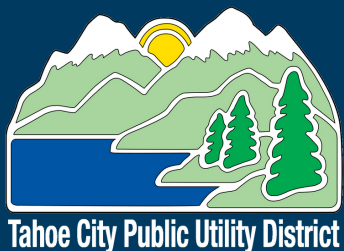


STRATEGIC PLAN 2022-2026



TAHOE CITY PUBLIC UTILITY DISTRICT

Adopted September 17, 2021

TAHOE CITY PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

Gail Scoville, President

John Pang, Vice President

Dan Wilkins

Judy Friedman

Ellie Beals

TAHOE CITY PUBLIC UTILITY DISTRICT MANAGEMENT

Sean Barclay, General Manager

Matt Homolka, Assistant General Manager - District Engineer

Ramona Cruz, Chief Financial Officer

Tony Laliotis, Director of Utilities

Valli Murnane, Director of Parks and Recreation

Terri Viehmann, District Clerk



OUR MISSION

The Mission of the Tahoe City Public Utility District is to serve people, our community, and its environment. It is our responsibility to provide safe and reliable water service, sewer service for the protection of public health, and parks and recreation services to enhance quality of life. It is our commitment to accomplish these and other tasks within the scope of the Public Utility District Act, as amended, in a sound fiscal manner.

OUR VISION

Building a healthy mountain community through our passion for public service.

OUR CORE VALUES

Service

We extend our passion for service to all we encounter, and consider the following as our “customers”; rate payers, fellow team members, contractors, Board of Directors, agencies, taxpayers, visitors and the entire community we serve.

Professionalism

We are a team of professionals that take pride in always doing what is right. We value our role as financial stewards and are dedicated to serving our community in the most efficient, effective and safe manner.

Teamwork

We put team success first and work to promote cooperation and commitment within the District to fulfill our mission and serve our community. We believe that together we achieve more.

Initiative

We are committed to the pursuit of excellence and believe that innovation, learning and growth are critical to that pursuit. We all act like owners and take personal responsibility for the District’s success.

Communication

We value relationships in all areas and believe that communication is fundamental to the success of our team, our “customers” and our community.

CORE OPERATING PRINCIPLES

Core Operating Principles are Board and Staff expectations outlining the way TCPUD conducts its business operations in service to the community.

Service

- Maintain District flexibility in order to best serve the community
- Ensure regulatory agency coordination and compliance with all applicable standards
- Meet or exceed all water quality and water loss standards
- Reduce sanitary sewer overflows and infiltration & inflow in the collection system
- Perform leak detection, water audits, and repair all known water leaks in a timely fashion
- Monitor, evaluate, report on, and develop recreation programs as needed

People

- Demonstrate District Core Values in all interactions
- Emphasize trainings and activities around District Core Values
- Provide regular training and cross training & encourage professional development
- Participate with outside organizations and agencies & in community activities
- Prioritize the safety and health of employees and the community

