

**Donner Summit Public Utility District  
Board of Directors Regular Meeting**

**Agenda**

**Tuesday, February 20, 2024 – 6:00 P.M.**

**DSPUD Office, 53823 Sherritt Lane, Soda Springs California**

The Public is welcome to attend in person or participate by Zoom Webinar: Meeting ID, 836 7737 6223, Password: 616050

Any member of the public desiring to address the Board on any matter within the Jurisdictional Authority of the District or on a matter on the Agenda before or during the Boards consideration of that item may do so. After receiving recognition from the Board President, please give your Name and Address (City) and your comments or questions. In order that all interested parties have an opportunity to speak, please limit your comments to the specific topics of discussion.

Unless specifically noted, the Board of Directors may act upon all items on the Agenda.

**1. Call to Order**

**2. Roll Call**

**3. Clear the Agenda**

**4. Public Participation** – *This is time set aside for the public to address the Board on any matter not on the agenda. Comments related to any item already on the agenda should be addressed at the time that that item is considered. Each speaker will be limited to five minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.*

**5. Consent Calendar**

*All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board requests an item to be removed from the Consent Calendar for a separate action. Any items removed will be considered after the motion to approve the Consent Calendar.*

**A. Approve Finance Report for February 2024**

- 1. Cash Disbursements–General**, Month of January
- 2. Cash Disbursements–Payroll**, Month of January
- 3. Schedule of Cash and Reserves**, December
- 4. Accountants Financial Statements**, December

**B. Approve Regular Meeting Minutes for January 16, 2024**

**C. Approve Safety Meeting Minutes for January 2024**

**6. Department Reports**

**A. Administration - Steven Palmer, General Manager**

**B. Operations and Maintenance Summary, January**

**7. Action**

- A. Accept Fiscal Year End 2023 Audited Financial Statements**
- B. Receive Financial Health Checkup Report for Fiscal Year 2023**
- C. Adopt a Resolution of Intention to Form Community Facilities District Number 2024-1, and a Resolution of Intention to Incur Bonded Indebtedness for Public Facilities in Community Facilities District Number 2024-1 for the Sugar Bowl West and East Villages Sewer Project**
- D. Authorize the General Manager to Request Technical Assistance from the Rural Community Assistance Corporation to Submit a Grant Application for a Detailed Evaluation of a Domestic Water System Intertie with Sierra Lakes County Water District, PlaVada Community Association, and Kingvale Water Users**

**8. Director Reports:** *In accordance with Government Code Section 54954.2(a), Directors may make brief announcements or brief reports on their own activities (concerning the District). They may ask questions for clarification make a referral to staff or take action to have staff place a matter of business on a future agenda.*

**9. Adjournment**

Schedule of Upcoming Meetings

Regular Meeting – March 26, 2024

Regular Meeting – April 16, 2024

Regular Meeting – May 21, 2024

We certify that on February 16, 2024, a copy of this agenda was posted in public view at 53823 Sherritt Lane Soda Springs, California, and the Soda Springs General Store.



Deleane Mehler  
Administrative Assistant

Steven Palmer  
General Manager

## Agenda Item: 5A.1

**Donner Summit Public Utility District**  
**Check List**  
 All Bank Accounts  
 January 10, 2024

Check Number	Check Date	Payee	Amount
<b>Vendor Checks</b>			
10072	01/10/24	49ER WATER SERVICES	102.95
10073	01/10/24	ALSCO	413.48
10074	01/10/24	AT&T	422.57
10075	01/10/24	AT&T	29.25
10076	01/10/24	CORBIN WILLITS SYSTEMS, INC.	474.50
10077	01/10/24	EMPLOYER DRIVEN SOLUTIONS	319.00
10078	01/10/24	EVERS LAW GROUP	610.50
10079	01/10/24	FED-EX	8.74
10080	01/10/24	GEI CONSULTANTS	7,531.19
10081	01/10/24	GRAINGER	710.31
10082	01/10/24	GRAINGER	588.57
10083	01/10/24	HANSFORD ECONOMIC CONSULTING, LLC	847.50
10084	01/10/24	HILLBERG & COMPANY	6,000.00
10086	01/10/24	PARAGON PEST CONTROL	65.00
10087	01/10/24	PG&E COMPANY	10,217.90
10088	01/10/24	PG&E COMPANY	23,462.75
10089	01/10/24	PG&E COMPANY	320.59
10090	01/10/24	ROBERT E. SUTTON COMPANY INC.	7,440.00
10091	01/10/24	RUPPERT INC	28,968.00
10092	01/10/24	SCHAELENE ROLLINS	422.50
10093	01/10/24	SKI CAT SNOWCAT RENTALS	9,759.75
10094	01/10/24	SNOQUIP	436.49
10095	01/10/24	STATE WATER RESOURCES CONTROL	3,634.48
10096	01/10/24	STATE WATER RESOURCES CONTROL	1,339.00
10097	01/10/24	SUBURBAN PROPANE	4,021.45
10098	01/10/24	SUBURBAN PROPANE	4,104.22
10099	01/10/24	SUBURBAN PROPANE	620.46
10100	01/10/24	SUBURBAN PROPANE	11,724.81
10101	01/10/24	TAHOE TRUCKEE SIERRA DISPOSAL-BIN	628.06
10102	01/10/24	THATCHER COMPANY OF NEVADA, INC.	1,781.11
10103	01/10/24	THATCHER COMPANY OF NEVADA, INC.	7,810.90
10104	01/10/24	THE OFFICE BOSS, INC.	46.04
10105	01/10/24	TRUCKEE AUTO PARTS	18.72
10106	01/10/24	ULINE	13.06
10107	01/10/24	XYLEM INC.	1,460.16
10108	01/10/24	MOUNTAIN HARDWARE & SPORTS	81.05
10109	01/10/24	MOUNTAIN HARDWARE & SPORTS	35.38
<b>Vendor Check Total</b>			<u>136,470.44</u>
<b>Check List Total</b>			<u>136,470.44</u>

Check count = 37

**Donner Summit Public Utility District**

**Check List**

NEW DEPOSIT- FIVE STAR BANK - 5715

January 25, 2024

Check Number	Check Date	Payee	Amount
<b>Vendor Checks</b>			
10110	01/25/24	A-1 RADIATOR	731.91
10111	01/25/24	ALHAMBRA & SIERRA SPRINGS	102.95
10112	01/25/24	ALHAMBRA & SIERRA SPRINGS	139.95
10113	01/25/24	ALSCO	138.60
10114	01/25/24	ANTHEM/BLUE CROSS	13,158.26
10115	01/25/24	CORBIN WILLITS SYSTEMS, INC.	474.50
10116	01/25/24	GEI CONSULTANTS	1,226.00
10117	01/25/24	HUBER TECHNOLOGY, INC.	1,200.00
10118	01/25/24	HUMANA DENTAL INS. CO.	1,456.26
10119	01/25/24	INSTRUMENT TECHNOLOGY CORPORATION	1,286.58
10120	01/25/24	MAPCOMMUNICATIONS	73.95
10121	01/25/24	MOUNTAIN HARDWARE & SPORTS	10.81
10122	01/25/24	MOUNTAIN HARDWARE & SPORTS	58.43
10123	01/25/24	MOUNTAIN HARDWARE & SPORTS	10.81
10124	01/25/24	NATIONAL LIFE INSURANCE CO.	62.17
10125	01/25/24	PG&E COMPANY	13,545.31
10126	01/25/24	PG&E COMPANY	23,721.80
10127	01/25/24	PRINCIPAL LIFE INSURANCE COMPANY	821.21
10128	01/25/24	SCHAELENE ROLLINS	552.50
10129	01/25/24	SDRMA	1,782.98
10130	01/25/24	SUBURBAN PROPANE	2,246.24
10131	01/25/24	SUMMIT HOME CARE	200.00
10132	01/25/24	TRANSAMERICA LIFE INSURANCE	194.19
10133	01/25/24	PG&E COMPANY	336.08
<b>Vendor Check Total</b>			<u>63,531.49</u>
<b>Check List Total</b>			<u>63,531.49</u>

Check count = 24

## Agenda Item: 5A.2

# PAYROLL JOURNAL

February 20, 2024  
Agenda Item: 5A2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS
	DESCRIPTION	RATE	HOURS	EARNINGS			
<b>**** 30 WATER SEWER</b> King, James R 49	Regular			6,458.66			
	Holiday		M8.0000				
	Life Ins Reimb Txble			100.00			
	Sick Accr-Memo				M1.85		
	Vacation -Memo				M4.62		
	<b>EMPLOYEE TOTAL</b>		<b>8.0000</b>	<b>6,558.66</b>			
					1,824.03	1,896.55	Net Pay 2,836.08
							Direct Deposit # 11 0:00
							Check Amt 2,838.08
							Chkg 730
Patrick, Sean M 59	Regular	51:0800	67:0000	3,422.30	Social Security 406:54	150:00	Direct Deposit # 12
	Overtime	76:6200	7:0000	536.34	Medicare 95:10	450:00	Direct Deposit # 12
	Holiday	51:0800	10:0000	510.80	Fed Income Tax 818:17	37:41	Check Amt 0:00
	Sick	51:0800	3:0000	153.21	CA Income Tax 431:97		Chkg 717 3,279.61
	Stand By			360.00	CA Disability 72:15		
	<b>EMPLOYEE TOTAL</b>		<b>87:0000</b>	<b>4,982.74</b>			
					1,215.72	487:41	Net Pay 3,279.61
						850:00	Direct Deposit # 13
						150:00	Check Amt 0:00
							Chkg 019 2,368.42
Schott, Paul A 14	Regular	54:0500	80:0000	4,559.31	Social Security 308:93	457	Net Pay 3,279.61
	Holiday	54:0500	40:0000	2,162.00	Medicare 722:25	66:11	Direct Deposit # 13
	Life Ins Reimb Txble			100.00	Fed Income Tax 478:74	150:00	Check Amt 0:00
	Sick	54:0500	3:7500	202.69	CA Income Tax 300:99		Chkg 019 2,368.42
	Stand By			135.00	CA Disability 54:81		
	Sick Accr-Memo						
	Vacation -Memo						
	<b>EMPLOYEE TOTAL</b>		<b>80:0000</b>	<b>4,559.00</b>			
					1,190.58	1,000:00	Net Pay 2,368.42
						50:00	Direct Deposit # 14
							Check Amt 0:00
							Chkg 722 2,381.19
Shelton, Joshua M... 64	Regular	37:6000	44:0000	1,654.40	Social Security 192:70	457	Net Pay 2,381.19
	Holiday	37:6000	10:0000	376.00	Medicare 45:07	50:00	Direct Deposit # 14
	Life Ins Reimb Txble			100.00	Fed Income Tax 254:73		Check Amt 0:00
	Sick	37:6000	6:0000	225.60	CA Income Tax 150:12		Chkg 722 2,381.19
	Vacation	37:6000	20:0000	752.00	CA Disability 34:19		
	<b>EMPLOYEE TOTAL</b>		<b>80:0000</b>	<b>3,108.00</b>			
					670:81	50:00	Net Pay 2,381.19
						200:00	Direct Deposit # 15
						35:00	Check Amt 0:00
						171:34	Chkg 400 3,214.32
Vosburgh, Justin E 57	Regular	55:7000	50:0000	2,785.00	Social Security 293:01	457	Net Pay 3,214.32
	Holiday	55:7000	10:0000	557.00	Medicare 68:53	35:00	Direct Deposit # 15
	Stand By			270.00	Fed Income Tax 390:51		Check Amt 0:00
	Vacation	55:7000	20:0000	1,114.00	CA Income Tax 301:30		Chkg 400 3,214.32
					CA Disability 51:99		
	<b>CHECK 1 TOTAL</b>		<b>80:0000</b>	<b>4,726.00</b>			
					1,105.34	406:34	Net Pay 3,214.32
	Overtime	83:5500	16:0000	1,336.80	Social Security 96:70		Direct Deposit # 16
	Double Time	111:4000	2:0000	222.80	Medicare 22:61		Check Amt 0:00
					Fed Income Tax 43:65		Chkg 400 1,344.23
					CA Income Tax 35:25		
					CA Disability 17:16		
	<b>CHECK 2 TOTAL</b>		<b>18:0000</b>	<b>1,559.60</b>			
					215.37		Net Pay 1,344.23
	<b>EMPLOYEE TOTAL</b>		<b>98:0000</b>	<b>6,285.60</b>			
					1,320.71	406:34	Net Pay 4,568.55
<b>**** 40 BOARD MEMBER</b> Combs, William C 68	Regular			250.00	Social Security 44:87		Direct Deposit # 17
	Health Stipend			473.68	Medicare 10:49		Check Amt 0:00
					CA Income Tax 6:98		Chkg 718 653.38
					CA Disability 7:96		

