

Exhibit F-2



2023-2024 BUDGET

***Considered for Adoption
by the Board of Directors
June 27, 2023***

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OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



PURPOSE STATEMENT

The Olympic Valley Public Service District's purpose is to assume leadership in providing high-quality public services needed by the community.

MISSION STATEMENT

Olympic Valley Public Service District serves full-time and part-time residents, businesses, employees and visitors in Olympic Valley. The mission is to provide leadership in maintaining and advocating for needed, high-quality and financially sound community services for the Valley. These include, but are not limited to water, emergency services, and sewer and garbage collection. The District will conduct its operations in a cost effective, conservation-minded and professional manner, consistent with the desires of the community, while protecting natural resources and the environment.

CORE VALUES

- Honesty, openness and maintaining the public trust
- Fairness and being equitable to all
- High standards, competence, and quality services and products
- Fiscal responsibility
- Responsiveness and communication
- Clarity of purpose
- Environmental sensitivity
- Meticulous compliance with regulations
- Compassion and sensitivity
- Progressiveness and commitment to ongoing improvement
- Proactive planning for the future



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



Budget Objectives

- Provide high level of service.
- Minimize impact on customers.
- Compliance with all State and Federal regulations pertinent to the District.
- Maintain adequate reserve and replacement funds.
- Provide appropriate funding for infrastructure capital improvements.
(Government Code § 66000)
- Maintain fund integrity.
- Create a balanced and responsible budget.
- Minimize spending increases.

The District

The Olympic Valley Public Service District (District) serves the community of Olympic Valley in Eastern Placer County, California, 7 miles northwest of Lake Tahoe and 40 miles southwest of Reno. The District, consisting of 15 square miles (9,600 acres), was incorporated on March 30, 1964 under the provisions of Division 12 of the Water Code.

The District provides varied services, including water supply, wastewater collection, solid waste, bike trail snow removal, fire protection, and emergency medical services. These services are provided to residential units and commercial customers such as the ski resort, hotels, restaurants, schools, and churches. The District is governed by a five-member Board of Directors elected to four-year terms.

The Utility Department manages a potable water system and sewer collection system. The Utility Department's budget reflects the revenue and expenses required for operating those systems and includes spending and investing for prudent management of District capital assets. A portion of the Administration budget is allocated here as these are shared expenses with the Fire Department.

The Fire Department provides prompt and professional emergency services to the Valley and the Truckee River Corridor between Alpine Meadows and Cabin Creek. The Fire Department is funded primarily with property taxes deposited into the General Fund. A portion of the Administration budget is allocated here as these are shared expenses with the Utility Department.

Garbage Collection services are provided by the District directly and through a contract with Tahoe Truckee Sierra Disposal Company (TTSD) and consist of residential curbside pickup of municipal solid waste. Commercial accounts and some condominiums contract directly with TTSD.

Bike Trail Snow Removal services are provided by the District through a contract with Placer County and consist of snow removal of over two miles of Class 1 bike trails throughout the Valley.

Studies & Plans

The District completed the following **Water** system studies over the past ten years:

1. 2014 Creek/Aquifer Interaction Study Phase II
2. 2014 SV-Mutual Intertie Design
3. 2014 Redundant Water Supply/Preferred Alternative Evaluation Phase I
4. 2014 Water Supply Assessment for Village at Squaw Valley
5. 2014 Operations Department Space Needs Analysis
6. 2015 Redundant Water Supply/Preferred Alternative Evaluation Phase II
7. 2015 Water Supply Assessment Update for Village at Squaw Valley
8. 2015 Water System Hydraulic Modeling (VSVSP Water System Capacity Analysis)
9. 2016 PlumpJack Well Impact Analysis & Dewatering Plan

10. 2016 Redundant Water Supply/Preferred Alternative Evaluation Phase III
11. 2016 Maximum Supply Analysis
12. 2016 Capacity and Reliability Study Update
13. 2016 Olympic Valley Groundwater Management Plan Quinquennial Review & Report
14. 2017 100-year Capital Replacement and 5-year Capital Improvement Plan
15. 2017 Cost of Service and Rate Study
16. 2022 Pressure Zone 1A Basis of Design Report
17. 2022 Capacity and Reliability Study Update
18. 2022 OVGMP Six-Year Review and Report
19. 2023 OVPSD/SVMWC Emergency Intertie Project (ongoing)
20. 2023 SCADA Master Plan (ongoing)
21. 2023 Olympic Valley Groundwater Management Plan (ongoing)

The District completed the following **Sewer** system studies over the past ten years:

1. Ongoing television inspection and pipeline condition assessments
2. 2014 Operations Department Space Needs Analysis
3. 2015 Sewer System Hydraulic Modeling (VSVSP Sewer Capacity Analysis)
4. 2017 100-year Capital Replacement and 5-year Capital Improvement Plan
5. 2017 Cost of Service and Rate Study
6. 2021 Sewer System Rehabilitation Basis of Design Report (ongoing)
7. 2022 SCADA Master Plan (ongoing)

The District completed the following **Fire** Department studies over the past ten years:

1. 2014 Citygate Fire Service Mitigations for the Proposed Village at Squaw
2. 2020 Ambulance Service Cost / Benefit Analysis
3. 2022 AP Triton study of regional EMS response system
4. 2022 Deer Creek Resources Community Wildfire Protection Plan

Strategic Plan

In April 2012, a five-year Strategic Plan (Plan) was prepared that lays out the District's mission, vision, and values while providing a structure of goals and objectives that is a framework for decision-making. The Plan is also a practical working tool that provides clear direction to staff about the Board of Director's goals and objectives and includes a Work Plan developed by the staff, which is reviewed annually. Those goals are shown below and form the basis for this budget. The FY2023-24 budget includes \$20,000 for an update to the Strategic Plan.

1. **Water Supply** – Develop and maintain a high-quality water supply that meets the needs of our community today and in the future.
2. **Services** – Deliver high-quality, cost-effective services that meet the needs of our community.
3. **District / Community Alignment and Communications** – Proactively communicate to foster greater understanding and alignment between the District, its stakeholders, and constituents.
4. **Finance** – Maintain a well-planned, proactive financial condition that minimizes rate shocks and impacts on customers while meeting all service needs.

5. **Facilities, Operations, and Management** – Carry out the needed planning, organizational, operations and asset management policies and activities to ensure excellence in all service areas.

Fixed Asset Replacement Funds

This budget reflects a revised 100-year capital plan. The approach identifies funding thresholds for the District's Fixed Asset Replacement Funds (FARFs), used to pay for the replacement of assets at the end of their useful life. By ensuring the money will be available, the program reduces the District's need to borrow money, pay long-term interest on debt, or sharply increase water or sewer rates. While the District uses a standard construction cost index to budget for future capital projects, unfortunately, the COVID-19 pandemic and recent inflationary increases have caused construction costs to outpace the District's predictions. The current budget brings construction costs up to date and changes replacement timelines where necessary.

This year's capital project budget is estimated to be \$1,427,000 for the Utility Department and \$540,000 for the Fire Department. Budgeted projects are explained in further detail below. The annual contribution to the Utility FARFs is estimated at \$825,000; \$550,000 to water, \$250,000 to sewer, \$0 to garbage, and \$25,000 to bike trail. With prudent management of costs, the FARFs are typically supplemented with additional funds at the end of the fiscal year. The annual contribution to the Fire FARF is estimated to be \$350,000 in FY2023-24.

Long-Term Debt Retirement

Building: In 2004, the District received a loan for constructing the Administration Building/ Fire Station 21 at 305 Olympic Valley Road for \$2,000,000 from the California Infrastructure and Economic Development Bank, payable over 25 years at 3.63% annual interest. In FY2023, the District made an additional payment to the principal balance of \$300,000. This shortened the payback period by three years, from 2028 to 2025. The remaining balance with interest is approximately \$383,000, to be paid by the Utility Department. As interest earned in the District's investment accounts is currently higher than the loan interest, no additional payment to the principal is budgeted. The proposed FY2023-24 budget includes the annual principal and interest payment of \$126,000.

Unfunded Accrued Liability (UAL): GASB 68 was implemented in FY2014-15 to improve financial reporting concerning pensions. This is because most pensions are underfunded, meaning assets available to pay for retirement promises are less than what is owed. The Public Employees' Pension Reform Act (PEPRA) was implemented in 2013 to help mitigate these unfunded balances, and savings are slowly being realized.

In the first year GASB 68 was implemented, the District's unfunded balance amounted to approximately \$3,000,000. In FY2022-23, the balance is expected to be \$4,616,000 (\$3,253,000 liability for the Fire Department and \$1,363,000 for the Utility Department). CalPERS proposes agencies pay their unfunded balances off over 20 years at a 6.8% annual interest rate (the current discount rate). To avoid paying millions of dollars extra in interest, the District has taken

an aggressive approach to get the Classic member plans to a 90% funded level. In FY2018-19, FY2019-20, FY2020-21, and FY2021-22, the Board approved additional payments in the amount of \$935,000, \$1,220,000, \$830,000, and \$300,00, respectively. The Utility Department reached 100%, and the Fire Department reached 90% of the funded goals as of the June 30, 2022 financial statements. Note that the unfunded accrued liability varies annually based on CalPERS investment performance, truing-up actuarial assumptions, and changes in amortization bases, so these payments will be reassessed each year to achieve, then maintain, a 90% funded level.

115 Trusts: In March of 2022, the District established a California Employers' Pension Prefunding Trust (CEPPT) and a California Employers' Retiree Benefit Trust (CERBT) with CalPERS for the purpose of pre-funding retiree pension and health obligations. The District contributed \$250,000 to establish a CEPPT for the Utility Department after a 90% funding level of the Unfunded Accrued Pension Liability (UAL) was achieved. The District has contributed \$100,000 for both the Fire and Utility Departments towards a CERBT in order to reduce the actuarially-determined unfunded post-employment benefit (OPEB) liability. In FY2024, at a minimum, the District will contribute another \$50,000 to the CERBT as we work toward a fully funded status.

Rate Revenue

The District equitably charges rates for water and sewer based on different customer classes and their use of each system. Rates are determined with consideration of a 100-year Capital Replacement Plan and the emphasis on funding FARFs to replace capital assets as they reach the end of their useful lives. Adequately funding FARFs preclude the need to seek alternative funding options such as special assessments, debt financing, or sharp rate increases.

The 2023-24 rate increases required a Proposition 218 notice. This process gave all account holders 45 days to protest a rate increase if so desired. Prop 218 is designed to involve ratepayers in the rate-setting process. As there was not greater than a 50% protest, the new rates are set at a 5% increase for water, 5% for sewer, and 10% for garbage. These increases are to provide funding to achieve budgeted revenue requirements. The water and sewer rate increases are consistent with prior years. The garbage increase is a result of the service contract with Truckee Tahoe Sierra Disposal increasing 11% after 7% increases in the prior two years. Increases to garbage fees are also necessary for the District to provide new green waste disposal services directly to its customers. Rate revenue is budgeted to be approximately \$4,326,000.

Water Quality

The District continues to prepare for new and emerging water regulations proactively. Water served by the District meets all Federal EPA and California Division of Drinking Water quality guidelines. The District does perform water treatment to balance pH and chlorinates annually to control bacterial growth in the distribution system. The District continues to monitor water quality issues that may affect the District's operations.

Sources of Funds

General Fund

The District receives two property tax allocations from Placer County. The FY2023-24 budget anticipates a 1.0% increase from our anticipated 2023 revenue, for a total of \$4,332,000 after fees. This is calculated using the 2022/23 Placer County assessed property tax multiplied by the 2023/24 California CPI, and then multiplied again by the Adjusted Gross Levy percentage of each of our funds. In September 2023, Placer County will provide a better estimate of the District's annual property tax.

All property tax revenue is placed into the General Fund and distributed into operating and capital accounts, as necessary. The Fire Department is primarily funded by these property taxes. Ad valorem tax revenue not initially distributed to the Fire Department is allocated to support utility and fire operations, pay off debt, and fund fixed asset replacements. This year, funding the Fire FARF is necessary due to the recent purchases of new engines, replacement of aging assets, and paying down the CalPERS unfunded accrued liability. A minimal amount will be allocated to the Utility and Administration Departments' Operating Budget.

Utility & Administration Departments Operating Funds

The Utility and Administration Departments are mostly funded from water, sewer, and garbage service fees. Rates include a base rate as well as a tiered rate for water consumption. Total budgeted revenues from service fees for FY2023-24 are \$4,326,000, which is generated from all customer classes. Additional revenue will be supplemented through other sources such as rental revenue, bike trail snow removal, reimbursable services provided by District staff, and administrative fees.

Revenue from reimbursable projects, or external projects performed by staff and billed to third parties, is estimated conservatively at \$20,000 due to the difficulty in reliably forecasting anticipated demand on our labor resources.

