May 20, 2026

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY

Accountant's Final Budget Report

FY 2026-2027

The budget in your Board packet reflects a couple of changes from the Tentative Budget we presented in March, so I will summarize it in comparison to the Tentative Budget.

The following categories remain consistent with the tentative budget.

- Salaries and Benefits;
- Power & Utilities;
- Chemicals and Supplies;
- Legal and Accounting;
- Repairs and Maintenance;
- Fuels and Lubricants.

The categories showing increased are:

- Engineering and Consulting. After reviewing the current year's general engineering expenses, this category is already over budget. The good news is that engineering costs are still expected to decrease by 2.6%, compared to the 4.65% decrease originally projected in the Tentative Budget.
- Insurance and Other. This category shows 18% increase instead of 12% projected in the Tentative Budget. The increase is due to the added cost of replacing the odor scrubber media. The carbon media typically lasts about two years, and it was last replaced in April 2024.

The Capital Outlay category remains the same as in the Tentative budget at $300,000. This amount is for the purchase and installation of equipment and small projects that are not included in the Capital Development Plan but are needed each year to keep the Plant updated. This current year's General Fund Capital Outlay includes items such as an on-call truck, SCADA and admin servers, a bypass pump for Reservoir, an Export pump motor, three flow meters, etc.

Overall, the Operations and Maintenance budget is projected to increase by $309,324 or 7.5%.

Since the Authority operates as an Enterprise Fund, operating expenses must be covered by revenues. As a result, projected operating revenue is expected to increase by $309,321 compared to last year. Operating Revenue includes general operations and maintenance (O&M) expenses, as well as the Capital Assessment used to fund Capital Development projects.

A projected operating loss is shown because depreciation exceeds the Special Assessment revenue of $2,250,000. Depreciation expense is not included in rate calculations. However, the revenue collected for capital asset replacement is less than the value of assets being depreciated.

In the Nonoperating Revenues area, we are conservatively projecting lower interest income from investments due to potential declines in overall interest rates.

On Page 6 of the Budget, the Statement of Cash Flows, Under Item C (Cash Flows from Capital and Related Financing Activities), we budget $4,055,000 for the acquisition and construction of capital assets, which includes Capital Development Plan projects and $300,000 for general capital outlay to replace smaller pumps and equipment.

- The Construction Fund projects include beginning work on the Export Line replacement, Plant Switchgear replacement and the Road and Concrete Improvements.

These changes have a direct impact on user rates.

- KGID's rate will increase by 0.5%.
- RHGID's rate will increase by 2.4%.
- Tahoe Douglas District's rate will increase by 0.26%.
- In-Authority residential rate will remain unchanged at $624 per year, or $52 per month.
- Commercial rates will increase 0.04%.
- It is important to note that each participating district only pays for the facilities it uses. KGID shares only plant expenses as it does not use other pump stations. The Round Hill and Tahoe Douglas District share both plant and Main Pump Station (MPS) expenses. Our In-Authority users pay their portion of plant and MPS expenses, as well as *all* Beach Pump Station and collection line expenses.
- At the end of each fiscal year, when final calendar year flows and actual expenses are finalized, the participating districts' rates are adjusted. If flows or expenses were overestimated, the districts receive a refund.

This concludes my overview of the final budget. I am happy to answer any questions, and staff recommends Board approval of the final budget as presented.

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, 2027**

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 $ **7,020,913**

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 YING H. JOHNSON
(Printed Name)
AUTHORITY ACCOUNTANT
(Title)
certify that all applicable funds and financial operations of this Local Government are listed herein.

