

Olivehurst Public Utility District

Agenda Item Staff Report



Meeting Date: October 15, 2026

Item description/summary: Bennett's Beverages – Request for Reduction in Monthly Utility Fee at Eufay Woods Sr Park

Bennett's Beverages currently operates a beverage vending machine at Eufay Woods Sr Park under an arrangement with the OPUD. As part of this arrangement, Bennett's Beverages pays the District a monthly utility fee of \$50 and remits 10% of vending machine revenue to the District.

The District received a written request from Chad Bennett, owner of Bennett's Beverages, seeking a reduction in the monthly utility fee from \$50 to \$25.

According to Mr. Bennett, the vending machine generates approximately \$100 in monthly sales. After accounting for the monthly utility fee, the 10% revenue payment to the District, and other operating expenses, Mr. Bennett indicated that the vending machine generates minimal net income.

The requested reduction is intended to help offset operating expenses and improve the financial viability of continuing vending machine services at Eufay Woods Sr Park.

The request was presented to the Parks and Recreation Committee for review and consideration. During its discussion, the Committee expressed the opinion that the electricity consumption associated with operating a single beverage vending machine would likely be less than the current \$50 monthly utility fee being charged by the District.

Based on this consideration, along with the vendor's reported sales and operating expenses, the Parks and Recreation Committee recommended reducing the monthly utility fee from \$50 to \$25.

The proposed adjustment represents a 50% reduction in the existing monthly utility fee. The requirement for Bennett's Beverages to remit 10% of vending machine revenue to the District would remain unchanged.

Based on the vendor's reported average monthly sales of approximately \$100, the District currently receives approximately \$60 per month, consisting of the \$50 utility fee and approximately \$10 in revenue-sharing payments. If the proposed reduction is approved, the District would receive approximately \$35 per month, assuming vending machine sales remain consistent.

Fiscal Analysis:

Approval of the proposed reduction would decrease the District's monthly utility fee revenue by \$25, resulting in an estimated annual revenue reduction of \$300.

The existing 10% revenue-sharing arrangement would remain unchanged.

Sample Motion/Staff Recommendation:

Consider approving the request by Bennett's Beverages for a reduction in the monthly utility fee from \$50 to \$25 per month for the vending machine at Eufay Woods Sr Park.

Prepared by:

Bri Anne Ritchie, Board Clerk

Dear OPUD Board of Directors,

I am respectfully requesting the Board's consideration and approval to reduce the monthly utility fee charged to Bennett's Beverages for the vending machine located at Eufay Wood Park from \$50 to \$25.

My goal in providing this vending machine is to offer a convenient and accessible beverage option for park visitors while maintaining a positive working relationship with the Olivehurst Public Utility District. However, the financial sustainability of continuing this service has become increasingly challenging.

Currently, the vending machine generates approximately \$100 in monthly sales. In addition to the \$50 monthly utility fee, I remit 10% of gross sales revenue to OPUD. Between these payments and the additional expenses associated with purchasing inventory, maintaining the machine, and operating the business, there is very little profit remaining.

Under the current arrangement, approximately 60% of the machine's monthly sales revenue goes directly to OPUD before accounting for the cost of beverages and other operating expenses. While I understand the importance of ensuring that the District is appropriately compensated for the electricity used by the vending machine, I believe a \$25 monthly utility fee would be a more reasonable amount given the limited electricity consumption associated with operating a single vending machine.

Reducing the monthly fee would help make this service more financially sustainable while allowing OPUD to continue receiving both a monthly utility payment and 10% of sales revenue. More importantly, it would allow Bennett's Beverages to continue providing a convenient service to park visitors without placing an unreasonable financial burden on a small local business.

I value the opportunity to serve the Plumas Lake community and appreciate the District's willingness to work with local businesses. I believe the requested adjustment represents a reasonable compromise that benefits both Bennett's Beverages and OPUD while supporting the continued availability of vending services at Eufay Wood Park.

Thank you for your time and consideration. I respectfully request that the Board approve the reduction of the monthly utility fee from \$50 to \$25, with the existing 10% revenue-sharing arrangement remaining unchanged.

Sincerely,

Chad Bennett
Bennett's Beverages