The District maintains savings funds in California CLASS Investments, Placer County Investments, Certificates of Deposits, and the Local Agency Investment Fund (LAIF), with each fund providing a high level of safety and liquidity. The highest rate of return comes from California CLASS at 5%, followed by the Certificates of Deposit at 4.85%, 4.20%, 3.75%, 3.05%, and 2.7% annually, and lastly, by Placer County which is 2.46%. The District is forecasting conservative interest earnings and remains focused on managing reserve balances into the strongest return vehicle that aligns with the District's Investment Policy. Most funds are held with California CLASS and Placer County as these are the most liquid. The District will invest in CDs so long as rates are higher than what can be earned with the California CLASS or Placer County and is consistent with the Investment Policy. Note that funds are not transferred out of investment accounts until they need to be used to pay for expenditures. Lastly, the District has two 115 Trust accounts which is another investment tool to diversify the portfolio and will be used to pay pension and other post-employment benefits (OPEB) costs.

The District continues to maximize its property assets and receives rental revenues from three tenants located at 1810 Olympic Valley Road. Total rental revenue is anticipated to be \$128,000, split equally among water, sewer, and fire.

The District is currently using \$800,000 in grant funding for capital projects. The largest grant is \$403,625 from the Placer County Water Agency (PCWA) for the Squaw Valley Mutual Water Company System Intertie. The project includes planning, designing, and constructing facility intertie(s) at key locations in both water systems, providing increased redundancy and reliability. The total estimated cost for the project is \$720,000 and will be completed by 2024. The second largest grant is \$371,600 from PCWA for the Residential Meter Replacement Project. The project aims to support water conservation and customer service programs. The major components of the project include an evaluation and selection of an Advanced Metering Infrastructure / Automatic Meter Reading (AMI/AMR) technology, replacement of residential and commercial water meters, and implementation of an AMI/AMR system. The project cost is estimated at \$798,000 and is scheduled for completion in 2024.

Fire Department Operating Funds

The Fire Department account is funded almost entirely from ad valorem tax revenue. Additionally, the Department is projected to receive \$43,000 in revenue from renting office space as discussed above. The Fire Department occasionally receives income from aid rendered on wildland fires; however, since it is difficult to predict levels of participation by strike teams, these revenues are not budgeted. Other operating income that is budgeted includes inspections and CPR training classes.

The Fire Department is currently using \$590,000 in grant funding for fuels management. CalFIRE granted the District \$540,000 for the *Olympic Valley Fuel Reduction Project* to reduce forest fuels and the risks associated with catastrophic wildfires. The Project encompasses 120 acres located on the northern ridgeline of the Valley. It is estimated to take three years to complete, and the project team will spend the remainder of 2023 bidding and starting work in the field. Lastly, the Fire Department has been awarded \$50,000 from the Tahoe Truckee Community Foundation's *Forest Futures Program*. These grant funds will be used to permit and plan for fuel reduction work to thin the lodgepoles that stand at the S-turns on Olympic Valley Road. The work for this grant is scheduled for completion in Fall 2023. The Fire Department budget includes \$20,000 to Feather River Forestry for additional grant seeking and administration for fuels management projects.

Capital Funds

Water and sewer capital funds are derived from connection fees related to new development or increased capacity. The Water Capital fund currently stands at \$1,359,000, and the Sewer Capital fund at \$260,658. The District expects minimal connection fees generated in the coming year, and no changes to the fees are proposed at this time.

The Fire Department charges fire protection fees for new construction. These revenues are used to finance the procurement of new firefighting apparatus and special equipment needed due to growth in Olympic Valley. The Fire Capital fund currently stands at \$184,000. The fee is

currently \$500 per bedroom for residential and \$1,080 per 1,000 sq. ft. of gross floor area of commercial space.

The District expects to receive connection fees from approved development projects, such as the Village at Palisades Tahoe, PlumpJack, and the Everline Resort, but the schedules for these projects are uncertain.

Uses of Funds

Utility Department Operations

Operating expenditures are budgeted at \$3,678,000, an increase of \$377,000 compared to actual expenditures projected for FY2022-23 (see page 18). In addition to inflation currently reported at 5.0%, notable changes compared to FY2022-23 include:

- Total wages are budgeted at \$1,649,000. There were a few vacancies in fiscal year 2023 year that the District has now filled. Additionally, salaries will increase per the negotiated MOU with a 4% COLA. Lastly, a few employees will receive step increases or anticipated incentives.
- Employee benefits are budgeted at \$741,000, which is \$132,000 more than FY2022-23 costs. CalPERS health is estimated to increase by 9% starting in 2024. Worker's Compensation insurance rates are increasing by 54%, mostly due to the District's EMOD (Experience modification rate) increasing to 129%, up from 84%. The EMOD is based on claims history. Lastly, 78% of the staff in the Operations and Administration Departments are PEPRAs (Public Employees' Pension Reform Act) members. The pension expenses for these employees hired after January 1, 2013, are lower than "Classic" members. However, both classes are seeing an increase in employer contribution rates. The employer contribution rate will be 17.16% for Classic members and 8.32% for PEPRAs members.
- Field expenses such as materials, water meter testing and repairs, maintenance, and trainings are budgeted at \$678,000. Aside from caustic soda prices which have more than doubled in the last year, increases from FY2022-23 expenses are considered inflationary and are in line with current market conditions.
- Board expenses are budgeted at \$53,000, a 3% increase from FY2022-23. This consists of board member compensation, training, and supplies for in-person meetings.
- Consulting Services are budgeted at \$110,000. This consists of annual contracts such as on-call engineering services (\$30,000) and the financial audit (\$21,700 split with the Fire Department). Legal fees are increasing to \$30,000 due to the retirement of the District's long-term legal counsel. Next, a Capacity and Reliability Study (\$10,000), a Five-Year Strategic Plan (\$20,000 split with the Fire Department), and personnel policy revisions (\$15,000 split with the Fire Department) are planned.
- Property and Liability insurance is budgeted at \$93,000, which is a 19% increase from FY2022-23. This is determined by estimates provided by the insurance provider, Special District Risk Management Authority (SDRMA). Increases are due to an 8% increase in SDRMA's operating budget, a 7.5% increase in the value of covered buildings and

contents, and pool reinsurance rates increasing by 15-20%. This budget is set conservatively for any discounts or incentives.

- Licenses/Permits/Contracts are budgeted at \$60,000, which is a 2% increase from FY2022-23. Expenses in this category include annual memberships to the Squaw Valley Business Association, California Special Districts Association, and Mountain Housing Council. There are also software maintenance contracts such as Springbrook, VUEWorks, Konica Copier, Parcel Quest, and ArcGIS software.
- Office Expenses are budgeted at \$78,000. In addition to standard office expenses, the District is planning an upgrade to its website's content management software (\$15,000 shared with the Fire Department) and a cloud migration of documents currently held on an in-house server (\$5,000).
- Travel, Meetings and Recruitment is budgeted at \$16,000. This is an increase from the prior year as more in-person training is budgeted. The District encourages employees to seek additional trainings that benefit the District. This usually involves the annual CSDA conference, human resource training, leadership courses, and continuing education required to maintain operator certifications.
- Utilities are budgeted at \$168,000. This is an 8% increase which is in line with market trends.
- Interest Expense and Debt Repayment continue to decline. As the building loan matures, each payment gains a greater contribution toward the principal.
- Other expense comparisons against the prior year are considered immaterial at either less than a 5%, or \$5,000, change. Most increases are considered inflationary.

Bike Trail Snow Removal: The District has provided snow removal on 2.3 miles of bike trails in the Valley since 2011. Historically this has been for a fee of \$46,000 annually. Any funds left over at the end of the season will be placed in a reserve account to replace the snow blower, like FARFs established and maintained for other departments. The current balance of the Bike Trail FARF is \$86,000.

Fire Department Operations

Operating expenditures are budgeted at \$4,063,000, an increase of \$392,000 (see page 19). In addition to inflation currently reported at 5.0%, notable changes compared to FY2022-23 include:

- Fire Department Wages are budgeted at \$1,834,000, which is a 4% increase from FY2022-23. Salaries will increase per the negotiated MOU. A few employees will receive step increases or anticipated incentives. Next, there will be an overlap between the new incoming Chief and the retiring Chief. The Department will continue to hire seasonal employees, which supports a minimum 4-person staffing level without incurring significant overtime costs. Lastly, the District does not budget for strike teams due to the uncertainty in activity in any given wildfire season.
- Benefits are budgeted at \$1,298,000 which is 11% more than FY2022-23 costs. CalPERS PORAC Health Insurance is estimated to increase by 5% starting in 2024. Worker's compensation rates are increasing by 54%, mostly due to the District's EMOD

(Experience modification rate) increasing to 129%, up from 84%. The EMOD is based on claims history. The employer contribution rate for Classic members will increase to 27.11% from 23.75%, and for PEPRAs members will increase to 13.54% from 12.78%. Lastly, the Fire Department minimum required contribution to the pension UAL decreased by \$41,000 to \$212,000. As noted above, the District budgets conservatively for strike teams, so the budget shows zero reimbursable wages.

- One-third of the Administration Department's Salaries & Wages are allocated to the Fire Department. In FY2023-24 the budget is set to \$309,000.
- Field expenses are budgeted at \$141,000, which is a 7% increase from FY2022-23. Increases are considered inflationary and are in line with current market conditions:
 - Materials and Supplies are budgeted at \$34,000. These include costs for replacement hose, EMS supplies, household supplies, personal protective gear, rescue gear, and uniforms.
 - Maintenance & Repair is budgeted at \$26,000. These charges include annual hose and pump testing, annual compressor service, small tool replacements, and radio maintenance.
 - Facilities are budgeted at \$27,000. Expenses include interior and exterior maintenance at both the East and West facility, elevator inspection contracts, building operating permits, and alarm system maintenance.
 - Training and Memberships are budgeted at \$22,000. The Department has maintained a high standard when it comes to training and encourages employees to seek additional trainings that benefit the District.
 - Vehicle Maintenance & Repair is budgeted at \$32,000. This includes preventative maintenance, repairs to the engines, fuel, and hazardous materials fees.
- Board expenses are budgeted at \$17,800. This consists of board member compensation, trainings, and supplies for in-person meetings.
- Consulting Services are budgeted at \$214,000. The majority of this is due to planning and permitting for the *Olympic Valley Fuel Reduction Project* (\$158,000 for the year). This is grant funded as described above. Other expenses include legal fees, the audit, a five-Year Strategic Plan (\$20,000 split with the Utility Dept), and personnel policy revisions (\$15,000 split with the Utility Dept).
- Insurance is budgeted at \$52,000, which is a 13% increase from FY2022-23. This is determined by estimates provided by the insurance provider, Special District Risk Management Authority (SDRMA). Increases are due to an 8% increase in SDRMA's operating budget, a 7.5% increase in the value of covered buildings and contents, and pool reinsurance rates increasing by 15-20%. This budget is set conservatively for any discounts or incentives.
- Licenses/Permits/Contracts are budgeted at \$79,000. This includes the CalFire Dispatch Contract for \$35,000 as well as other subscriptions such as Springbrook, standard operating procedures software Lexipol, Aladtec scheduling software, and electronic patient care and fire reporting.
- Office Expenses are budgeted at \$27,000. Along with normal office needs, the District is planning an upgrade to its website's content management software (\$15,000 shared with the Utility Department).

- Travel, Meetings & Recruitment budgeted at \$17,000. This is an increase from the prior year as more in-person trainings are budgeted. This includes expenses for travel and meetings, employee recognition, a retirement party, and recruitment testing.
- Utilities are budgeted at \$74,000. This is a 8% increase which is in line with market trends.
- Other expense comparisons against the prior year are considered monetarily immaterial at either less than a 5% change or less than \$5,000. Most changes are considered inflationary.

Utility Capital Reserve Projects – See page 40

Capital Improvements – (New Construction)

OVPSD – Squaw Valley Mutual Water Company System Intertie: This project includes the planning, design, and construction of facilities to create intertie(s) at key locations in both water systems. This will provide for increased redundancy and reliability in the water systems. The total estimated cost for the project is \$730,000, to be completed by 2024, and will be funded partially by a \$404,000 grant from the Placer County Water Agency. The remainder will be funded through a cost-share agreement currently being negotiated with the Mutual.

Future Projects: Pressure Zone 1A commenced in FY2020-21 with a \$55,000 grant and is expected to cost approximately \$1,000,000 and finish in FY2025-26. The project includes planning, design, and construction of water facilities to reduce exceedingly high-water pressures in the eastern portion of the District's water system. This will be funded from the Water Capital Fund.

Fixed Asset Replacement Funds (FARF)

Zone 3 Tank Inspection and Recoating: The Zone 3 Tank is a 135,000-gallon welded steel water storage tank that provides domestic and fire supply storage to approximately 25 homes within the District's water service territory. It was constructed in 1990 and is located at the south end of the Valley above Sierra Crest Trail. Inspections of the tank in 2019 and 2022 have indicated that the internal coating system is failing and in need of recoating. Both internal and exterior coating systems for steel water storage tanks typically have a design life of up to 25 years. The project will include sandblasting and recoating the interior walls, installation of a climate control system during the coating process, pressure washing and recoating the exterior of the tank, welding repairs, and temporary water supply and storage facilities. The project is estimated to cost approximately \$315,000 and will be funded from the Water FARF. The project is scheduled to be completed by November 2023.

