

Exhibit F-3



2022-2023 BUDGET

***Approved by the
Board of Directors
June 28, 2022***

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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 Fire.

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 Utility.

Garbage Collection services are provided by the District directly, as well as through a contract with Tahoe Truckee Sierra Disposal Company (TTSD) and consist of residential curbside pick-up 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 10 years:

1. 2013 Hansford Report of Impacts of the Proposed Village at Squaw
2. 2014 Creek/Aquifer Interaction Study Phase II
3. 2014 SV-Mutual Intertie Design
4. 2014 Redundant Water Supply/Preferred Alternative Evaluation Phase I
5. 2014 Water Supply Assessment for Village at Squaw Valley
6. 2014 Operations Department Space Needs Analysis
7. 2015 Redundant Water Supply/Preferred Alternative Evaluation Phase II
8. 2015 Water Supply Assessment Update for Village at Squaw Valley
9. 2015 Water System Hydraulic Modeling (VSVSP Water System Capacity Analysis)
10. 2016 PlumpJack Well Impact Analysis & Dewatering Plan
11. 2016 Redundant Water Supply/Preferred Alternative Evaluation Phase III
12. 2016 Maximum Supply Analysis

13. 2016 Capacity and Reliability Study Update
14. 2016 Olympic Valley Groundwater Management Plan Quinquennial Review & Report
15. 2017 100-year Capital Replacement and 5-year Capital Improvement Plan
16. 2017 Cost of Service and Rate Study
17. 2022 Pressure Zone 1A Basis of Design Report (on-going)
18. 2022 OVPSD/SVMWC Emergency Intertie Project (on-going)
19. 2022 Capacity and Reliability Study Update (on-going)
20. 2022 OVGMP Six-Year Review and Report (on-going)
21. 2022 – SCADA Master Plan (on-going)

The District completed the following **Sewer** system studies over the past 10 years:

1. Ongoing television inspection and pipeline condition assessments
2. 2013 Hansford Report of Impacts of the Proposed Village at Squaw
3. 2014 Operations Department Space Needs Analysis
4. 2015 Sewer System Hydraulic Modeling (VSVSP Sewer Capacity Analysis)
5. 2017 100-year Capital Replacement and 5-year Capital Improvement Plan
6. 2017 Cost of Service and Rate Study
7. 2021 Sewer System Rehabilitation Basis of Design Report (on-going)
8. 2022 – SCADA Master Plan (on-going)

The District completed the following **Fire** Department studies over the past 10 years:

1. 2013 Hansford Report of Impacts of the Proposed Village at Squaw
2. 2014 Citygate Fire Service Mitigations for the Proposed Village at Squaw
3. 2020 Ambulance Service Cost / Benefit Analysis
4. 2022 AP Triton study of regional EMS response system (ongoing)
5. 2022 Deer Creek Resources Community Wildfire Protection Plan (ongoing)

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 FY2022-23 budget includes \$15,000 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

Capital Replacement Plans were updated in FY2016-17 to include replacement of assets over a 100-year outlook for all departments. This approach identifies funding thresholds for the District's Fixed Asset Replacement Funds (FARFs), used to pay for 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. The Capital Replacement Plans are comprehensive and are updated every few years.

This year's capital project budget is estimated to be \$1,883,000 for the Utility Department and \$538,000 for the Fire Department. Budgeted projects are explained in further detail below. The annual contribution to the Utility FARFs is estimated to be \$531,000; \$400,000 to water, \$95,000 to sewer, \$11,000 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 \$200,000 in FY2022-23.

Long Term Debt Retirement

Building: In 2004, the District received a loan for the construction of 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. The remaining balance (with interest) is approximately \$853,000. This is scheduled to be paid off by August of 2028 and is being paid with funds budgeted by the Utility Department. However, the District can accelerate the payback period and save on interest by making additional payments. The proposed FY22-23 budget includes an additional principal payment of \$300,000 along with the annual principal and interest payment of \$123,000.

Unfunded Accrued Liability (UAL): GASB 68 was implemented in FY2014-15 for the purpose of improving financial reporting in relation to pensions. This is due to most pensions being 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.

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 \$295,000 (\$1,024,000 liability for the Fire Department and \$729,000 asset 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 the 90% funded goal as of the June 30, 2022 financial statements. The Fire Department

is currently at an estimated 83% funded level. In July 2022, the Safety Group will pay an additional \$200,000 on top of the \$254,000 annual required minimum contribution. The Fire Department will borrow this amount from the Water and Sewer FARF which will be paid back with 3% annual interest, starting once the plan reaches a 90% funded level. This is expected to occur by FY2025-26. 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 prefunding 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 contributed \$50,000 for both the Fire and Utility Departments to establish a CERBT in order to reduce the actuarially-determined unfunded post-employment benefit (OPEB) liability. In FY2023, 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 to fund 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, and/or sharp rate increases.

The 2022-23 rate increases required a Proposition 218 notice. This process gave all account holders a 45-day period 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 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 6%, and then 7%, over the past two years as well as providing funding to the District to deliver new green waste disposal services directly to its customers. Rate revenue is budgeted to be approximately \$4,074,000. Note the District plans to perform a new 5-year Cost of Service Analysis and Rate Study in FY2023 and is estimated to cost \$65,000.

Water Quality

The District continues to proactively prepare for new and emerging water regulations. 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 FY2022-23 budget is anticipating a 0.87% increase from our anticipated 2022 revenue, for a total of \$3,904,000 after fees. This is calculated using the 2021/22 Placer County assessed property tax multiplied by the 2022/23 California CPI, and then multiplied again by the Adjusted Gross Levy percentage of each of our funds. In September 2022, 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 FY2022-23 are \$4,074,000, 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. This is a decrease from fiscal year 2022 due to the cancellation of the Mutual Water Company Operations & Maintenance contract. Due to staff shortages, the District is unable to provide these services to the Mutual for the upcoming year.

The District maintains savings funds in Placer County Revenue and Investment accounts, Certificates of Deposits, and the Local Agency Investment Fund (LAIF); with each fund providing a high level of safety and liquidity. The highest rates of return come from the Certificates of Deposit at 3.1%, 3.05%, and 2.7% annually, followed by Placer County which is 0.63%. The District is forecasting low interest earnings but remains focused on managing reserve balances into the strongest return vehicle that aligns with the District's Investment Policy. Most funds are held with Placer County as these are the most liquid. The District will invest in CD's so long as rates are higher than what can be earned with the 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 \$125,000 for the next fiscal year and will be split with the Fire Department.

Lastly, the District is currently using \$800,000 in grant funding for capital projects. The biggest grant is \$403,625 from the Placer County Water Agency (PCWA) for the Squaw Valley Mutual Water Company System Intertie. The project includes the planning, design, and construction of facility intertie(s) at key locations in both water systems which will provide for increased redundancy and reliability in the water systems. The total estimated cost for the project is \$617,000 and is to be completed by 2024. The second largest grant is for \$371,600 from PCWA for the Residential Meter Replacement Project. The project's scope is aimed to support our 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 overall project cost is estimated to be approximately \$774,000 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 approximately \$42,000 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 include 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 wildfire. 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 2022 planning, permitting, and bidding the work, which is scheduled to begin in 2023. 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 along the south ridge and in the Squaw Creek corridor or to thin the lodgepole stand at the S-turns on Olympic Valley Road. The work for this grant is scheduled for completion in 2023.

Capital Funds

Water and sewer capital funds are derived from connection fees related to new development or increased capacity. The District saw a large increase in the collection of connection fees over the past three years due to the development of 64 residential units in the Palisades subdivision. These lots have all paid their fees as of fiscal year 2022, and therefore the District expects a reduction in connection fees generated in the coming year. Water and sewer connection fees are expected to change in FY2022-23 after completion of a connection fee and study.

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 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 Squaw Valley, PlumpJack, and the Resort at Squaw Creek, but the schedules for these projects are uncertain.

Uses of Funds

Utility Department Operations

Operating expenditures are budgeted at \$3,651,000, an increase of \$447,000 compared to actual expenditures projected for FY2021-22 (see page 18). In addition to inflation currently reported at 8.5%, notable changes compared to FY2021-22 include:

- Total wages are budgeted at \$1,520,000. This is an increase of \$207,000 from FY2021-22. Employees in the Operations Department and the Administration Department received salary adjustments based on a survey comparing nearby agencies. Additionally, some employees will receive promotions, step increases and/or educational incentives. Lastly, the District plans to hire two new operators to backfill where the Department has been short. The Administration Department plans to hire a full time Admin Assistant. These positions are starting mostly at entry-level.
- Employee benefits are budgeted at \$873,000 which is \$68,000 more than FY2021-22 costs. This is mostly due to new positions and increased wages as described above. Next, CalPERS Health Insurance plans are budgeted to increase 10%. Workers Compensation rates are increasing by approximately 22%. This is due to higher wages and the Experience Modifier (EMOD) increasing based on three years of historical claims. Note that the Operations and Administration Department are now comprised of 83% PEPRRA (Public Employees' Pension Reform Act) members. The pension expenses for these employees, hired after January 1, 2013, are lower than "Classic" members which will result in a savings to the District.
- Field expenses such as materials, water meter testing and repairs, maintenance, and trainings are budgeted at \$589,000. Increases from FY2021-22 expenses are considered inflationary and are in line with current market conditions.
- Board expenses are budgeted at \$52,000. This consists of board member compensation, trainings, and supplies for in-person meetings.
- Consulting Services are budgeted at \$214,000. In addition to annual contracts such as on-call engineering services, legal services and the financial audit, a Cost of Service and Rate Study (\$65,000), an HVAC Master Plan (\$30,000 split with the Fire Department), the Six Year Review and Report (\$30,000), a Five-Year Strategic Plan (\$15,000 split with the Fire Department), and personnel policy revisions (\$15,000 split with the Fire Department) are also included.

