Tahoe Basin Container Service	4/1/2025	3/31/2026	$ 30,725		Biosolids Hauling
5	Casey Neilon	4/1/2024	1/1/2026	$ 42,000		Audit Services
6	JNA Consulting Group	3/20/2019		$ 1,050	$ 1,075	Debt Management Policy.
7	Paychex Payroll Services	7/1/2019		$ 8,000	$ 10,000	Payroll and Tax Reporting
8	Mountain Alarm, Inc.	6/26/2018		$ 1,000	$ 1,100	Fire Alarm Monitoring
9	Cashman Equipment Company	2/26/2018		$ 13,500	$ 13,500	Generator Inspection
10	Summit Plumbing	5/1/2020	5/1/2026	$ 63,000		Line Cleaning and Inspection
11	Macleod Watts	2/1/2025	6/30/2027	$ 7,500	$ 2,500	GASB 75 Actuarial Study
12	Corrpro	5/1/2025	4/30/2025	$ 1,490		Effluent tank corrosion inspection
13						
14						
15						
16						
17						
18						
19	Total Proposed Expenditures			$ 291,265	$ 157,175	

Additional Explanations (Reference Line Number and Vendor):

Schedule of Privatization Contracts

Budget Year 2025 - 2026

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: PAULA EAST-JANICKI
E-mail Address: pke@dcsid.com
Daytime Telephone: 775-586-8575

Total Number of Privatization Contracts: 0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2025-2026	Proposed Expenditure FY 2026-2027	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total				0	0		0		

Attach additional sheets if necessary.