Residential Meter Replacement Project: The project includes implementing a water metering program, which alongside replacement of outdated water meters, will support our water conservation and customer service programs. The major components of the project include an Advanced Metering Infrastructure / Automatic Meter Reading (AMI/AMR) technology selection evaluation, replacement of residential and commercial water meters, and implementation of an AMI/AMR system. The overall project cost is estimated to be approximately \$774,000 and will

be accomplished by the end of 2024. The District received a grant for \$371,600 from Placer County Water Agency and \$35,080 from the CA Department of Water Resources. The remainder of the project will be funded by the Water FARF.

305 Olympic Valley Road Phase I HVAC Replacement: Since the construction of the building in 2005, complaints due to the HVAC system have been continuous. In 2023, the District completed an HVAC master plan which analyzed the mechanical systems in the building and offered recommendations to improve the system, improve energy efficiency, reduce operation costs, and improve the comfort of the building's occupants. The first phase includes a multi-unit boiler replacement along with the controls system and unit heaters to the Fire Department bays. The total cost of the project is \$650,000 and will be split equally among the Water, Sewer, and Fire FARF.

Sewer Pipeline and Manhole Rehabilitation/Replacement Project: This project includes the repair and/or replacement of approximately 9,000 linear feet of District-owned sewer mains and 33 sewer manholes. Staff evaluated sewer inspection reports from 2016-2022 and prepared a risk-based analysis of likelihood and consequence of failure based on the asset condition as well as other risk factors. The pipes and manholes affected were constructed more than 40 years ago and constructed of vitrified clay pipe or asbestos concrete pipe. The project will entail in-situ rehabilitation of pipelines and manholes that have minor structural and operational defects, and replacement of assets that have more substantial structural defects such as pipe sags and broken pipe. The estimated cost to complete the project is \$1,500,000; \$75,000 will be spent in FY2024, and the remainder to be completed by FY2026. The project will be funded from the Sewer FARF.

Facility Repairs: A portion of costs for facility maintenance such as slurry seal, patch paving, lighting, locks, and exhaust vents are allocated to the Utility Department, totaling \$188,000 from the Water FARF and Sewer FARF.

Fire Department Capital Reserve Projects – See page 45

Capital Improvements – (New Capital)

Regional Training Facility: Local fire agencies identified a need for a Regional Training Facility. Currently, the closest training facility for fire operations is in either Reno or Carson City. Staff has to travel much further for specific classes such as Confined Space, Rescue Systems, or Hazardous Materials training; often as far away as Menlo Park, Los Angeles or Las Vegas. The National Fire Protection Agency (NFPA) recommends a certain number of hours of facility training each year and it is increasingly difficult to get those hours for all staff. With a local facility, the Department would be able to rotate multiple engine companies through the facility while covering that engine company's area with a neighboring engine company. The local fire departments would also be able to host classes at the Regional Facility, offsetting the costs of the classes and the operation of the facility. Olympic Valley's contribution to the project is slated for FY2023-24 and is budgeted at \$50,000.

Fixed Asset Replacement Fund (FARF)

Command Vehicle: The Department plans to purchase a new command vehicle for the Fire Chief as the current vehicle has reached the end of its useful life. The cost of the new vehicle is budgeted at \$85,000 to come from the FARF.

R-21 Hurst Tools: This project includes the replacement of hydraulic rescue tools, also known as the jaws of life, which assist in the extrication of victims involved in vehicle accidents, as well as other rescues in small spaces. The budget is set at \$78,000 and will be funded by the Fire FARF.

Self-Contained Breathing Apparatus (SCBAs): This is to replace approximately 50 SCBA tanks. They have reached the end of their useful life of 15 years. The budget is set at \$55,000 and will be funded from the Fire FARF.

Turnout Gear Replacement: The budget is set to \$15,450 from the Fire FARF for the ongoing rotational replacement of turnout gear for structure and wildland personal protective equipment. About 20% of the gear is replaced each year.

Facility Repairs: A portion of costs for facility maintenance such as slurry seal, patch paving, and exhaust vents are allocated to the Fire Department, totaling \$27,500 from the Fire FARF.

Future Outlook

At the time of preparing this budget, predictions for 2023 are varied as the unemployment rate is currently at an all-time low of 3.4%. This means that people are able to find jobs, and they are making more. On the flip side, inflation is still running high at 5%, and economists remain worried that a recession is on the way. The Federal Reserve has been raising interest rates in an effort to combat inflation, which has resulted in a slowdown in economic growth. It is to be determined if the economy will go into a recession and how long it will last. While there are still many unknowns, the District has always remained committed to providing high levels of service to the residents, businesses, and visitors of Olympic Valley. Here are some of the District's plans moving forward.

The housing market in the North Lake Tahoe region remains competitive. Inventories are low, and while prices are still much higher than they were three years ago, the median house price has dropped 25% year over year. Interest rates on borrowing remain high at over 7%, which has pushed some buyers out of the market. The average number of days to close escrow has increased from 43 days to 55 days. The District expects there to be a stabilization of property tax revenue after the COVID-19 housing boom. Of course, property values determine ad valorem property tax revenue for the District. While the District expects an increase in FY2023-24, the budget is set conservatively since we will not know the true impacts until September 2023.

A notable financial milestone is the District's CalPERS unfunded accrued liability (UAL) for pensions. The District reached a 100% funded level with the Miscellaneous group and 90% funded level with the Fire Department as of the FY2021 valuation. The FY2021 valuation

determines the minimum required payment towards the UAL in FY2024. There is no minimum required payment for the Miscellaneous group, and \$212,000 is required for the Fire Department. The next valuation will become available in August of 2023, and due to the stock market's poor performance in June 2022, the District anticipates funding levels to decrease and future minimum payments will be required. While the UAL will always fluctuate depending on CalPERS's investment performance and actuarial assumptions, the District remains committed to paying its debt and funding its 115 trusts to fund future pension obligations.

The District plans to continue snow removal services on the Olympic Valley Bike Trail, which proves to be a valued service for many residents and visitors of the Valley.

The District has a 100-year Capital Replacement Plan that is revisited annually. This plan is used to determine funding needs and timing to replace aging infrastructure, equipment, facilities, and fleet. In the past two years, the US has seen massive supply-chain disruptions due to the pandemic, a war in Ukraine, and manufacturing costs skyrocketing. This current budget has been updated to reflect this increase in costs. The District will continue to monitor reserve funds needed to complete these projects on time and without going into debt financing.

The Fire Department will see a shift in staffing as a new Fire Chief will replace Chief Riley after his retirement in Summer 2023. The Department has done internal promotions for a new Captain and Engineer and continues to seek two Firefighters to fill vacancies. As with many other Districts in the region, hiring is becoming more and more challenging as people cannot afford to live in the communities they serve. Next, the Department will continue with its seasonal program and staffing at Station 22 during the holidays and busy ski weekends during the winter. Lastly, the Department will seek additional grant funding with the help of a hired Forester to complete the tasks of a recently completed Community Wildfire Protection Plan. This Plan is a collaboration with other community businesses and groups and will be the outline to mitigate wildfire hazards.

The garbage contract with Truckee Tahoe Sierra Disposal (TTSD) for the 2023-24 fiscal year saw an 11% increase. This is a result of TTSD seeing a significant increase in trash generation in the region, rising labor costs, employee shortages, and significant increases to disposal costs. This resulted in having to terminate green-waste curbside pickup. As such, the District is encouraging customers to participate in the green-waste drop-off days throughout the summer, or take green-waste to the dump free of charge (up to 6 yards).

There are several projects currently underway such as the Everline Resort Phase II, Village at Palisades Tahoe Specific Plan, and PlumpJack. These projects are expected to expand the District's customer base and increase revenues.



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

FINANCIAL SUMMARY FOR BUDGET YEAR 2023 - 2024



	Water	Sewer	Garbage	Bike Trail	Total Utility	Total Fire	Water Capital	Sewer Capital	I&I	Fire Capital	Consolidated
	5%	5%	10%	0%							
Revenue											
Rate Revenue	\$ 2,307,368	\$ 1,655,203	\$ 363,285	\$ -	\$ 4,325,856	\$ -	\$ 20,000	\$ 10,000	\$ 10,000	\$ 12,000	\$ 4,377,856
Tax Revenue	50,000	50,000	-	-	100,000	4,232,000					4,332,000
Other Misc Revenue	283,304	173,588		46,000	502,892	282,067					784,959
Total Revenue	2,640,672	1,878,791	363,285	46,000	4,928,748	4,514,067	20,000	10,000	10,000	12,000	9,494,815
Expenses											
Payroll & Benefits	1,239,343	1,139,343	12,000	-	2,390,687	3,441,279					5,831,966
Operating Expenses	574,507	334,774	357,072	21,000	1,287,352	621,994					1,909,346
Debt											
Building Loan	79,104	35,539			114,643	-					114,643
PERS UAL Additional Payment	100,000	100,000			200,000	-					200,000
Contributions											
FARF Contributions	550,000	250,000	-	25,000	825,000	350,000					1,175,000
Total Expenses, Debt, & Contributions	2,542,954	1,859,657	369,072	46,000	4,817,682	4,413,273	-	-	-	-	9,230,956
Surplus (Loss)	97,717	19,134	(5,787)	-	111,065	100,794	20,000	10,000	10,000	12,000	263,859
Surplus FARF/Capital Contributions	(97,717)	(19,134)	5,787	-	(111,065)	(100,794)	(20,000)	(10,000)	(10,000)	(12,000)	(263,859)
Balance	-	-	-	-	0	-	-	-	-	-	(0)
Capital /FARF Rollforward											
Begin Balance 7/1/23	2,591,880	3,478,232	137,000	105,619	6,312,732	2,348,576	1,314,085	326,900	166,818	-	10,469,110
Capital Projects	(955,617)	(396,617)	-	-	(1,352,233)	(489,617)	(75,000)	-	-	(50,000)	(1,966,850)
Contributions (from above)	647,717	269,134	(5,787)	25,000	936,065	450,794	20,000	10,000	10,000	12,000	1,438,859
End Balance 6/30/24	2,283,981	3,350,750	131,213	130,619	5,896,564	2,309,753	1,259,085	336,900	176,818	(38,000)	9,941,119



**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
UTILITY & ADMINISTRATIVE DEPARTMENT
OPERATING BUDGET FOR FISCAL YEAR 2023-2024**



	2021 - 22	2022 - 23	2022 - 23	2023-24	Inc/ (Dec)	%
	ACTUAL	BUDGET	EXPECTED	BUDGET	from Prior Year	CHANGE
REVENUES:						
Water Revenue - Rates	\$ 2,153,483	\$ 2,172,817	\$ 2,175,137	\$ 2,307,368	\$ 132,231	6.1%
Water Revenue - Property Tax	60,866	20,000	50,000	50,000	-	0.0%
Sewer Revenue - Rates	1,437,404	1,569,492	1,578,792	1,655,203	76,411	4.8%
Sewer Revenue - Property Tax	60,866	30,000	80,000	50,000	(30,000)	-37.5%
Garbage Revenue	296,946	328,444	331,500	363,285	31,785	9.6%
Rental Revenue	84,304	83,000	83,000	85,411	2,411	2.9%
Bike Trail Snow Removal	46,000	46,000	46,000	46,000	-	0.0%
Mutual Water Co O&M	107,806	-	-	-	-	0.0%
Grants, Surplus, Admin, Billable	136,731	567,467	456,659	371,481	(85,177)	-18.7%
TOTAL REVENUE:	\$ 4,384,406	\$ 4,817,220	\$ 4,801,088	\$ 4,928,748	\$ 127,660	2.7%
OPERATING EXPENSES:						
Salaries & Wages	\$ 1,301,377	\$ 1,520,057	\$ 1,484,369	\$ 1,649,432	\$ 165,063	11.1%
Benefits	(1,542,148)	873,330	609,084	741,255	132,171	21.7%
Field Expenses	581,855	588,837	637,026	677,975	40,948	6.4%
Board Expenses	51,024	52,164	51,410	52,876	1,466	2.9%
Consulting Services	85,701	214,088	110,899	110,458	(441)	-0.4%
Insurance	66,193	69,492	77,987	92,576	14,589	18.7%
Licenses/Permits/Contracts	47,352	45,874	58,480	59,778	1,298	2.2%
Office Expenses	59,147	73,470	69,328	78,052	8,724	12.6%
Travel, Meetings & Recruitment	11,512	14,266	11,492	15,626	4,134	36.0%
Utilities	64,361	153,194	155,885	168,016	12,130	7.8%
Bike Trail	17,511	21,000	21,000	21,000	-	0.0%
Interest & Misc	27,610	25,706	14,000	10,996	(3,004)	-21.5%
TOTAL OPERATING EXPENSES	\$ 771,496	\$ 3,651,478	\$ 3,300,961	\$ 3,678,039	\$ 377,078	11.4%
Net Income (Loss) Before Non-Operating Expenses	\$ 3,612,910	\$ 1,165,741	\$ 1,500,127	\$ 1,250,709	\$ (249,418)	(0)
NON - OPERATING EXPENSES:						
Building Loan	94,130	97,265	97,265	114,643	17,378	17.9%
Additional Building Loan Payment	-	300,000	300,000	-	(300,000)	-100.0%
PERS UAL Loan to Fire Department	-	200,000	-	-	-	0.0%
Annual Side-Fund Loan Payment	74,341	-	-	-	-	0.0%
TOTAL NON-OPERATING EXPENSES	\$ 168,471	\$ 597,265	\$ 397,265	\$ 114,643	\$ (282,622)	
OPERATING SURPLUS/ (LOSS)	\$ 3,444,440	\$ 568,476	\$ 1,102,862	\$ 1,136,065	\$ 33,204	\$ (0)
TRANSFER TO FARF	(3,444,440)	(568,476)	(1,102,862)	(1,136,065)	(33,204)	0
BALANCE	-	-	-	-	-	-



