

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FINANCE COMMITTEE MEETING
DATE: DECEMBER 12, 2022**

Directors Present: Directors Bill Hudson, Katrina Smolen

Staff Present: Jessica Asher, Board Secretary; Brandon Burks, Operations Manager; Mike Geary, General Manager; Jessica Grunst, Account Clerk II and Human Resources Specialist; Dave Hunt, District Engineer; Danielle Mueller, Finance and Administration Manager; and Allen Riley, Fire Chief.

Others Present: None.

Call to order at 3:00 P.M.

Public comment – None.

Items reviewed by the Committee included the following:

The Finance committee discussed and agreed to change the time of the standing finance committee meeting to 1:00 P.M.

F-4 Audit Report for Fiscal Year 2021-2022:

Staff provided a PowerPoint presentation overview of the Audit Report which reviewed rates, tax revenue, CALPERS unfunded accrued liability (UAL), grant revenue, connection and mitigation fee revenue, capital projects, the bike trail snow removal, and the impacts of COVID-19. Ms. Mueller reviewed the Statement of Net Position and Statement of Activities. Mr. Hunt discussed several capital projects including the water meter replacement program, the Hidden Lake Loop water and sewer line project, the Pressure Zone 1A planning study, the Squaw Valley Mutual Water Company Emergency Intertie planning study, the SCADA server replacement, the west tank recoating project, and the sewer inspection project. Chief Riley reviewed the water tender replacement and the replacement of radios and turnout gear, which occurs annually for about 20% of the gear. Mr. Geary reviewed the debt related to the building at 305 Olympic Valley Road.

There was a brief discussion about the CALPERS UAL which experienced a very large financial change in FY 2021-2022 due to stock market gains and the expectation that the liability will increase in the next fiscal year due to stock market losses. Staff discussed how a 115 Trust was introduced as a stabilization fund for the UAL/Pension benefits and how the opening of a 115 Trust for other post-employment benefits resulted in a 49% decrease in the long-term liability. Staff noted that CAL PERS and accounting pronouncements heavily influence the net position history, however, the District's work to pay down the UAL over the past several years and to be proactive in managing the liability through the opening of 115 trusts has also had a positive impact on the net position.

Kendall Galka, partner at McClintock Accountancy, provided a summary of the audit noting that the provided slideshow highlights the District's competency. The audit ensures GASB requirements are met and provides checks to confirm accuracy of financial statements. There were no audit adjustments,

which is exceptional. Ms. Galka provided high accolades of the District staff, policies, and controls. The Board thanked Ms. Galka and Ms. Mueller.

There was a brief discussion about balancing the efficiencies of keeping the same audit partner vs. the benefits of a fresh set of eyes. While the District has been working with McClintock Accountancy for over ten years, Ms. Galka is a new partner and owner and can sign off for six years (total) before a change is required.

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 50427-50496 and ACH payments. Staff provided an explanation of the payments greater than \$800.

Check #	Name	Amount (\$)	Description
50429	AT&T	804	All Copper Lines and SCADA Line
50432	Carrier Corporation	6,570	Boiler Repairs Bldg 305
50436	Farr West Engineering	13,595	November Approved Progress Payments
50437	Fire Station Outfitters LLC	3,539	4-New Recliners for Fire House
50438	Liberty Utilities	8,260	November Electric all Locations
50440	McClintock Accountancy Corp	7,450	November Progress Payment for 21/22 Audit
50441	McGinley & Associates	8,660	November Progress Payment- OVGMP Six - Year
50442	Danielle Mueller	2,347	New Computer for Board Secretary & F&A Manager Purchased from Costco on Personal Card
50444	Joshua C. Rytter	6,410	6 New Mattresses and Box Springs for Fire House Purchased with Personal Card
50446	Sierra Controls, LLC	859	November Progress Payment-West Tank Recoating
50452	Tahoe Truckee Sierra Disposal	1,255	Green Waste 10/10-10/12/2022 plus Monthly Garbage Pickup 305
50453	Third Floor Story Corporation	980	IT Services
50461	County of Placer, Community	25,101	Fire STR inspection Fees Owed back to County
50466	Fire Aside, Inc.	1,500	Setup Fee for Defensible Space & Home Hardening Software
50469	Scott Halterman	813	EMPF Assignment-Reimbursement (Billable)
50470	Hunt & Sons, Inc.	2,433	Diesel & Regular Fuel
50471	Franklin C. Jones	33,296	Pronovost Snowblower and Replacement Parts- Capital