Signed _____

Dated: May 20, 2026

Phone: 775-586-8575

APPROVED BY THE GOVERNING BOARD

_____

_____

_____

_____

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_____

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SCHEDULED PUBLIC HEARING:
(Must be held from May 18, 2026 to May 31, 2026)

Date and Time May 20, 2026 9:30 a.m. Publication Date May 9, 2026

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

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FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 6/30/2025	ESTIMATED CURRENT YEAR ENDING 6/30/2026	BUDGET YEAR ENDING 6/30/2027
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, 2027

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**	**6,692,841**	**6,867,806**	**755,984**	**153,107**	**0**	**0**	**427,912**
TOTAL		**6,692,841**	**6,867,806**	**755,984**	**153,107**	**0**	**0**	**427,912**

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

** Include Depreciation

PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
OPERATING REVENUE				
Sewer Fees	**3,013,036**	**3,169,075**	**3,434,231**	**3,455,178**
Contracts - Other Districts	**2,912,989**	**3,201,445**	**3,205,110**	**3,224,663**
Other Fees	**28,466**	**13,000**	**13,000**	**13,000**
Total Operating Revenue	**5,954,491**	**6,383,520**	**6,652,341**	**6,692,841**
OPERATING EXPENSE				
Salaries, Benefits	**2,046,563**	**2,384,755**	**2,424,253**	**2,424,253**
Utilities	**397,561**	**489,228**	**489,228**	**489,228**
Chemicals, Supplies	**115,404**	**157,750**	**157,750**	**157,750**
Legal, Accounting	**95,649**	**114,500**	**114,500**	**114,500**
Engineering and Consulting	**99,207**	**82,000**	**82,000**	**100,000**
Repairs and Maintenance	**289,010**	**392,975**	**373,450**	**373,450**
Insurance, Other	**319,849**	**396,500**	**416,161**	**438,661**
Fuels, Lubricants	**23,402**	**32,000**	**32,000**	**32,000**
Depreciation/Amortization	**2,364,362**	**2,551,399**	**2,737,964**	**2,737,964**
Total Operating Expense	**5,751,007**	**6,601,107**	**6,827,306**	**6,867,806**
Operating Income or (Loss)	**203,484**	**(217,587)**	**(174,965)**	**(174,965)**
NONOPERATING REVENUES				
Interest Earned	**897,926**	**600,000**	**510,000**	**510,000**
Property Taxes	**0**	**0**	**0**	**0**
Consolidated Tax	**149,483**	**137,984**	**137,984**	**137,984**
Capacity Fees	**179,600**	**0**	**0**	**0**
Gain on Disposal of Assets	**8,903**	**0**	**0**	**0**
Lease Income	**138,452**	**108,000**	**108,000**	**108,000**
Total Nonoperating Revenues	**1,374,364**	**845,984**	**755,984**	**755,984**
NONOPERATING EXPENSES				
Interest on Bonds	**173,353**	**166,442**	**153,107**	**153,107**
Loss on Disposal Of Assets	**0**	**0**	**0**	**0**
Total Nonoperating Expenses	**173,353**	**166,442**	**153,107**	**153,107**
Net Income before Operating Transfers	**1,404,495**	**461,955**	**427,912**	**427,912**
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	**1,404,495**	**461,955**	**427,912**	**427,912**

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 6/30/2025	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2026	(3) BUDGET YEAR ENDING 06/30/27 TENTATIVE APPROVED	(4) BUDGET YEAR ENDING 06/30/27 FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	**6,079,434**	**6,383,520**	**6,652,341**	**6,692,841**
Cash Payments to Suppliers	**(1,512,475)**	**(1,664,953)**	**(1,665,089)**	**(1,705,589)**
Cash Payments to Employees	**(2,085,832)**	**(2,384,755)**	**(2,424,253)**	**(2,424,253)**
a. Net cash provided by (or used for) operating activities	**2,481,127**	**2,333,812**	**2,562,999**	**2,562,999**
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	**(1,050,567)**	**(1,980,054)**	**(4,055,000)**	**(4,055,000)**
Consolidated Taxes	**149,483**	**137,984**	**137,984**	**137,984**
Lease Income	**138,000**	**108,000**	**108,000**	**108,000**
Cash Received for Capacity Fees	**179,600**	**0**	**0**	**0**
Debt Service Interest	**(173,353)**	**(166,442)**	**(153,107)**	**(153,107)**
Debt Service Principal	**(591,552)**	**(605,291)**	**(527,843)**	**(527,843)**
c. Net cash provided by (or used for) capital and related financing activities	**(1,348,389)**	**(2,505,803)**	**(4,489,966)**	**(4,489,966)**
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Redemption (Purchase) of Investments	**0**	**0**	**0**	**0**
Interest on Investments	**900,598**	**600,000**	**510,000**	**510,000**
Restricted Investments	**(33,514)**	**0**	**0**	**0**
d. Net cash provided by (or used in) investing activities	**867,084**	**600,000**	**510,000**	**510,000**
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	**1,999,822**	**428,009**	**(1,416,967)**	**(1,416,967)**
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	**14,987,389**	**16,987,211**	**17,415,220**	**17,415,220**
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	**16,987,211**	**17,415,220**	**15,998,253**	**15,998,253**