**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FIRE DEPARTMENT
OPERATING BUDGET FOR FISCAL YEAR 2023-2024**



	2021 - 22 ACTUALS	2022 - 23 BUDGET	2022 - 23 EXPECTED	2023-24 BUDGET	Inc/ (Dec) from Prior Year	% CHANGE
REVENUES:						
Property Tax	\$ 3,820,526	\$ 3,854,022	\$ 4,034,022	\$ 4,232,000	\$ 197,978	4.91%
Mutual Aid	147,996	-	28,696	-	(28,696)	-100%
Rental Revenue	26,290	41,500	41,500	42,705	1,205	3%
Inspection Fees	19,313	10,000	(10,000)	10,000	20,000	-200%
Grants, Admin & Misc	39,267	192,777	128,401	229,362	100,961	79%
Loan from Sewer for UAL	-	200,000	-	-	-	0%
TOTAL REVENUE:	\$ 4,053,391	\$ 4,298,299	\$ 4,222,619	\$ 4,514,067	\$ 291,448	7%
OPERATING EXPENSES:						
Salaries & Wages	\$ 1,741,559	\$ 1,791,383	\$ 1,759,155	\$ 1,834,292	\$ 75,137	4.3%
Benefits	(62,911)	1,150,747	1,169,391	1,297,744	128,353	11.0%
Admin Salaries & Benefits	262,240	357,155	289,108	309,243	20,135	7.0%
Field Expenses	126,276	134,723	132,188	141,248	9,060	6.9%
Board Expenses	17,245	17,388	17,125	17,750	625	3.6%
Consulting Services	56,821	206,813	76,563	213,893	137,330	179.4%
Insurance	39,566	41,291	46,202	52,325	6,123	13.3%
Licenses/Permits/Contracts	51,011	74,975	76,975	78,967	1,992	2.6%
Office Expenses	20,524	26,163	23,800	26,663	2,863	12.0%
Travel, Meetings & Recruitment	12,686	13,100	12,500	17,100	4,600	36.8%
Utilities	60,093	66,678	68,470	74,048	5,578	8.1%
Interest & Misc		-			-	0.0%
TOTAL OPERATING EXPENSES	\$ 2,325,109	\$ 3,880,415	\$ 3,671,478	\$ 4,063,273	\$ 391,795	10.7%
Net Income (Loss) Before Non-Operating Expenses	\$ 1,728,282	\$ 417,884	\$ 551,141	\$ 450,794	\$ (100,348)	
NON - OPERATING EXPENSES:						
CalPERS UAL Payments	300,000	200,000	-	-	-	0%
TOTAL NON-OPERATING EXPENSES	\$ 300,000	\$ 200,000	\$ -	\$ -	\$ -	
NET OPERATING INC/ (DEC)	\$ 1,428,282	\$ 217,884	\$ 551,141	\$ 450,794	\$ (100,348)	-18%
TRANSFER TO FARF	\$ (1,428,282)	\$ (217,884)	\$ (551,141)	\$ (450,794)	\$ 100,348	18%
BALANCE	-	-	-	-	-	-

**Olympic Valley PSD
Water Budget
Escalation Factors**

		Expected	Projected				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues							
	Customer Growth	Budgeted	Budgeted	0.8%	0.8%	0.8%	0.8%
	Property Tax Revenues	Budgeted	Budgeted	1.5%	1.5%	1.5%	1.5%
	Miscellaneous Revenues	Budgeted	Budgeted	1.0%	1.0%	1.0%	1.0%
Expenses							
	Labor	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Water Dept. Labor	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Benefits - Medical	Budgeted	Budgeted	5.0%	5.0%	5.0%	5.0%
	Benefits - Other	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Materials & Supplies	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Equipment	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Miscellaneous	Budgeted	Budgeted	2.0%	2.0%	2.0%	2.0%
	Utilities	Budgeted	Budgeted	4.0%	4.0%	4.0%	4.0%
	Flat	Budgeted	Budgeted	0.0%	0.0%	0.0%	0.0%
	Insurance	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
Interest		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
New Debt Service							
Low Interest Loans							
	Term in Years	20	20	20	20	20	20
	Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Revenue Bond							
	Term in Years	20	20	20	20	20	20
	Rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

Olympic Valley PSD
Water Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
<i>Rate Revenues</i>						
<i>Total Rate Revenues</i>	\$2,175,137	\$2,307,368	\$2,324,673	\$2,342,108	\$2,359,674	\$2,377,372
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$436,227	\$333,304	\$224,518	\$162,050	\$193,587	\$197,975
Total Revenues	\$2,611,364	\$2,640,672	\$2,549,191	\$2,504,158	\$2,553,261	\$2,575,347
<u>Water Department Expenses</u>						
Salaries & Wages						
<i>Total Salaries & Wages</i>	\$353,055	335,296	\$345,355	\$355,716	\$366,387	\$377,379
Employee Benefits						
<i>Total Employee Benefits</i>	\$130,529	157,010	\$163,205	\$169,660	\$176,387	\$183,397
Materials and Supplies						
<i>Total Materials and Supplies</i>	\$82,750	\$88,375	\$91,026	\$93,757	\$96,570	\$99,467
Maintenance Equipment						
<i>Total Maintenance Equipment</i>	\$19,650	\$36,200	\$37,286	\$38,405	\$39,557	\$40,743
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$68,845	\$76,108	\$56,591	\$57,089	\$57,602	\$58,130

Olympic Valley PSD
Water Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Training & Memberships						
<i>Total Training & Memberships</i>	\$17,578	\$14,087	\$14,369	\$14,656	\$14,949	\$15,248
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$20,500	\$21,800	\$22,454	\$23,128	\$23,821	\$24,536
Total Water Department Expenses	\$692,908	\$728,876	\$730,286	\$752,410	\$775,273	\$798,900
Administration Expenses						
Salaries & Wages (50% Allocation)						
<i>Total Salaries & Wages</i>	\$431,551	483,420	\$484,017	\$498,538	\$513,494	\$528,899
Employee Benefits (50% Allocation)						
<i>Total Employee Benefits</i>	\$183,285	263,617	\$271,419	\$281,613	\$292,214	\$303,242
Board Expenses (50% Allocation)						
<i>Total Board Expenses</i>	\$25,705	\$26,438	\$26,472	\$26,506	\$26,541	\$26,577
Consulting (50% Allocation)						
<i>Total Consulting</i>	\$55,450	\$63,979	\$65,898	\$67,875	\$69,912	\$72,009
Insurance (50% Allocation)						
<i>Total Insurance</i>	\$38,993	\$46,288	\$47,677	\$49,107	\$50,580	\$52,098
Special Fees (50% Allocation)						
<i>Total Special Fees</i>	\$29,240	\$31,530	\$32,161	\$32,804	\$33,460	\$34,129

Olympic Valley PSD
Water Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Office Expenses (50% Allocation)						
<i>Total Office Expenses</i>	\$34,664	\$38,901	\$35,948	\$37,026	\$38,137	\$39,281
Travel & Meetings (50% Allocation)						
<i>Total Travel & Meetings</i>	\$5,746	\$7,813	\$7,969	\$8,129	\$8,291	\$8,457
Utilities						
<i>Total Utilities</i>	\$107,795	\$115,401	\$120,017	\$124,817	\$129,810	\$135,002
Interest and Misc						
<i>Total Interest and Misc</i>	\$9,660	7,587	\$4,672	\$1,649	\$0	\$0
Total Administration Expenses	\$922,089	\$1,084,974	\$1,096,250	\$1,128,064	\$1,162,440	\$1,199,694
Total Operations & Maintenance	\$1,614,997	\$1,813,850	\$1,826,536	\$1,880,474	\$1,937,712	\$1,998,594
Annual Debt Service						
Facility Loan	79,104	79,104	81,738	84,460	-	-
Additional Facility Loan Payment	207,000	-	-	-	-	-
CalPERS Additional UAL Payments	-	100,000	-	-	-	-
CalPERS Pension Adjustment	800,000					
<i>Total Annual Debt Service</i>	\$1,086,104	\$179,104	\$81,738	\$84,460	\$0	\$0
Net Annual Debt Service	\$1,086,104	\$179,104	\$81,738	\$84,460	\$0	\$0
Rate Funded Capital (CRP)	\$300,000	\$550,000	\$700,000	\$725,000	\$875,000	\$875,000

Olympic Valley PSD
Water Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Transfer To / (From) Reserves						
To/(From) Operating Reserve	\$0	\$0	\$0	\$0	\$0	(\$0)
To/(From) Capital Reserve	0	0	0	0	0	0
To/(From) FARF	(389,736)	97,717	33,904	5,340	35,187	105,570
Total Transfer To / (From) Reserves	(\$389,736)	\$97,717	\$33,904	\$5,340	\$35,187	\$105,570
Total Revenue Requirement	\$2,611,364	\$2,640,672	\$2,642,178	\$2,695,274	\$2,847,899	\$2,979,164
Capital Reserve						
Beginning Balance	\$1,358,561	\$1,314,085	\$1,259,085	\$577,769	(\$0)	\$20,453
Plus: Additions	0	0	0	267,946	0	1,387,808
Plus: Connection Fees	40,000	20,000	20,150	20,301	20,453	20,607
Less: Uses of Funds	(84,477)	(75,000)	(701,466)	(866,016)	0	(1,428,868)
Ending Balance	\$1,314,085	\$1,259,085	\$577,769	(\$0)	\$20,453	(\$0)
Fixed Asset Replacement Fund						
Beginning Balance	\$3,194,745	\$2,591,880	\$2,283,981	\$2,315,782	\$2,160,665	\$2,889,477
Plus: Additions	300,000	647,717	733,904	462,394	910,187	(407,238)
Less: Uses of Funds	(902,864)	(955,617)	(702,103)	(617,510)	(181,375)	(66,795)
Ending Balance	\$2,591,880	\$2,283,981	\$2,315,782	\$2,160,665	\$2,889,477	\$2,415,445
Total Operating Reserve Funds	\$2,591,880	\$2,283,981	\$2,315,782	\$2,160,665	\$2,889,477	\$2,415,445
Total Target Ending Fund Balance (60 days of O&M)	\$265,479	\$298,167	\$300,252	\$309,119	\$318,528	\$328,536

Olympic Valley PSD
Water Budget
Revenue Requirement

		Expected	Projected				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Olympic Valley PSD Water Budget Revenue Requirement Summary							
		Expected	Projected				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue							
	Rate Revenues	\$2,175,137	\$2,307,368	\$2,324,673	\$2,342,108	\$2,359,674	\$2,377,372
	Non-Operating Revenues	436,227	333,304	224,518	162,050	193,587	197,975
	Total Revenues	\$2,611,364	\$2,640,672	\$2,549,191	\$2,504,158	\$2,553,261	\$2,575,347
Expenses							
	Total Water Department Expenses	\$692,908	\$728,876	\$730,286	\$752,410	\$775,273	\$798,900
	Total Administration Expenses	922,089	1,084,974	1,096,250	1,128,064	1,162,440	1,199,694
	Total O&M Expenses	\$1,614,997	\$1,813,850	\$1,826,536	\$1,880,474	\$1,937,712	\$1,998,594
	Net Annual Debt Service	\$1,086,104	\$179,104	\$81,738	\$84,460	\$0	\$0
	Rate Funded Capital (CRP)	\$300,000	\$550,000	\$700,000	\$725,000	\$875,000	\$875,000
	Transfer To / (From) Reserves	(\$389,736)	\$97,717	\$33,904	\$5,340	\$35,187	\$105,570
Total Revenue Requirement		\$2,611,364	\$2,640,672	\$2,642,178	\$2,695,274	\$2,847,899	\$2,979,164
Total Operating Reserve Funds		\$2,591,880	\$2,283,981	\$2,315,782	\$2,160,665	\$2,889,477	\$2,415,445
Total Target Ending Fund Balance (60 days of O&M)		\$265,479	\$298,167	\$300,252	\$309,119	\$318,528	\$328,536

