



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



EXHIBIT F-3
13 Pages

ADOPTION OF FISCAL YEAR 2025 – 2026 RATES AND CHARGES

DATE: June 24, 2025

TO: District Board Members

FROM: Danielle Mueller, Finance & Administration Manager

SUBJECT: Adoption of Water, Sewer, and Garbage Fees for FY2025 - 2030

BACKGROUND: In January 2025, the Board approved the initiation of the Proposition 218 process to adopt updated water, sewer, and garbage rates. As such, a Notice of Public Hearing was mailed to all affected property owners and customers, initiating a 45-day protest period. The notice included proposed rate adjustments and the rationale supporting them. This report brings the item back to the Board to formally conduct the public hearing and consider the adoption of the proposed rates.

In addition to service rates, the Board is being asked to consider approving updated connection fees and other miscellaneous charges for services the District provides. The connection fees were included in the study but not noticed through the same Proposition 218 process. All updated rates, fees, and schedules will be adopted together under a single resolution.

DISCUSSION: The proposed rates for water and sewer services were developed through a comprehensive cost-of-service and rate study conducted by HDR Engineering, Inc. This study ensured that the rates are equitable, compliant with legal requirements, and sufficient to recover the costs of providing services. The current year represents the first of a five-year rate schedule developed under the HDR study. The garbage fees were adjusted based on a contract with Tahoe Truckee Sierra Disposal, the third-party contractor that performs all residential garbage collection in the Valley. The rate structure for all utilities considers operational needs, capital improvements, and long-term financial sustainability of each service.

At the time of this report preparation, the District has received one protest letter. The concerns expressed in the letter related solely to the garbage fee increases. Upon the close of the public hearing, if the number of valid protests received does not meet the threshold required, the legislative body may proceed with imposing the proposed property-related fees or charges.

The proposed rates include a rate adjustment annually over a five-year period. Beginning in 2026 and continuing annually over the next five years, the Board will assess the District's revenue and expenses to evaluate and set utility rates up to the adopted maximum without conducting a majority protest proceeding.

The approved Cost of Service Study and Connection Fees studies are available on the District's website.

ALTERNATIVES: 1. Conduct Proposition 218 Ballot Protest Proceeding and if a majority protest does not exist, approve Resolution 2025-08, adopting rates and charges for water, sewer, and garbage services for FY2025 – 2026 and setting the maximum rates for charges for FY 26/27, 27/28, 28/29, 29/30.

2. Do not approve Resolution 2025-08.

FISCAL/RESOURCE IMPACTS: The FY2025 – 2026 budget assumes water will generate \$2,508,000 in revenue, sewer will generate \$1,841,000 in revenue, and garbage will generate \$423,000 in revenue.

RECOMMENDATION: Approve Resolution 2025-08, adopting rates and charges for water, sewer, and garbage services for FY2025 - 2026.

ATTACHMENTS:

Protest Letter – Luckhardt (1 page)

Resolution 2025 – 08 (3 pages)

Exhibit A:

Water Fee Schedule FY2025 – 2026 (3 pages)

Sewer Fee Schedule FY2025 – 2026 (2 pages)

Garbage Fee Schedule FY2025 – 2026 (1 page)

Exhibit B:

FY 2025-2030 Maximum Water, Sewer, and Garbage Rates (1 Page)

DATE PREPARED: June 5, 2025

Charles E. Luckhardt

LAW OFFICES OF

Charles E. Luckhardt, Sr. (1904-1987)

Charles E. Luckhardt



5/4/25

Board of Directors, OVPSD

PO Box 2026

Olympic Valley CA 96146

Re: Protest Garbage rate increases

I represent the property at 1442 Sandy Way

In the past, we were allowed to put green waste for pickup in 3 containers. Along with garbage. We are not allowed to. put green waste for pick up any more. The amount of garbage amounts to 1/2 of a container, The rates should reflect the economy to the contractor in picking up much less garbage. If anything, the rates should be reduced

Respectfully Submitted,

A handwritten signature in cursive script that reads "Charles Luckhardt".