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February 20, 2024  
Agenda Item: 5A2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS		
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS	
**** 40 BOARD MEMBER (cont.) Combs, William C (cont.) 68									
	EMPLOYEE TOTAL								
				723.68					
Gamick, Philip 28	Regular			250.00	Social Security	70.30	Net Pay	653.38	
	Health Stipend			974.92	Medicare	17.76	Direct Deposit # 18		
					Fed Income Tax	60.18	Check Amt	0.00	
					CA Income Tax	13.60	Chkg 486	1,043.96	
					CA Disability	13.47			
	EMPLOYEE TOTAL								
				1,224.92		180.96	Net Pay	1,043.96	
Kaufman, Joan B 67	Regular			275.00	Social Security	88.22	Direct Deposit # 19		
	Health Stipend			1,147.86	Medicare	20.63	Check Amt	0.00	
					Fed Income Tax	94.44	Chkg 974	1,175.68	
					CA Income Tax	28.24			
					CA Disability	15.65			
	EMPLOYEE TOTAL								
				1,422.86		247.18	Net Pay	1,175.68	
Parkhurst, Dawn E 66	Regular			250.00	Social Security	63.89	Direct Deposit # 20		
	Health Stipend			780.54	Medicare	14.94	Check Amt	0.00	
					Fed Income Tax	47.36	Chkg 495	879.28	
					CA Income Tax	13.73			
					CA Disability	11.34			
	EMPLOYEE TOTAL								
				1,030.54		151.26	Net Pay	879.28	
Preis, Cathy 44	Regular			300.00	Social Security	62.84	Direct Deposit # 21		
	Health Stipend			713.59	Medicare	14.70	Check Amt	0.00	
					Fed Income Tax	65.17	Chkg 011	852.46	
					CA Income Tax	7.27			
					CA Disability	11.15			
	EMPLOYEE TOTAL								
				1,013.59		161.13	Net Pay	852.46	
**** 50 ADMIN									
Mehler, Deleane 51	Regular	44:2700	43:5000	1,925.75	Social Security	219:58:457	Direct Deposit # 22		
	Holiday	44:2700	32:0000	1,416.64	Medicare	51:35:Loan 2	243:52	Check Amt	0.00
	Sick	44:2700	4:5000	199.22	Fed Income Tax	516:12:Loan Payment	103:78	Chkg 963	2,078.94
					CA Income Tax	189:06			
					CA Disability	38:96			
	EMPLOYEE TOTAL								
			80:0000	3,541:61		1,015:37	Net Pay	2,078.94	
Palmer, Steven V 65	Regular			7,456:04	Social Security	462:27:457	Direct Deposit # 23		
	Holiday		08:0000		Medicare	108:11	Check Amt	0.00	
	Sick		08:0000		Fed Income Tax	1,227:14	Chkg 779	4,007.19	
					CA Income Tax	579:38	Savg 217	788.00	
					CA Disability	82:02			
	EMPLOYEE TOTAL								
			16:0000	7,456:04		2,458:92	Net Pay	4,795.19	
<b>COMPANY TOTALS</b>									
12 Person(s)	Regular		240:7500	26,986:52	Social Security	2,598:26:457	Check Amt	0.00	
13 Transaction(s)	Double Time		2:0000	222:80	Medicare	607:65	Dir Dep	26,904.74	
	Overtime		23:0000	1,873:14	Fed Income Tax	4,571:15	Credit Un 2		
						Garnishment	1,292:31		



# PAYROLL JOURNAL

February 20, 2024  
Agenda Item: 5A2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME  
ID

HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS					WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS		
DESCRIPTION	RATE	HOURS	EARNINGS	REIMB & OTHER PAYMENTS					
Health Stipend			4,090.59		CA Income Tax	2,274.91	Life Ins EE Post	72.41	
Holiday		118.0000	5,022.44		CA Disability	461.00	Loan 2	414.86	
Life Ins Reimb Txble			300.00				Loan Payment	558.02	
Sick		25.2500	780.75						
Stand By			765.00						
Vacation		40.0000	1,866.00						
Sick Accr-Memo				3.70					
Vacation -Memo				10.77					
COMPANY TOTAL:		449.0000	41,907.24			10,512.97	4,489.53	Net Pay	26,904.74
					<i>Employer Liabilities</i>				
					Social Security	2,588.26			
					Medicare	607.65			
					Fed Unemploy	248.71			
					CA Unemploy	2,569.99			
					TOTAL EMPLOYER LIABILITY	6,024.61			
					TOTAL TAX LIABILITY	16,537.58			

(IC) = Independent Contractor

# CASH REQUIREMENTS

**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 01/05/24: \$47,859.34**

**IMPORTANT COVID-19 INFORMATION:** If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.

**TRANSACTION SUMMARY**

<b>SUMMARY BY TRANSACTION TYPE -</b>	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	47,859.34
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	<b>47,859.34</b>
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	3,197.22
	CASH REQUIRED FOR CHECK DATE 01/05/24	51,056.56

**TRANSACTION DETAIL**

**ELECTRONIC FUNDS TRANSFER** - Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<b>BANK DRAFT AMOUNTS &amp; OTHER TOTALS</b>
01/04/24	FIVE STAR BANK	xxxxxxxxxxxx707	Direct Deposit	Net Pay Allocations	26,904.74	<b>26,904.74</b>
01/04/24	FIVE STAR BANK	xxxxxxxxxxxx707	Readychex®	Check Amounts	4,417.02	<b>4,417.02</b>
01/04/24	FIVE STAR BANK	xxxxxxxxxxxx707	Taxpay®	Employee Withholdings		
				Social Security	2,598.26	
				Medicare	607.65	
				Fed Income Tax	4,571.15	
				CA Income Tax	2,274.91	
				CA Disability	461.00	
				<b>Total Withholdings</b>	<b>10,512.97</b>	
				Employer Liabilities		
				Social Security	2,598.26	
				Medicare	607.65	
				Fed Unemploy	248.71	
				CA Unemploy	2,569.99	
				<b>Total Liabilities</b>	<b>6,024.61</b>	<b>16,537.58</b>
				<b>EFT FOR 01/04/24</b>		<b>47,859.34</b>
				<b>TOTAL EFT</b>		<b>47,859.34</b>

**REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES** - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
01/05/24	Refer to your records for account	Information	Payroll	Employee Deductions		
				457	2,001.93	
				Credit Un 2	150.00	
				Life Ins EE Post Tax	72.41	
				Loan 2	414.86	

# PAYROLL JOURNAL

February 20, 2024  
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0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS	
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS
**** 30 WATER SEWER King, James R 49	Regular			6,458.66				
	Holiday		M24.0000					
	Sick Accr-Memo				M1.85			
	Vacation-Memo				M4.62			
	EMPLOYEE TOTAL		24.0000	6,458.66		1,781.04	1,896.55	Net Pay 2,781.07
Social Security					400.43	150.00	Direct Deposit # 24	
Medicare					93.65	292.31	Check Amt 0:00	
Fed Income Tax					794.17	454.24	Chkg 730 2,781.07	
CA Income Tax					421.74			
CA Disability					71.05			
Patrick, Sean M 59	Regular	51:0800	62.2500	3,179.73				
	Overtime	76:6200	5.0000	383.10				
	Holiday	51:0800	10.0000	510.80				
	Sick	51:0800	1.7500	89.39				
	Stand By			270.00				
	Vacation	51:0800	6.0000	306.48				
	EMPLOYEE TOTAL		85.0000	4,739.50		1,116.03	450.00	Net Pay 3,173.47
	Social Security					293.85	850.00	Direct Deposit # 25
Medicare					68.72	450.00	Check Amt 0:00	
Fed Income Tax					425.23		Chkg 717 3,173.47	
CA Income Tax					276.10			
CA Disability					52.13			
Schott, Paul A 14	Regular	54:0500	80.0000	4,324.00				
	Overtime	81:0750	3.0000	243.23				
	Holiday	54:0500	10.0000	540.50				
	Stand By			270.00				
	Sick Accr-Memo				M1.85			
	Vacation-Memo				M6.15			
EMPLOYEE TOTAL		93.0000	5,377.73		1,534.69	1,000.00	Net Pay 2,843.04	
Social Security					333.42	850.00	Direct Deposit # 26	
Medicare					77.97	150.00	Check Amt 0:00	
Fed Income Tax					763.67		Chkg 019 2,843.04	
CA Income Tax					300.47			
CA Disability					59.16			
Shelton, Joshua M... 64	Regular	37:6000	70.0000	2,632.00				
	Holiday	37:6000	10.0000	376.00				
	EMPLOYEE TOTAL		80.0000	3,008.00		645.81	50.00	Net Pay 2,312.19
	Social Security					186.49	50.00	Direct Deposit # 27
Medicare					43.61		Check Amt 0:00	
Fed Income Tax					242.73		Chkg 722 2,312.19	
CA Income Tax					133.89			
CA Disability					33.09			
Vosburgh, Justin E 57	Regular	55:7000	68.7500	3,829.38				
	Holiday	55:7000	10.0000	557.00				
	Stand By			180.00				
	Vacation	55:7000	1.2500	69.63				
	EMPLOYEE TOTAL		80.0000	3,008.00		645.81	50.00	Net Pay 2,312.19
	Social Security					287.43	200.00	Direct Deposit # 28
	Medicare					67.22	171.34	Check Amt 0:00
	Fed Income Tax					379.71		Chkg 400 3,187.22
	CA Income Tax					292.09		
	CA Disability					51.00		
CHECK 1 TOTAL		80.0000	4,636.01		1,077.45	371.34	Net Pay 3,187.22	
Overtime	83:5500	19.7500	1,650.11					
Social Security					102.31		Direct Deposit # 29	
Medicare					23.93		Check Amt 0:00	
Fed Income Tax					52.70		Chkg 400 1,413.78	
CA Income Tax					39.24			
CA Disability					18.15			
CHECK 2 TOTAL		19.7500	1,650.11		296.33		Net Pay 1,413.78	
EMPLOYEE TOTAL		99.7500	6,286.12		1,313.78	371.34	Net Pay 4,601.00	
**** 50 ADMIN Mehler, Deleane 51	Regular	44:2700	72.0000	3,187.44				
	Holiday	44:2700	8.0000	354.16				
	Social Security					219.58	100.00	Direct Deposit # 30
	Medicare					51.36	243.52	Check Amt 0:00
Fed Income Tax					516.11	103.78	Chkg 963 2,078.93	
CA Income Tax					189.36			

# PAYROLL JOURNAL

February 20, 2024  
Agenda Item: 5A2

0085 0085-T591 Donner Summit Public Utility

EMPLOYEE NAME ID	HOURS, EARNINGS, REIMBURSEMENTS & OTHER PAYMENTS				WITHHOLDINGS	DEDUCTIONS	NET PAY ALLOCATIONS	
	DESCRIPTION	RATE	HOURS	EARNINGS				REIMB & OTHER PAYMENTS
**** 50 ADMIN (cont.) Mehler, Deleane (cont.) 51					CA Disability	38.96		
	CHECK 1 TOTAL		80.0000	3,541.60		1,015.37	447.30 Net Pay 2,076.93	
	Vacation	44.2700	60.0000	2,656.20	Social Security	154.68	Direct Deposit # 31	
					Medicare	38.51	Check Amt	0.00
					Fed Income Tax	343.33	Chkg 963	1,968.88
				CA Income Tax	111.58			
				CA Disability	29.22			
	CHECK 2 TOTAL		60.0000	2,656.20		387.32	Net Pay 1,968.88	
	EMPLOYEE TOTAL		140.0000	6,197.80		1,702.69	Net Pay 4,047.81	
Palmer, Steven V 65	Regular		M16.0000	7,456.04	Social Security	462.28	457 Direct Deposit # 32	
	Holiday				Medicare	108.12	201.93 Check Amt	0.00
					Fed Income Tax	1,227.14	Chkg 779	4,007.17
					CA Income Tax	579.38	Savg 217	788.00
					CA Disability	82.02		
	EMPLOYEE TOTAL		16.0000	7,456.04		2,458.94	201.93 Net Pay 4,795.17	
<b>COMPANY TOTALS</b>								
7 Person(s)	Regular		353.0000	31,067.25	Social Security	2,450.47	457 2,001.93 Check Amt	0.00
9 Transaction(s)	Overtime		27.7500	2,276.44	Medicare	573.09	150.00 Credit Un 2	24,553.75 Dir Dep
	Holiday		88.0000	2,338.46	Fed Income Tax	4,744.79	1,292.31 Gamishment	
	Sick		1.7500	89.39	CA Income Tax	2,349.85	414.86 Loan 2	
	Stand By			720.00	CA Disability	434.78	558.02 Loan Payment	
	Vacation		67.2500	3,032.31				
	Sick Accr-Memo							
	Vacation -Memo				3.70			
	COMPANY TOTAL		537.7500	39,523.85	10.77	10,552.98	4,417.12 Net Pay 24,553.75	
					<i>Employer Liabilities</i>			
					Social Security	2,450.48		
					Medicare	573.09		
					Fed Unemploy	72.49		
					CA Unemploy	748.98		
				TOTAL EMPLOYER LIABILITY	3,845.04			
				TOTAL TAX LIABILITY	14,398.02			

(IC) = Independent Contractor

# CASH REQUIREMENTS

**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 01/19/24: \$43,368.89**

**IMPORTANT COVID-19 INFORMATION:** If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.

## TRANSACTION SUMMARY

<b>SUMMARY BY TRANSACTION TYPE -</b>	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	43,368.89
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	<b>43,368.89</b>
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	3,124.81
	CASH REQUIRED FOR CHECK DATE 01/19/24	46,493.70

