

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FINANCE COMMITTEE MEETING
DATE: JUNE 27, 2022**

Directors Present: Directors Bill Hudson and Victoria Mercer

Attendees: Jessica Asher, Board Secretary; Brandon Burks, Operations Manager; Jessica Grunst, Account Clerk II/HR Specialist; Dave Hunt, District Engineer; and Danielle Mueller, Finance and Administration Manager.

Call to order at 3:00 P.M.

Public comment – None.

Items reviewed by the Committee included the following:

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 50004-50079 and ACH payments. Staff provided an explanation of the payments greater than \$800.

Check #	Name	Amount (\$)	Description
50007	Badger Meter, Inc	2,531	Water Meter Replacement Project
50010	Carrier Corporation	2,987	Replacement Boiler Pump
50014	Farr West Engineering	19,488	May Approved Progress Payments- General/PressureZ1A/Intertie/License Fees
50015	Fire Catt, LLC.	2,912	Fire Hose Testing
50017	Hunt & Sons, Inc.	1,819	Diesel & Regular Fuel
50018	Jack Henry & Associates, Inc.	902	Remit Plus- Annual Maintenance Agreement 7/1
50021	Longo, Inc	54,141	Approved Progress Payment- Hidden Lake Loop Water and Sewer
50022	North Lake Auto Parts	1,111	Ops Vehicle Parts and Maintenance
50026	Schneider Electric USA, Inc.	1,266	SCADA Support Contract
50034	Thatcher Company, Inc.	2,138	25% Caustic soda solution
50035	Thomas S Archer	3,520	April and May General Legal plus April RSC Billable
50036	USA BlueBook	994	Pick Hammers for System and Water Tools
50038	Western Nevada Supply Co.	20,946	West Tank Recoat Project Supplies (\$3320) Water Meter Replacement (\$17,700)
50042	Badger Meter, Inc	3,239	Water Meter Project Progress Payment
50043	John Bergmann	1,479	Mailing of Defensible Space Inspection & Prop 218
50046	Carrier Corporation	6,226	Boiler Maintenance Contract Q4 FY22+ Repairs
50048	L. N. Curtis & Sons	7,253	Turnout Replacements & Hurst Hydraulic Service- Fire

50050	Farr West Engineering	14,548	April Progress Payment
50054	Hunt Propane, Inc.	14,541	Bulk Propane- April and June
50059	Liberty Utilities	8,711	May Electric All Locations
50064	Placer County Environmental	4,077	Placer County Hazmat Fees FY 23
50067	Sierra Controls, LLC	3,032	SCADA Server Replacement Progress Payment
50070	Tahoe City Electric, Inc.	1,111	1810 Interior and Well House Electrical Improvements
50074	Tahoe Truckee Sierra Disposal	3,286	April and June 305 Trash + \$2,781 GW dumpsters for 5/16 Clean Up Day
50075	Thomas S Archer	1,050	RSC Legal- Billable
50076	U.S. Bank Corp Payment System	12,381	Monthly Cal Card- All Cards
50078	USA BlueBook	7,728	PPE/Water & Sewer Uniforms/Water & Sewer Parts/ Safety

There was a discussion about the printing and mailing of the Defensible Space Inspection & Proposition 218 notices. Ms. Mueller alerted the Committee that the 115 Trust was set up for other post-employment benefits (OPEB) with a \$50,000 transfer.

Ms. Mueller reviewed exhibits D-2 through D-8:

D-2 Operations Enterprise Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 92% of the year has elapsed. Revenue is at 99% of the budget and expenditures are at 77% of the budget. Compared to the prior year at this time, the net surplus is \$804,000 higher, mostly due to additional rate revenue and not providing an additional CalPERS unfunded accrued liability (UAL) payment. Ms. Mueller reviewed and explained selected line items of the Operations Enterprise Income Statement and Balance sheet.