Efficiencies

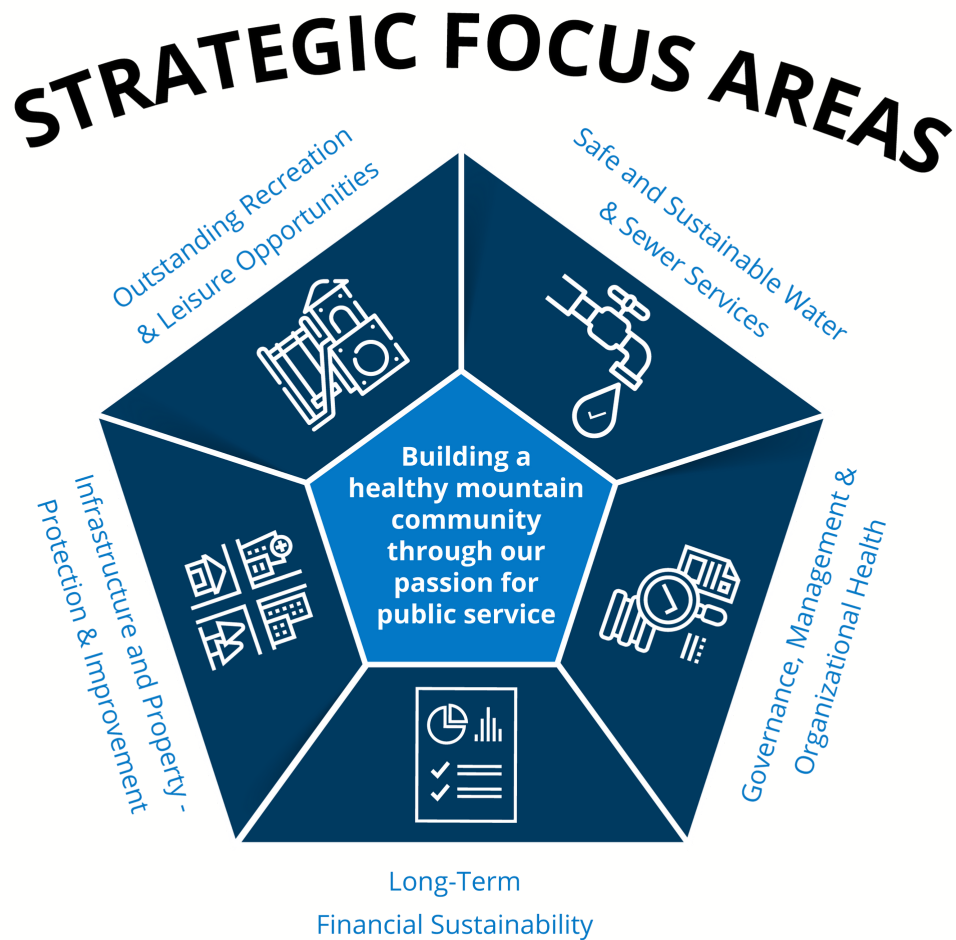
- Evaluate cost-effective alternatives for service delivery
- Research and monitor opportunities for cost savings
- Leverage technology to increase efficiencies & effectiveness
- Evaluate and renew agreements and leases with agencies and other partners as needed
- Monitor and evaluate business operations to identify areas for improvement

Financial Stewardship

- Promote financial transparency to customers and taxpayers
- Maintain appropriate reserves per District policy
- Pursue all applicable funding opportunities for District projects and initiatives
- Monitor and protect District technology and data
- Manage risk exposure throughout District

STRATEGIC FOCUS AREAS & DISTRICT PRIORITIES

During this Plan’s development, five Strategic Focus Areas were identified. Within each of these areas, priorities were established that are critical to the District’s pursuit of its vision.



District Board and Staff will use these Strategic Focus Areas and high-level priorities to build annual work plans and allocate resources over the 2022-2026 time period.

- Governance, Management & Organizational Health
- Safe and Sustainable Water & Sewer Services
- Outstanding Recreation & Leisure Opportunities
- Infrastructure and Property - Protection & Improvement
- Long-Term Financial Sustainability

GOVERNANCE, MANAGEMENT & ORGANIZATIONAL HEALTH

TO ENSURE THE DELIVERY OF OUR MISSION AND VISION INTO THE FUTURE



District Priorities

- Succession planning & organizational development
- Pursue legislative advocacy for District initiatives
- Collaborate with NTPUD to share services and improve service to our constituents
- Union labor negotiations and Memorandum of Understanding
- Update District Capital Project construction contracting documents
- Develop & update policies and procedures per industry best practice
- Develop & implement a comprehensive customer communication and engagement strategy



SAFE AND SUSTAINABLE WATER & SEWER SERVICES

TO FULFILL OUR COMMITMENT TO OUR CUSTOMERS IN THE PROVISION OF ESSENTIAL SERVICES



District Priorities

- Maintain a proactive maintenance program to extend the useful life of equipment and facilities
- Implement projects and processes to improve reliability, increase efficiency and reduce risk
- Secure surface water rights
- Evaluate mergers, consolidations or acquisitions of mutual, private or public water systems
- Complete a Joint Sewer Facility (JSF) Master Plan with NTPUD



