

**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT  
FINANCE COMMITTEE MEETING  
DATE: MARCH 28, 2022**

**Directors Present:** Directors Bill Hudson and Victoria Mercer

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

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: Staff issued a revised D-1 for the February 22, 2022 Board meeting during last month’s Board Meeting. Director Hudson and Mercer reviewed the Operating Check Register numbers 49757-49799 and ACH payments from the February meeting.

Ms. Grunst reviewed the Operating Check Register numbers 49800-49856 and ACH payments. Staff provided an explanation of the payments greater than \$800.

Check #	Name	Amount (\$)	Description
49800	AT&T	1,096	PRI Switch Feb- Main Phone Lines
49801	CAL FIRE	7,919	Dispatch Agreement- Fire
49802	California Rural Water Assoc.	857	Annual Membership Renewal
49806	Farr West Engineering	11,785	GIS & Asset Management / Pressure Zone 1A/SVM Intertie Progress Payment
49812	Springbrook Holding Co LLC.	8,368	Cloud Upgrade Progress Payment
49813	Standard Insurance Company	4,147	Annual Fire LTD
49815	U.S. Bank Corp Payment System	9,290	Jan Cal Card Payment- All Cards
49816	U.S. Bank Corp Payment System	5,090	Feb Cal Card Payment- All Cards
49817	Western Nevada Supply Co.	1,863	Well 5R Parts
49819	Adobe Systems Incorporated	1,223	Adobe DC Annual Subscription – 6 members
49824	Atomic Printing	1,566	Winter Newsletter Printing
49825	John Bergmann	889	Winter Newsletter 2022 Mailing
49827	CAL FIRE	7,895	Q2 FY 22- Dispatch Agreement- Fire

49829	Carrier Corporation	18,420	Boil Heat Coil Issues and Boiler Qrtly Service Contract
49835	Hunt & Sons, Inc.	2,142	Diesel & Regular Fuel
49836	Hunt Propane, Inc.	11,815	Bulk Propane
49838	LEXIPOL LLC	5,800	Annual Fire Policy Manual
49839	Liberty Utilities	10,582	February Electric All Locations
49841	Municipal Maintenance	989	VacCon Vehicle Repairs
49851	Squaw Valley Business Association	3,000	Annual Membership Dues
49855	Thatcher Company, Inc.	4,391	Caustic Soda Solution- Water Chem
49856	Thomas S Archer	2,425	West Tank, RSC, and General Legal (\$675 Billable)

There was a discussion about the Lexipol, LLC payment of \$5,800 for the annual fire policy manual, this software ensures that the Department is compliant with State and Federal standard operating procedures and policies, it provides updated policies as needed as well as training.

Ms. Mueller 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 56% of the budget. Compared to the prior year at this time, the net surplus is \$506,000 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.

The District is underbudget on several items such as labor and consulting fees. Much of the savings found in consulting will be included in the 2022-2023 Budget.

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

The statement shows 67% of the year has elapsed. Revenue is at 77% of the budget and expenditures are at 68% of the budget. Compared to the prior year at this time, the net surplus is \$83,000 lower, mostly due to fewer strike teams. Ms. Mueller reviewed and explained significant line items of the Fire Department Income Statement and Balance sheet.

Reimbursement for Station 22 staffing has been billed, it is approximately \$17,000 for the season. There was a discussion about strike team revenue.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 67% of the year has elapsed. Revenue is at 66%, or \$2,624,000 and expenditures are at 67%, or \$2,266,000. 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.

There was a discussion regarding reimbursement for COVID-19 relief, staff is hopeful there may be an opportunity for additional reimbursement with the extension of Supplemental Paid Sick Leave.

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 63%.

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 2.40%. Total funds on deposit are approximately \$10.4M.

Ms. Mueller has requested information on current interest rates to determine if staff will request to exercise a Certificate of Deposit purchase option. The 115 Trust funds are expected to be funded by next month.

D-7 Bike Trail Snow Removal, Revenue to Expense

This statement shows 64% 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 \$29,000 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 1,044 residential dwelling units (including additional dwelling units) amounting to payment of \$73,906.98 for the period of January – March, 2022.

Ms. Mueller reviewed the following progress payment and provided a brief update on the effort:

D-9 Progress Payment – Springbrook – Cloud Upgrade

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

D-10 Progress Payment – Farr West Engineering – Pressure Zone 1A Project

D-11 Progress Payment – Farr West Engineering – West Tank Recoating Project

D-12 Progress Payment – Farr West Engineering – Hidden Lake Water and Sewer Replacement Project

D-13 Progress Payment – Badger Meter – Water Meter Replacement Project

Ms. Asher reviewed the following progress payment and provided a brief update on the effort:

D-14 Progress Payment – Feather River Forestry – Professional Forestry Services

Mr. Hunt reviewed the following progress payment and provided a brief update on the effort:

D-15 Progress Payment – Sierra Controls – SCADA Server Replacement Project

F-4 First Draft of FY 2022-2023 Budget and Rates

Ms. Mueller reviewed the financial summary for budget year 2022-2023 in detail. She emphasized that it is early in the budget process and assumptions have been made while details are being researched.

This budget draft proposed 2022-23 rate increases of 4% for water, 5% for sewer, and 10% for Garbage. The District will do a one-year Proposition 218 notice. The water and sewer rate increases are the same as in the past five-year Proposition 218 notice. The garbage increase is a result of the contract with Truckee Tahoe Sierra Disposal increasing 6% for two consecutive years. Inflation is higher than the proposed increases for water and sewer however, staff feel the appropriate given rate stabilization funding, recent success with grants, and the District's overall financial health. The District plans to perform a new five-year Cost of Service and Rate Study in FY2023 which is estimated to cost \$60,000.

Wages and benefits for staff in the Operations and Administration Departments will likely be affected by negotiations of a new Memorandum of Understanding (MOU), effective July 1, 2022. The District plans to complete negotiations, conduct a salary survey, and consider inflationary pressures before finalizing new salary scales.

Ad Valorem property tax revenue is estimated to increase 0.87% from the anticipated 2022 revenue, for a total of \$3,900,000.

Ms. Mueller reviewed the budgeted contributions to the CalPERS Unfunded Accrued Pension Liability (UAL). The Miscellaneous group has reached a 90% funding level as of the June 30, 2021 valuation. The Fire Department is expected to reach a 90% funding level in Fiscal Year 2026. 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 Sewer Fixed Asset Replacement Fund (FARF) if Strike Team and property tax revenues are insufficient.

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 prefunding retiree pension and health obligations. Ms. Mueller discussed the anticipated contributions.

Ms. Mueller reviewed the balance of the loan for the construction of the Administration Building / Fire Station 21 at 305 Olympic Valley Road. The remaining balance (with interest) is approximately \$853,000 and is scheduled to be paid off by August of 2028, however the District plans to accelerate the payback period and save on interest.

The District has approximately \$3.5 million in capital projects planned for the coming year, staff reviewed the planned projects.

Ms. Mueller reviewed the Fire Department operating budget including revenue, labor wages and benefits including the change in health insurance due to the most recent Fire MOU negotiations. There was a discussion about Capital Projects including the regional training facility and water tender.

No further business coming before the Finance Committee, the meeting was adjourned at 4:45 P.M.

By, JA/DM