50473	Ken Manuele	1,231	Refund Check- Paid Utility Bill Twice
50474	Midwest Fire Equipment & Repair Company	170,852	Water Tender WT21- Capital Purchase
50477	PAC Machine Company, Inc.	3,893	West Tank Recoating Project Generator Rental
50479	San Joaquin Electric, Inc.	1,860	West Tank Electrical Work
50481	Tahoe Forest Health System	1,108	Pre employment testing/ Monthly BBP Training Fee/ Fire Flu Shots
50482	Thatcher Company, Inc.	4,580	November Caustic soda solution
50484	Thomas S Archer	1,360	RSC Legal November - Billable
50486	U.S. Bank Corp Payment System	3,751	November Cal Cards-All Statements

The finance committee decided that they would recommend to the Board to increase the minimum payment to review in the committee meetings to \$1,500. There was a brief discussion about the short-term rental inspection fees for Placer County.

Ms. Mueller reviewed exhibits D-2 through D-6:

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

The statement shows 42% of the year has elapsed. Revenue is at 87% of the budget and expenditures are at 36% of the budget. Compared to the prior year at this time, the net surplus is \$268,000 higher, mostly due to additional rate revenue and staff shortages. Ms. Mueller reviewed and explained selected line items of the Operations Enterprise Income Statement and Balance sheet.

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

The statement shows 42% of the year has elapsed. Revenue is at 41% of the budget and expenditures are at 38% of the budget. Compared to the prior year at this time, the net surplus is \$7,000 less, mostly due to more tax and grant revenue, offset by less strike team revenue. Ms. Mueller reviewed and explained significant line items of the Fire Department Income Statement and Balance sheet.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 42% of the year has elapsed. Revenue is at 4%, or approximately \$144,000 and expenditures are at 41%, or \$1,627,000. The District has received the Estimated Allocation of Property Taxes for Fiscal Year 2023, the total anticipated tax revenue, less any fees from the county, is estimated to be \$4,270,000. This is an increase over the prior year actual revenue received by \$328,000 and \$365,000 higher than budgeted.

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 42% of the year has elapsed, revenue is at 49% and expenditures are at 36%.

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 #1 is at 2.4% and Pro Equities Certificate of Deposit #3 is 2.70%. Total funds on deposit are approximately \$10.1M.

Ms. Mueller said interest rates are high and so she may ask the Board to consider authorization for a new certificate of deposit fund.

Staff reviewed the following payments:

D-7 Tahoe Truckee Sierra Disposal (TTSD) 2nd Quarter Payment

The second quarter payment to Tahoe Truckee Sierra Disposal (TTSD) is based on current records that there are 1,051 residential dwelling units amounting to a payment of \$79,707.84 for the period of October – December 2022.

D-8 Bike Trail Snow Removal, Revenue to Expense

This statement shows 9% of the budgeted year has elapsed. The District has budgeted \$46,000 for this project and Placer County will be providing monthly payments split over the contracted winter months. Approximately \$4,200 has been billed to date.

- D-9 Progress Payment – McClintock Accountancy – Fiscal Year 2021-2022 Audit
- D-10 Progress Payment – Farr West Engineering – OVPSD/SVMWC Emergency Intertie Project
- D-11 Progress Payment – Bay Area Coating Consultants – West Tank Recoating Project
- D-12 Progress Payment – McGinley & Associates OVGMP Six-Year Review & Report
- D-13 Progress Payment – Midwest Fire – Water Tender Purchase
- D-14 Progress Payment – F. Jones Mobile Diesel Repair – Snowblower Attachment

No further business coming before the Finance Committee, the meeting was adjourned at 4:25 P.M.

By, JA/DM