OUTSTANDING RECREATION & LEISURE OPPORTUNITIES



TO REIMAGINE THE FUTURE OF RECREATION PROGRAMS & FACILITIES TO IMPROVE THE QUALITY OF LIFE FOR OUR CUSTOMERS

District Priorities

- Maintain a proactive maintenance program to extend the useful life of equipment and facilities
- Complete the Joint North Lake Tahoe Active Recreation Facility Needs Assessment and Feasibility Study
- Develop long-term strategy for a Recreation Center/Swimming Pool facility
- Develop long-term strategy for the Tahoe City Community Center
- Develop long-term strategy for the Camp Skylandia Program
- Support the Tahoe XC Lodge Replacement & Expansion Project
- Complete a Parks & Facilities infrastructure asset value and replacement strategy
- Complete a Trail System safety assessment report



INFRASTRUCTURE AND PROPERTY - PROTECTION & IMPROVEMENT

TO MAINTAIN OUR COMMITMENT TO LONG-TERM, FISCALLY RESPONSIBLE INFRASTRUCTURE MANAGEMENT



District Priorities

- Proactively plan for the implementation of infrastructure renewal and replacement projects
- Proactively respond to other Agencies' projects impacting District infrastructure
- West Lake Tahoe Regional Water Treatment Plant Project
- Tahoe Cedars Water System Replacement Project
- Madden Creek Water System Replacement Project
- West Shore Storage Augmentation Project
- Smart Water Meter Replacement Project
- Dollar/Edgewater Lakefront Sewer Line Project
- Sewer Pump Station Master Plan Projects
- West Shore Bike Trail Rehabilitation Projects
- Tahoe City Community Center Grounds and Building Improvement Projects
- Tahoe City Lodge Project
- Tahoe City Golf Course Clubhouse/Winter Sports Park Building Project
- Complete Land Exchange with CTC
- Participate in the SR89/Fanny Bridge Project
- Complete the TCPUD Administrative Facility Master Plan



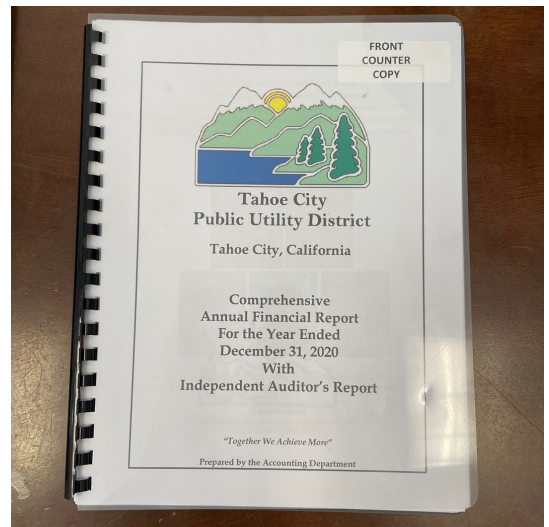
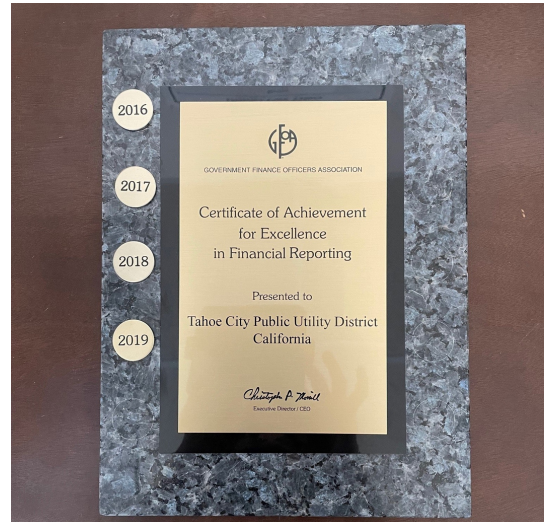
LONG-TERM FINANCIAL SUSTAINABILITY