Charles Luckhardt

RESOLUTION 2025-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLYMPIC VALLEY PUBLIC SERVICE DISTRICT ADOPTING ADJUSTMENTS TO RATES AND CHARGES FOR WATER, SEWER AND GARBAGE

WHEREAS, The Olympic Valley Public Service District ("District") is a public agency organized pursuant to California Water Code §30000, et seq; and

WHEREAS, the District provides Water, Sewer, and Garbage service to customers within its boundaries and the District is authorized to set rates for providing such services; and

WHEREAS, the District is currently updating its own Code and, as relevant to this Resolution, this includes a reorganization as to where its rates are codified; and

WHEREAS, this Resolution's first purpose is therefore to effect a non-substantive recodification of certain water, sewer, and garbage rates, without increasing or extending those rates in any way; and

WHEREAS, the District hired HDR Engineering, Inc. to perform a comprehensive water and sewer rate study that included a cost-of-service analysis and revenue requirement analysis. The Study established the nexus between the cost of serving customers and rates charged to customers, and;

WHEREAS, the Study, available on the District's website, demonstrated that the District must increase certain water and sewer rates to meet its costs to provide these services. Factors contributing to this need include, but are not limited to, increases in capital replacement costs, energy, insurance, and other operational expenses. The cost of service analysis also indicated that the revenue derived from the different user classes was in need of rebalancing to better reflect the actual cost of providing water service to each class; and

WHEREAS, the District has contracted with Tahoe-Truckee Sierra Disposal to provide solid waste collection services to customers within the District's boundaries, and the District is authorized to set rates for providing such solid waste services; the costs associated with providing solid waste services within the District have increased due to increased contract fees, insurance and other operational expenses; and

WHEREAS, this Resolution's second purpose is therefore to increase certain water, sewer, and garbage rates as recommended in the Study; and

WHEREAS, the complete list of District rates for water, sewer, and garbage service is attached hereto as Exhibit A. This list includes rates the District does not increase or extend by this Resolution, but that it simply recodifies as part of the non-substantive code reorganization described above; and

WHEREAS, the rates the District proposes to increase by this Resolution, and which constitute a subset of the complete list in Exhibit A, are attached hereto as Exhibit B; and

WHEREAS, on January 28, 2025, the Board accepted, approved, and adopted the rate Study and directed staff to proceed toward adoption of the rate schedules as attached hereto. It further set a public hearing for June 24, 2025, to consider any protests regarding the proposed rate adjustments set forth in Exhibit B; and

WHEREAS, the District has followed, without limitation, the applicable procedural requirements of Proposition 218 (Cal. Const., art. XIII D, § 6) and the County Water District Law (Government Code, § 30000 et. seq) for increasing service rates; and

WHEREAS, notice of the proposed rates referred to in Exhibit B has been given as provided by law, and after a public hearing, there was no majority protest as described in article XIII D, section 6(a) of the California Constitution; and

WHEREAS, customers served by the Olympic Valley Mutual Water Company, which operates within OVPSD's boundaries, will only be impacted by wastewater and garbage rate adjustments.

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct.
2. The rates and charges attached hereto as Exhibit A (2025-26 Water Fee Schedule, 2025-26 Sewer Fee Schedule, and 2025-26 Garbage Fee Schedule) and Exhibit B (2025-2030 Water, Sewer and Garbage Rates) are adopted and shall take effect July 1, 2025, until they are amended, suspended, and/or rescinded by the Board of Directors. Except as to the rates included with Exhibit B, this act does not increase or extend these rates in any way.
3. The Board that the charges set forth in Exhibit B meet the requirements set forth in article XIII D, section 6 of the California Constitution.
 - a. Revenue from these rates will not exceed the funds the District requires to provide each utility service.
 - b. Revenue from these rates will not be used for any purpose other than that for which the rates are imposed.
 - c. The rate imposed on a given customer will not exceed the proportional cost of the service attributable to that customer.
 - d. All of these rates will be imposed for a service actually used by, or immediately available to, affected property owners.
 - e. None of these rates will be imposed for general government services available to the public at large in substantially the same manner as they are to affected property owners.
4. Pursuant to Government Code § 54354, et seq., delinquent charges and all penalties thereon, when recorded as provided in said Government Code sections, shall constitute a lien upon the real property served and such lien shall continue until the charges and all penalties thereon are fully paid or the property sold.

