



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT BOARD REPORT



SUBJECT: Adoption of Fiscal Year 2026-2027 Rates and Charges

EXHIBIT: F-6, 12 Pages

AUTHOR: Danielle Mueller, Finance & Administration Manager

MEETING DATE: June 30, 2026

RECOMMENDED ACTION: Approve Resolution 2026-13 adopting water, sewer, and garbage rates, connection fees, and miscellaneous service charges for Fiscal Year 2026–2027.

DISCUSSION: In June 2025, the Board completed a Proposition 218 rate-setting process and approved a schedule of maximum water, sewer, and garbage rates for a five-year period. The water and sewer rates were developed through a comprehensive Cost of Service and Rate Study prepared by HDR Engineering, Inc., which evaluated the costs of providing service and established rates that are equitable, legally compliant, and sufficient to support ongoing operations, capital investment, and long-term financial sustainability. Garbage rates were established based on the District’s agreement with Tahoe Truckee Sierra Disposal (TTSD), which provides residential solid waste collection services within Olympic Valley.

Fiscal Year 2026–2027 represents the second year of the approved five-year rate schedule. Staff recommends adopting rates below the maximum levels authorized through the Proposition 218 process, as follows:

- Water: 5.0% increase (maximum authorized increase: 6.0%)
- Sewer: 4.0% increase (maximum authorized increase: 5.0%)
- Garbage: 5.5% increase (maximum authorized increase: 6.0%)

In addition to utility service rates, staff recommends updating connection fees and other miscellaneous service charges. The connection fees were evaluated as part of the District’s Cost of Service and Connection Fee Studies but were not subject to the Proposition 218 noticing requirements. Consistent with the methodology adopted by the Board, water and sewer connection fees are adjusted annually for a five-year period based on the Engineering News-Record Construction Cost Index (ENR CCI) 20-City Average. For FY 2026–2027, the ENR CCI adjustment results in a 3.9% increase to water and sewer connection fees. To simplify administration and provide a comprehensive fee schedule, all rates, fees, and charges are included within a single resolution.

The approved Cost of Service Study and Connection Fee Study are available on the District’s website. Consistent with the five-year rate program approved in 2025, the Board will continue to annually evaluate utility revenues, operating costs, capital needs, and financial reserves

when determining rates for future fiscal years. Any annual adjustment may be adopted up to the maximum authorized rates established through the Proposition 218 process without conducting an additional majority protest proceeding.

FISCAL/RESOURCE IMPACTS: The FY2026 – 2027 budget assumes water will generate \$2,612,000 in revenue, sewer will generate \$1,942,000 in revenue, and garbage will generate \$447,000 in revenue.

STRATEGIC PLAN ALIGNMENT:

Focus Area: Finance | **Goal:** Maintain excellence in financial management and reporting

ATTACHMENTS: Resolution 2026-13 (3 pages)

Exhibit A:

Water Fee Schedule FY2026 – 2027 (3 pages)

Sewer Fee Schedule FY2026 – 2027 (2 pages)

Garbage Fee Schedule FY2026 – 2027 (1 page)

Exhibit B:

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

DATE PREPARED: June 11, 2026

RESOLUTION 2026-13

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 SERVICE

WHEREAS, the Olympic Valley Public Service District (“District”) is a public agency organized pursuant to California County Water District Law (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 hired HDR Engineering, Inc. to perform a comprehensive water and sewer rate study, including a cost-of-service, revenue requirement analysis, and connection fee study (the “Rate Study”). The Rate Study established the nexus between the cost of serving customers and rates charged to customers; and

WHEREAS, the Rate Study, available on the District’s website, demonstrates 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 Rate Study, available on the District’s website, also demonstrates that the District’s water and sewer connection fees should be adjusted annually to reflect increases in construction costs associated with providing growth-related facilities and system capacity. The Rate Study recommends annual adjustments based on the Engineering News-Record Construction Cost Index (ENR CCI) 20-City Average to ensure that connection fees continue to reasonably reflect the cost of facilities required to serve new development; 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, on January 28, 2025, the District’s Board of Directors (“Board”) accepted, approved, and adopted the Rate Study and directed staff set a public hearing for June 24, 2025 to consider any protests regarding the proposed five-year rate adjustments supported by the Rate Study; and

WHEREAS, on June 24, 2025 the Board conducted a duly noticed public hearing regarding the proposed five-year adjustments to water and sewer service rates in accordance with Proposition 218 and determined that a majority protest, as defined in Article XIII D, Section 6(a) of the California Constitution, did not exist; 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, customers served by the Olympic Valley Mutual Water Company, which operates within OVPD's boundaries, receive wastewater and garbage service from the District and therefore are subject only to the wastewater and garbage rate adjustments adopted herein.