- Property and Liability insurance is budgeted at \$69,000 which is a 5% increase from FY2021-22. This is determined by estimates provided from the insurance provider, Special District Risk Management Authority (SDRMA). This budget is set conservatively for any discounts or incentives.
- Licenses/Permits/Contracts are budgeted at \$46,000 which is lower than FY2020-21. This is due to the District no longer covering the cost of credit card fees charged for paying a bill online. Other 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, and ArcGIS software.
- Office Expenses are budgeted at \$73,000. In addition to standard office expenses, the District is planning an upgrade to its website's content management software (\$12,000 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 \$14,000. This is an increase from the prior year as more in-person trainings are budgeted. The District encourages employees to seek additional trainings that benefit the District. This usually involves the annual CSDA conference, human resource trainings, leadership courses, and continuing education required to maintain operator certifications.
- Utilities are budgeted at \$153,000. This is a 7% increase which is in line with market trends.
- Interest Expense and Debt Repayment continues to decline. As the building loan matures, each payment gains a greater contribution towards 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 this service since 2011. In FY2020-21, the District entered into a two year contract with Placer County for a flat fee of \$46,000. 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.

Fire Department Operations

Operating expenditures are budgeted at \$3,880,000, an increase of \$338,000 (see page 19). In addition to inflation currently reported at 8.5%, notable changes compared to FY2021-22 include:

- Fire Department Wages are budgeted at \$1,791,000. The MOU provides for a 2.0% salary adjustment, however, due to high inflation, the budget reflects a one-time 3% increase. The Dept. will continue to hire seasonal employees which supports a minimum 4-person staffing level without incurring significant overtime costs. This budget also assumes merit and longevity increases when applicable. Lastly, the District does not budget for strike teams due to the uncertainty in activity in any given wildfire season.
- Benefits are budgeted at \$1,151,000 which is 10% more than FY2021-22 costs. The Fire Department's minimum required contribution to the pension UAL increased by \$28,000, to \$254,000. Next, in fiscal year 2022 the Fire Department switched to a more expensive

health plan. Lastly, Workers Compensation rates are increasing by approximately 22%. This is due to wage increases and the Experience Modifier (EMOD) increasing based on three years of historical claims. 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 FY2022-23 the budget is set to \$357,000.
- Field expenses are budgeted at \$135,000 which is in line with FY2021-22 spending. Expenses include the following:
 - Materials and Supplies are budgeted at \$33,000. These include costs for replacement hose, EMS supplies, household supplies, personal protective gear, rescue gear, and uniforms.
 - Maintenance & Repair is budgeted at \$21,500. These charges include annual hose and pump testing, annual compressor service, small tool replacements, and radio maintenance.
 - Facilities are budgeted at \$27,500. 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 \$23,000. 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 \$30,000. This includes preventative maintenance, repairs to the engines, fuel, and hazardous materials fees.
- Board expenses are budgeted at \$17,400. This consists of board member compensation, trainings, and supplies for in-person meetings.
- Consulting Services are budgeted at \$207,000. The majority of this is due to planning and permitting for the *Olympic Valley Fuel Reduction Project* (\$157,000). This is grant funded as described above. Other expenses include legal fees, the audit, an HVAC Master Plan (\$30,000 split with the Utility Department), five-Year Strategic Plan (\$15,000 split with the Utility Dept), and personnel policy revisions (\$15,000 split with the Utility Dept).
- Insurance is budgeted at \$41,000 which is a 4% increase from FY2021-22. This is determined by estimates provided from the insurance provider, Special District Risk Management Authority (SDRMA). This budget is set conservatively for any discounts or incentives.
- Licenses/Permits/Contracts are budgeted at \$75,000. This includes the CalFire Dispatch Contract for \$35,000 as well as other subscriptions such as incident reporting, standard operating procedures software, and scheduling software.
- Office Expenses are budgeted at \$26,000. Along with normal office needs, the District is planning an upgrade to its website's content management software (\$12,000 shared with the Utility Department).
- Travel, Meetings & Recruitment budgeted at \$31,000. This is an increase from the prior year as more in-person trainings are budgeted. This includes expenses for travel and meetings, employee recognition, and recruitment testing.
- Utilities are budgeted at \$67,000. This is a 6% 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 \$617,000, to be spread over two years, and will be funded primarily 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 FY2024-25. 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)

West Tank Inspection and Recoating: The West Tank is a 1.15-million-gallon welded steel water storage tank that provides domestic and fire supply storage to approximately 75% of the District’s water service territory, and accounts for approximately 65% of the District’s total water storage capacity. Recent inspections of the tank in 2015 and 2019 have indicated that the internal coating system is failing and in need of replacement. Both internal and exterior coating systems for steel water storage tanks typically have a design life of up to 25 years. The West Tank coating dates back to the original construction of the tank and is now more than 30 years old. The project includes surface preparation and coating of both the interior and exterior of the tank, as well as temporary water supply and storage facilities. The project is estimated to cost approximately \$742,000 and will be funded from the Water FARF. The project is scheduled to be completed by November 2022.

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 through fiscal year 2024. The District recently received a grant for \$371,600 from Placer County Water Agency and for \$35,080 from the CA Department of Water Resources. The remainder of the project will be funded from the Water 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, to be completed in FY2024. The project will be funded from the Sewer FARF.

Facility Repairs: A portion of costs for facility maintenance such as slurry seal, patch paving, and HVAC parts are allocated to the Utility Department totaling \$85,000 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 FY2022-23 and is budgeted at \$50,000.

Utility Vehicle: The Department plans to purchase a new Ford 150 to be used for operations in the field such as strike team leader or fire line medic. The cost of the new vehicle is budgeted at \$60,000 to come from the Capital account.

Fixed Asset Replacement Fund (FARF)

Water Tender: This project includes replacement of the 34-year-old Water Tender that has reached the end of its useful life. The replacement is an All-Poly Series 2,000-gallon tanker pumper and new freightliner M2-106 chassis. While the order was placed in August 2021, shipping is not expected until Spring 2023. The budget is set at \$275,000 and will be funded from 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 \$50,000 and will be funded from the Fire FARF.

Turnout Gear Replacement: The budget is set to \$15,000 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 HVAC parts are allocated to the Fire Department totaling \$59,000 from the Fire FARF.

Future Outlook

At the time of preparing this budget, the world is experiencing the fallout from the Coronavirus (COVID-19) that hit the United States in early 2020. Predictions for 2022 are varied as the stock market has seen a sizable drop, inflation is at a 40-year high, the demand for workers significantly outweighs the supply, and concerns continue over the rise in borrowing costs. On the flip side, the state of California is predicting a \$100 billion dollar surplus, the highest ever on record. This will benefit the District as more funds become available for infrastructure projects and wildfire protection. While there are still many unknowns for the future, 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 historically low which means pricing continues to remain high. However, interest rates on borrowing have risen to over 5%, which most believe will lead to a cooling trend in the real estate market. Since the prior year, the median price of a home in Olympic Valley has risen 7%, \$1.14K to \$1.22M. The average number of days to close escrow has increased from 43 days to 61 days. Of course, property values determine ad valorem property tax revenue for the District. While the District expects an increase in FY2022-23, the budget is set conservatively since we will not know the true impacts until September 2022.

A notable financial challenge to the District remains CalPERS's unfunded accrued liability (UAL) for pensions. The District reached a 90% funding level with the Miscellaneous group in FY2020-21. The budget plans for an additional \$200,000 payment for the Safety group in FY2022-23 and plans to be at the 90% funded level in FY2025-26. Depending on CalPERS's investment performance, additional payments to the UAL may happen in future years.

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. Due to staff shortages, the District has terminated its O&M agreement with the Mutual Water Company.

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 year, 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 in a timely manner and without going into debt financing.

The Fire Department will continue the seasonal employee program. Next, the Department is reaching completion of an ambulance study with neighboring Districts to determine the feasibility of adding ambulance services within the District. The Department is near completion of a Community Wildfire Protection Plan. This plan is a collaboration with other community businesses and groups and will be the outline to mitigate wildfire hazards. It is also a great tool to have when applying for fuels reduction grants. Lastly, the Department will continue working with Palisades Tahoe Ski Resort to provide additional service during busy ski weekends and holidays at the District's 1810 Olympic Valley Road facility.