Olympic Valley PSD
 Sewer Budget
 Escalation Factors

		Expected	Projected				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues							
	Customer Growth	Budgeted	Budgeted	0.8%	0.8%	0.8%	0.8%
	Property Tax Revenues	Budgeted	Budgeted	1.5%	1.5%	1.5%	1.5%
	Miscellaneous Revenues	Budgeted	Budgeted	1.0%	1.0%	1.0%	1.0%
Expenses							
	Labor	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Sewer Dept. Labor	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Benefits - Medical	Budgeted	Budgeted	5.0%	5.0%	5.0%	5.0%
	Benefits - Other	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Materials & Supplies	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Equipment	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
	Miscellaneous	Budgeted	Budgeted	2.0%	2.0%	2.0%	2.0%
	Utilities	Budgeted	Budgeted	4.0%	4.0%	4.0%	4.0%
	Flat	Budgeted	Budgeted	0.0%	0.0%	0.0%	0.0%
	Insurance	Budgeted	Budgeted	3.0%	3.0%	3.0%	3.0%
Interest		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
New Debt Service							
<i>Low Interest Loans</i>							
	Term in Years	20	20	20	20	20	20
	Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<i>Revenue Bond</i>							
	Term in Years	20	20	20	20	20	20
	Rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

Olympic Valley PSD
 Sewer Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
<i>Rate Revenues</i>						
<i>Total Rate Revenues</i>	\$1,578,792	\$1,655,203	\$1,724,129	\$1,796,397	\$1,872,175	\$1,951,636
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$233,432	\$223,588	\$213,217	\$198,166	\$195,081	\$205,076
Total Revenues	\$1,812,223	\$1,878,791	\$1,937,346	\$1,994,564	\$2,067,256	\$2,156,712
Sewer Department Expenses						
Salaries & Wages						
<i>Total Salaries & Wages</i>	\$268,213	335,296	\$345,355	\$355,716	\$366,387	\$377,379
Employee Benefits						
<i>Total Employee Benefits</i>	\$111,984	157,010	\$163,205	\$169,660	\$176,387	\$183,397
Materials and Supplies						
<i>Total Materials and Supplies</i>	\$9,400	\$13,375	\$13,776	\$14,190	\$14,615	\$15,054
Maintenance Equipment						
<i>Total Maintenance Equipment</i>	\$11,400	\$23,700	\$24,411	\$25,143	\$25,898	\$26,675
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$18,081	\$12,708	\$13,089	\$13,482	\$13,886	\$14,303

Olympic Valley PSD
 Sewer Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Training & Memberships						
<i>Total Training & Memberships</i>	\$11,500	\$12,750	\$13,005	\$13,265	\$13,530	\$13,801
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$20,250	\$21,800	\$22,454	\$23,128	\$23,821	\$24,536
Total Sewer Department Expenses	\$450,828	\$576,639	\$595,296	\$614,583	\$634,525	\$655,144
<u>Administration Expenses</u>						
Salaries & Wages (50% Allocation)						
<i>Total Salaries & Wages</i>	\$431,551	\$483,420	\$497,922	\$512,860	\$528,246	\$544,093
Employee Benefits (50% Allocation)						
<i>Total Employee Benefits</i>	\$183,285	163,617	\$268,419	\$278,523	\$289,032	\$299,964
Board Expenses (50% Allocation)						
<i>Total Board Expenses</i>	\$25,705	\$26,438	\$26,572	\$26,608	\$26,645	\$26,683
Consulting (50% Allocation)						
<i>Total Consulting</i>	\$55,450	\$46,479	\$47,873	\$49,310	\$50,789	\$52,313
Insurance (50% Allocation)						
<i>Total Insurance</i>	\$38,993	\$46,288	\$47,677	\$49,107	\$50,580	\$52,098

Olympic Valley PSD
Sewer Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Special Fees (50% Allocation)						
<i>Total Special Fees</i>	\$29,240	\$28,248	\$28,813	\$29,389	\$29,977	\$30,577
Office Expenses (50% Allocation)						
<i>Total Office Expenses</i>	\$34,664	\$39,151	\$36,206	\$37,292	\$38,410	\$39,563
Travel & Meetings (50% Allocation)						
<i>Total Travel & Meetings</i>	\$5,746	\$7,813	\$7,969	\$8,129	\$8,291	\$8,457
Utilities (50% Allocation)						
<i>Total Utilities</i>	\$48,091	\$52,615	\$54,720	\$56,908	\$59,185	\$61,552
Interest and Misc (50% Allocation)						
<i>Total Interest and Misc</i>	\$4,340	\$3,409	\$2,099	\$741	\$0	\$0
Total Administration Expenses	\$857,065	\$897,478	\$1,018,270	\$1,048,866	\$1,081,155	\$1,115,299
Total Operations & Maintenance	\$1,307,893	\$1,474,117	\$1,613,565	\$1,663,449	\$1,715,680	\$1,770,443
Annual Debt Service						
Facility Loan	29,180	35,539	36,723	37,946	-	-
Additional Facility Loan Payment	93,000	-	-	-	-	-
CalPERS Additional UAL Payments	\$0	\$100,000	-	-	-	-
CalPERS Pension Adjustment	\$800,000					
<i>Total Annual Debt Service</i>	<i>\$922,180</i>	<i>\$135,539</i>	<i>\$36,723</i>	<i>\$37,946</i>	<i>\$0</i>	<i>\$0</i>

Olympic Valley PSD
Sewer Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Net Annual Debt Service	\$922,180	\$135,539	\$36,723	\$37,946	\$0	\$0
Rate Funded Capital (CRP)	\$300,000	\$250,000	\$350,000	\$450,000	\$500,000	\$500,000
Transfer To / (From) Reserves						
To/(From) Operating Reserve	\$0	\$0	(\$0)	\$0	\$0	\$0
To/(From) Capital Reserve	0	0	0	0	0	0
To/(From) FARF	(717,850)	19,134	23,264	27,299	146,677	306,859
Total Transfer To / (From) Reserves	(\$717,850)	\$19,134	\$23,264	\$27,299	\$146,677	\$306,859
Total Revenue Requirement	\$1,812,223	\$1,878,791	\$2,023,552	\$2,178,694	\$2,362,357	\$2,577,302

Capital Reserve

Beginning Balance	\$308,900	\$326,900	\$336,900	\$295,275	\$225,239	\$235,466
Plus: Additons	0	0	0	0	0	0
Plus: Connection Fees	18,000	10,000	10,075	10,151	10,227	10,303
Less: Uses of Funds	0	0	(51,700)	(80,187)	0	0
Ending Balance	\$326,900	\$336,900	\$295,275	\$225,239	\$235,466	\$245,769

Fixed Asset Replacement Fund

Beginning Balance	\$3,937,124	\$3,478,232	\$3,350,749	\$2,341,706	\$1,824,683	\$1,958,603
Plus: Additons	300,000	269,134	373,264	477,299	646,677	806,859
Less: Uses of Funds	(758,892)	(396,617)	(1,382,308)	(994,321)	(512,758)	(97,875)
Ending Balance	\$3,478,232	\$3,350,749	\$2,341,706	\$1,824,683	\$1,958,603	\$2,667,586

Total Operating Reserve Funds	\$3,478,232	\$3,350,749	\$2,341,706	\$1,824,683	\$1,958,603	\$2,667,586
Total Target Ending Fund Balance	\$214,996	\$242,321	\$265,244	\$273,444	\$282,030	\$291,032

Olympic Valley PSD
Sewer Budget
Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Olympic Valley PSD Sewer Budget Revenue Requirement Summary						
Revenue						
Rate Revenues	\$1,578,792	\$1,655,203	\$1,724,129	\$1,796,397	\$1,872,175	\$1,951,636
Non-Operating Revenues	233,432	223,588	213,217	198,166	195,081	205,076
Total Revenues	\$1,812,223	\$1,878,791	\$1,937,346	\$1,994,564	\$2,067,256	\$2,156,712
Expenses						
Total Sewer Department Expenses	\$450,828	\$576,639	\$595,296	\$614,583	\$634,525	\$655,144
Total Administration Expenses	857,065	897,478	1,018,270	1,048,866	1,081,155	1,115,299
Total O&M Expenses	\$1,307,893	\$1,474,117	\$1,613,565	\$1,663,449	\$1,715,680	\$1,770,443
Net Annual Debt Service	\$922,180	\$135,539	\$36,723	\$37,946	\$0	\$0
Rate Funded Capital (CRP)	\$300,000	\$250,000	\$350,000	\$450,000	\$500,000	\$500,000
Transfer To / (From) Reserves	(\$717,850)	\$19,134	\$23,264	\$27,299	\$146,677	\$306,859
Total Revenue Requirement	\$1,812,223	\$1,878,791	\$2,023,552	\$2,178,694	\$2,362,357	\$2,577,302
Total Operating Reserve Funds	\$3,478,232	\$3,350,749	\$2,341,706	\$1,824,683	\$1,958,603	\$2,667,586
Total Target Ending Fund Balance	\$214,996	\$242,321	\$265,244	\$273,444	\$282,030	\$291,032

**Olympic Valley Fire Department
Fire Department Budget
Escalation Factors**

		Expected	Projected				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues							
	Flat	Actual	Budgeted	0.0%	0.0%	0.0%	0.0%
	Property Tax Revenues	Actual	Budgeted	1.5%	1.5%	1.5%	1.5%
	Miscellaneous Revenues	Actual	Budgeted	1.0%	1.0%	1.0%	1.0%
Expenses							
	Fire Department Labor	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
	Admin Dept. Labor	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
	Benefits - Medical	Actual	Budgeted	5.0%	5.0%	5.0%	5.0%
	Benefits - Other	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
	Materials & Supplies	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
	Equipment	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
	Miscellaneous	Actual	Budgeted	2.0%	2.0%	2.0%	2.0%
	Utilities	Actual	Budgeted	4.0%	4.0%	4.0%	4.0%
	Flat	Actual	Budgeted	0.0%	0.0%	0.0%	0.0%
	Insurance	Actual	Budgeted	3.0%	3.0%	3.0%	3.0%
Interest		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
New Debt Service							
<i>Low Interest Loans</i>							
	Term in Years	20	20	20	20	20	20
	Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<i>Revenue Bond</i>							
	Term in Years	20	20	20	20	20	20
	Rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues						
<i>Total Rate Revenues</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$4,222,619	\$4,514,067	\$4,575,279	\$4,456,265	\$4,520,841	\$4,590,528
Total Revenues	\$4,222,619	\$4,514,067	\$4,575,279	\$4,456,265	\$4,520,841	\$4,590,528

Fire Department Expenses

Salaries & Wages

<i>Total Salaries & Wages</i>	\$2,048,263	\$2,143,535	\$2,208,381	\$2,293,172	\$2,361,968	\$2,432,827
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Employee Benefits

<i>Total Employee Benefits</i>	\$1,169,391	\$1,297,744	\$1,347,822	\$1,405,870	\$1,457,972	\$1,478,689
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Materials and Supplies

20-12-631000 Materials & Supplies	\$2,000	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
<i>Total Materials and Supplies</i>	\$29,868	\$34,400	\$34,207	\$35,233	\$36,290	\$37,379

Equipment Maintenance & Repair

<i>Total Equipment Maintenance & Repa</i>	\$23,183	\$25,915	\$26,692	\$27,493	\$28,318	\$29,168
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Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$31,983	\$26,883	\$27,689	\$28,520	\$29,376	\$30,257
Training & Memberships						
<i>Total Training & Memberships</i>	\$14,855	\$21,750	\$22,185	\$22,629	\$23,081	\$23,543
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$32,300	\$32,300	\$33,269	\$34,267	\$35,295	\$36,354
Total Fire Department Expenses	\$3,349,843	\$3,582,527	\$3,700,246	\$3,847,185	\$3,972,300	\$4,068,216
<u>Administration Expenses</u>						
Board Expenses						
<i>Total Board Expenses</i>	\$17,125	\$17,750	\$17,138	\$17,150	\$17,163	\$17,452
Consulting						
<i>Total Consulting</i>	\$76,563	\$213,893	\$176,960	\$20,044	\$20,645	\$21,264
Insurance						
<i>Total Insurance</i>	\$46,202	\$52,325	\$53,895	\$55,512	\$57,177	\$58,892
Special Fees						
<i>Total Special Fees</i>	\$76,975	\$78,967	\$80,546	\$82,157	\$83,800	\$85,476
Office Expenses						
<i>Total Office Expenses</i>	\$23,800	\$26,663	\$27,463	\$28,287	\$29,135	\$30,009

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Travel & Meetings						
<i>Total Travel & Meetings</i>	\$12,500	\$17,100	\$13,942	\$14,221	\$14,505	\$14,795
Utilities						
<i>Total Utilities</i>	\$68,470	\$74,048	\$77,010	\$80,090	\$83,294	\$86,626
Total Administration Expenses	\$321,635	\$480,746	\$446,953	\$297,461	\$305,720	\$314,515
Total Operations & Maintenance	\$3,671,478	\$4,063,273	\$4,147,199	\$4,144,646	\$4,278,020	\$4,382,731
Annual Debt Service						
CalPERS Additional UAL Payments	-	-	-	-	-	-
CalPERS Pension Adjustment	500,000					
New SRF Loans	-	-	-	-	-	-
New Revenue Bonds	-	-	-	-	-	-
<i>Total Annual Debt Service</i>	500,000	\$0	\$0	\$0	\$0	\$0
<i>Less Connection Fees</i>	\$0	\$0	\$0	\$0	\$0	\$0
Net Annual Debt Service	\$500,000	\$0	\$0	\$0	\$0	\$0
Contributions to Capital (CRP)	\$100,000	\$350,000	\$350,000	\$300,000	\$225,000	\$205,000