5. To the extent any Charges established by this Resolution are inconsistent with any other fee or charge previously adopted by the Board of Directors, it is the explicit intention of the Board of Directors that the Charges adjusted pursuant to this Resolution shall prevail.
6. This Resolution complies with the further provisions of Government Code §54350, et seq., and will otherwise comply with the law. The Board of Directors finds that the rates herein are not discriminatory or excessive, and will be sufficient under Government Code §54350, et seq., and Water Code §31007 to:
 - a. Pay the operating expenses of District.
 - b. Provide for repairs and depreciation of works owned or operated by the District.
 - c. Pay the interest on any bonded debt.
 - d. So far as possible, provide a fund for the payment of the principal of the bonded debt as it becomes due.
7. The Board of Directors further finds that the rates attached hereto meet all of the above criteria.
8. If any portion of this Resolution, including but not limited to any particular rate adopted hereby, is held to be unconstitutional, invalid, or otherwise unenforceable by a court of competent jurisdiction, that holding shall not negate any other portion of this Resolution.

PASSED AND ADOPTED this 24th day of June 2025 at a regular meeting of the Board of Directors duly called and held by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Dale Cox, Board President

ATTEST:

Jessica Asher, Board Secretary



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



2025-2026 WATER FEE SCHEDULE

CONNECTION FEES

Type of Connection	Connection Fee
<u>Single-Family Units</u> : Single-Family Dwelling, First Unit of a Duplex, Halfplex	\$ 10,981
<u>Multi-Family Units</u> : Condominiums, Apartments, 2 nd Unit of Duplex, ADU, Hotel Room or Lock-Off Unit with cooking facility	\$ 6,589
<u>Hotel Units</u> : Hotel Room or Lock-Off Unit with kitchenette or no cooking facility	\$ 4,392
<u>Commercial</u> : Based on meter size	
¾" Meter*	\$ 6,589
1" Meter	\$ 10,981
1.5" Meter**	\$ 21,962
2" Meter**	\$ 35,139
3" Meter**	\$ 65,886
4" Meter**	\$ 109,810
6" Meter**	\$ 219,620

*Applies to residential remodels or additions that are not required to install a fire suppression system.

**Connections for meters larger than one inch shall be determined by the General Manager on a case-by-case basis.

Fire Protection Sprinkler System(Residential & Commercial) = \$1,077

RATES & CHARGES FOR WATER SERVICE (User Fees)

Single Family Residential Units – Base Rate

(Single Family Dwelling, First Unit of a Duplex, Halfplex)

Annual Base Rate = \$ 1,274.80 / unit

Residential Pool Base Rate = \$ 1,274.80 / unit

Single Family Residential Units – Consumption Rate

(Includes Irrigation and ADUs)

Tier I	0 to 120,000 gallons	= \$ 6.34 / 1,000 gallons / unit
Tier II	120,001 to 220,000 gallons	= \$ 14.76 / 1,000 gallons / unit
Tier III	220,001 to 280,000 gallons	= \$ 20.09 / 1,000 gallons / unit
Tier IV	280,001 gallons and up	= \$ 42.96 / 1,000 gallons / unit

Multi-Family Residential Units – Base Rate

(Condominiums, Apartments, 2nd Unit of Duplex, ADU, Hotel Room or Lock-Off Unit)

Annual Base Rate = \$ 665.59 / unit



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



Multi-Family Residential Units – Consumption Rate

Consumption Rate per Unit

= \$ 9.69 / 1,000 gallons

Commercial Units (Includes HOA) – Base Rate

(Includes Commercial Irrigation)