## TRANSACTION DETAIL

**ELECTRONIC FUNDS TRANSFER** - Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<b>BANK DRAFT AMOUNTS &amp; OTHER TOTALS</b>
01/18/24	FIVE STAR BANK	xxxxxxxxxxxx707	Direct Deposit	Net Pay Allocations	24,553.75	<b>24,553.75</b>
01/18/24	FIVE STAR BANK	xxxxxxxxxxxx707	Readychex®	Check Amounts	4,417.12	<b>4,417.12</b>
01/18/24	FIVE STAR BANK	xxxxxxxxxxxx707	Taxpay®	Employee Withholdings		
				Social Security	2,450.47	
				Medicare	573.09	
				Fed Income Tax	4,744.79	
				CA Income Tax	2,349.85	
				CA Disability	434.78	
				<b>Total Withholdings</b>	<b>10,552.98</b>	
				Employer Liabilities		
				Social Security	2,450.48	
				Medicare	573.09	
				Fed Unemploy	72.49	
				CA Unemploy	748.98	
				<b>Total Liabilities</b>	<b>3,845.04</b>	<b>14,398.02</b>
				<b>EFT FOR 01/18/24</b>		<b>43,368.89</b>
				<b>TOTAL EFT</b>		<b>43,368.89</b>

**REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES** - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
01/19/24	Refer to your records for account information		Payroll	Employee Deductions		
				457	2,001.93	
				Credit Un 2	150.00	
				Loan 2	414.86	

## Agenda Item: 5A.3

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 SCHEDULE OF CASH AND DEBT RESTRICTED RESERVES  
 DECEMBER 31, 2023

<u>Bank Account</u>	<u>Reserve</u>	<u>Book Balance</u>	<u>Reserves Restricted</u>
Wells Fargo - Checking		\$ (847.50)	
Wells Fargo - Deposit		116,202.99	
Wells Fargo - Payroll		-	
Five Star Bank #5715 General Disbursement		(182,453.03)	
Five Star Bank #5693 Main Checking		818,294.00	
LAIF		3,506.97	
	SWRCB Loan Construction		719,191.03
	WTP Loan Construction		10,359.94
	Big Bend Water Loan Reserve 1		5,662.40
	Big Bend Water Loan Reserve 2		2,325.60
	Big Bend Assessment		11,688.80
	Big Bend Loan Fund - Loan 1		14,156.00
	Big Bend Loan Fund - Loan 2		5,814.00
	Sugar Bowl Expansion		191,652.52
<b>Totals</b>		<u>754,703.43</u>	<u>960,850.29</u>
Unrestricted Cash Available (Shortfall)			<u><u>\$ (206,146.86)</u></u>

## Agenda Item: 5A.4



DONNER SUMMIT PUBLIC UTILITY DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT  
DECEMBER 31, 2023

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
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DECEMBER 31, 2023

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Suite 1100  
Reno, NV 89501

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Donner Summit Public Utility District

Management is responsible for the accompanying financial statements of the business-type activities of Donner Summit Public Utility District (the District) which comprise the statements of activities and changes in net position – budgetary basis for the six months ended December 31, 2023 in accordance with the budgetary basis of accounting, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplementary information contained on page 8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The financial statements are prepared on the budgetary basis of accounting, which includes expensing capital outlay purchases and principal payments on long-term debt. The budgetary basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America.

*Barnard, Vogler & Co.*

Reno, Nevada  
February 5, 2024

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
COMBINED BUSINESS-TYPE ACTIVITIES  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Water	Sewer	Treatment	Admin	Total
<b>Program Revenue</b>					
Water fees	\$ 347,789.48	\$ -	\$ -	\$ -	\$ 347,789.48
Sewer fees	-	288,930.32	866,790.96	-	1,155,721.28
Connection fees	-	-	-	-	-
Recycled water sales	-	-	-	-	-
Non-CFD revenue for WWTP loan	-	-	3,088.83	-	3,088.83
Sierra Lakes service	-	-	262,351.50	-	262,351.50
Big Bend service fees	15,540.00	-	-	-	15,540.00
Big Bend assessment	10,385.76	-	-	-	10,385.76
Total Program Revenue	373,715.24	288,930.32	1,132,231.29	-	1,794,876.85
<b>Expenses</b>					
Salaries-operations	69,149.59	58,148.50	187,018.06	150,702.01	465,018.16
Overtime	8,385.08	7,051.09	22,677.77	-	38,113.94
Employee benefits and taxes	22,899.68	17,297.70	63,288.48	45,599.84	149,085.70
Board expense	-	-	-	36,700.01	36,700.01
Professional fees	39,661.91	290.54	8,662.38	61,141.44	109,756.27
Dues and subscriptions	90.00	-	1,046.63	8,360.00	9,496.63
Fees, permits, certifications, leases	6,190.93	-	29,152.85	8,939.15	44,282.93
Training, education, travel	154.58	-	508.32	999.86	1,662.76
Insurance	25,698.37	21,771.91	69,382.45	6,044.10	122,896.83
Office supplies and miscellaneous	236.00	192.90	787.49	3,866.73	5,083.12
Utilities, communications, telemetry	24,202.41	11,050.70	173,041.61	17,113.51	225,408.23
Chemicals and lab supplies	9,779.93	-	139,431.78	-	149,211.71
Laboratory testing	(380.00)	-	20,100.00	-	19,720.00
Equipment maintenance and repair	12,128.15	5,223.15	18,497.76	-	35,849.06
Small equipment and rental	5,817.37	5,817.38	215.82	281.87	12,132.44
Operating supplies	430.15	3,123.66	605.33	1,510.22	5,669.36
Sludge removal	-	-	18,867.11	-	18,867.11
Vehicle maintenance, repair, fuel	2,354.53	7,063.62	5,253.20	-	14,671.35
Infiltration and inflow program	-	33,014.25	-	-	33,014.25
Facility maintenance and repair	78,721.96	4,808.59	37,198.79	925.00	121,654.34
Amortization of land lease	-	-	10,846.50	-	10,846.50
Debt service	9,093.64	-	719,191.03	-	728,284.67
Capital equipment	24,533.83	17,326.58	58,186.38	-	100,046.79
Sugar Bowl expansion	-	120,661.22	-	-	120,661.22
Capital projects	-	-	-	-	-
Total Expenses	339,148.11	312,841.79	1,583,959.74	342,183.74	2,578,133.38
<b>Excess (Deficiency) of Program Revenues Over Expenses</b>					
	34,567.13	(23,911.47)	(451,728.45)	(342,183.74)	(783,256.53)
<b>General Revenues</b>					
Interest revenue	-	-	-	1,332.04	1,332.04
CFD revenue for WWTP loan	-	-	1,601.10	-	1,601.10
Property tax	(0.04)	-	-	-	(0.04)
Other income	34,701.75	3,443.76	-	2,934.65	41,080.16
Sugar Bowl expansion	-	176,344.00	-	-	176,344.00
Grants	675.00	-	-	-	675.00
Total General Revenues	35,376.71	179,787.76	1,601.10	4,266.69	221,032.26
<b>Increase (Decrease) in Net Position</b>					
	\$ 69,943.84	\$ 155,876.29	\$ (450,127.35)	\$ (337,917.05)	\$ (562,224.27)
<b>Net Position, Beginning of Year</b>					12,798,744.00
<b>Net Position, End of Period</b>					\$ 12,236,519.73

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - WATER  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Actual Year to Date 12/31/23	Budget Total Fiscal Year 2024	Budget Percent Complete 12/31/23	Remaining Budget 12/31/23
<b>Program Revenue</b>				
Water fees	\$ 347,789.48	\$ 677,677.00	51.32%	\$ (329,887.52)
Connection fees	-	-	0.00%	-
Big Bend service fees	15,540.00	31,546.00	49.26%	(16,006.00)
Big Bend assessment	10,385.76	20,772.00	50.00%	(10,386.24)
Total Program Revenue	<u>373,715.24</u>	<u>729,995.00</u>	<u>51.19%</u>	<u>(356,279.76)</u>
<b>Expenses</b>				
Salaries-operations	69,149.59	129,183.00	53.53%	60,033.41
Overtime	8,385.08	13,295.00	63.07%	4,909.92
Employee benefits and taxes	22,899.68	52,477.00	43.64%	29,577.32
Professional fees	39,661.91	115,452.00	34.35%	75,790.09
Dues and subscriptions	90.00	680.00	13.24%	590.00
Fees, permits, certifications, leases	6,190.93	17,530.00	35.32%	11,339.07
Training, education, travel	154.58	1,000.00	15.46%	845.42
Insurance	25,698.37	47,700.00	53.87%	22,001.63
Office supplies and miscellaneous	236.00	550.00	42.91%	314.00
Utilities, communications, telemetry	24,202.41	50,309.00	48.11%	26,106.59
Chemicals and lab supplies	9,779.93	30,000.00	32.60%	20,220.07
Laboratory testing	(380.00)	5,000.00	-7.60%	5,380.00
Equipment maintenance and repair	12,128.15	39,645.00	30.59%	27,516.85
Small equipment and rental	5,817.37	3,150.00	184.68%	(2,667.37)
Operating supplies	430.15	390.00	110.29%	(40.15)
Vehicle maintainance, repair, fuel	2,354.53	5,610.00	41.97%	3,255.47
Facility maintenance and repair	78,721.96	97,313.00	80.90%	18,591.04
Angela WTP loan principal and interest	9,093.64	18,188.00	50.00%	9,094.36
Big Bend debt service	-	19,970.00	0.00%	19,970.00
Capital equipment	24,533.83	27,451.00	89.37%	2,917.17
Capital projects	-	35,525.00	0.00%	35,525.00
Total Expenses	<u>339,148.11</u>	<u>710,418.00</u>	<u>47.74%</u>	<u>371,269.89</u>
<b>Excess of Program</b>				
Revenues Over Expenses	34,567.13	19,577.00	176.57%	14,990.13
<b>General Revenues</b>				
Property tax	(0.04)	30,213.00	0.00%	30,213.04
Other income	34,701.75	55,250.00	62.81%	20,548.25
Grants	675.00	20,400.00	100.00%	19,725.00
Total General Revenues	<u>35,376.71</u>	<u>105,863.00</u>	<u>162.81%</u>	<u>70,486.29</u>
<b>Increase in Net Position</b>	<u>\$ 69,943.84</u>	<u>\$ 125,440.00</u>	<u>55.76%</u>	<u>\$ 85,476.42</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - SEWER  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Actual Year to Date 12/31/23	Budget Total Fiscal Year 2024	Budget Percent Complete 12/31/23	Remaining Budget 12/31/23
Program Revenue				
Sewer fees	\$ 288,930.32	\$ 483,683.00	59.74%	\$ (194,752.68)
Connection fees	-	-	0.00%	-
Total Program Revenue	<u>288,930.32</u>	<u>483,683.00</u>	<u>59.74%</u>	<u>(194,752.68)</u>
Expenses				
Salaries-operations	58,148.50	108,631.00	53.53%	50,482.50
Overtime	7,051.09	11,180.00	63.07%	4,128.91
Employee benefits and taxes	17,297.70	44,649.00	38.74%	27,351.30
Professional fees	290.54	-	0.00%	(290.54)
Training, education and travel	-	300.00	0.00%	300.00
Insurance	21,771.91	40,111.00	54.28%	18,339.09
Office supplies and miscellaneous	192.90	550.00	35.07%	357.10
Utilities, communications, telemetry	11,050.70	30,512.00	36.22%	19,461.30
Chemicals and lab supplies	-	500.00	0.00%	500.00
Small equipment and rental	5,817.38	-	0.00%	(5,817.38)
Operating supplies	3,123.66	1,200.00	260.31%	(1,923.66)
Infiltration and inflow program	33,014.25	30,000.00	110.05%	(3,014.25)
Equipment maintenance and repair	5,223.15	24,350.00	21.45%	19,126.85
Vehicle maintenance, repair, fuel	7,063.62	5,410.00	130.57%	(1,653.62)
Facility maintenance and repair	4,808.59	7,640.00	62.94%	2,831.41
Capital equipment	17,326.58	20,500.00	84.52%	3,173.42
Sugar Bowl expansion	120,661.22	-		
Capital projects	-	6,425.00	0.00%	6,425.00
Total Expenses	<u>312,841.79</u>	<u>332,418.00</u>	<u>57.81%</u>	<u>140,237.43</u>
Excess of Program				
Revenues Over Expenses	(23,911.47)	151,265.00	-15.81%	(175,176.47)
General Revenues				
Property tax	-	20,353.00	0.00%	(20,353.00)
Other income	3,443.76	3,000.00	114.79%	443.76
Sugar Bowl expansion	176,344.00	-		
Total General Revenues	<u>179,787.76</u>	<u>23,353.00</u>	<u>14.75%</u>	<u>(19,909.24)</u>
Increase in Net Position	<u>\$ 155,876.29</u>	<u>\$ 174,618.00</u>	<u>89.27%</u>	<u>\$ (18,741.71)</u>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - WASTEWATER TREATMENT  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Actual Year to Date 12/31/23	Budget Total Fiscal Year 2024	Budget Percent Complete 12/31/23	Remaining Budget 12/31/23
<b>Program Revenue</b>				
Sewer fees	\$ 866,790.96	\$ 1,531,662.00	56.59%	\$ (664,871.04)
Recycled water sales	-	-	0.00%	-
Non-CFD revenue for WWTP loan	3,088.83	281,044.00	1.10%	(277,955.17)
Sierra Lakes service	262,351.50	547,280.00	47.94%	(284,928.50)
<b>Total Program Revenue</b>	<b>1,132,231.29</b>	<b>2,359,986.00</b>	<b>47.98%</b>	<b>(1,227,754.71)</b>
<b>Expenses</b>				
Salaries-operations	187,018.06	349,380.00	53.53%	162,361.94
Overtime	22,677.77	35,957.00	63.07%	13,279.23
Employee benefits and taxes	63,288.48	143,601.00	44.07%	80,312.52
Professional fees	8,662.38	52,900.00	16.38%	44,237.62
Dues and subscriptions	1,046.63	2,200.00	47.57%	1,153.37
Fees, permits, certifications, leases	29,152.85	28,000.00	104.12%	(1,152.85)
Training, education, travel	508.32	3,120.00	16.29%	2,611.68
Insurance	69,382.45	129,006.00	53.78%	59,623.55
Office supplies and miscellaneous	787.49	2,248.00	35.03%	1,460.51
Utilities, communications, telemetry	173,041.61	458,000.00	37.78%	284,958.39
Chemicals and lab supplies	139,431.78	180,380.00	77.30%	40,948.22
Laboratory testing	20,100.00	26,043.00	77.18%	5,943.00
Small equipment and rental	215.82	1,240.00	17.40%	1,024.18
Operating supplies	605.33	375.00	161.42%	(230.33)
Equipment maintenance and repair	18,497.76	19,420.00	95.25%	922.24
Vehicle maintenance, repair, fuel	5,253.20	17,520.00	29.98%	12,266.80
Sludge removal	18,867.11	22,340.00	84.45%	3,472.89
Facility maintenance and repair	37,198.79	61,520.00	60.47%	24,321.21
Amortization of land lease	10,846.50	21,693.00	50.00%	10,846.50
WWTP loan	719,191.03	719,191.00	100.00%	(0.03)
Capital equipment	58,186.38	68,886.00	84.47%	10,699.62
<b>Total Expenses</b>	<b>1,583,959.74</b>	<b>2,343,020.00</b>	<b>67.60%</b>	<b>759,060.26</b>
<b>Excess (Deficiency) of Program</b>				
Revenues Over Expenses	(451,728.45)	16,966.00	-2662.55%	(468,694.45)
<b>General Revenues</b>				
CFD revenue for WWTP loan	1,601.10	290,593.00	0.55%	(288,991.90)
Property tax	-	86,800.00	0.00%	(86,800.00)
Other income	-	-	0.00%	-
<b>Total General Revenues</b>	<b>1,601.10</b>	<b>377,393.00</b>	<b>0.42%</b>	<b>(375,791.90)</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (450,127.35)</b>	<b>\$ 394,359.00</b>	<b>-114.14%</b>	<b>\$ 844,486.35</b>