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Transfer To / (From) Reserves						
To/(From) Operating Reserve	\$0	(\$0)	\$0	(\$0)	(\$0)	\$0
To/(From) Capital Reserve	0	0	0	0	0	0
To/(From) FARF	(48,859)	100,794	78,080	11,619	17,822	2,796
Total Transfer To / (From) Reserves	(\$48,859)	\$100,794	\$78,080	\$11,619	\$17,822	\$2,796
Total Revenue Requirement	\$4,222,619	\$4,514,067	\$4,575,279	\$4,456,265	\$4,520,841	\$4,590,528

Capital Reserve

Beginning Balance	\$184,415	\$113,915	\$75,915	\$88,035	\$100,276	\$112,639
Plus: Additions	0	0	0	0	0	0
Plus: Connection Fees	9,500	12,000	12,120	12,241	12,364	12,487
Less: Uses of Funds	(80,000)	(50,000)	0	0	0	0
Ending Balance	113,915	\$75,915	\$88,035	\$100,276	\$112,639	\$125,127

Fixed Asset Replacement Fund

Beginning Balance	\$2,652,685	\$2,348,576	\$2,309,753	\$2,146,789	\$1,929,841	\$2,028,978
Plus: Additions	100,000	450,794	428,080	311,619	242,822	207,796
Less: Uses of Funds	(404,109)	(489,617)	(591,044)	(528,567)	(143,685)	(62,222)
Ending Balance	\$2,348,576	\$2,309,753	\$2,146,789	\$1,929,841	\$2,028,978	\$2,174,552

Total Operating Reserve Funds	\$2,348,576	\$2,309,753	\$2,146,789	\$1,929,841	\$2,028,978	\$2,174,552
Total Target Ending Fund Balance (60 days of O&M)	\$603,531	\$667,935	\$681,731	\$681,312	\$703,236	\$720,449

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Olympic Valley Fire Department Fire Department Budget Revenue Requirement Summary						
Rate Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Revenues	4,222,619	4,514,067	4,575,279	4,456,265	4,520,841	4,590,528
Total Revenues	\$4,222,619	\$4,514,067	\$4,575,279	\$4,456,265	\$4,520,841	\$4,590,528
Expenses						
Total Fire Department Expenses	\$3,349,843	\$3,582,527	\$3,700,246	\$3,847,185	\$3,972,300	\$4,068,216
Total Administration Expenses	321,635	480,746	446,953	297,461	305,720	314,515
Total O&M Expenses	\$3,671,478	\$4,063,273	\$4,147,199	\$4,144,646	\$4,278,020	\$4,382,731
Net Annual Debt Service	\$500,000	\$0	\$0	\$0	\$0	\$0
Contributions to Capital (CRP)	\$100,000	\$350,000	\$350,000	\$300,000	\$225,000	\$205,000
Transfer To / (From) Reserves	(\$48,859)	\$100,794	\$78,080	\$11,619	\$17,822	\$2,796
Total Revenue Requirement	\$4,222,619	\$4,514,067	\$4,575,279	\$4,456,265	\$4,520,841	\$4,590,528
Balance/(Deficiency) of Funds	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Reserve Funds	\$2,348,576	\$2,309,753	\$2,146,789	\$1,929,841	\$2,028,978	\$2,174,552
Total Target Ending Fund Balance (60 days of O&M)	\$603,531	\$667,935	\$681,731	\$681,312	\$703,236	\$720,449

COST OF SERVICE ANALYSIS

2023-2024

In 2017 HDR Engineering, Inc. (HDR) was retained by the Olympic Valley Public Service District (District) to conduct a comprehensive water and sewer cost of service study (Study). The main objectives of the study were:

- Develop a projection of water and sewer revenues to support the District's operating and capital costs
- Equitably allocate the costs of providing water and sewer service to those customers receiving service
- Proposed cost-based and equitable rates for a multi-year time period

The cost of service analysis determined the equitable allocation of the revenue requirement to the various customer classes of service (e.g., single family, multi-family, commercial). The study consisted of three steps: (1) Revenue Requirement Analysis. This is where we compared the revenues to the expenses of the utility to determine the overall rate adjustment required. (2) Cost of Service Analysis. This is where we allocated the revenue requirement to the various customer classes of service in a "fair and equitable" manner. (3) Rate Design Analysis. This is where we considered both the level and structure of the rate design to collect the target level of revenues.

Developing cost-based and equitable rates is of paramount importance in developing proposed rates. Given this, the District's rates have been developed with the intent of meeting the legal requirements of California constitution article XIII D, section 6 (Article XIII D). A key component of this is the development of rates which reflect the cost of providing service and are proportionally allocated among the various customer classes of service.

The District currently has established customer classes of service and rate schedules for the single family residential, multi-family residential, commercial and commercial irrigation customers. For Water, Single family residential customers are charged an annual fixed charge and an increasing block, four-tier consumption charge. Multi-family customers have an annual fixed charged and a uniform rate for consumption. Commercial and Commercial Irrigation customers are charged similarly for the annual fixed charge by meter size and a uniform consumption charge. Lastly, single family irrigation will be combined with indoor use and charged under the single family residential rate structure. For Sewer, single family and multi-family residential customers are charged an annual fixed charge. Commercial customers get an annual fixed charge as well as a consumption fee for volumes greater than 75,000 gallons.

Please refer to our webpage at ovpsd.org for full analysis of the rate study and proposed rates which were used in compiling this budget.



**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
CAPITAL PROJECT SUMMARY
PROPOSED BUDGET 2023-2024**



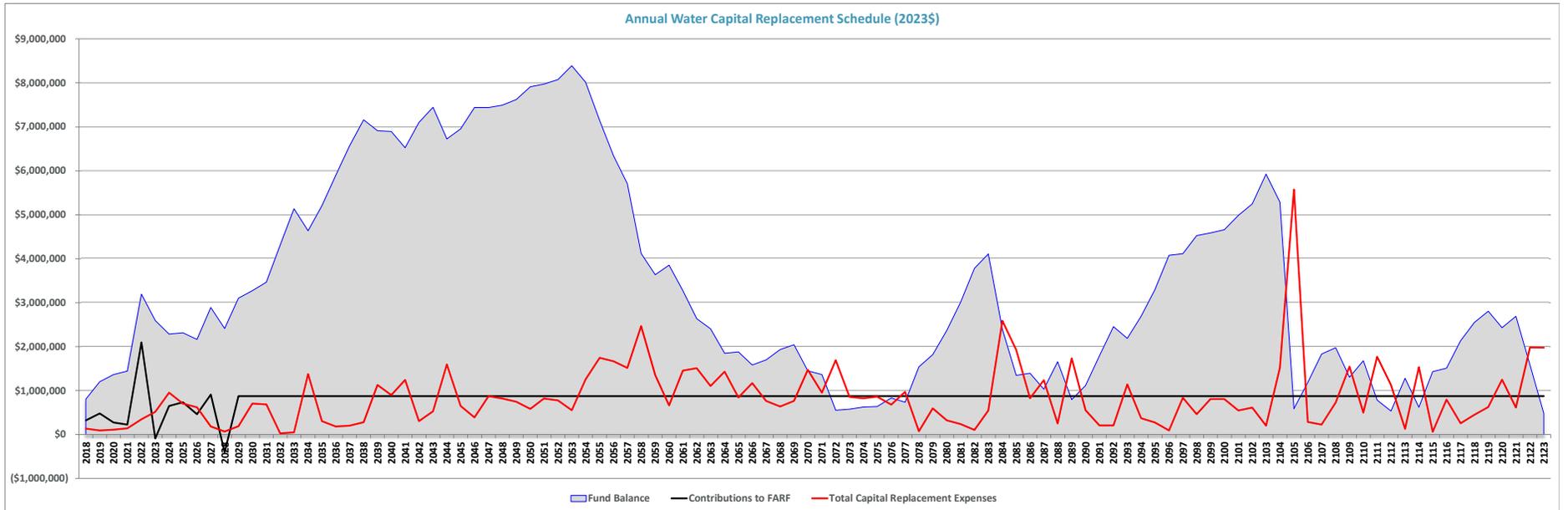
	PROJECT COST	WATER DEPT	SEWER DEPT	GARBAGE DEPT	Fire DEPT
CAPITAL IMPROVEMENTS					
Water Capital					
Mutual Intertie	75,000	75,000			
Sewer Capital					
Fire Capital					
Regional Training Facility	50,000				50,000
TOTAL CAPITAL IMPROVEMENTS	125,000	75,000	-	-	50,000
CAPITAL REPLACEMENTS (FARF's)					
Water					
Zone 3 Tank Recoating	315,000	315,000			
Residential Meter Replacements	275,000	275,000			
Well 5R Chemical Feed Equipment Replacement	30,000	30,000			
Hydrants	25,000	25,000			
Sewer					
Sewer Line Rehabilitation/Replacement	75,000		75,000		
T-45A Sewer Flow Meter	11,000		11,000		
Fire					
Command Vehicle	85,000				85,000
R-21 Hurst Tools	78,000				78,000
SCBAs	55,000				55,000
Turnout Gear Replacement	15,450				15,450
Thermal Imaging	6,000				6,000
Radios	6,000				6,000
Shared Assets					
305 HVAC	650,000	216,667	216,667		216,667
Ford F-250 w/ Utility Box	67,900	33,950	33,950		
SCADA Replacement	50,000	25,000	25,000		-
305 AC Slurry Seal/Pave Repair	25,000	8,333	8,333		8,333
SCBA Cart	20,000	10,000	10,000		
305 Replace Lights	17,500	5,833	5,833		5,833
1810 Exhaust Vents	15,000	5,000	5,000		5,000
Kitchen Appliance	10,000	2,500	2,500		5,000
305 Replace Locks	10,000	3,333	3,333		3,333
TOTAL CAPITAL REPLACEMENTS (FARF's)	1,841,850	955,617	396,617	-	489,617
TOTAL CAPITAL PROJECTS	1,966,850	1,030,617	396,617	-	539,617

Olympic Valley PSD
 Water Budget
 Capital Projects

Inflation 3.4%

 ENR CCI 10 year average

Capital Projects	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Capital Improvement Projects (CIP)							
Mutual Intertie	\$50,000	75,000	594,550	\$0	\$0	\$0	\$719,550
Pressure Zone 1A	0	0	106,916	866,016	0	0	\$972,932
PlumpJack Well	0	0	0	0	0	1,428,868	\$1,428,868
Hidden Lake Waterline Loop Replacement	\$34,477	0	0	0	0	0	\$34,477
Total Capital Projects	\$84,477	\$75,000	\$701,466	\$866,016	\$0	\$1,428,868	\$3,155,827
Capital Replacement Projects (CRP)							
Hidden Lake Waterline Loop Replacement	\$34,477	\$0	0	0	\$0	\$0	\$34,477
Victor/Hidden Lake 2" line replacement	\$0	0	31,020	250,236	\$0	\$0	\$281,256
Hydrants	20,000	25,000	25,850	26,729	27,638	28,577	\$153,794
Well 2R Pump & Motor Replacement	0	0	0	96,224	0	0	\$96,224
Well 2R Chemical Feed Equipment Replacement	0	0	62,040	0	0	0	\$62,040
Residential Meter Replacements	150,000	275,000	206,800	0	0	0	\$631,800
West Tank Inspection and recoating	267,610	0	0	0	0	0	\$267,610
Well 5R Pump & Motor Replacement	0	0	0	0	36,482	0	\$36,482
Well 5R Chemical Feed Equipment Replacement	0	30,000	0	0	0	0	\$30,000
Zone 3 Recoating	10,000	315,000	0	0	0	0	\$325,000
Ford F-250 w Utility Box	0	33,950	0	0	0	0	\$33,950
Ford F-150 Service Truck	0	0	23,265	0	0	0	\$23,265
Ford F-350 Flat Bed	0	0	0	0	32,502	0	\$32,502
JD Loader	0	0	72,583	0	0	0	\$72,583
New Holland	16,667	0	0	76,831	0	0	\$93,498
Easter Booster Pipe & Valve Replacement	0	0	46,530	0	0	0	\$46,530
East Booster Pump Station - Replcmnt	0	0	7,755	0	0	0	\$7,755
SCADA replacement	5,000	25,000	25,850	0	0	0	\$55,850
SCBA Cart	0	10,000	0	0	0	0	\$10,000
Hydrolic Trench Shoring	0	0	0	0	9,286	0	\$9,286
305 Replace Carpets	0	0	0	0	36,813	0	\$36,813
305 HVAC	0	216,667	0	156,810	0	0	\$373,476
305 Replace lights	0	5,833	0	0	27,610	0	\$33,443
Kitchen Appliances	0	2,500	2,585	0	0	0	\$5,085
305 Locks	0	3,333	3,443	3,560	3,681	3,807	\$17,825
305 Exterior Paint	0	0	8,617	0	0	0	\$8,617
305 Interior Paint	0	0	0	0	0	29,843	\$29,843
305 AC Slurry Seal/Pave Patch/Repaving	0	8,333	84,443	0	3,681	0	\$96,458
305 Replace Window Coverings	0	0	0	0	0	4,568	\$4,568
1810 Exhaust Vents	0	5,000	0	0	0	0	\$5,000
1810 Repaving	0	0	90,992	0	0	0	\$90,992
1810 Rollup doors	0	0	0	7,121	0	0	\$7,121
1810 Exterior	3,125	0	10,330	0	0	0	\$13,455
1810 AC Slurry Seal/Pave Patch	6,250	0	0	0	3,681	0	\$9,931
Total Capital Replcmnt. Projects	\$513,128	955,617	\$702,103	\$617,510	\$181,375	\$66,795	\$3,036,528
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	84,477	75,000	701,466	866,016	0	1,428,868	\$3,155,827
Fixed Asset Replacement Fund	513,128	955,617	702,103	617,510	181,375	66,795	\$3,036,528
New SRF Loans	0	0	0	0	0	0	\$0
New Revenue Bonds	0	0	0	0	0	0	\$0
Total Outside Funding Sources	\$597,605	\$1,030,617	\$1,403,569	\$1,483,527	\$181,375	\$1,495,663	\$6,757,222
Rate Funded Capital (CRP)	\$300,000	\$550,000	\$700,000	\$725,000	\$875,000	\$875,000	\$3,494,971



