

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FINANCE COMMITTEE MEETING
DATE: MARCH 29, 2021**

Pursuant to the Governor's Executive Order N-29-20, issued March 17, 2020, the Olympic Valley Public Service District Community Room was not accessible for this meeting. All Directors and attendees participated via video/teleconference only.

Directors Present: Directors Katy Hover-Smoot and Victoria Mercer

Attendees: Jessica Asher, Board Secretary; Brandon Burks, Operations Manager; Mike Geary, General Manager; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II/HR Specialist; Dave Hunt, District Engineer; and Allen Riley, Fire Chief.

Call to order at 3:00 P.M.

Public comment – None.

Items reviewed by the Committee include the following:

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 48643-48706 and ACH payments. Staff provided an explanation of the payments greater than \$800 and gave a summary of electronic payments (ACH).

Check #	Name	Amount (\$)	Description
48644	Amerigas	6,905	Heating Fuel for 1810 and 305
48647	Atomic Printing	1,296	Winter 20/21 Newsletter Printing
48648	CAL FIRE	8,754	Q2 Oct- Dec31 2020. Dispatch/ Cooperative Agreement
48649	Farr West Engineering	7,197	Sewer System Rehab Project/ Pressure Zone 1 A Project/ General Consulting and PCWA Grant
48650	Hunt & Sons, Inc.	2,016	Diesel & Regular Fuel
48656	Sierra Controls, LLC	2,380	West Tank Rehab Project
48659	Tahoe Forest Health System	2,140	BBP Training Fire/ Ops Random Testing/ Pre employment Seasonal Testing
48661	U.S. Bank Corp Payment System	5,393	All Cal Cards for Statement Date 2-10- 21
48665	Adobe Systems Incorporated	1,019	Adobe DC Annual Subscription
48666	Amerigas	12,904	(\$200) In Service Call Repairs and remainder in Heating Fuel for 1810 and 305
48677	L. N. Curtis & Sons	1,045	Fire Equipment- Annual Servicing
48680	Hunt & Sons, Inc.	1,685	Diesel & Regular Fuel

48684	Liberty Utilities	8,797	Electric- All Locations Including Wells/305/1810
48686	Lighthouse Uniform Inc.	5,170	Class A Uniforms for the Fire Department- This is a Capital Budgeted Item
48694	Reno Cycles & Gear	1,580	Ranger 21 Parts- Fire
48695	SCBA Sales & Rental LLC	3,261	Carbon Fiber Cylinders/Valve Assembly
48702	Thatcher Company, Inc.	4,976	Caustic soda solution
48704	Truckee Tire	1,490	Ops Ford F-350 Tires

Ms. Grunst reviewed CalCARD expenses. There was a discussion about the best way to have consistent oversight in payments such as providing a summary of each individual payment and verbally reviewing items that are over \$800. Staff will determine the best way to do this without substantially increasing report preparation time.

Approximately \$24,500 has been spent on expenses related to the District's name change.

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

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

The statement shows 67% of the year has elapsed. Revenue is at 96% of the budget and expenditures are at 63% of the budget. Compared to the prior year at this time, the District's net surplus is \$177k lower, which is mostly due making an additional payment to the California Public Employees' Retirement System (CalPERS). Ms. Grindle 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 67% of the year has elapsed. Revenue is at 80% of the budget and expenditures are at 68% of the budget. Compared to the prior year at this time, our net surplus is \$345,000 higher, which is mostly due to assisting in wildland fires. Ms. Grindle 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 67% of the year has elapsed. Revenue is at 65%, or \$2.6M and expenditures are at 67%, or \$2.5M. There were no new connections during the month of February. The District has received the Estimated Allocation of Property Taxes for Fiscal Year 2021, the total anticipated tax revenue, less any fees from the county, is estimated to be \$3,727,000.

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 67% of the year has elapsed, revenue is at 86% and expenditures are at 66%.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Pro Equities Certificate of Deposit #2 at 3.10%. The Pro Equities Certificate of Deposit #3 is at 2.70% and Pro Equities Certificate of Deposit #1 is at 2.40%. Total funds on deposit are approximately \$9M.

D-7 Bike Trail Snow Removal, Revenue to Expense

This statement shows 64% of the season 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 \$29,300 has been billed to date.

D-8 TTSD Payment – 3rd Quarter

The third quarter payment to Tahoe Truckee Sierra Disposal (TTSD) is based on current records that there are 1,019 residential dwelling units (including additional dwelling units) amounting to payment of \$67,530.68 for the period of January – March, 2021.

F-4 First Draft of FY 2021-2022 Budget and Rates

Ms. Grindle reviewed the financial summary for budget year 2021-2022 in detail.

Mr. Geary reviewed that the District is in the fifth year of its Prop. 218 notice which will trigger a cost-of-service analysis that the District intends to start this fall. The 2021-22 rate increases (e.g., 4% for water, 5% for sewer, and 3% for Garbage) are in line with the prior Prop. 218 notice.

Ms. Grindle reviewed the method to approximate Ad Valorem property tax revenue which is estimated to increase 0.3% from the anticipated 2021 revenue, for a total of \$3,738,000. This is calculated using the 2020/21 Placer County assessed property tax multiplied by the 2021/22 California CPI, and then multiplied again by the Adjusted Gross Levy percentage of each of our funds.

Mr. Hunt reviewed the capital projects planned for the coming year including Pressure Zone 1A; the intertie with Squaw Valley Mutual Water Company; water meter replacement project; purchase of a Zone 3 portable generator, Sewer bypass trailer and hose, and water tender, and contributions to the Fire Department Regional Training facility.

Ms. Grindle reviewed the CalPERS Unfunded Accrued Pension Liability (UAL). The District is expected to reach a 90% funding level as of the June 30, 2021 valuation. This is due to an additional \$1,000,000 payment made in Fiscal Year 2020 as well as an additional \$600,000 payment made in Fiscal Year 2021. The Fire Department is expected to reach a 90% funding level in Fiscal Year 2025. This will require additional annual payments of \$200,000 for the next four years. This may be funded with an inter-company loan from the Utility Department if Strike Team revenues are insufficient.

Director Hover-Smoot asked specific questions regarding year-over-year revenue and expenses. Ms. Grindle and Director Hover-Smoot plan to follow-up via email.

Mr. Geary reviewed diversified revenue sources such as the Operations and Maintenance agreement with Squaw Valley Mutual Water Company and potentially expanding Fire Department services to

provide Advanced Life Support services. A study to analyze the impacts of providing ambulance services will be performed and is budgeted to be a shared cost by OVFD and two neighboring Departments.

Mr. Hunt reviewed grants. The District has received a grant for \$55,000 for the pressure zone 1A project from the Placer County Water Agency Financial Assistance Program (PCWA FAP). An application was completed for the water meter replacement project and for an emergency intertie between the Squaw Valley Mutual Water Company and District's water distribution lines. This year's grant funding cycle is awarding significantly more funds than normal, and staff is hopeful that the District's projects may receive some funding.

Mr. Geary reviewed debt financing including the status of the side fund loan, building loan and property loans.

Ms. Grindle reviewed the budgeted contributions to Fixed Asset Replacement Funds (FARFs).

Director Mercer suggested that the board report and financial summaries reference page numbers when specific values are referenced and asked that information on grants is included if possible.

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

By, JA/DG