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION - BUDGETARY BASIS  
 BUDGET AND ACTUAL  
 BUSINESS-TYPE ACTIVITY - ADMIN  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Actual Year to Date 12/31/23	Budget Total Fiscal Year 2024	Budget Percent Complete 12/31/23	Remaining Budget 12/31/23
<b>Program Revenue</b>				
Service Fees	\$ -	\$ -	-	\$ -
<b>Total Program Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>				
Salaries-operations	150,702.01	287,755.00	52.37%	137,052.99
Overtime	-	3,522.00	0.00%	3,522.00
Employee benefits and taxes	45,599.84	130,669.00	34.90%	85,069.16
Board expense	36,700.01	72,245.00	50.80%	35,544.99
Professional fees	61,141.44	111,600.00	54.79%	50,458.56
Dues and subscriptions	8,360.00	11,400.00	73.33%	3,040.00
Fees, permits, certifications, leases	8,939.15	13,240.00	67.52%	4,300.85
Training, education, travel	999.86	3,000.00	33.33%	2,000.14
Insurance	6,044.10	11,411.00	52.97%	5,366.90
Office supplies and miscellaneous	3,866.73	9,000.00	42.96%	5,133.27
Utilities, communications, telemetry	17,113.51	34,871.00	49.08%	17,757.49
Small equipment and rental	281.87	-	0.00%	(281.87)
Operating supplies	1,510.22	2,080.00	72.61%	569.78
Facility maintenance and repair	925.00	10,280.00	9.00%	9,355.00
Capital equipment	-	7,500.00	0.00%	7,500.00
<b>Total Expenses</b>	<u>342,183.74</u>	<u>708,573.00</u>	<u>48.29%</u>	<u>366,389.26</u>
<b>Deficiency of Program Revenues Over Expenses</b>	(342,183.74)	(708,573.00)	48.29%	366,389.26
<b>General Revenues</b>				
Interest revenue	1,332.04	2,000.00	66.60%	(667.96)
Other income	2,934.65	9,000.00	32.61%	(6,065.35)
Grants	-	-	0.00%	-
<b>Total General Revenues</b>	<u>4,266.69</u>	<u>11,000.00</u>	<u>38.79%</u>	<u>(6,733.31)</u>
<b>Decrease in Net Position</b>	<u>\$ (337,917.05)</u>	<u>\$ (697,573.00)</u>	<u>48.44%</u>	<u>\$ 359,655.95</u>



SUPPLEMENTARY INFORMATION

DONNER SUMMIT PUBLIC UTILITY DISTRICT  
SCHEDULE OF BIG BEND TRANSACTIONS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

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Revenue	\$	25,925.76
Expenses		
Fees and permits		1,339.00
Telephone		829.16
Interest		-
Loan principal		-
Electricity		(1,578.47)
Repairs and maintenance		<u>634.07</u>
Total expenses		<u>1,223.76</u>
Excess of revenue over expenses	\$	<u><u>24,702.00</u></u>

## Agenda Item: 5B

**Donner Summit Public Utility District  
Board of Directors Regular Meeting  
Minutes  
Tuesday, January 16, 2024 - 6:00 P.M.  
DSPUD Office, 53823 Sherritt Lane, Soda Springs California**

**STAFF PRESENT:** Steven Palmer, General Manager; Jim King, Plant Manager; Deleane Mehler, Office Assistant

**OTHERS PRESENT:** Geoffrey O. Evers, General Counsel, by Zoom

**1. Call to Order**

The Regular Meeting of January 16, 2024 of the Donner Summit Public Utility District Board of Directors was called to order at 6:00 p.m. by President Cathy Preis.

**2. Roll Call**

Cathy Preis, President - Present

Joni Kaufman, Vice President - Present

Dawn Parkhurst, Secretary - Present

Philip Gamick, Director - Present

*(by teleconference at: 6482 Willow Breeze Lane, Las Vegas, Nevada)*

Craig Combs, Director - Present

**3. Clear the Agenda- None**

**4. Board Organization**

**A. Select Board Officers – President, Vice President, Secretary.**

**Motion: 2023 Board Officers to Remain the Same for 2024**

By: Phil Gamick

Second: Craig Combs

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

**Motion Carries**

**B. Board Meeting Calendar for 2024.** Reported.

**5. Public Participation –** *This is time set aside for the public to address the Board on any matter not on the agenda. Comments related to any item already on the agenda should be addressed at the time that that item is considered. Each speaker will be limited to five minutes, but speaker time may be reduced at the discretion of the Board President if there are a large number of speakers on any given subject.* None.

**6. Consent Calendar**

*All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board requests an item to be removed from the Consent Calendar for a separate action. Any items removed will be considered after the motion to approve the Consent Calendar.*

- A. Approve Finance Report for January 2024**
  - 1. **Cash Disbursements–General**, Month of December
  - 2. **Cash Disbursements–Payroll**, Month of December
  - 3. **Schedule of Cash and Reserves**, November
  - 4. **Accountants Financial Statements**, November
  
- B. Approve Regular Meeting Minutes for December 19, 2023**

**Motion: Accept the Consent Calendar**  
**By:** Joni Kaufman  
**Second:** Dawn Parkhurst  
**Vote:** 5 Ayes, 0 Noes, 0 Absent, 0 Abstain, 0 Vacancy  
**Motion Carries**

**7. Department Reports**

- A. Administration - Steven Palmer, General Manager.** Reported
  
- B. Operations and Maintenance Summary, November.** Reported

**8. Action**

- A. Adopt a Resolution Approving a Professional Services Agreement with Goodwin Consulting Group Inc. for Community Facilities District Formation and Administration Services for the Sugar Bowl West and East Village Sewer Project in the Amount of \$110,000**

**Motion: Adopt Resolution 2024-01 of the Donner Summit Public Utility District Approving a Professional Services Agreement with Goodwin Consulting Group Inc. for Community Facilities District Formation and Administration Services for the Sugar Bowl West and East Village Sewer Project in the Amount of \$110,000**

**By:** Dawn Parkhurst

**Second:** Craig Combs

**Roll Call Vote:**

**Cathy Preis - Aye**

**Phil Gamick - Aye**

**Craig Combs - Aye**

**Joni Kaufman - Aye**

**Dawn Parkhurst - Aye**

- 9. Director Reports:** *In accordance with Government Code Section 54954.2(a), Directors may make brief announcements or brief reports on their own activities (concerning the District). They may ask questions for clarification make a referral to staff or take action to have staff place a matter of business on a future agenda.*

## 10. Adjournment

**Motion:**     **Adjourn Meeting at 6:39 p.m.**  
**By:**            Joni Kaufman  
**Second:**     Dawn Parkhurst  
**Vote:**         5 Ayes, 0 Noes, 0 Absent, 0 Abstain, 0 Vacancy  
**Motion Carries**

## Schedule of Upcoming Meetings

Regular Meeting – February 20, 2024  
Regular Meeting – March 19, 2024  
Regular Meeting – April 16, 2024

Respectfully Submitted,

*Deleane Mehler*

Deleane Mehler  
Administrative Assistant

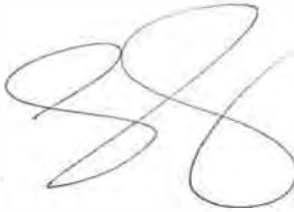
## Agenda Item: 5C

# Safety / Plant Training Donner Summit PUD WWTP

- **Safety Topics** : January 2024
  - Confined Space Atmospheric Testing
- **Training Notes** :
  - DVD

**Attendance :**

- Justin Vosburgh



- Sean Patrick



- Josh Shelton



- Paul Schott



- Jim King



- Steve Palmer



- Deleane Mehler





## Agenda Item: 6A



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** General Manager Report

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### Project Updates

#### Sugar Bowl West and East Village Sewer Project

- Phase 2A bid opening on February 13. Received 6 bids ranging from \$1,555,330 to \$2,284,650.
- Conducted interviews for construction management and inspection.
- Project website: <https://dspud.com/sugar-bowl/>

#### Big Bend Water Line Replacement Project Phase 1

- One proposal received from Ben-En Engineering in Roseville.
- Negotiating reduced scope and fee with Ben-En and PCWA.

#### Other

- Transition from Wells Fargo to Five Star

### Upcoming Board Items

#### March

- Sugar Bowl Sewer Extension Project Phase 2A Owner's Reimbursement Agreement
- Sugar Bowl Sewer Extension Project Phase 2A Construction Management Agreement
- Sugar Bowl Sewer Extension Project CFD Public Hearing
- Accept easements for existing sewer and Phase 2A sewer in Sugar Bowl
- Approve drought resiliency study
- Mid-year budget update
- Auditor engagement

#### April

- Award Sugar Bowl Sewer Extension Project Phase 2A Construction Contract
- Approve job descriptions

#### May

- Draft Fiscal Year 2024 Budget
- Draft Five Year Capital Improvement Plan

## Agenda Item: 6B

**DONNER SUMMIT**  
**PUBLIC UTILITY DISTRICT**  
**WASTEWATER AND FRESH WATER**  
**TREATMENT PLANTS**  
**END OF MONTH OPERATIONS AND MAINTENANCE**  
**SUMMARY**