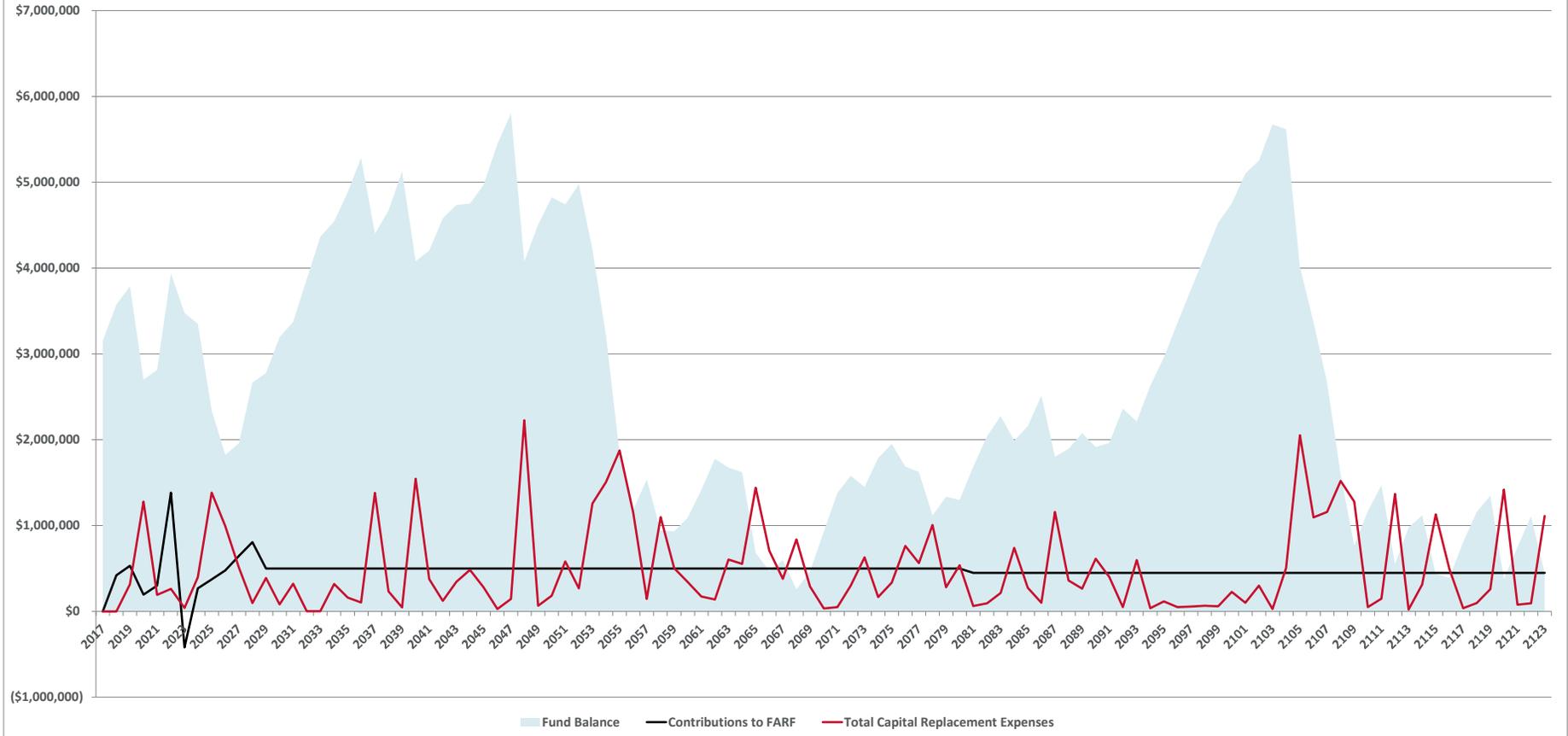
Olympic Valley PSD
 Sewer Budget
 Exhibit 4
 Capital Projects

Inflation 3.4%

 ENR CCI 10 year average

Capital Projects	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Capital Improvement Projects (CIP)							
Sewer Bypass Trailer and Hose	0	0	36,190	0	0	0	\$36,190
Sewer Flow Meters	0	0	15,510	80,187	0	0	95,697
Total Capital Projects	\$0	\$0	\$51,700	\$80,187	\$0	\$0	\$131,887
Capital Replacement Projects (CRP)							
Lateral CCTV Cam	0	0	0	0	73,136	59,658	132,794
Sewer Line Rehabilitation/Replacement	10,000	75,000	750,000	750,000	0	0	1,585,000
Backyard Sewer Easement Replacement	0	0	310,200	0	331,652	0	641,852
Ford F-250 w Utility Box	0	33,950	0	0	0	0	33,950
Ford F-150 Service Truck	0	0	23,265	0	0	0	23,265
Ford F-350 Flat Bed	0	0	0	0	32,502	0	32,502
JD Loader	0	0	72,583	0	0	0	72,583
T-45A Sewer Flow Meter	0	11,000	0	0	0	0	11,000
SCBA Cart	0	10,000	0	0	0	0	10,000
New Holland	16,667	0	0	76,831	0	0	93,498
Kitchen Appliances	0	2,500	2,585	0	0	0	5,085
SCADA replacement	5,000	25,000	25,850	0	0	0	55,850
305 Replace Carpets	0	0	0	0	36,813	0	36,813
305 HVAC	0	216,667	0	156,810	0	0	373,476
305 Replace lights	0	5,833	0	0	27,610	0	33,443
305 Locks	0	3,333	3,443	3,560	3,681	3,807	17,825
305 Exterior Paint	0	0	8,617	0	0	0	8,617
305 Interior Paint	0	0	0	0	0	29,843	29,843
305 AC Slurry Seal/Pave Patch	0	8,333	84,443	0	3,681	0	96,458
305 Replace Window Coverings	0	0	0	0	0	4,568	4,568
1810 Exhaust Vents	0	5,000	0	0	0	0	5,000
1810 Repaving	0	0	90,992	0	0	0	90,992
1810 Exterior	3,125	0	10,330	0	0	0	13,455
1810 Rollup doors	0	0	0	7,121	0	0	7,121
1810 AC Slurry Seal/Pave Patch	6,250	0	0	0	3,681	0	9,931
	\$41,042	\$396,617	\$1,382,308	\$994,321	\$512,758	\$97,875	\$3,424,921
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	0	0	51,700	80,187	0	0	131,887
Fixed Asset Replacement Fund	41,042	396,617	1,382,308	994,321	512,758	97,875	3,424,921
New SRF Loans	0	0	0	0	0	0	0
New Revenue Bonds	0	0	0	0	0	0	0
Total Outside Funding Sources	\$41,042	\$396,617	\$1,434,008	\$1,074,508	\$512,758	\$97,875	\$3,556,807
Rate Funded Capital (CRP)	\$300,000	\$250,000	\$350,000	\$450,000	\$500,000	\$500,000	\$2,350,000

Annual Sewer Capital Replacement Schedule (2023\$)

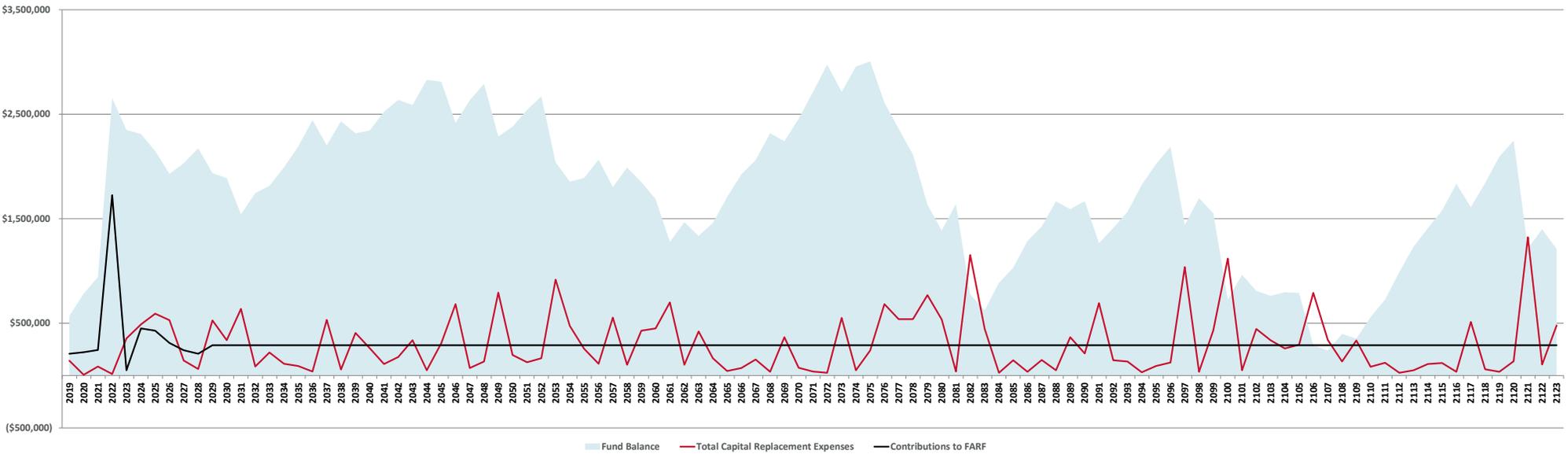


Olympic Valley Fire Department
 Fire Department Budget
 Exhibit 4
 Capital Projects

Inflation	3.4%
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Capital Projects	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Capital Improvement Projects (CIP)							
Regional Training Facility	-	\$50,000	-	-	-	-	\$50,000
Utility Vehicle	80,000	-	-	-	-	-	80,000
Total Capital Projects	80,000	50,000	-	-	-	-	\$130,000
Capital Replacement Projects (CRP)							
Type 1 Engine 2WD	-	-	284,350	-	-	-	284,350
Type 3 (B-22)	-	-	-	261,943	-	-	261,943
Replace Command Vehicle	-	85,000	-	-	-	-	85,000
Water Tender	275,000	-	-	-	-	-	275,000
Turnout Gear Replacement	15,000	15,450	15,510	16,037	16,583	17,146	95,726
SCBAs	5,000	55,000	-	-	-	-	60,000
Thermal Imaging	-	6,000	-	-	15,477	-	21,477
Appliance/Furniture Repl	13,000	5,000	5,170	-	-	-	23,170
Station Air Compressor	-	-	7,755	-	-	-	7,755
Ranger 21 (UTV)	-	-	-	-	33,165	-	33,165
ALS Manikin	8,000	-	-	-	-	-	8,000
Radios	8,000	6,000	6,204	6,415	6,633	6,859	40,111
R-21 Hurst Tools	-	78,000	-	-	-	-	78,000
305 AC Repave	-	-	84,359	-	-	-	84,359
New Holland	16,667	-	-	76,831	-	-	93,498
JD Loader	-	-	74,305	-	-	-	74,305
305 HVAC	-	216,667	-	156,653	-	-	\$373,319
305 Replace Window Coverings	-	-	-	-	-	4,568	4,568
305 Replace Locks	3,333	3,333	3,443	3,560	3,681	3,807	21,158
305 Replace lights	5,000	5,833	-	-	27,610	-	38,443
305 Exterior paint	-	-	8,617	-	-	-	8,617
305 Interior paint	-	-	-	-	-	29,843	29,843
305 AC Slurry Seal/Pave Patch	-	8,333	-	-	-	-	\$8,333
305 Carpet	-	-	-	-	36,850	-	36,850
1810 Exterior	-	-	10,340	7,128	-	-	\$17,468
1810 AC Repave	-	-	90,992	-	3,685	-	\$94,677
1810 Exhaust Vents	-	5,000	-	-	-	-	5,000
1810 AC Slurry Seal/Pave Patch	6,250	-	-	-	-	-	6,250
Total Capital Replcmnt. Projects	\$355,250	489,617	\$591,044	\$528,567	\$143,685	\$62,222	\$2,170,385
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	80,000	50,000	0	0	0	0	130,000
Fixed Asset Replacement Fund	355,250	489,617	591,044	528,567	143,685	62,222	2,170,385
New SRF Loans	0	0	0	0	0	0	0
New Revenue Bonds	0	0	0	0	0	0	0
Total Outside Funding Sources	\$435,250	\$539,617	\$591,044	\$528,567	\$143,685	\$62,222	\$2,300,385
Contributions to Capital (CRP)	\$100,000	\$350,000	\$350,000	\$300,000	\$225,000	\$205,000	\$1,530,000