Staff has submitted invoices for approximately \$60,000 from the Utility Department and \$30,000 from the Fire Department for grant reimbursables. Working with Placer County Water Agency (PCWA) on the grant administration has been relatively simple, however, the grant administration process in general is time-consuming. Labor and wages are under budget. Utilities such as propane and electric rates are higher than budgeted.

D-3 Fire Government Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 92% of the year has elapsed. Revenue is at 103% of the budget and expenditures are at 96% of the budget. Compared to the prior-year at this time, the net surplus is \$130,000 lower, mostly due to fewer strike teams. Ms. Mueller reviewed and explained significant line items of the Fire Department Income Statement and Balance sheet.

The discussion included short-term rental expenses, the Community Wildfire Protection Plan grant reimbursement process, and vehicle maintenance costs being over budget. There will be a surplus balance that can be deposited to the Fixed Asset Replacement Fund, which will be finalized as part of the year close-out process.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 92% of the year has elapsed. Revenue is at 107%, or \$4,216,000 and expenditures are at 92%, or \$3,501,000. The District has received the Estimated Allocation of Property Taxes for Fiscal Year 2022, the total anticipated tax revenue, less any fees from the county, is estimated to be \$3,870,000. This is approximately \$132,000 higher than budget.

D-5 Combined Revenues/Expenditures/Balance Sheet

This report is for internal use only as a tool but is not intended to be an audited financial report. The report captures the District's position, including enterprise funds (Operations/Administration Dept.), governmental operations (Fire Dept.), and Capital Reserves. The statement shows 92% of the year has elapsed, revenue is at 108% and expenditures are at 87%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Pro Equities Certificate of Deposit (CD) #2 at 3.10%. The Pro Equities Certificate of Deposit #3 is at 2.70% and Pro Equities Certificate of Deposit #1 is at 3.05%. Total funds on deposit are approximately \$10.5M.

D-7 TTSD Payment – 4th Quarter

The fourth quarter payment to Tahoe Truckee Sierra Disposal (TTSD) is based on current records that there are 1,046 residential dwelling units (including additional dwelling units) amounting to payment of \$74,119.56 for the period of April – June 2022.

D-8 CalPERS Annual Lump Sum Payment of the Employer Unfunded Liability

The 2022-2023 Employer Unfunded Liability Payment for the safety plan is \$233,648. The payment for the miscellaneous plan is \$93,906.

Mr. Hunt reviewed the following progress payments and provided a brief update on each project:

- D-9 Progress Payment – Farr West Engineering – Pressure Zone 1A Project
- D-10 Progress Payment – Farr West Engineering – West Tank Recoating Project
- D-11 Progress Payment – Farr West Engineering – Hidden Lake Water and Sewer Replacement Project
- D-12 Progress Payment – Longo – Hidden Lake Water and Sewer Replacement Project
- D-13 Progress Payment - Sierra Controls - SCADA Server Replacement Project
- D-14 Progress Payment - Sierra Controls - SCADA Master Plan
- D-15 Progress Payment – McGinley & Associates OVGMP Six-Year Review & Report
- D-16 Progress Payment – Badger Meter – Water Meter Replacement Project

F-2 Ordinance 2022-01 – Adopting Rates & Charges and Revised District Codes.

Ms. Mueller reviewed the staff report and Ordinance 2022-01 which adopts the FY 2022-2023 rates and charges for water, sewer and garbage service and revises the related codes. Ordinance 2022-01 was introduced at the May 31, 2022 Board Meeting. Proposed rate increases are Sewer 5%, Water 5%, and Garbage 10%. There are no changes proposed to connection fees.

F-3 FY 2022-2023 Budget

Ms. Mueller reviewed the item. Item F-3 is a PUBLIC HEARING to approve FY 2022-2023 Budget. FY 2022-2023 Employee Salary Schedules will be brought to the Board for consideration at the July meeting.