**January 2024**

**Donner Summit Public Utility District  
 Waste Water Flow Data**

MONTH OF January 2024		DSPUD Influent	SLCWD Influent	Total Plant Influent	Total Plant EFF River	Total Plant EFF Snow Storage	Total Plant EFF Snow Delivery	DSPUD Fresh Water Treated	SLCWD Fresh Water Treated	Weather	Comments
DATE	DAY	MGD	MGD	MGD	MGD	MGD	MGD	MGD	MGD	Cond	
01/01/24	MON	0.22895	0.09205	0.321	0.317	0.0000	0.0670	0.301	0.091978	Clear	11" Snow  10" Snow  1" Snow 3" Snow 13" Snow  1" Snow 3" Snow  3" Snow  6" Snow 7" Snow  1" Snow
01/02/24	TUE	0.21167	0.07433	0.286	0.145	0.0000	0.0040	0.354	0.122858	Clear	
01/03/24	WED	0.18613	0.06987	0.256	0.271	0.0000	0.0800	0.212	0.127639	Snow	
01/04/24	THU	0.15447	0.06953	0.224	0.304	0.0000	0.0640	0.170	0.073832	Clear	
01/05/24	FRI	0.21896	0.05904	0.278	0.286	0.0000	0.1220	0.266	0.000000	Clear	
01/06/24	SAT	0.17895	0.07005	0.249	0.252	0.0000	0.0020	0.153	0.069331	Cloudy	
01/07/24	SUN	0.19630	0.05570	0.252	0.209	0.0000	0.0000	0.209	0.000000	Snow	
01/08/24	MON	0.16262	0.04838	0.211	0.215	0.0000	0.0000	0.208	0.094095	Clear	
01/09/24	TUE	0.17091	0.05709	0.228	0.216	0.0000	0.0000	0.164	0.092046	Snow	
01/10/24	WED	0.15276	0.04124	0.194	0.208	0.0000	0.0000	0.150	0.075381	Snow	
01/11/24	THU	0.17571	0.04529	0.221	0.205	0.0000	0.0000	0.171	0.074531	Snow	
01/12/24	FRI	0.19569	0.05431	0.250	0.214	0.0000	0.0000	0.234	0.000000	Clear	
01/13/24	SAT	0.21207	0.07393	0.286	0.265	0.0000	0.0000	0.308	0.000000	Snow	
01/14/24	SUN	0.18392	0.07908	0.263	0.331	0.0000	0.0000	0.219	0.089941	Snow	
01/15/24	MON	0.20887	0.06413	0.273	0.199	0.0000	0.0000	0.141	0.068831	Clear	
01/16/24	TUE	0.16849	0.04751	0.216	0.156	0.0000	0.0000	0.189	0.075815	Clear	
01/17/24	WED	0.18389	0.04511	0.229	0.264	0.0000	0.0000	0.161	0.080205	Lt Rain	
01/18/24	THU	0.16634	0.05466	0.221	0.288	0.0000	0.0000	0.151	0.068519	Cloudy	
01/19/24	FRI	0.15891	0.04409	0.203	0.300	0.0000	0.0000	0.229	0.000000	Cloudy	
01/20/24	SAT	0.20012	0.05888	0.259	0.271	0.0000	0.0000	0.274	0.000000	Rain/Snow	
01/21/24	SUN	0.18355	0.06145	0.245	0.291	0.0000	0.0000	0.208	0.000000	Snow	
01/22/24	MON	0.15673	0.05227	0.209	0.226	0.0000	0.0000	0.217	0.057009	Snow	
01/23/24	TUE	0.15719	0.04381	0.201	0.203	0.0000	0.0000	0.220	0.059703	Clear	
01/24/24	WED	0.15183	0.04517	0.197	0.216	0.0000	0.0000	0.153	0.064096	Snow	
01/25/24	THU	0.17983	0.05517	0.235	0.203	0.0000	0.0000	0.186	0.070005	Cloudy	
01/26/24	FRI	0.14759	0.05641	0.204	0.248	0.0000	0.0000	0.235	0.000000	Cloudy	
01/27/24	SAT	0.21100	0.06700	0.278	0.283	0.0000	0.0000	0.188	0.000000	Cloudy	
01/28/24	SUN	0.25093	0.05707	0.308	0.270	0.0000	0.0000	0.198	0.000000	Clear	
01/29/24	MON	0.16636	0.05364	0.220	0.275	0.0000	0.0000	0.228	0.037710	Clear	
01/30/24	TUE	0.15076	0.04924	0.200	0.212	0.0000	0.0000	0.231	0.065135	Pt Cloudy	
01/31/24	WED	0.21098	0.05102	0.262	0.250	0.0000	0.0000	0.236	0.072762	Clear	
1/2024 Daily Totals		<b>5.68248</b>	<b>1.79652</b>	<b>7.47900</b>	<b>7.593</b>	<b>0.000</b>	<b>0.339</b>	<b>6.5640</b>	<b>1.6314</b>	<b>2023</b>	<b>59" Snow</b>
1/2024 Totalizer Total		<b>5.73350</b>	<b>1.74550</b>	<b>7.47900</b>	<b>7.593</b>	<b>0.000</b>	<b>0.339</b>	<b>6.5640</b>	<b>1.6314</b>		<b>106" Snow</b>
Difference		<b>0.05102</b>	<b>-0.05102</b>	<b>0.00000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>N/A</b>	<b>0.0000</b>	<b>0.0000</b>		
Percentage Difference		<b>0.89%</b>	<b>-2.923%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>#DIV/0!</b>	<b>N/A</b>	<b>0.000%</b>	<b>0.000%</b>		
1/2024 AVG/DAY		<b>184,952</b>	<b>56,307</b>	<b>241,258</b>	<b>244,935</b>	<b>0</b>	<b>10,935</b>	<b>211,742</b>	<b>52,627</b>		
Percentage Flow SLCWD			<b>23.339%</b>								
1/2023 Totalizer Total		<b>6.52881</b>	<b>2.47219</b>	<b>9.0010</b>	<b>9.763</b>	<b>0.000</b>	<b>0.000</b>	<b>6.7440</b>	<b>1.630000</b>		
1/2023 AVG/DAY		<b>210,607</b>	<b>79,748</b>	<b>290,355</b>	<b>314,935</b>	<b>0</b>	<b>0</b>	<b>217,548</b>	<b>52,581</b>		

# Donner Summit Public Utility District WWTP & WTP End of Month Operations and Maintenance Summary

Prepared for: Steve Palmer, General Manager

Prepared by: Jim King, Plant Manager

Date: January 2024

## Operations WWTP

- ◆ Discharged 7.5 MG to the river.
- ◆ Discharged 0.3 MG to snow delivery.
- ◆ Staff gave a tour to representatives of the membrane manufacturer and water engineers for an upcoming project of theirs.
- ◆ Began testing the water and sewer systems for zinc to locate where and why high concentrations of the chemical are showing up in the wastewater effluent.
- ◆ Had phone and internet problems. Staff trouble shot the issue and found it to be AT&T's main service line across the overpass. They repaired the broken lines and put them back into service.
- ◆ Replaced catch bags on the headworks bar screen.



- ◆ Continued feeding/adjusting ammonia and Micro C to the treatment reactors to keep up with changing flows and loads from the ski areas.
- ◆ Drained snow making feed line that runs over Hwy 80 on multiple occasions to prevent freezing when no snow is being made.

- ◆ Reset and restarted equipment multiple times for power issues at the plant and outlying lift stations.
- ◆ Supernated 6' of clear wastewater from the solids holding tank.
- ◆ Conducted sewer lateral test at 21468 Donner Drive.
- ◆ On multiple occasions staff switched from river discharge to snow storage and delivery.
- ◆ Staff continued to gather flow meter data from sewer pump stations L-8 and N-2 that services Sugar Bowl.
- ◆ Cleared snow from the plant multiple times and blew snow out of sludge drying beds.



- ◆ Processed 0 USA dig tickets.

## **Operations Water Plant**

- ◆ Found the G-5 box for Hoyfiellet Lodge and shut off water for a leak on their side of the meter.
- ◆ Completed and sent out monthly potable water reports to DHS.

- ◆ Filled chlorine solution tank at Big Bend.



**Repairs and Maintenance WWTP**

- ◆ Staff assisted Truckee Overhead Door with repairs to the roll-up door in the membrane building.



- ◆ Replaced a failed permeate motor pressure switch on membrane train #1.





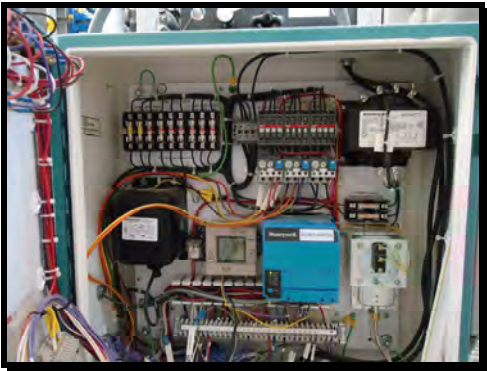
- ◆ Staff adjusted the permeate pump motor coupling and replaced the failed chemical feed spool on membrane train #2 and returned it to service.



- ◆ Scheduled repairs for the headworks building heater and air replacement equipment through EMCORE also staff assisted them with service of all plant heaters.



- ◆ Found failed RAS pump fuse in heat exchanger control panel #1.



- ◆ Replaced the battery backup in the main UPS that controls the SCADA system and telemetry.



- ◆ Changed plugged exhaust filters on the F-350 service truck.
- ◆ Replaced air control switch on the irrigation to river control gate valve.



- ◆ Ordered a replacement pump for air compressor #1.



- ◆ Staff assisted Aqua Sierra Controls with the replacement of the level transducer in sewer lift station #8.

## **Repairs and Maintenance WTP**

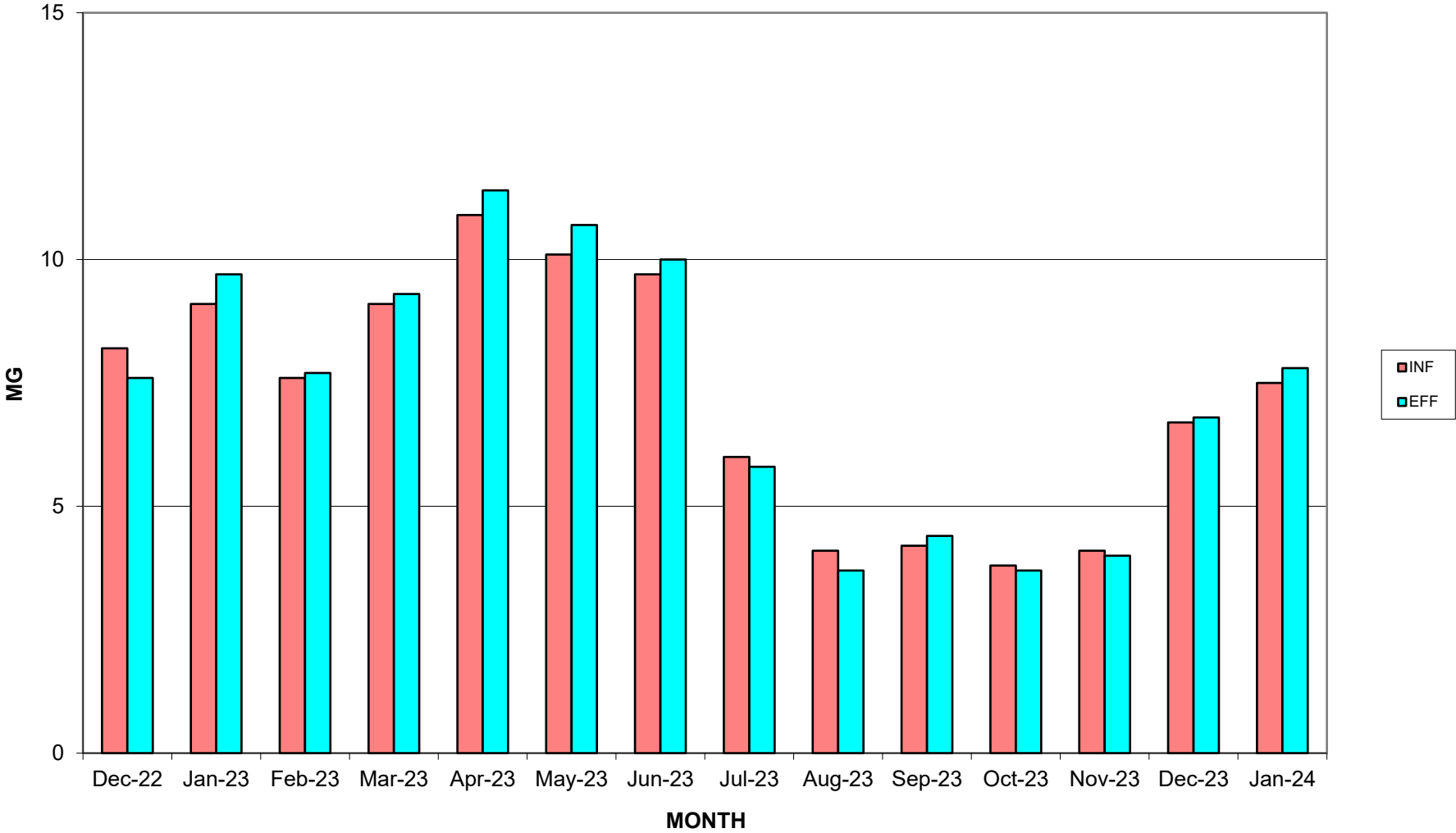
- ◆ Ordered a replacement waste valve for filter #1. Filter out of service until replacement.
- ◆ Replaced failed 25-year-old metal detection rod for valve box and manhole locating.