The garbage contract with Truckee Tahoe Sierra Disposal (TTSD) for the 2022-23 fiscal year saw a 7% 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 Resort at Squaw Creek Phase II, Village at Squaw Valley 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 2022 - 2023



	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	\$ 2,175,906	\$ 1,570,121	\$ 328,444	\$ -	\$ 4,074,472	\$ -	\$ 60,000	\$ 15,000	\$ 15,000	\$ 16,500	\$ 4,180,972
Tax Revenue	20,000	30,000	-	-	50,000	3,854,022					3,904,022
Other Misc Revenue	575,066	75,401		46,000	696,467	244,277					940,744
UAL Loan from Utility Dept					-	200,000					200,000
Total Revenue	2,770,972	1,675,523	328,444	46,000	4,820,939	4,298,299	60,000	15,000	15,000	16,500	9,225,738
Expenses											
Payroll & Benefits	1,184,997	1,208,390	-	-	2,393,387	3,299,285					5,692,672
Operating Expenses	580,747	339,029	317,315	21,000	1,258,091	581,130					1,839,221
Debt											
Building Loan	67,113	30,152			97,265	-					97,265
PERS UAL Loan to Fire Dept	200,000				200,000	-					200,000
PERS UAL Additional Payment						200,000					200,000
Additional Building Loan Payment	300,000	-			300,000	-					300,000
FARF Contributions	400,000	95,000	11,000	25,000	531,000	200,000					731,000
Total Expenses & Debt	2,732,858	1,672,571	328,315	46,000	4,779,743	4,280,415	-	-	-	-	9,060,159
Surplus (Loss)	38,115	2,952	129	-	41,196	17,884	60,000	15,000	15,000	16,500	165,579
Surplus FARF/Capital Contributions	(38,115)	(2,952)	(129)	-	(41,196)	(17,884)	(60,000)	(15,000)	(15,000)	(16,500)	(165,579)
Balance	-	-	-	-	0	-	-	-	-	-	(0)
Capital /FARF Rollforward											
Begin Balance 7/1/22	1,530,406	2,666,950	135,754	49,767	4,382,877	1,151,827	1,251,769	279,634	166,818	186,126	7,419,050
Capital Projects	(1,031,875)	(601,875)	(9,375)	-	(1,643,125)	(428,375)	(240,000)	-	-	(110,000)	(2,421,500)
Contributions (from above)	438,115	97,952	11,129	25,000	572,196	217,884	60,000	15,000	15,000	16,500	896,579
Funding from FARFs to Capital	-	-	-	-	-	-	-	-	-	-	-
End Balance 6/30/23	936,646	2,163,026	137,508	74,767	3,311,947	941,336	1,071,769	294,634	181,818	92,626	5,894,130



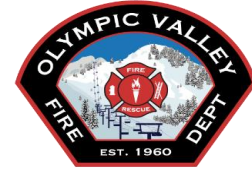
**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
UTILITY & ADMINISTRATIVE DEPARTMENT
OPERATING BUDGET FOR FISCAL YEAR 2022-2023**



	2020 - 21 ACTUAL	2021 - 22 BUDGET	2021 - 22 EXPECTED	2022-23 BUDGET	Inc/ (Dec) from Prior Year	% CHANGE
REVENUES:						
Water Revenue - Rates	\$1,941,808	\$2,034,492	\$2,038,557	\$2,175,906	\$ 137,349	6.7%
Water Revenue - Property Tax	37,662	10,000	20,000	20,000	-	0.0%
Sewer Revenue - Rates	1,457,337	1,429,608	1,436,988	1,570,121	133,133	9.3%
Sewer Revenue - Property Tax	37,662	10,000	20,000	30,000	10,000	50.0%
Garbage Revenue	282,502	294,120	296,827	328,444	31,617	10.7%
Rental Revenue	63,448	63,299	63,299	83,000	19,701	31.1%
Bike Trail Snow Removal	46,000	46,000	46,000	46,000	-	0.0%
Mutual Water Co O&M	108,693	112,349	108,308	-	(108,308)	-100.0%
Grants, Surplus, Admin, Billable	67,929	107,259	151,992	567,467	415,476	273.4%
TOTAL REVENUE:	\$4,043,041	\$4,107,128	\$4,181,971	\$4,820,939	\$ 638,968	15.3%
OPERATING EXPENSES:						
Salaries & Wages	\$1,453,308	\$1,449,461	\$1,312,801	\$1,520,057	\$ 207,256	15.8%
Benefits	978,398	808,832	805,514	873,330	67,816	8.4%
Field Expenses	482,056	536,326	548,775	588,837	40,062	7.3%
Board Expenses	50,837	51,850	51,100	52,164	1,064	2.1%
Consulting Services	71,124	262,340	102,857	214,088	111,231	108.1%
Insurance	67,866	64,760	66,167	69,492	3,325	5.0%
Licenses/Permits/Contracts	41,522	43,994	49,316	45,874	(3,442)	-7.0%
Office Expenses	50,763	65,070	63,070	73,470	10,400	16.5%
Travel, Meetings & Recruitment	8,337	15,300	12,048	14,266	2,218	18.4%
Utilities	131,373	134,226	142,675	153,194	10,519	7.4%
Bike Trail	13,937	21,000	21,000	21,000	-	0.0%
Interest & Misc	66,807	29,175	29,175	25,706	(3,469)	-11.9%
TOTAL OPERATING EXPENSES	\$3,416,328	\$3,482,335	\$3,204,498	\$3,651,478	\$ 446,980	13.9%
Net Income (Loss) Before Non-Operating Expenses	\$ 626,713	\$ 624,793	\$ 977,473	\$ 1,169,461	\$ 191,988	0
NON - OPERATING EXPENSES:						
Building Loan	91,097	94,130	94,130	97,265	3,135	3.3%
Additional Building Loan Payment	-	-	-	300,000	300,000	0.0%
PERS UAL Loan to Fire Department	-	200,000	-	200,000	200,000	0.0%
Annual Side-Fund Loan Pymt	76,571	74,341	74,341	-	(74,341)	-100.0%
TOTAL NON-OPERATING EXPENSES	\$ 167,668	\$ 368,471	\$ 168,471	\$ 597,265	\$ 428,794	
OPERATING SURPLUS/ (LOSS)	\$ 459,045	\$ 256,322	\$ 809,002	\$ 572,196	\$ (236,807)	\$ 0
TRANSFER TO FARF	(459,045)	(256,322)	(809,002)	(572,196)	236,807	(0)
BALANCE	-	-	-	-	-	-



**OLYMPIC VALLEY PUBLIC SERVICE DISTRICT
FIRE DEPARTMENT
OPERATING BUDGET FOR FISCAL YEAR 2022-2023**



	2020 - 21 ACTUALS	2021 - 22 BUDGET	2021 - 22 EXPECTED	2022-23 BUDGET	Inc/ (Dec) from Prior Year	% CHANGE
REVENUES:						
Property Tax	\$ 3,692,261	\$ 3,718,794	\$ 3,818,794	\$ 3,854,022	\$ 35,228	0.92%
Mutual Aid	208,325	-	147,976	-	(147,976)	-100%
Rental Revenue	31,724	31,650	31,650	41,500	9,850	31%
Inspection Fees	34,583	10,000	13,997	10,000	(3,997)	-29%
Grants, Admin & Misc	15,738	10,077	82,761	192,777	110,017	133%
Loan from Sewer for UAL	-	200,000	-	200,000	200,000	0%
TOTAL REVENUE:	\$ 3,982,631	\$ 3,970,521	\$ 4,095,177	\$ 4,298,299	\$ 203,122	5%
OPERATING EXPENSES:						
Salaries & Wages	\$ 1,703,536	\$ 1,702,242	\$ 1,746,832	\$ 1,791,383	\$ 44,551	3%
Benefits	1,340,517	1,053,684	1,048,094	1,150,747	102,653	10%
Admin Salaries & Benefits	303,080	331,668	331,668	357,155	25,487	8%
Field Expenses	133,310	141,525	133,613	134,723	1,109	1%
Board Expenses	16,754	17,263	16,927	17,388	461	3%
Consulting Services	16,975	76,040	56,500	206,813	150,313	266%
Insurance	43,955	49,166	39,513	41,291	1,778	4%
Licenses/Permits/Contracts	60,578	76,099	68,000	74,975	6,975	10%
Office Expenses	12,249	24,420	25,320	26,163	843	3%
Travel, Meetings & Recruitment	5,812	15,100	13,100	13,100	-	0%
Utilities	63,129	59,306	62,750	66,678	3,927	6%
Interest & Misc	-	-	-	-	-	0%
TOTAL OPERATING EXPENSES	\$ 3,699,894	\$ 3,546,513	\$ 3,542,318	\$ 3,880,415	\$ 338,098	9.5%
Net Income (Loss) Before Non-Operating Expenses	\$ 282,737	\$ 424,008	\$ 552,860	\$ 417,884	\$ (134,976)	
NON - OPERATING EXPENSES:						
CalPERS SideFund Loan	\$ 35,627	\$ -	\$ -	\$ -	\$ -	0%
CalPERS UAL Payments	-	200,000	300,000	200,000	(100,000)	-33%
TOTAL NON-OPERATING EXPENSES	\$ 35,627	\$ 200,000	\$ 300,000	\$ 200,000	\$ (100,000)	
NET OPERATING INC/ (DEC)	\$ 247,110	\$ 224,008	\$ 252,860	\$ 217,884	\$ (34,976)	-14%
TRANSFER TO FARF	\$ (247,110)	\$ (224,008)	\$ (252,860)	\$ (217,884)	\$ 34,976	14%
BALANCE	-	-	-	-	-	-