NOW, THEREFORE, BE IT RESOLVED:

1. The foregoing recitals are true and correct and incorporated herein by reference.
2. Effective July 1, 2026, the District's Fiscal Year 2026-27 Water, Sewer, Garbage, and Connection Fee Schedule is hereby adjusted to reflect the amounts set forth in Exhibit A, attached hereto and incorporated herein by reference.
3. The Board finds that the rate adjustment complies with the requirements of Article XIII D, Section 6 of the California Constitution, do not exceed the amounts adopted and approved by the Board on June 24, 2025, and are supported by the Rate Study and the administrative record. Revenue from these rates will not exceed the funds the District requires to provide each utility service and will not be used for any purpose other than that for which the rates are imposed. The rate imposed on a given customer will not exceed the proportional cost of the service attributable to that customer and rates will only be imposed for a service actually used by, or immediately available to, affected property owners. 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 rates or 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 rates and 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 applicable law. The Board of Directors finds that the rates herein are not discriminatory or excessive, and are sufficient under Government Code §54350, et seq., and Water Code §31007 to:
 - a. Pay the operating expenses of the 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. 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.
8. The adoption of this Resolution is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378 of the CEQA Guidelines (14 CCR § 15000 et seq.) as it pertains to a government funding mechanism or fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.
9. This Resolution shall take effect immediately upon adoption, provided that the rate adjustment authorized herein shall take effect not less than 30 days after notice of adjustment is given pursuant to Government Code § 53756.

PASSED AND ADOPTED this 30th day of June 2026 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



2026-2027 WATER FEE SCHEDULE

CONNECTION FEES

| Type of Connection | Connection Fee |
|--|----------------|
| <u>Single-Family Units</u> : Single-Family Dwelling, First Unit of a Duplex, Halfplex | \$ 11,409 |
| <u>Multi-Family Units</u> : Condominiums, Apartments, 2 nd Unit of Duplex, ADU, Hotel Room or Lock-Off Unit with cooking facility | \$ 6,846 |
| <u>Hotel Units</u> : Hotel Room or Lock-Off Unit with kitchenette or no cooking facility | \$ 4,563 |
| <u>Commercial</u> : Based on meter size | |
| 3/4" Meter* | \$ 6,846 |
| 1" Meter | \$ 11,409 |
| 1.5" Meter** | \$ 22,819 |
| 2" Meter** | \$ 36,509 |
| 3" Meter** | \$ 68,456 |
| 4" Meter** | \$ 114,093 |
| 6" Meter** | \$ 228,185 |

*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.

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 = \$ 1,338.54 / unit

Residential Pool Base Rate = \$ 1,338.54 / unit

Single Family Residential Units – Consumption Rate

(Includes Irrigation and ADUs)

Tier I 0 to 120,000 gallons = \$ 6.66 / 1,000 gallons / unit

Tier II 120,001 to 220,000 gallons = \$ 15.50 / 1,000 gallons / unit

Tier III 220,001 to 280,000 gallons = \$ 21.09 / 1,000 gallons / unit

Tier IV 280,001 gallons and up = \$ 45.11 / 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 = \$ 698.87 / unit



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Multi-Family Residential Units – Consumption Rate

Consumption Rate per Unit

= \$ 10.18 / 1,000 gallons

Commercial Units (Includes HOA) – Base Rate

(Includes Commercial Irrigation)

3/4" Meter

= \$ 1,025.00 / year

1" Meter

= \$ 1,407.77 / year

1.5" Meter

= \$ 2,822.39 / year

2" Meter

= \$ 4,506.71 / year

3" Meter

= \$ 8,460.48 / year

4" Meter

= \$ 14,110.60 / year

6" Meter

= \$ 28,222.07 / year

Commercial Units (Includes HOA) – Consumption Rate

Consumption Rate per Unit (domestic)

= \$ 8.78 / 1,000 gallons

Consumption Rate (irrigation)

= \$ 15.59 / 1,000 gallons

Plan Checking Fee

= Actual Cost to District

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

= \$ 15.59 / 1,000 gallons

Minimum Permit Admin. Charge

= \$ 100

Meter Rental Fee and/or Hydrant Use

= \$ 100 / 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



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Meter Testing Fee

= Actual Cost to District

Meter Reading Charge

= \$ 100

Disconnection/Reconnection

= \$ 100 each



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2026-2027 SEWER FEE SCHEDULE

CONNECTION FEES

| Type of Connection | Connection Fee |
|---|---------------------------|
| * <u>Single-Family Units</u> : Single-Family Dwelling, Halfplex | \$ 5,846 |
| * <u>Multi-Family Units</u> : Condominium, Apartment, Duplex Unit, Accessory Dwelling Unit (ADU), Lock-Off Unit with or without cooking facility or kitchenette | \$ 5,846 |
| <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 | |
| ¾" Meter | \$ 5,846 |
| 1" Meter | \$ 5,846 |
| 1.5" Meter | \$ 11,693 |
| 2" Meter | \$ 18,708 |
| 3" Meter | \$ 35,079 |
| 4" Meter | \$ 58,465 |
| 6" Meter | \$ 116,929 |

*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) = \$ 887.25 / 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) = \$ 680.49 / unit

Residential Pool – Annual Base Rate = \$ 1,156.12

Hotel Units
(Hotels charged Commercial Base and Consumption Rates)

Commercial – Annual Base Rate
0 to 75,000 gallons = \$ 1,641.90



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| | |
|--|--|
| Commercial – Annual Consumption Rate 75,001 gallons and up | = \$ 21.89 / 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 | = \$ 21.89 / 1,000 gallons plus T-TSA charges |
| Temporary Sewer Service Establishment Fee | = \$ 100 |
| Temporary Sewer Service Inspection Fee | = \$ 100 per trip |
| Disconnection / Reconnection | = \$ 100 each |



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2026-2027 GARBAGE FEE SCHEDULE

Annual Garbage Collection Rate = \$417.00 per unit

Dumpage or Spillage Rate = Contractor Charge + 25%



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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 |