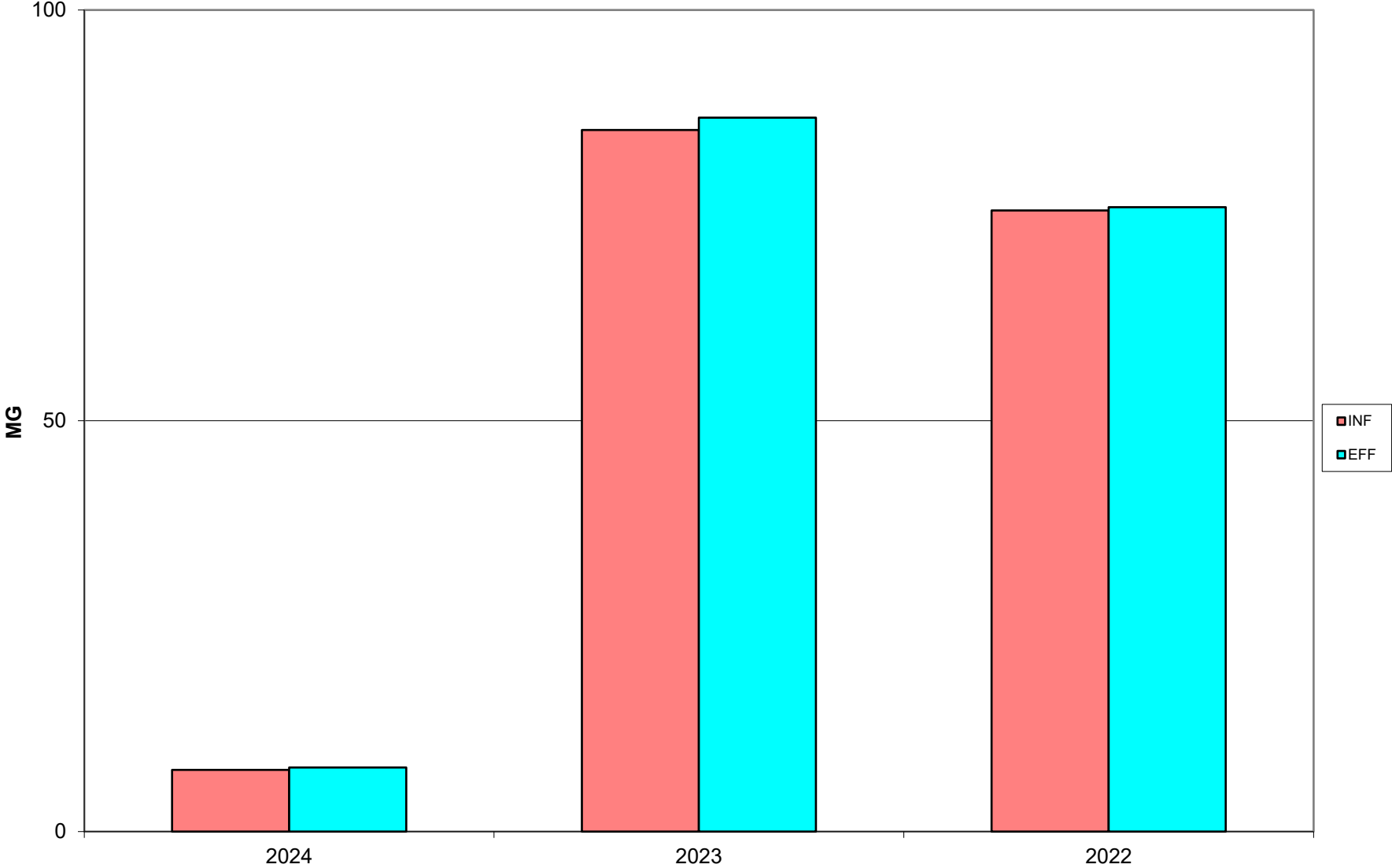
## **Laboratory**

- ◆ Continued river discharge and snow water storage monitoring.
- ◆ Began testing the water from the FWP for zinc (Raw and Finished) due to finding excess residuals of zinc in the wastewater effluent.

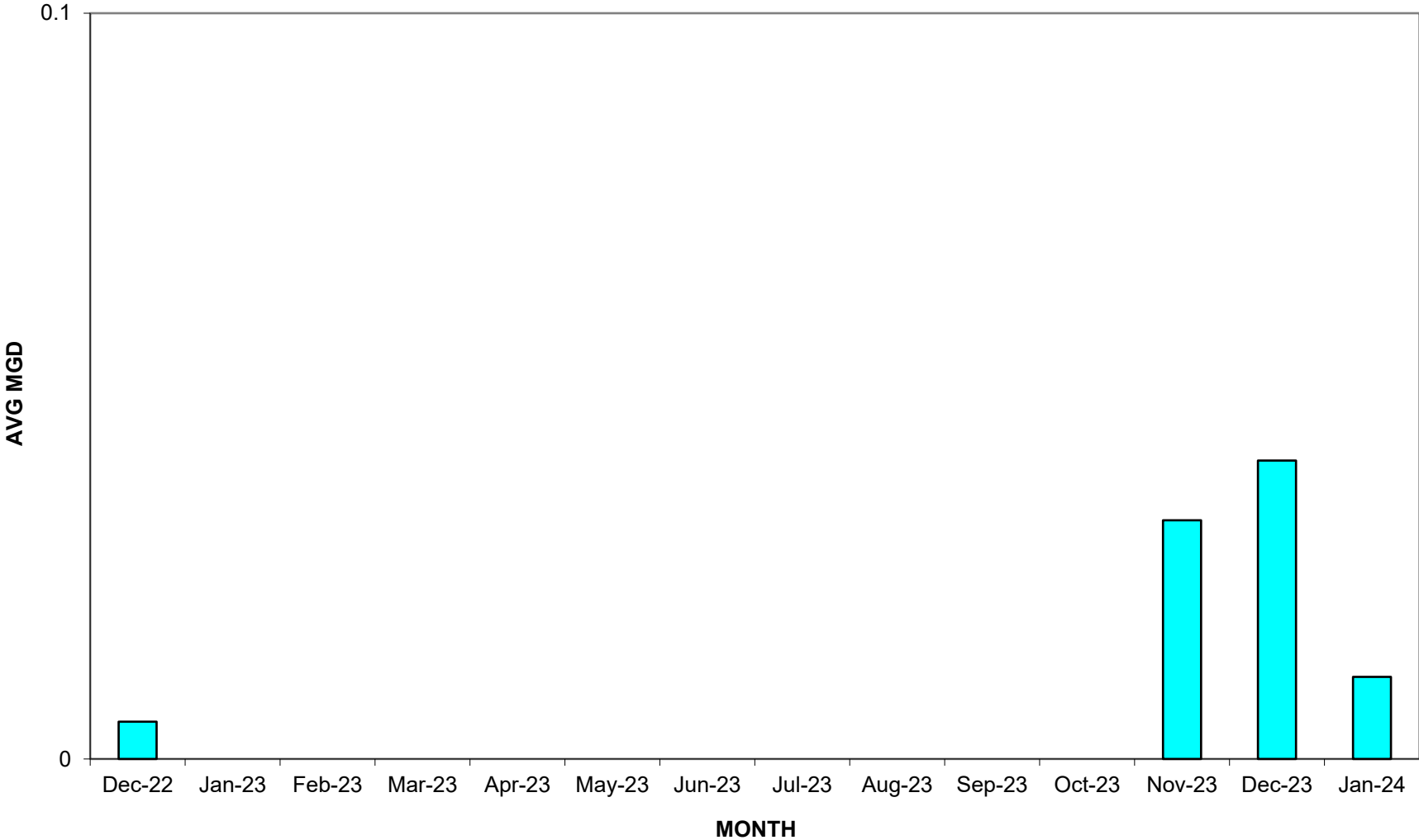
**DONNER SUMMIT PUD WWTP  
TOTAL INFLUENT FLOW TO TOTAL EFFLUENT FLOW  
YEAR 2022/2023/2024**



**DONNER SUMMIT PUD WWTP  
ANNUAL TOTAL INFLUENT FLOW TO TOTAL EFFLUENT FLOW  
2024 DATA THROUGH JANUARY**



**DONNER SUMMIT PUD WWTP  
AVG EFFLUENT FLOW TO SNOW STORAGE/PRODUCTION  
YEARS 2022/2023/2024**



## Agenda Item: 7A



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Financial Statements for FY2022-2023 with Independent Auditors Report

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### **RECOMMENDATION**

Receive Financial Statements for FY2022-2023 with Independent Auditors Report from Hillberg & Company Certified Public Accountants. The Board is requested to review the report and take minute action to accept the Financial Statements and Independent Auditors Report.

### **BACKGROUND**

The independent auditor, Hillberg & Company Certified Public Accountants (Hillberg), conducted an audit of the District's financial reporting and processes for Fiscal Year 2022-2023. Letter from Hillberg to the Board regarding Audit Findings and Internal Controls are included in Attachments 1 and 2, respectively. Fiscal Year 2022-2023 Financial Statements along with the Audit Report from Hillberg are included as Attachment 3.

### **DISCUSSION**

A representative from Hillberg will present the auditors report to the Board.

The Audit Findings presented in the letter in Attachment 1 noted the following:

- All significant transactions have been recognized in the financial statements in the proper period.
- The financial statement disclosures are neutral, consistent, and clear.
- No significant difficulties in dealing with management in performing and completing the audit.
- There were no material misstatements, either individually or in the aggregate, to the financial statements taken as a whole.
- There were no "disagreements with management" during the course of the audit.
- The District's financial statements do not follow the guidance of Governmental Accounting Standards Board Statement No. 83 that requires the District to record an Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District's wastewater treatment plant. Management believes recording this liability would not present an accurate representation of the District's financial position. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles. A note has been added to the report on the financial statements to document this deviation.

The Internal Controls Letter included in Attachment 2 states that no material weaknesses were identified.



### **ANALYSIS**

The District Management's Discussion, and Analysis identified the following Financial Highlights:

- The District's assets exceeded liabilities at the close of the fiscal year by \$12,798,744. This represents the net position of the District as of June 30, 2023.
- The District's net position decreased by \$1,597.
- Total revenues for the fiscal year were \$4,043,668, an increase of \$247,142 or 6.5% over the prior fiscal year.
- Total operating expenses for the fiscal year were \$4,045,265, an increase of \$374,028 or 10.19% over the prior fiscal year. Consistent with generally accepted accounting principles, operating expenses do not include principal payments or capital asset purchases.
- In addition to the operating expenses, the District also made principal payments on long term debt in the amount of \$654,384 during the fiscal year.
- In addition to the operating expenses, the District incurred \$210,699 in capital asset purchases during the current fiscal year.
- Cash and Cash Equivalents on June 30, 2023 totaled \$1,327,817.
- Cash and Cash Equivalents increased by \$479,936 during the fiscal year.
- During the prior fiscal year (FY2021/2022), Cash and Cash Equivalents decreased by \$219,699.

### **FISCAL IMPACT**

There is no fiscal impact by this agenda item.

### **CEQA ASSESSMENT**

This is not a CEQA Project

### **ATTACHMENTS**

1. Letter to Board from Independent Auditor Regarding Audit Findings
2. Letter to Board from Independent Auditor Regarding Internal Controls
3. Financial Statements for FY2022-2023 with Independent Auditors Report



415 Mitchell Avenue, Turlock, CA 95380  
Phone: (209) 667-2406  
Fax: (209) 667-4615

4600 Northgate Blvd, Suite 115  
Sacramento, Ca 95834  
Phone: (916) 484-1252

January 30, 2024

To the Board of Directors  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
53823 Sherritt Lane  
Soda Springs, CA 95728

We have audited the financial statements of the business-type activities of Donner Summit Public Utility District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 28, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. At June 30, 2023, there were no significant sensitive estimates affecting the financial statements. We evaluated the methods, assumptions, and data used to develop the less sensitive estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The financial statement disclosures are neutral, consistent, and clear.

Page 2

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 30, 2024.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management has determined that the District's financial statements will not follow the guidance of Governmental Accounting Standards Board Statement No. 83 that requires the District to record a Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District's wastewater treatment plant. Management believes recording this liability would not present an accurate representation of the District's financial position. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles. Our report on your financial statements has been modified to include the following paragraph:

As explained in footnotes to the financial statements, management has omitted the Asset Retirement Obligation from the financial statements. Accounting principles generally accepted in the United States of America require the District to develop a reasonable estimate regarding its Asset Retirement Obligation and record that estimate as a liability and a deferred outflow of resources. In addition, those standards require recognition of this expense over the asset's remaining useful life. The amount by which this departure would affect the assets, liabilities, net position and expenses of the business-type activities has not been determined.

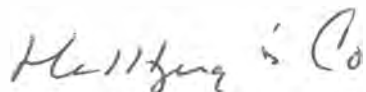
Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Page 4

Restriction on Use

This information is intended solely for the information and use of the directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. We appreciate the opportunity to be of service to you and would like to express our appreciation to the individuals at the District who assisted in our services. We look forward to a continued relationship with the District.

A handwritten signature in cursive script that reads "Hillberg & Co".

Hillberg & Company  
Certified Public Accountants



415 Mitchell Avenue, Turlock, CA 95380  
Phone: (209) 667-2406  
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Sacramento, Ca 95834  
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To the Board Directors and  
Steven Palmer, General Manager

Donner Summit Public Utility District  
53823 Sherritt Lane  
Soda Springs, CA 95728

In planning and performing our audit of the financial statements of the business-type activities of Donner Summit Public Utility District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Donner Summit Public Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Donner Summit Public Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of Donner Summit Public Utility District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the board of directors, and others within Donner Summit Public Utility District, and is not intended to be, and should not be, used by anyone other than these specific parties.

A handwritten signature in dark ink that reads 'Hillberg &amp; Co'.