**Olympic Valley PSD
Water Budget
Escalation Factors**

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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	2.0%	2.0%	2.0%	2.0%
Water Dept. Labor	Budgeted	Budgeted	2.0%	2.0%	2.0%	2.0%
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	0.5%	1.0%	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
 Water Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues						
<i>Rate Revenues</i>						
<i>Total Rate Revenues</i>	\$2,038,557	\$2,175,906	\$2,192,226	\$2,208,667	\$2,225,232	\$2,241,921
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$243,173	\$595,066	\$155,539	\$91,742	\$119,375	\$118,839
Total Revenues	\$2,281,730	\$2,770,972	\$2,347,764	\$2,300,409	\$2,344,607	\$2,360,761
<u>Water Department Expenses</u>						
Salaries & Wages						
<i>Total Salaries & Wages</i>	\$303,086	292,785	\$298,641	\$304,614	\$310,706	\$316,920
Employee Benefits						
<i>Total Employee Benefits</i>	\$127,696	128,282	\$133,495	\$138,933	\$144,606	\$150,524
Materials and Supplies						
<i>Total Materials and Supplies</i>	\$64,750	\$67,750	\$69,783	\$71,876	\$74,032	\$76,253
Maintenance Equipment						
<i>Total Maintenance Equipment</i>	\$18,290	\$23,561	\$24,268	\$24,996	\$25,746	\$26,518
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$41,000	\$66,375	\$46,866	\$47,372	\$47,893	\$48,430

Olympic Valley PSD
 Water Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Training & Memberships						
<i>Total Training & Memberships</i>	\$16,750	\$15,300	\$15,606	\$15,918	\$16,236	\$16,561
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$17,750	\$20,500	\$21,115	\$21,748	\$22,401	\$23,073
Total Water Department Expenses	\$589,322	\$614,553	\$609,774	\$625,457	\$641,620	\$658,280
Administration Expenses						
Salaries & Wages (50% Allocation)						
<i>Total Salaries & Wages</i>	\$398,347	459,111	\$454,523	\$463,613	\$472,886	\$482,343
Employee Benefits (50% Allocation)						
<i>Total Employee Benefits</i>	\$282,673	304,820	\$313,725	\$325,049	\$336,808	\$349,020
Board Expenses (50% Allocation)						
<i>Total Board Expenses</i>	\$25,550	\$26,082	\$26,109	\$26,136	\$26,164	\$26,192
Consulting (50% Allocation)						
<i>Total Consulting</i>	\$51,429	\$133,294	\$84,960	\$86,659	\$88,392	\$90,160
Insurance (50% Allocation)						
<i>Total Insurance</i>	\$33,083	\$34,746	\$35,788	\$36,862	\$37,968	\$39,107
Special Fees (50% Allocation)						
<i>Total Special Fees</i>	\$24,658	\$23,437	\$23,906	\$24,384	\$24,872	\$25,369

Olympic Valley PSD
 Water Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Office Expenses (50% Allocation)						
<i>Total Office Expenses</i>	\$31,535	\$36,735	\$33,717	\$34,729	\$35,770	\$36,844
Travel & Meetings (50% Allocation)						
<i>Total Travel & Meetings</i>	\$6,024	\$7,133	\$7,276	\$7,421	\$7,570	\$7,721
Utilities						
<i>Total Utilities</i>	\$101,128	\$108,097	\$112,421	\$116,918	\$121,594	\$126,458
Interest and Misc						
<i>Total Interest and Misc</i>	\$20,131	17,737	\$15,264	\$12,701	\$10,067	\$7,338
Total Administration Expenses	\$974,558	\$1,151,192	\$1,107,688	\$1,134,472	\$1,162,091	\$1,190,553
Total Operations & Maintenance	\$1,563,880	\$1,765,745	\$1,717,462	\$1,759,929	\$1,803,711	\$1,848,832
Annual Debt Service						
CalPERS Sidefund Loan	\$46,091	-	-	-	-	-
Facility Loan	64,950	67,113	69,348	71,657	74,043	76,509
Additional Facility Loan Payment	-	300,000	-	-	-	-
CalPERS Loan to Fire Department	-	200,000	200,000	200,000	100,000	-
CalPERS Additional UAL Payments	-	-	-	-	-	-
<i>Total Annual Debt Service</i>	\$111,041	\$567,113	\$269,348	\$271,657	\$174,043	\$76,509
Net Annual Debt Service	\$111,041	\$567,113	\$269,348	\$271,657	\$174,043	\$76,509
Rate Funded Capital (CRP)	\$500,000	\$400,000	\$400,000	\$425,000	\$550,000	\$550,000

Olympic Valley PSD
 Water Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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	106,809	38,115	48,644	24,050	94,705	266,230
Total Transfer To / (From) Reserves	\$106,809	\$38,115	\$48,644	\$24,050	\$94,705	\$266,230
Total Revenue Requirement	\$2,281,730	\$2,770,972	\$2,435,453	\$2,480,636	\$2,622,459	\$2,741,571
Capital Reserve						
Beginning Balance	\$1,352,343	\$1,251,769	\$1,071,769	\$821,365	\$0	\$61,360
Plus: Additions	0	0	0	33,437	0	1,325,912
Plus: Connection Fees	274,426	60,000	60,450	60,903	61,360	61,820
Less: Uses of Funds	(375,000)	(240,000)	(310,854)	(915,705)	0	(1,449,093)
Ending Balance	\$1,251,769	\$1,071,769	\$821,365	\$0	\$61,360	\$0
Fixed Asset Replacement Fund						
Beginning Balance	\$1,442,097	\$1,530,406	\$936,646	\$561,839	\$546,788	\$1,002,290
Plus: Additions	606,809	438,115	448,644	415,613	644,705	(509,682)
Less: Uses of Funds	(518,500)	(1,031,875)	(823,451)	(430,664)	(189,203)	(128,276)
Ending Balance	\$1,530,406	\$936,646	\$561,839	\$546,788	\$1,002,290	\$364,332
Total Operating Reserve Funds	\$1,530,406	\$936,646	\$561,839	\$546,788	\$1,002,290	\$364,332
Total Target Ending Fund Balance (60 days of O&M)	\$257,076	\$290,259	\$282,322	\$289,303	\$296,500	\$303,918

Olympic Valley PSD
Water Budget
Revenue Requirement

		Expected	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Olympic Valley PSD Water Budget Revenue Requirement Summary							
		Expected	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenue							
	Rate Revenues	\$2,038,557	\$2,175,906	\$2,192,226	\$2,208,667	\$2,225,232	\$2,241,921
	Non-Operating Revenues	243,173	595,066	155,539	91,742	119,375	118,839
	Total Revenues	\$2,281,730	\$2,770,972	\$2,347,764	\$2,300,409	\$2,344,607	\$2,360,761
Expenses							
	Total Water Department Expenses	\$589,322	\$614,553	\$609,774	\$625,457	\$641,620	\$658,280
	Total Administration Expenses	974,558	1,151,192	1,107,688	1,134,472	1,162,091	1,190,553
	Total O&M Expenses	\$1,563,880	\$1,765,745	\$1,717,462	\$1,759,929	\$1,803,711	\$1,848,832
	Net Annual Debt Service	\$111,041	\$567,113	\$269,348	\$271,657	\$174,043	\$76,509
	Rate Funded Capital (CRP)	\$500,000	\$400,000	\$400,000	\$425,000	\$550,000	\$550,000
	Transfer To / (From) Reserves	\$106,809	\$38,115	\$48,644	\$24,050	\$94,705	\$266,230
Total Revenue Requirement		\$2,281,730	\$2,770,972	\$2,435,453	\$2,480,636	\$2,622,459	\$2,741,571
Total Operating Reserve Funds		\$1,530,406	\$936,646	\$561,839	\$546,788	\$1,002,290	\$364,332
Total Target Ending Fund Balance (60 days of O&M)		\$257,076	\$290,259	\$282,322	\$289,303	\$296,500	\$303,918

