

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: November 17, 2022

Item description/summary:

2021-22 capital reserve and depreciation funding.

The District's reserve policy specifies that capital reserves will be accumulated to fund depreciation, facility and equipment replacement, and infrastructure projects. The Board annually approves the amounts to fund depreciation and capital outlay reserves. The attached Treasurer's Report shows the District's cash basis as of June 30, 2022 and staff recommendations for reserve funding.

Fiscal Analysis:

Cash is invested with Yuba County, with the exception of CFD 2002-1's Bond Reserve account with US Bank. The District's cash position with Yuba County increased by \$6.9 million from \$50.1 million June 2021 to \$57.7 million June 2022. The increases are primarily due to OPUD's growing customer base in both water and wastewater departments and collection of capacity fees and park fees. Measure K funding for 2019 -2022 added approximately \$700,000 to the fire department's cash accounts. Staff recommends to fund equipment reserves and annual short-term depreciation as follows:

			June-21	June-22	YE Reserve Funding	
Fire	Reserved	Capital Outlay Expenditures	61,900	150,000	42,100	Capital Outlay Reserve
Fire	Reserved	Future Unemployment Expense	26,000			
Fire	Reserved	Vehicle Replacement	20,000			
Fire	Reserved	Reserve for Depreciation	66,354	79,854	13,500	Short Term Depreciation
Parks Olivehurst	Reserved	Equipment Replacement	76,495	96,495	20,000	Equipment Reserve
Parks Olivehurst	Reserved	Reserve for Depreciation	54,756	64,756	10,000	Short Term Depreciation
Parks CSA 66	Reserved	Reserve for Depreciation	370,000	450,000	80,000	Short Term Depreciation
Parks CSA 66	Reserved	Future Park Maintenance	489,000	589,000	100,000	CFD 2005-2
Water	Reserved	Reserve for Depreciation	200,000	300,000	100,000	Short Term Depreciation
Water	Reserved	Reserve for Capital Replacement	500,000	1,000,000	500,000	Capital Outlay Reserve
Waste Water	Reserved	Reserve for Depreciation	2,200,000	2,500,000	300,000	Short Term Depreciation

Sample Motion:

Approve/do not approve funding of Board-Committed Reserves

Prepared by:

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