Hillberg & Company  
Certified Public Accountants

January 30, 2024  
Sacramento, California

**DONNER SUMMIT PUBLIC UTILITY DISTRICT**  
**Financial Statements**  
**June 30, 2023**  
**(With Independent Auditor's Report)**

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June 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Donner Summit Public Utility District

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying financial statements of the business-type activities of Donner Summit Public Utility District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Donner Summit Public Utility District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Donner Summit Public Utility District, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Donner Summit Public Utility District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## Matter Giving Rise to the Qualified Opinion

Management has omitted the Asset Retirement Obligation from the financial statements. Accounting principles generally accepted in the United States of America require the District to develop a reasonable estimate regarding its Asset Retirement Obligation and record that estimate as a liability and a deferred outflow of resources. In addition, those standards require recognition of this expense over the asset's remaining useful life. The amount by which this departure would affect the assets, liabilities, net position and expenses of the business-type activities has not been determined.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Donner Summit Public Utility District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Donner Summit Public Utility District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Donner Summit Public Utility District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-12 and 33-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2024, on our consideration of Donner Summit Public Utility District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Donner Summit Public Utility District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Donner Summit Public Utility District's internal control over financial reporting and compliance.



Hillberg & Company  
Certified Public Accountants

Management's Discussion and Analysis

For the Year Ended June 30, 2023

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the District's annual financial report is provided as supplementary information to the audited financial statements. It is Management's intention that this information provides the financial statement reader with a brief and concise overview and analysis of the District's financial activities for the fiscal year ended June 30, 2023.

**REQUIRED FINANCIAL STATEMENTS**

The District's annual report consists of: Management's Discussion and Analysis, Financial Statements, and Notes to the Financial Statements.

The basic financial statements following this discussion are: Statement of Net Position, Statement of Activities and Changes in Net Position, and Statement of Cash Flows. The District's basic statements report "Business-Type Activities" of the Water and Sewer operations. Following the basic financial statements are Notes to the Financial Statements that provide accounting methodology and other disclosures related to specifically identified financial statement reporting. The basic financial statements include Fund Financial Statements that consist of Balance Sheets and Statement of Revenues, Expenses, and Changes in Fund Net Position – Budget and Actual.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded liabilities at the close of the fiscal year by \$12,798,744. This represents the net position of the District as of June 30, 2023.
- The District's net position decreased by \$1,597.
- Total revenues for the fiscal year were \$4,043,668, an increase of \$247,142 or 6.5% over the prior fiscal year.
- Total operating expenses for the fiscal year were \$4,045,265, an increase of \$374,028 or 10.19% over the prior fiscal year. Consistent with generally accepted accounting principles, operating expenses do not include principal payments or capital asset purchases.
- In addition to the operating expenses, the District also made principal payments on long term debt in the amount of \$654,384 during the fiscal year.
- In addition to the operating expenses, the District incurred \$210,699 in capital asset purchases during the current fiscal year.
- Cash and Cash Equivalents on June 30, 2023 totaled \$1,327,817.
- Cash and Cash Equivalents increased by \$479,936 during the fiscal year.
- During the prior fiscal year (FY2021/2022), Cash and Cash Equivalents decreased by \$219,699.

(Continued)

Management's Discussion and Analysis

For the Year Ended June 30, 2023

**NET POSITION**

The analysis below focuses on the Net Position and Changes in Net Position for June 30, 2022 and June 30, 2023. The analysis of Net Position provides a snapshot in time that shows assets, liabilities, and net assets as of June 30, 2023 and compares it to the same data from June 30, 2022. The analysis of Changes in Net Position compares the revenues and expenses from the same snapshots in time.

Net Position (In Thousands)

	Primary Government	
	Business-Type Activities	
	June 30, 2023	June 30, 2022
Current and other assets	\$ 1,949	1,657
Capital and use assets	25,427	26,113
Total Assets	27,376	27,770
Long-term debt outstanding & leases	13,265	13,930
Other liabilities	1,312	1,040
Total Liabilities	14,577	14,970
Net Position		
Net investment in capital assets	11,470	11,489
Restricted for debt payment	754	760
Unrestricted	575	551
Total Net Position	\$ 12,799	12,800

Changes in Net Position (In Thousands)

Program revenue	\$ 3,461	3,248
General revenues		
Property tax	456	457
Grants	35	31
Interest and other	34	40
Contributed capital	57	20
Total revenues	4,043	3,796
Expenses	4,045	3,671
Increase (Decrease) in net position	\$ (2)	125

(Continued)

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Management’s Discussion and Analysis

For the Year Ended June 30, 2023

**NET POSITION (CONTINUED)**

The above analysis shows that the District’s net position decreased by \$1,597 from June 30, 2022 to June 30, 2023. This data also shows that Total Revenues increased by \$247,000 and Expenses increased by \$374,000.

**REVENUES**

The District receives revenue from two major sources, service fees and property taxes. Services fees are considered as operating revenue and for the purposes of the financial statements they are labeled Program Revenue. Property taxes are consolidated with other non-operating revenues such as interest income into the category of General Revenue. The table below compares Program Revenue and General Revenue for the year ended June 30, 2023 to the year ended June 30, 2022.

**Revenue Summary and Comparison**

	Business-Type Activities		Change	Change
	June 30, 2023	June 30, 2022	(\$)	(%)
<i>Program Revenue</i>				
Service Fees	3,461,326	3,248,174	213,152	6.6%
<i>Total Program Revenue</i>	<i>3,461,326</i>	<i>3,248,174</i>	<i>213,152</i>	<i>6.6%</i>
<i>General Revenue</i>				
Property Tax	455,680	457,321	(1,641)	(0.4%)
Grants	35,498	30,640	4,858	15.9%
Interest	3,182	607	2,575	424.2%
Other	30,831	39,994	(9,163)	(22.9%)
<i>Total General Revenues</i>	<i>525,191</i>	<i>528,562</i>	<i>(3,371)</i>	<i>(0.6%)</i>
Contributed Capital	57,151	19,790	37,361	188.8%
<i>Total Revenues</i>	<i>4,043,668</i>	<i>3,796,526</i>	<i>247,142</i>	<i>6.5%</i>

Program revenue increased by \$213,152, or 6.6%. This is due to the Board approved rate increases. General Revenues are essentially flat. Contributed capital increased due to payments received by Sierra Lakes County Water District to pay for non-capacity expanding capital improvements to the wastewater treatment plant.

(Continued)

Management's Discussion and Analysis

For the Year Ended June 30, 2023

**OPERATING EXPENSES**

**Expense Summary and Comparison**

	<b>Business-Type Activities</b>		<b>Change</b>	<b>Change</b>
	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>(\$)</b>	<b>(%)</b>
Salaries	930,075	838,951	91,124	10.86
Employee benefits	416,529	366,280	50,249	13.72
Board expense	71,790	65,180	6,610	10.14
Professional fees	224,730	170,823	53,907	31.56
Equipment maintenance	35,306	52,191	(16,885)	(32.35)
Operating supplies	6,406	9,916	(3,510)	(35.40)
Vehicle maintenance	32,773	38,237	(5,464)	(14.29)
Facility maintenance	66,227	129,996	(63,769)	(49.05)
Dues and subscriptions	13,187	11,448	1,739	15.19
Fees, permits, cert	55,288	46,791	8,497	18.16
Training	4,770	2,690	2,080	77.32
Travel	3,055	814	2,241	275.31
Insurance	193,442	156,404	37,038	23.68
Office supplies	7,353	8,712	(1,359)	(15.60)
Utilities, communications	616,610	501,213	115,397	23.02
Chemicals and lab supplies	232,862	178,161	54,701	30.70
Laboratory testing	59,142	40,260	18,882	46.90
Small tools and rental	6,301	14,538	(8,237)	(56.66)
Inflow and infiltration	18,501	0	18,501	--
Sludge removal	28,749	19,484	9,265	47.55
Depreciation	883,848	875,748	8,100	0.92
Interest	125,981	131,060	(5,079)	(3.88)
Amortization, right of use asset	12,340	12,340	0	0
<i>Total Expenses</i>	<i>4,045,265</i>	<i>3,671,237</i>	<i>374,028</i>	<i>10.19</i>

(Continued)



DONNER SUMMIT PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2023

**OPERATING EXPENSES (CONTINUED)**

Operating expenses increased by \$374,028, or 10.19%. This is a significant increase over prior year expenses. The District experienced notable increases in "utilities, communications" expenses; salaries; employee benefits; and chemicals and lab supplies. The increase in utilities, and communications was due to rate increases for propane and electricity. Salary increases were due to annual cost of living adjustments and an increase of overtime. Benefit increases are due to actual employee medical expenses and additional employee beneficiaries. Chemical and lab supplies increases were driven by increased unit prices for chemicals and increased water chemical usage at the water treatment plant as required for algae removal.

**CAPITAL**

As noted in Note 3 to the Financial Statements the District acquired \$210,699 and disposed of \$28,138 of capital assets this fiscal year. This is a decrease of \$54,045 or 20% as compared to last fiscal year's acquisition of capital assets.

Capital improvements this fiscal year include equipment purchases, and replacement equipment for the water treatment plant and wastewater treatment plant.

**LONG TERM DEBT**

As detailed in Note 5 to the Financial Statements, the District's long term debt is \$13,646,055. The three largest borrowings are \$12,691,442 for the wastewater treatment plant upgrade, \$445,589 for the Lake Angela Water Treatment Plant upgrade, and a total of \$460,087 for the Big Bend Water System upgrade. The final payments on these loans are due in 2041, 2048, and 2061, respectively.

The District will continue to make significant loan payments in the years ahead. Note 5 to the Financial Statements shows the annual requirements to amortize the direct borrowings through 2061. For the fiscal year ending June 30, 2024, the annual requirement will be \$757,206.

**EFFECTS OF COVID-19**

District revenues and expenses were not significantly impacted by COVID-19 during this fiscal year. The District did experience some cost increases from suppliers due to COVID-19 supply chain and labor disruptions, however they have not significantly impacted the District's ability to operate. In order to minimize labor disruptions caused by sickness and extended quarantines, District Staff observe State of California COVID-19 regulations.

The District does not expect to experience any significant impacts from COVID-19 during Fiscal Year 2023/2024.

(Continued)

## DONNER SUMMIT PUBLIC UTILITY DISTRICT

## Management's Discussion and Analysis

For the Year Ended June 30, 2023

**NEXT YEAR BUDGET AND RATES**

The Board of Directors adopted the District's Fiscal Year 2023/24 budget on June 20, 2023. The District adopted new water and sewer rates on June 15, 2021 that began with the July 2021 customer billing. The adopted rates included increases each year until July 1, 2025. These new rates were calculated so that the District could begin to build reserve funds, with the goal of having 6 months of operating expenses in reserve by June 30, 2026. Additionally, the Board adopted water rates for the Big Bend Water System in 2018, and those rates increase on January 1 each year with the last increase occurring on January 1, 2024.

One concern for the future fiscal years is the potential impact of cost inflation. While the Fiscal Year 2023/24 Budget and the District's utility rate structure include allowances for cost inflation, there were significant recent increases in inflation metrics such as the consumer price index. For example, the consumer price index increased by more than 6% year over year in recent years, and the District has experienced wide fluctuations in the cost of fuel and utilities. If annual price increases exceed 5% for an extended period of time, then the District will need to update its utility rates to keep pace with actual costs. Inflation has recently decreased to an annual rate of 2.6% and economists forecast it will likely decrease to 2.3% during 2024, so these cost increases appear to be leveling off for the time being.

Another concern for future fiscal years is that the District's current utility rates for the Lake Angela water system and wastewater system stop adjusting for inflation on July 1, 2025 and the Big Bend water system will stop adjusting for inflation on January 1, 2024. In order to continue on the path of improving the District's financial position and good stewardship of water and wastewater facilities, a comprehensive rate evaluation and update is needed before the current adjustments lapse

**ADDITIONAL FINANCIAL INFORMATION**

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations for the year ended June 30, 2023 and the District's financial condition as of June 30, 2023. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Donner Summit Public Utility District General Manager, Steven Palmer, at P.O. Box 610, Soda Springs, California 95728 or call 530-426-3456.