Olympic Valley PSD
 Sewer Budget
 Escalation Factors

		Expected	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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	2.0%	2.0%	2.0%	2.0%
	Sewer Dept. Labor	Budgeted	Budgeted	2.0%	2.0%	2.0%	2.0%
	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		0.5%	1.0%	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 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues						
<i>Rate Revenues</i>						
<i>Total Rate Revenues</i>	\$1,436,988	\$1,570,121	\$1,635,425	\$1,703,895	\$1,775,688	\$1,850,971
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$120,426	\$105,401	\$114,754	\$102,971	\$103,800	\$109,001
Total Revenues	\$1,557,414	\$1,675,523	\$1,750,179	\$1,806,866	\$1,879,488	\$1,959,972
Sewer Department Expenses						
Salaries & Wages						
<i>Total Salaries & Wages</i>	\$213,020	309,051	\$315,232	\$321,536	\$327,967	\$334,527
Employee Benefits						
<i>Total Employee Benefits</i>	\$112,472	135,409	\$140,836	\$146,494	\$152,393	\$158,545
Materials and Supplies						
<i>Total Materials and Supplies</i>	\$10,679	\$12,250	\$12,618	\$12,996	\$13,386	\$13,787
Maintenance Equipment						
<i>Total Maintenance Equipment</i>	\$13,790	\$21,561	\$22,208	\$22,874	\$23,560	\$24,267
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$21,500	\$13,225	\$13,622	\$14,030	\$14,451	\$14,885

Olympic Valley PSD
 Sewer Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Training & Memberships						
<i>Total Training & Memberships</i>	\$10,200	\$10,500	\$10,710	\$10,924	\$11,143	\$11,366
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$16,750	\$20,500	\$21,115	\$21,748	\$22,401	\$23,073
Total Sewer Department Expenses	\$398,413	\$522,496	\$536,340	\$550,604	\$565,302	\$580,450
<u>Administration Expenses</u>						
Salaries & Wages (50% Allocation)						
<i>Total Salaries & Wages</i>	\$398,347	\$459,111	\$468,293	\$477,659	\$487,212	\$496,956
Employee Benefits (50% Allocation)						
<i>Total Employee Benefits</i>	\$282,673	304,820	\$314,158	\$325,936	\$338,172	\$350,884
Board Expenses (50% Allocation)						
<i>Total Board Expenses</i>	\$25,550	\$26,082	\$25,444	\$25,458	\$25,472	\$25,486
Consulting (50% Allocation)						
<i>Total Consulting</i>	\$51,429	\$80,794	\$31,410	\$32,038	\$32,679	\$33,332
Insurance (50% Allocation)						
<i>Total Insurance</i>	\$33,083	\$34,746	\$35,788	\$36,862	\$37,968	\$39,107

Olympic Valley PSD
 Sewer Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Special Fees (50% Allocation)						
<i>Total Special Fees</i>	\$24,658	\$22,437	\$22,886	\$23,343	\$23,810	\$24,287
Office Expenses (50% Allocation)						
<i>Total Office Expenses</i>	\$31,535	\$36,735	\$33,717	\$34,729	\$35,770	\$36,844
Travel & Meetings (50% Allocation)						
<i>Total Travel & Meetings</i>	\$6,024	\$7,133	\$7,276	\$7,421	\$7,570	\$7,721
Utilities (50% Allocation)						
<i>Total Utilities</i>	\$41,548	\$45,097	\$46,901	\$48,777	\$50,728	\$52,757
Interest and Misc (50% Allocation)						
<i>Total Interest and Misc</i>	\$9,044	\$7,969	\$6,858	\$5,706	\$4,523	\$3,297
Total Administration Expenses	\$903,891	\$1,024,923	\$992,730	\$1,017,929	\$1,043,903	\$1,070,671
Total Operations & Maintenance	\$1,302,304	\$1,547,419	\$1,529,069	\$1,568,532	\$1,609,205	\$1,651,120
Annual Debt Service						
Facility Loan	29,180	30,152	31,156	32,194	33,328	34,373
CalPERS Loan to Fire Department	-	-	-	-	100,000	-
<i>Total Annual Debt Service</i>	\$29,180	\$30,152	\$31,156	\$32,194	\$133,328	\$34,373
Net Annual Debt Service	\$29,180	\$30,152	\$31,156	\$32,194	\$133,328	\$34,373

Olympic Valley PSD
Sewer Budget
Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rate Funded Capital (CRP)	\$225,000	\$95,000	\$250,000	\$350,000	\$400,000	\$400,000
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	930	2,952	21,724	30,789	16,848	273,374
	-----	-----	-----	-----	-----	-----
Total Transfer To / (From) Reserves	\$930	\$2,952	\$21,724	\$30,789	\$16,848	\$273,374
Total Revenue Requirement	\$1,557,414	\$1,675,523	\$1,831,950	\$1,981,515	\$2,159,381	\$2,358,868

Capital Reserve

Beginning Balance	\$154,450	\$279,634	\$294,634	\$253,529	\$126,700	\$142,040
Plus: Additons	0	0	0	0	0	0
Plus: Connection Fees	125,184	15,000	15,113	15,226	15,340	15,455
Less: Uses of Funds	0	0	(56,218)	(142,055)	0	0
Ending Balance	\$279,634	\$294,634	\$253,529	\$126,700	\$142,040	\$157,495

Fixed Asset Replacement Fund

Beginning Balance	\$2,813,520	\$2,666,950	\$2,163,027	\$881,829	\$1,100,097	\$1,022,870
Plus: Additons	225,930	97,952	271,724	380,789	416,848	673,374
Less: Uses of Funds	(372,500)	(601,875)	(1,552,922)	(162,521)	(494,074)	(160,919)
Ending Balance	\$2,666,950	\$2,163,027	\$881,829	\$1,100,097	\$1,022,870	\$1,535,325
Total Operating Reserve Funds	\$2,666,950	\$2,163,027	\$881,829	\$1,100,097	\$1,022,870	\$1,535,325
Total Target Ending Fund Balance	\$214,077	\$254,370	\$251,354	\$257,841	\$264,527	\$271,417

Olympic Valley PSD
Sewer Budget
Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Olympic Valley PSD Sewer Budget Revenue Requirement Summary						
Revenue						
Rate Revenues	\$1,436,988	\$1,570,121	\$1,635,425	\$1,703,895	\$1,775,688	\$1,850,971
Non-Operating Revenues	120,426	105,401	114,754	102,971	103,800	109,001
Total Revenues	\$1,557,414	\$1,675,523	\$1,750,179	\$1,806,866	\$1,879,488	\$1,959,972
Expenses						
Total Sewer Department Expenses	\$398,413	\$522,496	\$536,340	\$550,604	\$565,302	\$580,450
Total Administration Expenses	903,891	1,024,923	992,730	1,017,929	1,043,903	1,070,671
Total O&M Expenses	\$1,302,304	\$1,547,419	\$1,529,069	\$1,568,532	\$1,609,205	\$1,651,120
Net Annual Debt Service	\$29,180	\$30,152	\$31,156	\$32,194	\$133,328	\$34,373
Rate Funded Capital (CRP)	\$225,000	\$95,000	\$250,000	\$350,000	\$400,000	\$400,000
Transfer To / (From) Reserves	\$930	\$2,952	\$21,724	\$30,789	\$16,848	\$273,374
Total Revenue Requirement	\$1,557,414	\$1,675,523	\$1,831,950	\$1,981,515	\$2,159,381	\$2,358,868
Total Operating Reserve Funds	\$2,666,950	\$2,163,027	\$881,829	\$1,100,097	\$1,022,870	\$1,535,325
Total Target Ending Fund Balance	\$214,077	\$254,370	\$251,354	\$257,841	\$264,527	\$271,417

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

		Expected	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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	1.5%	1.5%	1.5%	1.5%
	Admin Dept. Labor	Actual	Budgeted	2.0%	2.0%	2.0%	2.0%
	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		0.5%	1.0%	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 Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues						
<i>Total Rate Revenues</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Non-Operating Revenues</i>						
<i>Total Non-Operating Revenues</i>	\$4,095,177	\$4,298,299	\$4,389,412	\$4,446,225	\$4,320,932	\$4,177,196
Total Revenues	\$4,095,177	\$4,298,299	\$4,389,412	\$4,446,225	\$4,320,932	\$4,177,196

Fire Department Expenses

Salaries & Wages

<i>Total Salaries & Wages</i>	\$2,078,500	\$2,148,538	\$2,167,597	\$2,202,203	\$2,255,364	\$2,291,089
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Employee Benefits

<i>Total Employee Benefits</i>	\$1,048,094	\$1,150,747	\$1,230,588	\$1,266,124	\$1,307,600	\$1,346,078
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Materials and Supplies

20-12-631000 Materials & Supplies	\$300	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
<i>Total Materials and Supplies</i>	\$27,915	\$33,400	\$33,177	\$34,172	\$35,197	\$36,253

