



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT BOARD REPORT



SUBJECT:	Award Professional Services Agreement to Hydros Engineering – Mutual Water Company Consolidation Study	EXHIBIT:	F-3, 6 Pages
AUTHOR:	Dave Hunt, District Engineer	MEETING DATE:	July 28, 2026

RECOMMENDED ACTION: Authorize the General Manager to execute a Professional Services Agreement with Hydros Engineering in the amount of \$40,460 to prepare the Olympic Valley Mutual Water Company (OVMWC) Consolidation Study.

DISCUSSION: On May 21, 2026, the Placer County Water Agency Board of Directors awarded the Olympic Valley Public Service District (OVPSD) a grant for \$70,500 for preparation of the OVMWC Consolidation Study. The study will deliver a comprehensive evaluation of the potential consolidation of the OVMWC into the OVPSD. Building on prior work, the study will analyze existing infrastructure, capital improvement projects, and outstanding debt obligations, while incorporating new financial modeling to evaluate debt-financing strategies and rate impacts across multiple scenarios for both agencies. The findings will be compiled into a single, cohesive document that provides a clear, actionable roadmap to support informed decision-making by both Boards of Directors.

The District intends to contract with Hydros Engineering to prepare the study. Hydros recently completed the *OVMWC Water System Capital Improvement Plan* (Hydros, October 2025) and supported staff in preparing the successful PCWA FAP application for the project.

The scope of the study includes the following tasks:

- Task 1: Review and Consolidation of Existing Information
- Task 2: Kickoff and Coordination Meetings
- Task 3: Engineering and Operational Assessment
- Task 4: Financial Coordination and Scenario Development
- Task 5: Consolidation Study Report
- Task 6: Project Management and Coordination

The scope of work proposed by Hydros totals \$40,460.

FISCAL/RESOURCE IMPACTS: The total cost of the project is expected to be \$95,000, with the District contributing \$25,000 in matching funds. PCWA will reimburse up to \$70,500 of eligible project costs. The remaining project costs will be funded from the Water Operating account and are included in the FY27 budget.

STRATEGIC PLAN ALIGNMENT:

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

ATTACHMENTS:

- Scope of Work – Olympic Valley Mutual Water Company – Consolidation Report (July 20, 2026)

DATE PREPARED: July 21, 2026

July 20, 2026

Scope of Work – Olympic Valley Mutual Water Company - Consolidation Report

Our scope of work for the preparation of a consolidation report of the Olympic Valley Mutual Water Company (OVMWC) into the Olympic Valley Public Services District (OVPSD) is included below. The associated estimated hours and associated fee for each task is included with Attachment A.

Task 1: Review and Consolidation of Existing Information

This task will involve collecting and reviewing prior technical, planning, and financial studies prepared in support of potential consolidation, many of which have been completed over multiple years and reside in separate documents. Key findings, assumptions, and conclusions from this prior work will be distilled and clearly summarized to establish a common technical and planning baseline. The review will also identify data gaps, limitations, and constraints that may affect consolidation feasibility or require supplemental analysis.

Task 2: Kickoff and Coordination Meetings

Consolidation of the two systems will involve stake holders from both the PSD and the MWC. A number of meetings have been proposed to ensure information is communicated and coordinated with opportunities for input from the various stakeholders and coordination with the technical and financial consultants. This task includes kick-off with District staff and financial and technical consultants and legal counsel. There are also number of coordination and information meetings with ad hoc committees from both the PSD and the MWC. Lastly, a presentation of the findings and recommendations will be presented at a regular board meeting for the PSD and MWC. A list of meetings and format – in person or remote, is provided below.

Initial Kickoff Meeting with District staff, counsel, operations and engineering and rate/finance consultants - (in person)
Coordination meetings OVPSD Ad hoc meetings with District staff - four (4) remote meetings
OVMWC Ad hoc meetings with District staff - four (4) meetings - two (2) in person/two (2) remote
OVMWC Ad hoc meetings with District staff - two (2) meetings - one (1) in person/one (1) remote
Present findings at OVPSD Board Meeting - includes presentation preparation
Present findings at OVMWC Board meeting - (Relying on most of material from OVPSD Board Meeting)

Review meetings for documents prepared as part of the project are included separately in the respective tasks as noted below.

