



# OLYMPIC VALLEY PUBLIC SERVICE DISTRICT BOARD REPORT



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**SUBJECT:** Olympic Valley Mutual Water Company  
Update

**EXHIBIT:** F-4, 5 Pages

**AUTHOR:** Charley Miller, General Manager

**MEETING DATE:** June 30, 2026

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## **RECOMMENDED ACTION:**

This report is informational only; no action is requested from the Board.

## **DISCUSSION:**

On February 19, 2025, the Board authorized the General Manager to initiate formal discussions with the Olympic Valley Mutual Water Company (OVMWC) regarding the potential merger or acquisition of the Mutual Water Company by the District. Since that time, staff and consultants have evaluated the technical, financial, operational, and governance considerations associated with consolidation.

To support this effort, the Board approved professional services agreements with Hydros Engineering to prepare a Capital Improvement Plan (CIP) for the Mutual water system and HDR Engineering to evaluate financial alternatives and potential rate structures. Hydros identified approximately \$8 million in capital improvements over a 15-year planning period, including production wells, storage facilities, transmission infrastructure, and operational improvements necessary to provide a level of service consistent with District standards.

Using the Hydros CIP, HDR incorporated the anticipated capital needs into the District's existing financial model and evaluated several rate and financing scenarios. The preliminary analysis demonstrates that multiple approaches are financially feasible but produce significantly different outcomes depending on several policy decisions, including whether existing Mutual debt remains with Mutual customers, whether future capital improvements are funded through cash or long-term financing, whether all customers ultimately transition to a single water rate, and the length of any rate transition period.

The analysis also confirms that, upon consolidation, the District would become responsible for operating and maintaining the combined water system. As the owner and operator of the consolidated system, the District Board would retain authority over capital improvement priorities, staffing, operational standards, regulatory compliance, and financial management.

At this stage, staff is not seeking direction on any specific consolidation alternative. Rather, the purpose of this report is to provide the Board with an overview of the work completed to date and identify the key policy questions that will shape future recommendations.

Staff's next steps include accepting grant funding from the Placer County Water Agency Financial Assistance Program, completing the consolidation study, further evaluating financing alternatives and the transferability of existing Mutual debt, analyzing Proposition 218 implementation options, and returning to the Board with consolidation alternatives and recommendations for consideration.

**FISCAL/RESOURCE IMPACTS:** The consultant services described in this report were previously authorized by the Board and are included in the District's adopted budget. Staff anticipates utilizing grant funding from the Placer County Water Agency Financial Assistance Program (scheduled for Board acceptance in July, 2025) to offset future costs associated with the consolidation study.

**STRATEGIC PLAN ALIGNMENT:**

**Focus Area:** Proactive Planning | **Goal:** Consider options for expanding services

**ATTACHMENTS:**

- Presentation: Olympic Valley Mutual Water Company Consolidation Update.

**DATE PREPARED:** June 24, 2026