Equipment Maintenance & Repair

<i>Total Equipment Maintenance & Repa</i>	\$19,250	\$21,500	\$22,145	\$22,809	\$23,494	\$24,198
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Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Facilities-Maint/Repair						
<i>Total Facilities-Maint/Repair</i>	\$33,611	\$26,883	\$27,689	\$28,520	\$29,376	\$30,257
Training & Memberships						
<i>Total Training & Memberships</i>	\$21,479	\$23,000	\$23,460	\$23,929	\$24,408	\$24,896
Vehicle Maintenance & Repair						
<i>Total Vehicle Maintenance & Repair</i>	\$31,359	\$29,940	\$30,838	\$31,763	\$32,716	\$33,697
Total Fire Department Expenses	\$3,260,207	\$3,434,008	\$3,535,495	\$3,609,521	\$3,708,154	\$3,786,469
<u>Administration Expenses</u>						
Board Expenses						
<i>Total Board Expenses</i>	\$16,927	\$17,388	\$16,896	\$16,904	\$16,912	\$17,195
Consulting						
<i>Total Consulting</i>	\$56,500	\$206,813	\$174,565	\$174,821	\$17,581	\$17,845
Insurance						
<i>Total Insurance</i>	\$39,513	\$41,291	\$42,530	\$43,805	\$45,120	\$46,473
Special Fees						
<i>Total Special Fees</i>	\$68,000	\$74,975	\$76,475	\$78,004	\$79,564	\$81,155
Office Expenses						
<i>Total Office Expenses</i>	\$25,320	\$26,163	\$26,948	\$27,756	\$28,589	\$29,447

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Travel & Meetings						
<i>Total Travel & Meetings</i>	\$13,100	\$13,100	\$13,362	\$13,629	\$13,902	\$14,180
Utilities						
<i>Total Utilities</i>	\$62,750	\$66,678	\$69,345	\$72,119	\$75,003	\$78,004
Total Administration Expenses	\$282,110	\$446,408	\$420,120	\$427,039	\$276,671	\$284,298
Total Operations & Maintenance	\$3,542,318	\$3,880,415	\$3,955,615	\$4,036,559	\$3,984,825	\$4,070,767
Annual Debt Service						
CalPERS SideFund Loan	-	-	-	-	-	-
CalPERS Additional UAL Payments	300,000	200,000	200,000	200,000	200,000	-
Net Annual Debt Service	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000	\$0
Contributions to Capital (CRP)	\$250,000	\$200,000	\$200,000	\$200,000	\$125,000	\$105,000
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	2,860	17,884	33,797	9,665	11,107	1,429
<i>Total Transfer To / (From) Reserves</i>	\$2,860	\$17,884	\$33,797	\$9,665	\$11,107	\$1,429
Total Revenue Requirement	\$4,095,177	\$4,298,299	\$4,389,412	\$4,446,225	\$4,320,932	\$4,177,196

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Capital Reserve						
Beginning Balance	\$135,611	\$186,126	\$92,626	\$109,126	\$125,791	\$142,622
Plus: Additions	0	0	0	0	0	0
Plus: Connection Fees	50,515	16,500	16,500	16,665	16,832	17,000
Less: Uses of Funds	0	(110,000)	0	0	0	0
Ending Balance	186,126	\$92,626	\$109,126	\$125,791	\$142,622	\$159,622
Fixed Asset Replacement Fund						
Beginning Balance	\$941,967	\$1,151,827	\$941,336	\$880,343	\$673,373	\$312,791
Plus: Additions	252,860	217,884	233,797	209,665	136,107	106,429
Less: Uses of Funds	(43,000)	(428,375)	(294,791)	(416,635)	(496,689)	(248,014)
Ending Balance	\$1,151,827	\$941,336	\$880,343	\$673,373	\$312,791	\$171,206
Total Operating Reserve Funds	\$1,151,827	\$941,336	\$880,343	\$673,373	\$312,791	\$171,206
Total Target Ending Fund Balance (60 days of O&M)	\$582,299	\$637,876	\$650,238	\$663,544	\$655,040	\$669,167

Olympic Valley Fire Department
 Fire Department Budget
 Revenue Requirement

	Expected	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Olympic Valley Fire Department Fire Department Budget Revenue Requirement Summary						
Rate Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Revenues	4,095,177	4,298,299	4,389,412	4,446,225	4,320,932	4,177,196
Total Revenues	\$4,095,177	\$4,298,299	\$4,389,412	\$4,446,225	\$4,320,932	\$4,177,196
Expenses						
Total Fire Department Expenses	\$3,260,207	\$3,434,008	\$3,535,495	\$3,609,521	\$3,708,154	\$3,786,469
Total Administration Expenses	282,110	446,408	420,120	427,039	276,671	284,298
Total O&M Expenses	\$3,542,318	\$3,880,415	\$3,955,615	\$4,036,559	\$3,984,825	\$4,070,767
Net Annual Debt Service	\$300,000	\$200,000	\$200,000	\$200,000	\$200,000	\$0
Contributions to Capital (CRP)	\$250,000	\$200,000	\$200,000	\$200,000	\$125,000	\$105,000
Transfer To / (From) Reserves	\$2,860	\$17,884	\$33,797	\$9,665	\$11,107	\$1,429
Total Revenue Requirement	\$4,095,177	\$4,298,299	\$4,389,412	\$4,446,225	\$4,320,932	\$4,177,196
Balance/(Deficiency) of Funds	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Reserve Funds	\$1,151,827	\$941,336	\$880,343	\$673,373	\$312,791	\$171,206
Total Target Ending Fund Balance (60 days of O&M)	\$582,299	\$637,876	\$650,238	\$663,544	\$655,040	\$669,167



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



FINANCIAL RESERVES POLICY – ANNUAL RESERVE ANALYSIS

To: Board of Directors
From: Danielle Mueller, Finance & Administration Manager and Mike Geary, General Manager
Date: June 30, 2022
RE: Fire Fixed Asset Replacement Fund

Pursuant to the District's Financial Reserves Policy, a reserve analysis is performed at least annually as part of the District's budget preparations. The analysis was performed for the Water, Sewer, Fire, and Garbage Fixed Asset Replacement Funds' (FARFs') projected balances on June 30, 2022 as well as their projected balances for the next five years.

The analysis indicates future projected reserve levels in the Fire Department's FARF will fall 10% below its targeted balances for "Operating" Reserves. The Policy stipulates that the minimum FARF balance for Operating Reserves is equal to two months of operating expenses. For the two (2) years noted below, the prescribed minimum balance targets and projected balances are as follows:

- June 30, 2026: minimum balance target = \$655,000 and projected balance = \$313,000
- June 30, 2027: minimum balance target = \$669,000 and projected balance = \$171,000

The Financial Reserves Policy provides that at least one of the following actions shall occur:

- An explanation of why the reserve levels are not at the targeted level, and/ or
- An identified course of action to bring reserve levels within the minimum levels prescribed.

The reserve level is 10% below this threshold because of the District's prioritization to pay down the Fire Department's CalPERS Unfunded Accrued Liability (UAL), for which the balance due by the District to CalPERS increases with interest by 6.8% annually. It is the District's goal to minimize the amount of interest paid on the UAL and plans to have the UAL paid down to a 90% funded level in the next four (4) years.

After the UAL balance is paid down, the District intends to contribute approximately \$250,000 per year to the Fire Department FARF, which will be sufficient to increase our reserve level above the minimum prescribed by the Financial Reserves Policy.

The analysis indicates that the Water, Sewer, and Garbage FARFs' projected balances on June 30, 2022, as well as their projected balances for the next five years, will meet the prescribed minimum levels for Operating, Capital, and Rate Stabilization Reserves. It also concludes that the Fire FARF will meet the minimum levels for Capital Reserves during the same period. Rate Stabilization Reserves are not applicable to the Fire FARF.

