# Olivehurst Public Utility District 

Agenda Item Staff Report

## Meeting Date: April 21, 2022

Item description/summary:
The District's outstanding reimbursements to Plumas Lake Owners Group (PLOG) for the value of Well \#34 and sewer collection system improvements are repaid annually with water and sewer collection system capacity fees collected during the fiscal year. OPUD has the option to defer payments if the funds are needed for district projects. Outstanding balances are adjusted annually by the Construction Cost (CCI).

SPL Sewer Collection Fee Reimbursement - PLOG : 2004 Beginning Balance of \$1,196,248 with a current balance of $\$ 308,849.21$. CCI adjustments added $\$ 357,136$ since 2004. Enough sewer collection cap fees are available to pay off the balance now.

Water Capacity Fee Reimbursement - PLOG (Well \#34): 2004 beginning balance of $\$ 3,546,664$ with a current balance of $\$ 1,895,697$. CCI adjustments added $\$ 936,101$ since 2014. The 2022 CCI increase of 7.70 \% added $\$ 135,532$ to the balance payable. PLOG is now due $\$ 1,554,705$ in water capacity fees collected since the last payment of \$849,952 September 2021.

|  | Water | Sewer | Sewer Collection |
| :--- | ---: | ---: | ---: |
| Capacity Fees | $\$ 2,540,647$ | $\$ 9,922,004$ | $\$ 2,162,462$ |
| Admin Cap Fees | 308,849 |  | $1,013,849$ |

## Fiscal Analysis:

The CCl increases in recent years outpace the interest rate on District funds deposited with Yuba County Treasury. See attached comparison of treasury rates and CCl on page 2 . An advance from sewer capacity fees at treasury rates to pay off the Water Capacity Fee Reimbursement amount would result in savings and accumulation of water capacity fees for other projects. A 20-year amortization schedule is attached for illustration on page 3. Repayments with collected water capacity fees include interest cost of $\$ 194,951.34$ over the term of the advance.

Employee Feedback

## Sample Motion:

Consider paying off the Capacity Fee Reimbursemenst to PLOG.

Prepared by:
Karin Helvey - Financial Manager

| Average Annual Yields |  |  |  |
| :---: | :---: | :---: | :---: |
|  | LAIF | YC <br> Treasurer |  |
| Fiscal Year | Interest Rates |  | CCI |
| 03/04 | 1.532\% |  |  |
| 04/05 | 2.256\% |  |  |
| 05/06 | 3.873\% |  | 6.700\% |
| 06/07 | 5.121\% |  | 3.740\% |
| 07/08 | 4.325\% |  | 5.390\% |
| 08/09 | 2.224\% |  | 1.410\% |
| 09/10 | 0.651\% |  | 6.410\% |
| 10/11 | 0.495\% |  | 0.220\% |
| 11/12 | 0.382\% |  | 3.850\% |
| 12/13 | 0.307\% |  | 1.650\% |
| 13/14 | 0.249\% |  | 2.090\% |
| 14/15 | 0.269\% |  | 3.980\% |
| 15/16 | 0.434\% |  | 1.470\% |
| 16/17 | 0.754\% |  | 2.100\% |
| 17/18 | 1.376\% |  | 3.990\% |
| 18/19 | 2.266\% | 2.040\% | 1.850\% |
| 19/20 | 1.934\% | 2.080\% | 3.560\% |
| 20/21 | 0.500\% | 0.712\% | 2.660\% |
| 21/22 |  |  | 7.700\% |

Example - 20 year Amortization Schedule - \$1,800,000 at 1\%

| Date | 06/30/2022 | 1,800,000.00 |  | 20 | 1.00\% |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | (\$99,747.57) | Pmt -Annual |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Date | Payment | Interest | Principal | Balance |  |
|  |  |  |  |  |  |
| 30-Jun-22 | \$99,747.57 | \$18,000.00 | \$81,747.57 | \$1,718,252.43 |  |
| 30-Jun-23 | 99,747.57 | 17,182.52 | 82,565.04 | 1,635,687.39 |  |
| 30-Jun-24 | 99,747.57 | 16,356.87 | 83,390.69 | 1,552,296.70 |  |
| 30-Jun-25 | 99,747.57 | 15,522.97 | 84,224.60 | 1,468,072.10 |  |
| 30-Jun-26 | 99,747.57 | 14,680.72 | 85,066.85 | 1,383,005.25 |  |
| 30-Jun-27 | 99,747.57 | 13,830.05 | 85,917.51 | 1,297,087.74 |  |
| 30-Jun-28 | 99,747.57 | 12,970.88 | 86,776.69 | 1,210,311.05 |  |
| 30-Jun-29 | 99,747.57 | 12,103.11 | 87,644.46 | 1,122,666.59 |  |
| 30-Jun-30 | 99,747.57 | 11,226.67 | 88,520.90 | 1,034,145.69 |  |
| 30-Jun-31 | 99,747.57 | 10,341.46 | 89,406.11 | 944,739.58 |  |
| 30-Jun-32 | 99,747.57 | 9,447.40 | 90,300.17 | 854,439.41 |  |
| 30-Jun-33 | 99,747.57 | 8,544.39 | 91,203.17 | 763,236.24 |  |
| 30-Jun-34 | 99,747.57 | 7,632.36 | 92,115.20 | 671,121.03 |  |
| 30-Jun-35 | 99,747.57 | 6,711.21 | 93,036.36 | 578,084.68 |  |
| 30-Jun-36 | 99,747.57 | 5,780.85 | 93,966.72 | 484,117.96 |  |
| 30-Jun-37 | 99,747.57 | 4,841.18 | 94,906.39 | 389,211.57 |  |
| 30-Jun-38 | 99,747.57 | 3,892.12 | 95,855.45 | 293,356.12 |  |
| 30-Jun-39 | 99,747.57 | 2,933.56 | 96,814.01 | 196,542.11 |  |
| 30-Jun-40 | 99,747.57 | 1,965.42 | 97,782.15 | 98,759.97 |  |
| 30-Jun-41 | 99,747.57 | 987.60 | 98,759.97 | 0.00 |  |
|  | \$1,994,951.34 | \$194,951.34 | \$1,800,000.00 |  |  |