Task 3: Engineering and Operational Assessment (Planning-Level)

This task will include a planning-level assessment of the existing system configuration and operational characteristics of both water systems, with a focus on how facilities, sources, storage, and distribution function individually and in a consolidated scenario. The evaluation will

consider operational reliability, redundancy, pressure management, emergency response capability, and compatibility with OVPSD design and operating standards. The results will be documented in an operations assessment summarizing key operational considerations relevant to consolidation.

Building on this assessment, the task will identify and confirm relevant capital improvement projects previously defined through prior studies, including those needed to address deficiencies, improve reliability, and support integration of the systems. Prioritization of the projects including technical risks, constraints, and underlying assumptions affecting consolidation feasibility—such as infrastructure condition, hydraulic limitations, regulatory requirements, and operational dependencies—will be identified and clearly documented to inform subsequent financial analysis and decision-making.

Task 4: Financial Coordination and Scenario Evaluation

This task will involve close coordination with the financial consultant to review and understand financial models developed to evaluate consolidation of the two water systems. The review will focus on model structure, key assumptions, treatment of existing debt, capital improvement costs, financing approaches, and projected rate impacts under various consolidation scenarios.

The task will evaluate multiple consolidation and financing scenarios to assess financial feasibility and affordability for both systems. Financial results will be interpreted in conjunction with technical considerations, including the timing and staging of capital improvements, system reliability benefits, and operational constraints. The integration of financial and technical findings will support identification of viable consolidation alternatives and provide decision makers with a clear understanding of tradeoffs between infrastructure needs, financing strategies, and customer rate impacts.

Hydros Engineering will provide technical assistance and input related to prioritization of the improvements, capital costs, operational costs, etc. the financial analyst. We have assumed up to five scenarios.

Task 5: Consolidation Study Report

A draft report that compiles the technical, operational, and financial analyses into a single, cohesive document. The financial analyst will provide the sections regarding the fiscal implications related to financing projects and the effect on rates for the respective customers of the OVMWC and the OVPSD. District staff comments will be incorporated into a revised draft. The information from the draft document with comments from the District staff will be used as the basis for the presentation to the Board of Directors in Task 6.

Following the Board presentation, input from the Board will be incorporated to finalize the report. The final consolidation study will be provided in PDF format to the District.

Task 6: Project Management and Coordination

This task will provide overall project management and coordination for the study. Hydros Engineer will maintain the project schedule, track progress, progress billing and provide periodic status updates to the District.

7/21/2026

FEE ESTIMATE
Hydros Engineering Job#: OVPS26-001P
Olympic Valley PSD
OVMWC Consolidation Report

DESCRIPTION	NOTES	Princ Eng	Eng Tech	Admin	HYDROS FEE	DIRECT EXP	TOTAL PROJECT
		\$ 210	\$ 130	\$ 75			
1 Review and consolidation of existing information		12	4	1	\$ 3,115		\$ 3,115
2 Kick-off, coordination and presentation meetings							
a. Initial Kickoff Meeting with District staff, counsel, operations and engineering and rate/finance consultants - (in person)		6			\$ 1,260	\$ 100	\$ 1,360
b. Coordination meetings OVPSD Ad hoc meetings with District staff - four (4) remote meetings		6			\$ 1,260		\$ 1,260
c. OVMWC Ad hoc meetings with District staff - four (4) meetings - two (2) in person/two (2) remote		12			\$ 2,520	\$ 200	\$ 2,720
d. OVMWC Ad hoc meetings with District staff - two (2) meetings - one (1) in person/one (1) remote		6			\$ 1,260	\$ 100	\$ 1,360
e. Present findings at OVPSD Board Meeting - includes presentation preparation		8			\$ 1,680	\$ 100	\$ 1,780
f. Present findings at OVMWC Board meeting - (Relying on most of material from OVPSD Board Meeting)		4			\$ 840	\$ 100	\$ 940
3 Engineering and Operational Assessment		16	8	2	\$ 4,550		\$ 4,550
4 Financial coordination and scenario evaluation		40	10		\$ 9,700		\$ 9,700
5 Prepare consolidation report							\$ -
a. Prepare Draft Report		40	12	4	\$ 10,260		\$ 10,260
b. Review meeting (remote)		2			\$ 420	\$ 75	\$ 495
c. Finalize Consolidation Report		8	4	2	\$ 2,350		\$ 2,350
6 Project management and administration		2		2	\$ 570		\$ 570
Subtotal (a)		162	38	11	\$ 39,785	\$ 675	\$ 40,460

Notes:

(a) Task budgets are estimated; line item budgets may be adjusted but overall project budget not to be exceed without prior written authorization.