COST OF SERVICE ANALYSIS

2022-2023

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 2022-2023**



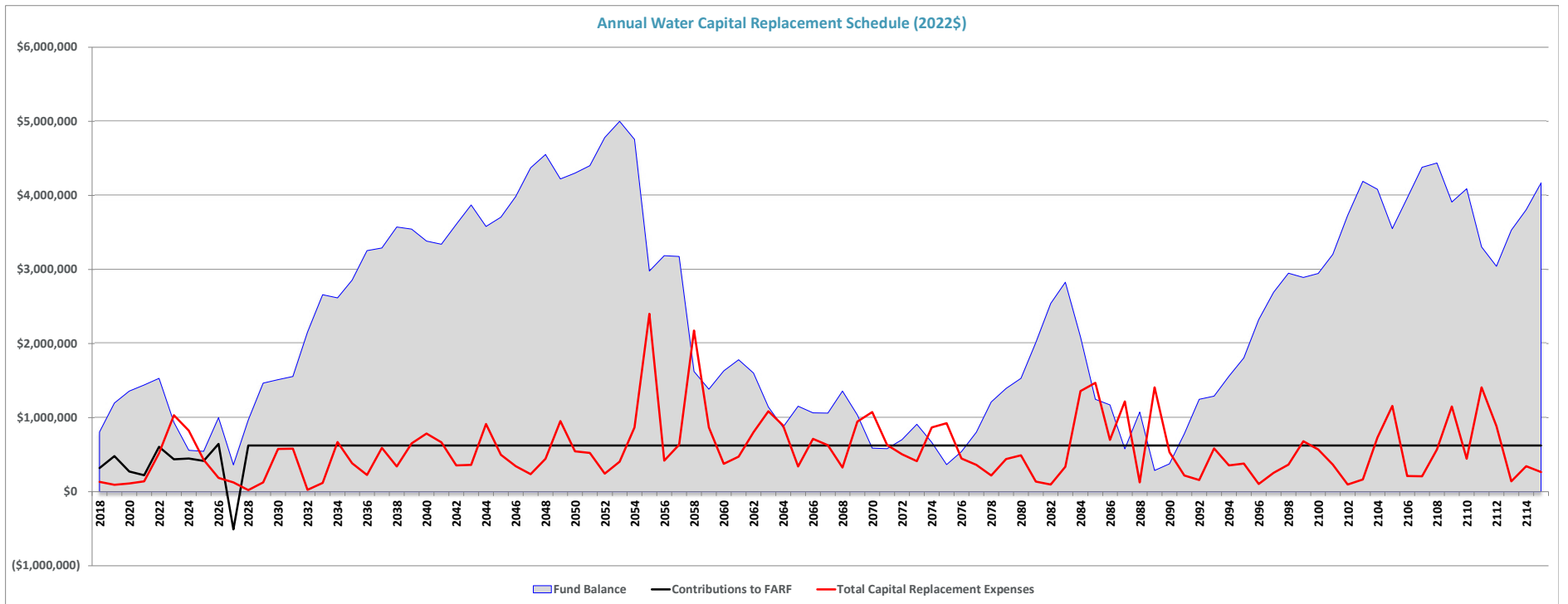
	PROJECT COST	WATER DEPT	SEWER DEPT	GARBAGE DEPT	Fire DEPT
CAPITAL IMPROVEMENTS					
Water Capital					
Mutual Intertie	240,000	240,000			
Sewer Capital					
Fire Capital					
Regional Training Facility	50,000				50,000
Utility Vehicle	60,000				60,000
TOTAL CAPITAL IMPROVEMENTS	350,000	240,000	-	-	110,000
CAPITAL REPLACEMENTS (FARF's)					
Water					
West Tank Inspection and Recoating	600,000	600,000			
Residential Meter Replacements	300,000	300,000			
Hydrants	40,000	40,000			
Sewer					
Sewer Line Rehabilitation/Replacement	500,000		500,000		
Sewer Inspections	10,000		10,000		
Fire					
Water Tender	275,000				275,000
SCBAs	50,000				50,000
Turnout Gear Replacement	15,000				15,000
Kitchen Appliances & Mattresses	13,000				13,000
Manikin	8,000				8,000
Radios	8,000				8,000
Shared Assets					
SCBA Cart	15,000	7,500	7,500		
SCADA Replacements	50,000	25,000	25,000		
New Holland	50,000	16,667	16,667		16,667
305 AC Slurry Seal/Pave Repair	50,000	16,667	16,667		16,667
305 Replace Carpet (Board Room)	5,000	1,667	1,667		1,667
305 Replace Locks	10,000	3,333	3,333		3,333
305 Replace Light Fixtures	15,000	5,000	5,000		5,000
305 HVAC	20,000	6,667	6,667		6,667
1810 Exterior	5,000	1,250	1,250	1,250	1,250
1810 AC Slurry Seal/Pave Patch	25,000	6,250	6,250	6,250	6,250
1810 Exhaust Vents	7,500	1,875	1,875	1,875	1,875
TOTAL CAPITAL REPLACEMENTS (FARF's)	2,071,500	1,031,875	601,875	9,375	428,375
TOTAL CAPITAL PROJECTS	2,421,500	1,271,875	601,875	9,375	538,375

Olympic Valley PSD
 Water Budget
 Capital Projects

Inflation 3.0%

 ENR CCI 10 year average

Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Improvement Projects (CIP)							
Mutual Intertie	\$130,000	240,000	247,200	\$0	\$0	\$0	\$617,200
Pressure Zone 1A	0	0	63,654	915,705	0	0	\$979,359
PlumpJack Well	0	0	0	0	0	1,449,093	\$1,449,093
Zone 3 Portable Generator	50,000	0	0	0	0	0	\$50,000
Hidden Lake Waterline Loop Replacement	\$195,000	0	0	0	0	0	\$195,000
Total Capital Projects	\$375,000	\$240,000	\$310,854	\$915,705	\$0	\$1,449,093	\$3,290,652
Capital Replacement Projects (CRP)							
Hidden Lake Waterline Loop Replacement	\$195,000	\$0	0	0	\$0	\$0	\$195,000
Victor/Hidden Lake 2" line replacement	\$0	\$0	31,827	245,864	\$0	\$0	\$277,691
Hydrants	21,000	40,000	21,630	22,279	22,947	23,636	\$151,492
Residential Meter Replacements	175,000	300,000	291,748	0	0	0	\$766,748
West Tank Inspection and recoating	100,000	600,000	0	0	0	0	\$700,000
Zone 3 Recoating	0	0	265,225	0	0	0	\$265,225
Ford F-250 w Utility Box	0	0	32,145	0	0	0	\$32,145
Ford F-150 Service Truck	0	0	0	16,883	0	0	\$16,883
Ford F-350 Flat Bed	0	0	0	0	29,263	0	\$29,263
JD Loader	0	0	0	54,582	0	0	\$54,582
New Holland	0	16,667	0	0	35,793	0	\$52,460
SCADA replacement	0	25,000	26,523	27,318	0	0	\$78,841
SCBA Cart	0	7,500	0	0	0	0	\$7,500
Radios	7,500	0	0	0	0	0	\$7,500
305 Replace Carpets	0	1,667	0	0	0	34,743	\$36,410
305 HVAC	10,000	6,667	136,013	0	0	0	\$152,679
305 Replace light fixtures	0	5,000	0	0	0	28,982	\$33,982
305 Locks	0	3,333	3,533	3,639	3,748	3,860	\$18,113
305 Exterior Paint	0	0	8,841	0	0	0	\$8,841
305 Interior Paint	0	0	0	0	0	30,296	\$30,296
305 AC Slurry Seal/Pave Patch	0	16,667	0	0	91,825	3,860	\$112,352
305 Replace IT Hardware	10,000	0	0	0	0	0	\$10,000
1810 Repaving	-	0	0	60,100	0	0	\$60,100
1810 Rollup doors	-	0	0	0	5,628	0	\$5,628
1810 Exterior	0	3,125	5,968	0	0	0	\$9,093
1810 AC Slurry Seal/Pave Patch	0	6,250	0	0	0	2,898	\$9,148
Total Capital Replcmnt. Projects	\$518,500	1,031,875	\$823,451	\$430,664	\$189,203	\$128,276	\$3,121,969
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	375,000	240,000	310,854	915,705	0	1,449,093	\$3,290,652
Fixed Asset Replacement Fund	518,500	1,031,875	823,451	430,664	189,203	128,276	\$3,121,969
New SRF Loans	0	0	0	0	0	0	\$0
New Revenue Bonds	0	0	0	0	0	0	\$0
Total Outside Funding Sources	\$893,500	\$1,271,875	\$1,134,305	\$1,346,369	\$189,203	\$1,577,368	\$6,561,023
Rate Funded Capital (CRP)	\$500,000	\$400,000	\$400,000	\$425,000	\$550,000	\$550,000	\$2,497,211