Annual Fire Capital Replacement Schedule (2023\$)






Olympic Valley Public Service District FY 2023-24 Budget Overview

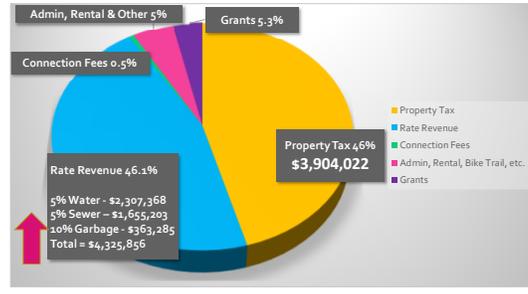
May 30, 2023




1




FY2023/2024 Revenue Sources \$9,494,815



Property Tax 4.6% \$3,904,022

Rate Revenue 46.1%

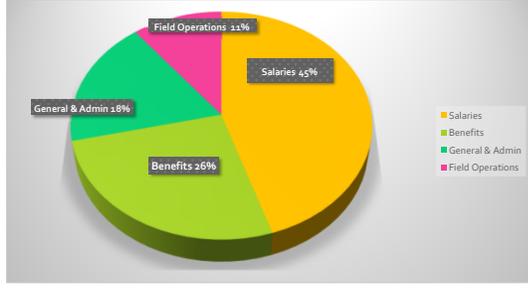
- 5% Water - \$2,307,368
- 5% Sewer - \$1,655,203
- 10% Garbage - \$363,285
- Total = \$4,325,856

Other categories: Admin, Rental & Other 5%, Grants 5.3%, Connection Fees 0.5%

2




FY2023/2024 Operating Expenses \$7,741,312



- Salaries 45%
- Benefits 26%
- Field Operations 11%
- General & Admin 18%

3




Consulting Projects



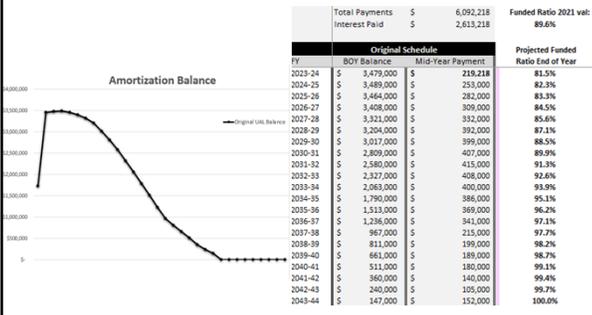
4




CalPERS Unfunded Accrued Liability Fire Department

	Total Payments	Interest Paid	Funded Ratio 2021 val:
	\$ 6,092,218	\$ 2,613,218	89.6%

FY	Original Schedule		Projected Funded Ratio End of Year
	BOY Balance	Mid-Year Payment	
2023-24	\$ 3,479,000	\$ 219,218	81.5%
2024-25	\$ 3,489,000	\$ 235,000	82.3%
2025-26	\$ 3,464,000	\$ 282,000	83.3%
2026-27	\$ 3,408,000	\$ 309,000	84.5%
2027-28	\$ 3,321,000	\$ 332,000	85.6%
2028-29	\$ 3,204,000	\$ 362,000	87.1%
2029-30	\$ 3,017,000	\$ 399,000	88.5%
2030-31	\$ 2,809,000	\$ 407,000	89.9%
2031-32	\$ 2,580,000	\$ 415,000	91.3%
2032-33	\$ 2,327,000	\$ 408,000	92.6%
2033-34	\$ 2,063,000	\$ 400,000	93.9%
2034-35	\$ 1,790,000	\$ 386,000	95.1%
2035-36	\$ 1,513,000	\$ 369,000	96.2%
2036-37	\$ 1,236,000	\$ 341,000	97.1%
2037-38	\$ 967,000	\$ 215,000	97.7%
2038-39	\$ 811,000	\$ 199,000	98.2%
2039-40	\$ 661,000	\$ 189,000	98.7%
2040-41	\$ 511,000	\$ 180,000	99.1%
2041-42	\$ 360,000	\$ 140,000	99.4%
2042-43	\$ 240,000	\$ 101,000	99.7%
2043-44	\$ 147,000	\$ 152,000	100.0%



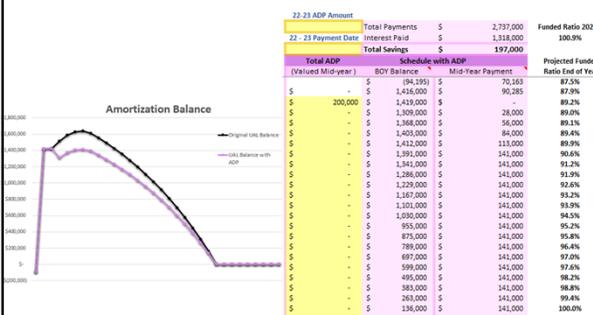
5




CalPERS Unfunded Accrued Liability Utility Department

	Total Payments	Interest Paid	Funded Ratio 2021 val:
	\$ 2,737,000	\$ 1,318,000	100.9%

22-23 ADP Amount	Original Schedule		Projected Funded Ratio End of Year
	BOY Balance	Mid-Year Payment	
\$ 200,000	\$ 1,418,000	\$ 90,285	87.9%
\$ -	\$ 1,309,000	\$ 28,000	89.0%
\$ -	\$ 1,368,000	\$ 56,000	89.1%
\$ -	\$ 1,403,000	\$ 84,000	89.4%
\$ -	\$ 1,412,000	\$ 110,000	89.9%
\$ -	\$ 1,391,000	\$ 141,000	90.6%
\$ -	\$ 1,341,000	\$ 141,000	91.2%
\$ -	\$ 1,286,000	\$ 141,000	91.9%
\$ -	\$ 1,229,000	\$ 141,000	92.6%
\$ -	\$ 1,167,000	\$ 141,000	93.2%
\$ -	\$ 1,101,000	\$ 141,000	93.9%
\$ -	\$ 1,030,000	\$ 141,000	94.5%
\$ -	\$ 955,000	\$ 141,000	95.2%
\$ -	\$ 875,000	\$ 141,000	95.8%
\$ -	\$ 789,000	\$ 141,000	96.4%
\$ -	\$ 697,000	\$ 141,000	97.0%
\$ -	\$ 599,000	\$ 141,000	97.6%
\$ -	\$ 495,000	\$ 141,000	98.2%
\$ -	\$ 383,000	\$ 141,000	98.8%
\$ -	\$ 263,000	\$ 141,000	99.4%
\$ -	\$ 136,000	\$ 141,000	100.0%



6

DEBT

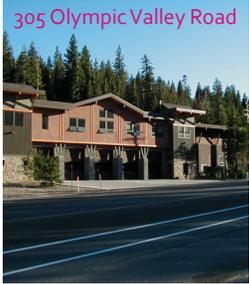
2004 - \$2,000,000 Building Loan @ 3.63%

\$383,000 Remaining (including interest)

\$126,000 Required

Final Payment in August 2025

305 Olympic Valley Road



May 30, 2023 Olympic Valley Public Service District 7

7

Budgeted Capital Projects 100% District Funded



Year	Water	Sewer	Fire	Total
2023	1,073,897	0	0	1,073,897
2024	1,966,850	0	0	1,966,850
2025	0	3,428,621	0	3,428,621
2026	0	3,086,123	0	3,086,123
2027	0	0	827,818	827,818
2028	0	0	1,655,760	1,655,760

May 30, 2023 Olympic Valley Public Service District 8

8

Zone 3 Tank Recoating Project




135,000 Gallon Tank

FY 2024

Water FARF

\$315,000

May 30, 2023 Olympic Valley Public Service District 9

9

305 Olympic Valley Road HVAC Replacement Project Phase 1



- Boiler Replacement
- Control System Replacement
- FD Apparatus Bay Unit Heaters

FY2024

Water/Sewer/Fire FARF

\$650,000

May 30, 2023 Olympic Valley Public Service District 10

10

Water Meter Replacement Project



New Meters and Transponders with AMI/AMR Technology

\$774,000 Total Cost

\$275,000 Budget for FY2024

\$371,600 Grant from PCWA

\$35,000 Grant Tahoe Sierra IRWM

May 30, 2023 Olympic Valley Public Service District 11

11

Fire Department Command Vehicle



Replace Vehicle from 2015

\$85,000

Fire FARF

May 30, 2023 Olympic Valley Public Service District 12

12

R-21 Hurst Tools



- Extrication Tools
- \$78,000
- Fire FARF

May 30, 2023 Olympic Valley Public Service District 13

13

SCBA Bottles



- Replace 42 Bottles
- \$55,000
- Fire FARF

May 30, 2023 Olympic Valley Public Service District 14

14

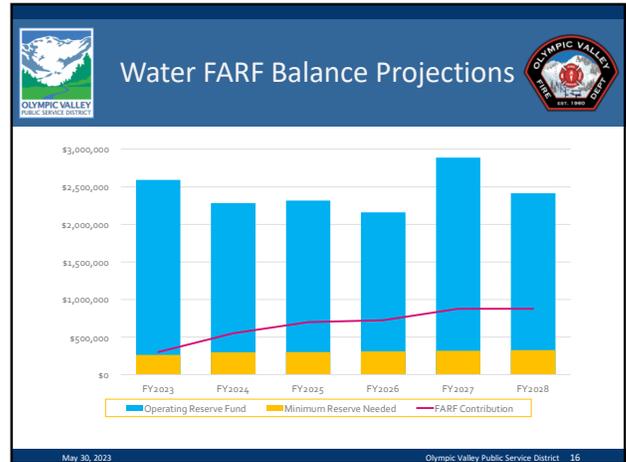
Other Capital Projects

Total CIP/FARF = \$1,966,850

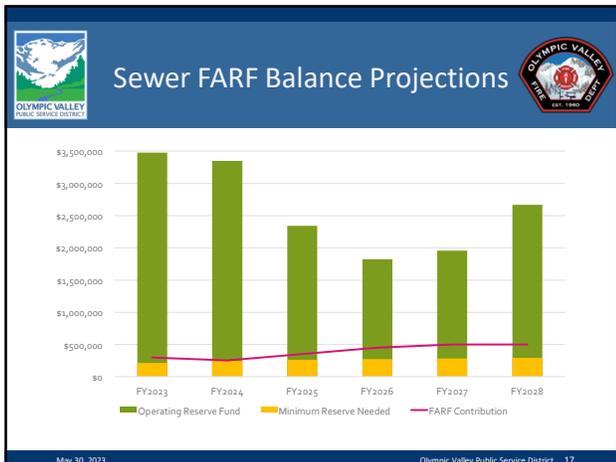
Utility Department F-250 w/Utility Box - \$67,900	Mutual Water Company Intertie - \$700,000 \$404,000 Grant Funded
SCADA System Upgrades - \$50,000	Well 5R Chemical Feed System Replacement - \$30,000
Fire Department Turnout Gear Replacement - \$15,450	Thermal Imaging - \$6,000 Radios - \$6,000

May 30, 2023 Olympic Valley Public Service District 15

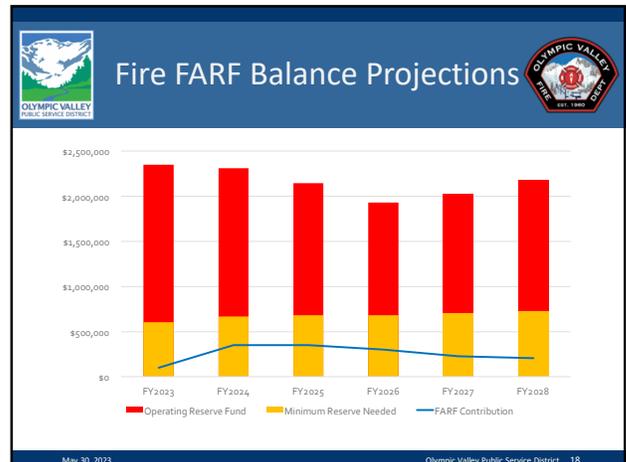
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16



17



18



Questions?

May 30, 2023 Olympic Valley Public Service District 19