3/4" Meter

= \$ 1,025.00 / year

1" Meter

= \$ 1,340.73 / year

1.5" Meter

= \$ 2,687.99 / year

2" Meter

= \$ 4,292.10 / year

3" Meter

= \$ 8,057.60 / year

4" Meter

= \$ 13,438.67 / year

6" Meter

= \$ 26,878.16 / year

Commercial Units (Includes HOA) – Consumption Rate

Consumption Rate per Unit (domestic)

= \$ 8.36/ 1,000 gallons

Consumption Rate (irrigation)

= \$ 14.85 / 1,000 gallons

Plan Checking Fee

Deposit Amounts:

Single Family Unit

= \$ 50

All Other Uses

= \$ 500

Meter Installation Fee

1" or less Meter

= \$ 435 Minimum

1.5" Meter

= \$ 670 Minimum

2" Meter

= \$ 870 Minimum

3" Meter

= \$ 1,275 Minimum

4" Meter

= \$ 1,775 Minimum

6" Meter

= \$ 3,942 Minimum

Fire Hydrant or Temporary Water Service Fees

Fire Hydrant Meter Deposit

= \$ 250

Temporary Connection Fee

= Actual Cost to District

Consumption Fees

= \$ 14.85 / 1,000 gallons

Minimum Permit Admin. Charge

= \$ 50

Meter Rental Fee and/or Hydrant Use

= \$ 50 / week (1 to 7 days)

Distribution System Improvement Fees

= Actual Cost to District

Water Line Easement Processing Fee

= Actual Cost to District

Application Fee

= \$20

Special Study Preparation or Checking Fee

= Actual Cost to District



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



Meter Testing Fee

= Actual Cost to District

Meter Reading Charge

= \$ 20

Disconnection/Reconnection

= \$ 50 each



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



2025-2026 SEWER FEE SCHEDULE

CONNECTION FEES

Type of Connection	Connection Fee
* <u>Single-Family Units</u> : Single-Family Dwelling, Halfplex	\$ 5,627
* <u>Multi-Family Units</u> : Condominium, Apartment, Duplex Unit, Accessory Dwelling Unit (ADU), Lock-Off Unit with or without cooking facility or kitchenette	\$ 5,627
<u>Hotel Units</u> : Hotels charged as Commercial Connection by water meter size	Based on water meter size
<u>Commercial</u> : Based on water meter size	
3/4" Meter	\$ 5,627
1" Meter	\$ 5,627
1.5" Meter	\$ 11,254
2" Meter	\$ 18,006
3" Meter	\$ 33,762
4" Meter	\$ 56,270
6" Meter	\$ 112,540

*Connection Fees for residential units served by water meters larger than one-inch shall pay the Commercial Connection Fee for the applicable meter size.

RATES AND CHARGES FOR SEWER SERVICE (User Fees)

Single Family Residential Units – Annual Base Rate

(Single Family Dwelling, Halfplex Unit)

= \$ 853.12 / unit

Multi-Family Residential Units – Annual Base Rate

(Condominium, Apartment, Duplex Unit,
Accessory Dwelling Unit (ADU), Lock-Off Unit
with or without cooking facility or kitchenette)

= \$ 654.32 / unit

Residential Pool – Annual Base Rate

= \$ 1,111.65

Hotel Units

(Hotels charged Commercial Base and Consumption Rates)

Commercial – Annual Base Rate

0 to 75,000 gallons

= \$ 1,578.75



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT

**Commercial – Annual Consumption Rate**

75,001 gallons and up

= \$ 21.05 / 1,000 gallons

Plan Checking Fee

= Actual Cost to District

Deposit Amounts:

Single-Family Unit

= \$ 50

All Other Uses

= \$ 500

Sewer Construction Permit Fee

= Actual Cost to District

Sewer Line Easement Processing Fee

= Actual Cost to District

Application Fee

= \$ 20

**Special Study Preparation or
Checking Fee**

= Actual Cost to District

Temporary Sewage Disposal Fee

= \$ 14.85 / 1,000 gallons
plus T-TSA charges

Temporary Sewer Service Establishment Fee

= \$ 50.00

Temporary Sewer Service Inspection Fee

= \$ 50.00 per trip

Disconnection / Reconnection

= \$ 50 each



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



2025-2026 GARBAGE FEE SCHEDULE

Annual Garbage Collection Rate	= \$395.00 per unit
Dumpage or Spillage Rate	= Contractor Charge + 25%



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT



FISCAL YEAR 2025-2030 MAXIMUM WATER, SEWER, AND GARBAGE RATES

Water Rates

	Present Rates	FY 2026 July 1, 2025	FY 2027 July 1, 2026	FY 2028 July 1, 2027	FY 2029 July 1, 2028	FY 2030 July 1, 2029
Fixed Charge - \$/Acct or LU/Year						
<i>Residential (SFR)</i>	\$1,222.75	\$1,274.80	\$1,351.29	\$1,432.37	\$1,518.31	\$1,609.41
<i>Condo/Apt./Duplex/2nd Unit (MFR)</i>	\$592.77	\$665.59	\$705.53	\$747.86	\$792.73	\$840.29
Commercial/Commercial Irrigation						
5/8"	\$1,004.28	--	--	--	--	--
3/4"	1,095.90	1,025.00	1,025.00	1,025.00	1,030.00	1,040.00
1"	1,222.75	1,340.73	1,433.49	1,526.24	1,626.89	1,736.80
1 1/2"	2,456.00	2,687.99	2,869.30	3,050.62	3,247.70	3,463.20
2"	3,918.47	4,292.10	4,584.89	4,877.68	5,195.68	5,543.20
3"	7,357.70	8,057.60	8,605.70	9,153.80	9,749.23	10,400.00
4"	12,273.43	13,438.67	14,350.69	15,262.71	16,253.63	17,336.80
6"	24,550.37	26,878.16	28,699.43	30,520.70	32,499.74	34,663.20
Consumption Charge - \$/1,000 gal						
<i>Residential (SFR)</i>						
0 - 120k gal	\$5.94	\$6.34	\$6.72	\$7.12	\$7.55	\$8.00
120k gal - 220k gal	12.08	14.76	15.64	16.58	17.58	18.62
220k gal - 280k gal	18.90	20.09	21.29	22.56	23.92	25.35
280k gal +	41.86	42.96	45.53	48.25	51.16	54.21
<i>Condo/Apt./Duplex/2nd Unit (MFR)</i>	\$10.30	\$9.69	\$10.27	\$10.89	\$11.54	\$12.23
<i>Commercial</i>	\$7.89	\$8.36	\$8.86	\$9.39	\$9.95	\$10.55
<i>Commercial Irrigation</i>	\$14.28	\$14.85	\$15.74	\$16.68	\$17.68	\$18.74

Sewer Rates

	Present Rates	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Fixed Charge - Acct or LU/Year						
<i>Residential (SFR)</i>	\$810.36	\$853.12	\$895.78	\$940.57	\$987.60	\$1,036.98
<i>Condo/Apt./Duplex/2nd Unit (MFR)</i>	\$637.57	\$654.32	\$687.04	\$721.39	\$757.46	\$795.33
<i>Commercial</i>	\$1,434.51	\$1,578.75	\$1,657.69	\$1,740.57	\$1,827.60	\$1,918.98
<i>Residential - Pool/Spa</i>	\$1,058.71	\$1,111.65	\$1,167.23	\$1,225.59	\$1,286.87	\$1,351.21
Consumption Charge - \$/1,000 gal						
<i>Commercial >75,000</i>	\$19.14	\$21.05	\$22.10	\$23.21	\$24.37	\$25.59

Garbage Rates

	Present Rates	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<i>Residential (SFR)</i>	\$373	\$395	\$419	\$444	\$471	\$499