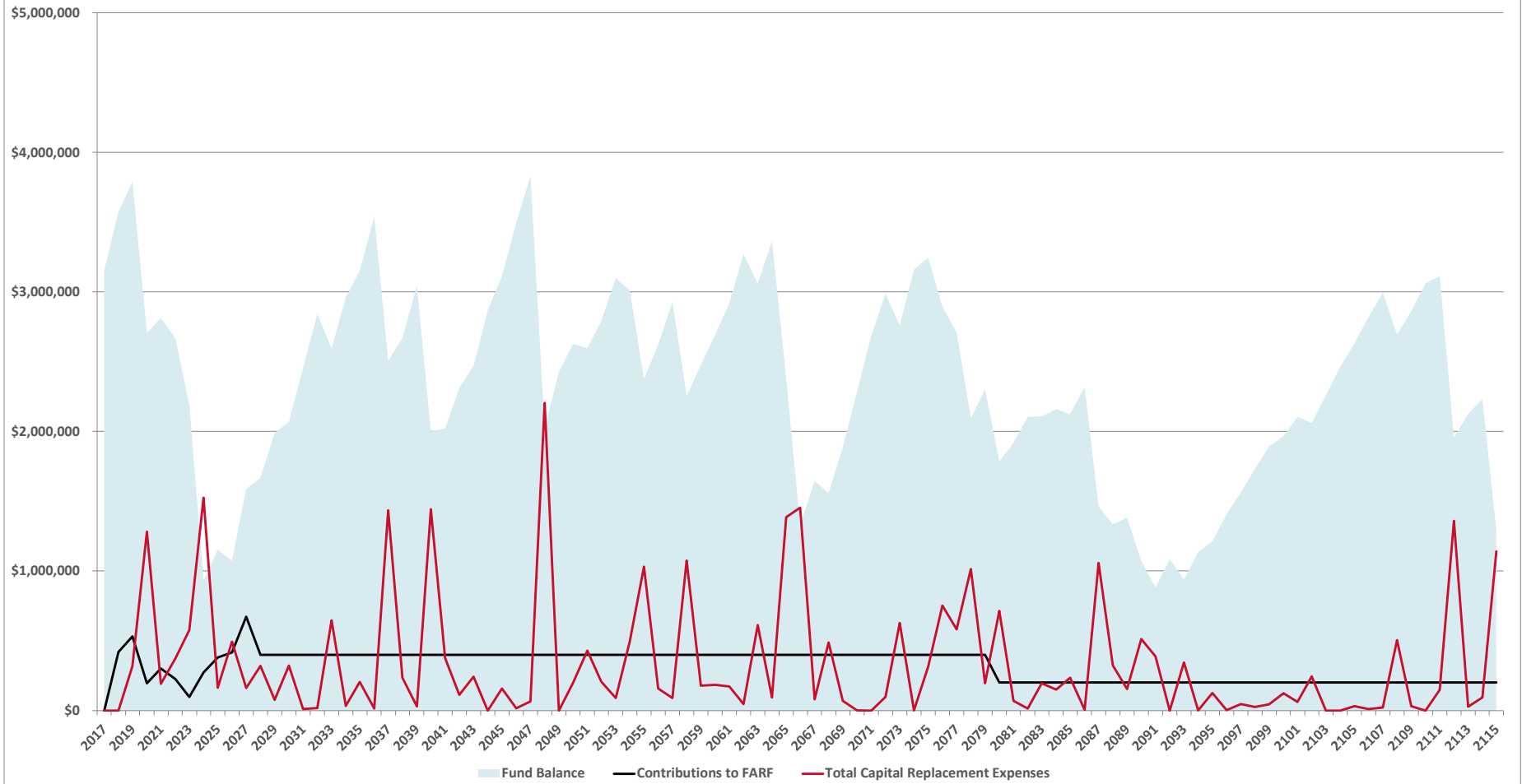
Olympic Valley PSD
 Sewer Budget
 Exhibit 4
 Capital Projects

Inflation 3.0%

 ENR CCI 10 year average

Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Improvement Projects (CIP)							
Sewer Bypass Trailer and Hose	0	0	35,000	0	0	0	\$35,000
Sewer Flow Meters	0	0	21,218	142,055	0	0	163,273
Total Capital Projects	\$0	\$0	\$56,218	\$142,055	\$0	\$0	\$198,273
Capital Replacement Projects (CRP)							
Lateral CCTV Cam	0	0	20,600	0	0	0	20,600
Sewer Line Rehabilitation/Replacement	0	500,000	1,000,000	0	0	0	1,500,000
VacCon	20,000	0	0	0	0	0	20,000
Backyard Sewer Easement Replacement	0	0	309,000	0	327,818	0	636,818
A79 to CO-A79A Sewer Replacement	275,000	0	0	0	0	0	275,000
Ford F-250 w Utility Box	0	0	32,145	0	0	0	32,145
Ford F-150 Service Truck	0	0	0	16,883	0	0	16,883
Ford F-350 Flat Bed	0	0	0	0	29,263	0	29,263
JD Loader	0	0	0	54,582	0	0	54,582
Sewer Inspections	50,000	10,000	10,300	0	0	56,275	126,575
SCBA Cart	0	7,500	0	0	0	0	7,500
Radios	7,500	0	0	0	0	0	7,500
New Holland	0	16,667	0	0	35,793	0	52,460
SCADA replacement	0	25,000	26,523	27,318	0	0	78,841
305 Replace Carpets	0	1,667	0	0	0	34,743	36,410
305 HVAC	10,000	6,667	136,013	0	0	28,982	181,661
305 Replace light fixtures	0	5,000	0	0	0	0	5,000
305 Locks	0	3,333	3,533	3,639	3,748	3,860	18,113
305 Exterior Paint	0	0	8,841	0	0	0	8,841
305 Interior Paint	0	0	0	0	0	30,296	30,296
305 AC Slurry Seal/Pave Patch	0	16,667	0	0	91,825	3,864	112,356
305 Replace IT Hardware	10,000	0	0	0	0	0	10,000
1810 Exterior	-	3,125	5,968	0	0	0	9,093
1810 Repaving	0	0	0	60,100	0	0	60,100
1810 Rollup doors	0	0	0	0	5,628	0	5,628
1810 AC Slurry Seal/Pave Patch	0	6,250	0	0	0	2,898	9,148
	\$372,500	\$601,875	\$1,552,922	\$162,521	\$494,074	\$160,919	\$3,344,812
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	0	0	56,218	142,055	0	0	198,273
Fixed Asset Replacement Fund	372,500	601,875	1,552,922	162,521	494,074	160,919	3,344,812
New SRF Loans	0	0	0	0	0	0	0
New Revenue Bonds	0	0	0	0	0	0	0
Total Outside Funding Sources	\$372,500	\$601,875	\$1,609,140	\$304,576	\$494,074	\$160,919	\$3,543,084
Rate Funded Capital (CRP)	\$225,000	\$95,000	\$250,000	\$350,000	\$400,000	\$400,000	\$1,720,000

Annual Sewer Capital Replacement Schedule (2022\$)



Olympic Valley Fire Department
 Fire Department Budget
 Exhibit 4
 Capital Projects

Inflation	3.0%
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Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Capital Improvement Projects (CIP)							
Regional Training Facility	-	\$50,000	-	-	-	-	\$50,000
Utility Vehicle	-	\$60,000	-	-	-	-	60,000
Total Capital Projects	-	110,000	-	-	-	-	\$110,000
Capital Replacement Projects (CRP)							
Type 1 Engine 2WD	-	-	-	273,182	-	-	273,182
Type 3 (B-22)	-	-	-	-	247,612	-	247,612
Replace Command Vehicle	-	-	74,263	-	-	-	74,263
Water Tender	-	275,000	-	-	-	-	275,000
Turnout Gear Replacement	15,000	15,000	15,914	16,391	16,883	-	79,187
SCBAs	-	50,000	-	-	-	-	50,000
Thermal Imaging	-	-	-	-	-	13,911	13,911
Appliance/Furniture Repl	5,000	13,000	-	-	-	-	18,000
ALS Monitors	-	-	-	-	-	94,105	94,105
Station Air Compressor	5,000	-	-	-	-	-	5,000
Ranger 21 (UTV)	-	-	-	-	-	28,982	28,982
ALS Manikin	-	8,000	-	-	-	-	8,000
Radios	8,000	8,000	8,487	8,742	9,004	9,274	51,507
R-21 Hurst Tools	-	-	47,741	-	-	-	47,741
305 AC Repave	-	-	-	-	91,825	-	91,825
New Holland	-	16,667	-	-	35,793	-	52,460
JD Loader	-	-	-	54,582	0	-	54,582
305 HVAC	10,000	6,667	136,013	0	-	-	\$152,679
305 Replace Carpet (board room)	-	1,667	-	-	-	34,743	36,410
305 Replace Locks	-	3,333	3,533	3,639	3,748	3,860	18,113
305 Replace light fixtures	-	5,000	-	-	-	28,982	33,982
305 Exterior paint	-	-	8,841	-	-	-	8,841
305 Interior paint	-	-	-	-	-	30,296	30,296
305 AC Slurry Seal/Pave Patch	-	16,667	-	-	91,825	3,860	\$112,352
1810 Exterior	-	3,125	-	-	-	-	\$3,125
1810 AC Repave	-	-	-	60,100	-	-	\$60,100
1810 AC Slurry Seal/Pave Patch	-	6,250	-	-	-	-	6,250
Total Capital Replcmnt. Projects	\$43,000	428,375	\$294,791	\$416,635	\$496,689	\$248,014	\$1,927,504
Less: Outside Funding Sources							
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve	0	110,000	0	0	0	0	110,000
Fixed Asset Replacement Fund	43,000	428,375	294,791	416,635	496,689	248,014	1,927,504
New SRF Loans	0	0	0	0	0	0	0
New Revenue Bonds	0	0	0	0	0	0	0
Total Outside Funding Sources	\$43,000	\$538,375	\$294,791	\$416,635	\$496,689	\$248,014	\$2,037,504
Contributions to Capital (CRP)	\$250,000	\$200,000	\$200,000	\$200,000	\$125,000	\$105,000	\$1,080,000

Annual Fire Capital Replacement Schedule (2022\$)