Ms. Mueller provided a summary of the Budget including:

- The adopted rate increases are Sewer 5%, Water 5%, and Garbage 10%.
- Total revenue is budgeted at approximately \$4M.
- The District had 17 new connections in FY 2022, as Palisades is connected now, the budget includes only 3 new connections for FY 2023.
- Tax revenue is budgeted at \$3.9M which is a .87% increase from FY 2022. About 99% of the tax revenue will fund the Fire Department operations, with the remainder split equally among water and sewer operations.
- Capital projects are budgeted at \$1.9M for the Utility Department and \$538,000 for the Fire Department. Notable projects for the next year include \$600,000 for the West Tank Recoating Project, \$300,000 for the Water Meter Replacement Project (this will be funded with a \$371,000 grant from Placer County Water Agency (PCWA)), \$500,000 for Sewer Line rehabilitation, \$240,000 for the intertie with SVMWC (this will be funded with a \$400,000 grant from PCWA), and \$275,000 for the new Fire Department water tender.
- The District will continue to pay down the Fire Department unfunded accrued liability (UAL), currently estimated at 83% funded and has planned for an additional \$200,000 payment which may require a loan from the Utility side.
- The District is planning for an additional \$300,000 payment to the building principle loan. This debt is only owed from the Utility Department. This will cut the annual payments down by a third and is scheduled to be paid off in 2028.
- The Operations and Maintenance contract with the Mutual Water Company has been cancelled due to staffing. The District will still contract with Placer County to perform bike trail snow removal and with Palisades Tahoe to staff Station 22 during the winter months.
- SDRMA is showing an approximately 5% increase in property and liability rates, and a 22% increase in workers compensation due to an increase of the Experience Modifier (EMOD).
- Other consulting projects outside of normal operations include a Cost of Service and Rate Study (5 year study for \$65,000), HVAC Master Plan (\$30,000), Olympic Valley Groundwater Management Plan Six Year Review and Report (\$30,000), Five-year strategic plan (\$15,000), Personnel Policies and Procedure Manual (\$15,000)

Ms. Mueller reviewed the changes since the Board reviewed the previous draft in May. These changes include:

- Updated results from the salary survey conducted with the Operations and Administrative Department. This will be brought to the Board for approval at the July meeting once the Operations Memorandum of Understanding (MOU) will be ratified.
- We are planning on hiring two new operators and one full time administrative staff. One is certain to start in early July and the others are dependent on successful hiring and recruitment.
- The Fire Department has been awarded two new grants: (1) \$540,000 from CAL FIRE for Fuels Reduction along the Northern Ridgeline which has been split equally over the next three years; (2) \$50,000 from TTCF for the Forest Futures Program which will be used for tree thinning at the S-

Turn on Olympic Valley Road. These projects will mostly be contracted but include some reimbursement for District labor.

- A memo regarding the reserve policy and status of reserve funds was updated. The Fire Department will not be meeting its minimum required reserve balances and will be monitored closely over the next couple of years for additional revenue sources.

F-4 Ordinance 2022-02 – Adopting a Fire and Life Safety Cost Recovery Schedule.

Ms. Mueller reviewed the staff report and Ordinance 2022-02 updating the Fire and Life Safety Cost Recovery Schedule.

F-5 Request Placer County to Collect Delinquent Charges.

Ms. Mueller reviewed Resolution 2022-18, requesting Placer County to collect delinquent charges. As of June 22, 2022, there were twenty-three (23) accounts with overdue balances in excess of \$100 that were outstanding from the July 1, 2021 annual water, sewer, and garbage billing. The aggregate total is \$47,321.56. Thirteen (13) of these accounts were delinquent last year.

F-6 Annual Review of Financial Reserves Policy.

Ms. Mueller reviewed the staff report. There are no proposed changes except for updating the District's address, which was changed from "Squaw Valley Road" to "Olympic Valley Road" by Placer County.

No further business coming before the Finance Committee, the meeting was adjourned at 4:00 P.M.

By, JA/DM