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) NAME OF BOND OR LOAN List and Subtotal By Fund	(2) *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDING BALANCE 7/1/2026	(9) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/27 INTEREST PAYABLE	(10) PRINCIPAL PAYABLE	(11) (9)+(10) TOTAL
FUND: Proprietary							$	$	$	$
SRF Loan Series May 25, 2006	4	20	$2,000,000	5/25/2006	1/1/2026	3.2375%		$ -	$ -	$ -
SRF Loan Series 2007	4	20	$1,200,000	8/27/2007	7/1/2027	2.875%	$ 72,476.88	$ 1,741.36	$ 47,972.30	$ 49,713.66
SRF Loan Series 2019	4	20	$9,000,000	10/3/2019	1/1/2039	2.080%	$7,396,531.41	$ 151,365.48	$ 479,870.62	$ 631,236.10
							$	$	$	$
TOTAL ALL DEBT SERVICE							$7,469,008.29	$153,106.84	$527,842.92	$680,949.76

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

LOBBYING EXPENSE ESTIMATE

Pursuant to NRS 354.600 (3), **each** (emphasis added) local government budget must obtain a separate statement of anticipated expenses relating to activities designed to influence the passage or defeat of legislation in an upcoming legislative session.

Nevada Legislature: 84th Session; February 1, 2027 to May 31, 2027

1. Activity None		
2. Funding Source:		
3. Transportation	$	-
4. Lodging and meals	$	-
5. Salaries and Wages	$	-
6. Compensation to lobbyists	$	
7. Entertainment	$	-
8. Supplies, equipment & facilities; other personnel and services spent in Carson City	$	-
Total	$	-

Entity: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY Budget Fiscal Year 2026-2027

Schedule of Existing Contracts

Budget Year 2026 - 2027

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: YING JOHNSON
E-mail Address: yjohnson@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 2026-2027	Proposed Expenditure FY 2027 - 2028	Reason or need for contract:
1	Allison, MacKenzie, et al., James Cavilia, Esq.	8/2/2004		$ 64,500	$ 62,500	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	4/1/2026	3/31/2027	$ 26,842		Biosolids Hauling
5	Casey Neilon	4/1/2026	1/1/2028	$ 44,000	$ 46,000	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		$ 2,000	$ 2,500	Fire Alarm Monitoring
9	ARC Generaator	11/1/2025		$ 11,000	$ 11,000	Generator Inspection
10	Summit Plumbing	5/1/2026	5/1/2029	$ 63,000	$ 63,000	Line Cleaning and Inspection
11	Macleod Watts	2/1/2025	6/30/2027	$ 9,000	$ 3,000	GASB 75 Actuarial Study
12	Corrpro	5/1/2026	4/30/2027	$ 1,863		Effluent Tank Corrosion Inspection
13						
14						
15						
16						
17						
18						
19	Total Proposed Expenditures			$ 306,755	$ 278,075	

Additional Explanations (Reference Line Number and Vendor):

Schedule of Privatization Contracts

Budget Year 2026 - 2027

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: YING JOHNSON
E-mail Address: yjohnson@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.