TO MAINTAIN OUR COMMITMENT AND RESPONSIBILITY AS FINANCIAL STEWARDS



District Priorities

- Develop and implement long-term water infrastructure funding strategy
- Develop strategy & policy for unfunded pension liability
- Develop strategy & policy for unfunded OPEB liability
- Transfer ownership and responsibility for sidewalk infrastructure
- Revise TCGC Memorandum of Understanding to address changes as appropriate
- Complete Water & Sewer Rate Study (2024)
- Complete a District real property ownership analysis



September 1, 2019

TAHOE CITY PUBLIC UTILITY DISTRICT
Proposition 218 Notice to Property Owners of Proposed Water and Sewer Rates and a Public Hearing

The Tahoe City Public Utility District Board of Directors is providing notice of proposed water and sewer rate increases and invites the public to attend a Public Hearing to consider adoption of a 5-year schedule of maximum water and sewer rates. The hearing will be held on:

DATE: Friday, October 18, 2019
TIME: 9am
LOCATION: TCPPUD Board Room, 221 Fairway Drive, Tahoe City

The purpose of the Public Hearing is to consider all oral or written testimony and written protests of the proposed rates. This notice is provided to all property owners who currently receive either of these services provided by the TCPPUD. All interested property owners and tenants are invited to appear at the time and place specified to give oral or written testimony, as well as written protests, regarding the proposed rates. If adopted, new 2020 rates will go into effect on January 1, 2020.

Our Public Rate Setting Process
 The TCPPUD is dedicated to a transparent public rate setting process guided by the principles set forth in TCPPUD Financial Policy No. 2050, Establishing Water and Sewer Rates and Fees Policy, and in compliance with state laws and guidelines, including Article XIII D of the California Constitution, commonly referred to as Proposition 218.

As part of the TCPPUD's commitment to fiscal responsibility and long-term financial planning, the TCPPUD's current approved water and sewer rate structure is being evaluated for financial sustainability. TCPPUD retained an independent rate consultant, HDR Engineering, Inc., to perform a comprehensive water and sewer rate study (2019 Rate Study) for the next 5-year period. The 2019 Rate Study is intended to result in an equitable and cost-based water and sewer rate structure and ensure sufficient revenues to fund water and sewer operations and capital infrastructure needs throughout the TCPPUD service area.

On July 22 and August 6, 2019, the TCPPUD Board held public meetings on the 2019 Rate Study findings, conclusions, and recommendations to solicit public comment. At the TCPPUD August 16, 2019 Board meeting, the board authorized the proposed 5-year water and sewer rate schedule to be considered at a Public Hearing on October 18, 2019.

Reason for the Proposed Rate Change:
 The vision of the TCPPUD is to maintain one of the finest water systems across the entire service area that equitably distributes the cost of current and future system needs, achieves the highest service standards, and

How We Charge for Water
 Creek. Overall, \$27.8 million in water capital investments and \$10.3 million in sewer capital investments are proposed in the next five years. Additional information regarding water and sewer capital improvement plans can be found on TCPPUD's website (tcpud.org). The proposed water and sewer rate revenue will not be sufficient to fully fund the entire utility capital infrastructure improvement needs and additional funding opportunities will be evaluated through the TCPPUD's long-term financial planning process.

The majority of water customers in the TCPPUD service area are metered and pay both a base rate and a consumption rate based on the amount of water consumed on a monthly basis. The TCPPUD water system operates 24 hours a day, 7 days a week throughout the year and these critical services are funded by water rates. The water rate structure is based on a cost-of-service analysis that includes fixed costs to cover non-consumption related expenses such as customer service and billing, operation and maintenance of the water system, and public fire protection that benefit all customers. This fixed cost, also called a base rate, is the same every month, regardless of consumption. The base rate a customer pays is determined by the size of the water meter. Variable costs, which are a function of the quantity of water consumed, are included in the consumption rate.

The majority of customers in the recently acquired systems, Timberland, Tahoe Cedars, and Madden Creek, are not yet metered and therefore will pay the TCPPUD un-metered flat rate. This un-metered flat rate represents the TCPPUD base rate, plus the TCPPUD average residential customer's monthly consumption (6,000 gallons/month).