Statement of Net Position

June 30, 2023

Assets

			<u>Primary Government Business-Type Activities</u>
Current Assets			
Cash	\$	1,324,368	
Investments		3,449	
Total Cash and Cash Equivalents		<u>1,327,817</u>	
Accounts receivable		272,141	
Allowance for doubtful accounts		<u>(1,000)</u>	
Net accounts receivable		271,141	
Other receivable		59,369	
Prepaid expenses		<u>290,568</u>	
Total Current Assets		1,948,895	
Noncurrent Assets			
Capital assets, net		25,116,121	
Right-of-use asset, net		<u>311,071</u>	
Total Noncurrent Assets		<u>25,427,192</u>	
Total Assets	\$	<u><u>27,376,087</u></u>	

See the accompanying notes to the financial statements

Statement of Net Position

June 30, 2023

Liabilities and Net Position

		<u>Primary Government Business-Type Activities</u>
Liabilities		
Current Liabilities		
Accounts payable	\$	145,912
Accrued expenses		201,188
Interest payable		53,188
Customer deposits		86,570
Deferred revenue		165,280
Current portion of lease liability		10,190
Current portion of long-term debt		649,372
Total Current Liabilities		<u>1,311,700</u>
Noncurrent Liabilities		
Lease liability		351,027
Long-term debt		<u>12,914,616</u>
Total Noncurrent Liabilities		<u>13,265,643</u>
Total Liabilities		14,577,343
Net Position		
Net investment in capital assets		11,470,066
Restricted:		
Restricted for debt payment		753,403
Unrestricted		<u>575,275</u>
Total Net Position		<u>12,798,744</u>
Total Liabilities and Net Position	\$	<u><u>27,376,087</u></u>

See the accompanying notes to the financial statements

## DONNER SUMMIT PUBLIC UTILITY DISTRICT

## Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Primary Government Business-Type Activities</u>
Program Revenue			
Service fees	\$ 716,937	2,744,389	3,461,326
Total Program Revenue	716,937	2,744,389	3,461,326
Expenses			
Salaries	209,153	720,922	930,075
Employee benefits	92,010	324,519	416,529
Board expense	17,230	54,560	71,790
Professional fees	67,334	157,396	224,730
Equipment maintenance and repair	9,045	26,261	35,306
Operating supplies	1,772	4,634	6,406
Vehicle maintenance and repair	3,887	28,886	32,773
Facility maintenance and repair	26,940	39,287	66,227
Dues and subscriptions	2,531	10,656	13,187
Fees, permits and certifications	17,779	37,509	55,288
Training and education	1,006	3,764	4,770
Travel	365	2,690	3,055
Insurance	42,751	150,691	193,442
Office supplies	1,187	6,166	7,353
Utilities, communications and telemetry	68,517	548,093	616,610
Chemicals and lab supplies	62,938	169,924	232,862
Laboratory testing	3,845	55,297	59,142
Small tools and rental	945	5,356	6,301
Inflow and infiltration	-0-	18,501	18,501
Sludge removal	-0-	28,749	28,749
Depreciation	147,150	736,698	883,848
Interest	12,992	112,989	125,981
Amortization, Right-of-use asset	-0-	12,340	12,340
Total Expenses	<u>789,377</u>	<u>3,255,888</u>	<u>4,045,265</u>
Net Program Revenue (Expense)	(72,440)	(511,499)	(583,939)

(Continued)

See the accompanying notes to the financial statements

## Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2023

	<u>Water</u>	<u>Sewer</u>	<u>Primary Government Business-Type Activities</u>
Net Program Revenue (Expense)	\$ (72,440)	(511,499)	(583,939)
General Revenues			
Property tax (including CFDs)	38,038	417,642	455,680
Grants	15,156	20,342	35,498
Interest	764	2,418	3,182
Other	<u>9,351</u>	<u>21,480</u>	<u>30,831</u>
Total General Revenues	63,309	461,882	525,191
Contributed Capital	<u>-0-</u>	<u>57,151</u>	<u>57,151</u>
Increase (Decrease) in Net Position	\$ <u>(9,131)</u>	<u>7,534</u>	(1,597)
Net Position – Beginning of Year			<u>12,800,341</u>
Net Position – End of Year			\$ <u><u>12,798,744</u></u>

See the accompanying notes to the financial statements

Statement of Cash Flows

For the Year Ended June 30, 2023

	Primary Government Business-Type Activities
Cash Flows From Operating Activities:	
Cash receipts from customers	\$ 3,863,211
Cash payments to suppliers for goods and services	(2,101,080)
Cash payments to employees for services	(922,627)
Other receipts	96,969
Net Cash Provided by Operating Activities	936,473
Cash Flows From Non-Capital Financing Activities:	
Receipt of property taxes	455,680
Net Cash Provided By Non-Capital Financing Activities	455,680
Cash Flows From Capital and Related Financing Activities:	
Capital contribution	74,317
Payments to lessors	(9,915)
Repayment of long-term debt	(654,384)
Interest paid on long-term debt & leases	(123,159)
Net Cash Used By Capital and Related Financing Activities	(713,141)
Cash Flows From Investing Activities:	
Purchase of capital assets	(202,258)
Interest received on cash and investments	3,182
Net Cash Used By Investing Activities	(199,076)
Net Increase In Cash	479,936
Cash and Cash Equivalents – Beginning of Year	847,881
Cash and Cash Equivalents – End of Year	\$ 1,327,817

(Continued)

See the accompanying notes to the financial statements

Statement of Cash Flows

For the Year Ended June 30, 2023

		<u>Primary Government Business-Type Activities</u>
Reconciliation of Increase in Net Position to		
Net Cash Provided by operating activities:		
Increase (decrease) in net position	\$	(1,597)
Adjustments to reconcile increase in net		
position to net cash provided by		
operating activities:		
Depreciation		883,848
Amortization		12,340
Non-operating revenue		(516,013)
Non-operating expenses		125,272
(Increase) decrease in:		
Accounts receivable, net		(4,894)
Grant receivable		30,640
Other receivable		174,852
Prepaid expenses		(29,247)
Increase (decrease) in:		
Accounts payable		13,181
Accrued expenses		16,164
Customer deposits		86,570
Deferred revenue		<u>145,357</u>
 Total adjustments		 <u>938,070</u>
 Net Cash Provided By		
Operating Activities	\$	<u><u>936,473</u></u>

See the accompanying notes to the financial statements



Notes to the Financial Statements

June 30, 2023

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Donner Summit Public Utility District (the “District”) operates under a state charter adopted March 24, 1950. The District operates under a board-manager form of government and provides water and sewer services.

The District’s government wide financial statements include the accounts of all operations.

Government-Wide Financial Statements

The District Financial Statements include a Statement of Net Position, a Statement of Activities and Changes in Net Position and a Statement of Cash Flows. These statements present summaries of business-type activities for the District.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred.

The District applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the committee on Accounting Procedure. The District applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

(Continued)

Notes to the Financial Statements

June 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

The Proprietary Fund includes a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Fund Net Position.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues.

Budgets and Budgetary Accounting

By state law, the District's governing board must adopt a budget prior to the beginning of each fiscal year. The budget must be adopted in a properly noticed meeting.

Actual revenues and expenditures/expenses are compared to budgeted amounts monthly as a management control device for all budgeted funds. The District monitors capital expenditures by comparison to specific project appropriation accounts.

The District prepares its budgets on the cash basis of accounting. The nature and amount of adjustments necessary to reconcile the budget to GAAP are immaterial other than depreciation expense. A budget is prepared for the governmental and business-type activities.

Reserved Net Position

The District records reserves to indicate that a portion of the net position balance is legally segregated for a specific future use. Designated net position balances represent tentative plans for future use of financial resources.

(Continued)

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Notes to the Financial Statements

June 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets having an extended useful life are capitalized as capital assets at cost.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair acquisition value on the date donated. Maintenance and repair costs are charged to expenses as incurred. Replacements and capital improvements over \$2,500 are charged to capital asset accounts.

Capital assets are recorded in their respective fund. Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation expense includes amortization of assets under capital leases. The estimated useful lives are as follows:

Facilities	5-50 years
Vehicles, furniture and equipment	3-25 years

Leases

Contractual lease obligations longer than twelve months are recognized as leases in accordance with GASB No. 87. Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on similarly secured borrowings available to the District. Lease assets are recognized based on the initial present value of the fixed lease payments.

When the District has the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that we will exercise the option, we consider the option in determining the classification and measurement of the lease.

Lease assets are amortized within operating expenses on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

(Continued)

Notes to the Financial Statements

June 30, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Property Taxes

Placer and Nevada Counties bill property taxes which attach as an enforceable lien on property. Property tax revenues are recognized when they become available. Available revenues include those property tax receivables expected to be collected within sixty days after year end. The Counties allocate property taxes to the District following the alternate method of property tax distribution as stated in California Revenue & Taxation Code Section 4701. Using this method, the Counties allocate to the District their portion of total billed property taxes less an estimated delinquency factor. The Counties then assume all responsibility for collections.

Compensated Absences

The District provides paid vacation and sick time to employees. Vacation time accrues annually based on the employee's years of services up to a maximum ranging from 120 hours to 240 hours. At separation of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination. Sick time accrues to a cumulative maximum of 192 hours per employee. At separation of employment for any reason, the District shall compensate the employee for his/her accumulated sick time at his/her straight time rate of pay at the time of termination. This accrual represents the estimated probable future payments attributable to employees' service for all periods prior to June 30, 2023 at their current rate of pay.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Statement of Cash Flows

For the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2023, all cash and investments held by the District are considered to be cash equivalents.

Subsequent Events

The effect of subsequent events have been evaluated through January 30, 2024, which is the date the financial statements were available to be issued.

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Notes to the Financial Statements

June 30, 2023

(2) CASH AND INVESTMENTS

A summary of cash and investments held by the District at June 30, 2023 is as follows:

Cash on hand	\$ 300
Cash on deposit at banks	1,324,068
Investments	<u>3,449</u>
	<u>\$ 1,327,817</u>

All cash balances on deposit at banks are entirely insured or collateralized. The California Government Code requires California banks and savings and loans to secure a District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. Such collateral, as permitted by the State of California, is held in each respective bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged against all of the public deposits it holds.

With the exception of deposit insurance provided by the Federal Deposit Insurance Corporation, this collateralizing process is categorized by GASB Statement No. 3 as being collateralized with securities held by the pledging financial institution or its agent but not in the District's name.

The District has not adopted policies related to credit risk, custodial credit risk, concentration of credit risk, and interest rate risk.

The District's investment in the State investment pool is categorized by GASB Statement No. 3 as Category A investments since these investments are fully insured by the related entity. The investment pool does not release a credit quality.

Investments of the District are summarized as follows:

	<u>Carrying Amount</u>
State of California Local Agency Investment Fund	\$ <u>3,449</u>

Notes to the Financial Statements

June 30, 2023

(3) CAPITAL ASSETS

A summary of business-type activities capital assets is presented below:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Land	\$ 72,623	-0-	-0-	-0-	72,623
Sewage collection, treatment and disposal facilities	31,076,502	69,154	-0-	-0-	31,145,656
Water treatment and distribution facilities	5,966,800	3,995	-0-	-0-	5,970,795
Water equipment	467,671	-0-	-0-	-0-	467,671
Water and sewage equipment	324,582	2,507	7,793	-0-	319,296
Vehicles	395,269	12,001	20,345	-0-	386,925
Office furniture and equipment	40,195	-0-	-0-	-0-	40,195
Construction in process	121,015	123,042	-0-	-0-	244,057
Total Capital Assets	<u>38,464,657</u>	<u>210,699</u>	<u>28,138</u>	<u>-0-</u>	<u>38,647,218</u>
Accumulated Depreciation	<u>12,675,387</u>	<u>883,848</u>	<u>28,138</u>	<u>-0-</u>	<u>13,531,097</u>
Net Book Value	<u>\$ 25,789,270</u>				<u>25,116,121</u>

(4) LEASES

The District leases land for its operations under a long term agreement that expires September 15, 2038. The District has the option to extend the lease for an additional 10 year term. Annual rent payments are due under the agreement in the amount of \$20,959.

The Right-of-Use Asset (Net) consists of:

Right-of-Use Asset	\$ 493,600
Accumulated Amortization	<u>(182,529)</u>
Right-of-Use Asset (Net)	<u>\$ 311,071</u>

(Continued)

Notes to the Financial Statements

June 30, 2023

(4) LEASES (CONTINUED)

As of June 30, 2023 the maturity of these lease payments are as follows:

For the Year Ended June 30	Principal	Interest
2024	\$ 10,190	10,060
2025	10,474	9,776
2026	10,766	9,484
2027	11,066	9,184
2028	11,374	8,876
2029 through 2033	61,801	39,449
2034 through 2038	70,899	30,351
2039 through 2043	81,337	19,913
2044 through 2048	93,310	7,939
Total Lease Liability and Interest	361,217	145,032
Less Current Portion of Lease Liability	10,190	
Lease Liability Net of Current Portion	\$ 351,027	

The components of these leases included in the Statement of Activities and Changes in Net Position are as follows:

Amortization, Right-of-Use Asset	\$	12,340
Interest		10,336

The discount rate regarding this lease calculation is 2.75%

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Notes to the Financial Statements

June 30, 2023

(5) LONG-TERM DEBT

Long-term debt as of June 30, 2023, is summarized as follows:

	<u>Direct Borrowings</u>
State of California Water Resources Control Board loan; collateralized by net revenues of the District; interest at 0.75%; interest and principal payable in annual installments of \$719,191 on December 31; final payment due December 31, 2041.	\$ 12,691,442
State of California Water Resources Control Board loan; collateralized by net revenues of the District; interest at 0%; principal payable in semi-annual installments of \$9,094; final payment due January 1, 2048.	445,589
United States of America Department of Agriculture loan; collateralized by net revenues of the District; interest at 2.75%; interest and principal payable in annual installments of \$14,156; final payment due February 2061.	326,152
United States of America Department of Agriculture loan; collateralized by net revenues of the District; interest at 2.75% interest and principal payable in annual installments of \$5,814; final payment due February 2061.	133,935
Pacific Gas and Electric Company loan; uncollateralized; interest of 0%; principal payable in monthly installments of \$697; final payment due October 2028.	43,935
Pacific Gas and Electric Company loan; uncollateralized; interest at 0%; principal payable in monthly installments of \$61; final payment due May 2030.	<u>5,002</u>
Total Long-Term Debt	13,646,055
Less Debt Issuance Costs	(82,067)
Less Current Portion of Long-Term Debt	<u>(649,372)</u>
Long-Term Debt Net of Current Portion	<u>\$ 12,914,616</u>

(Continued)



Notes to the Financial Statements

June 30, 2023

(5) LONG-TERM DEBT (CONTINUED)

Changes to the District's Long-Term Debt (Direct Borrowings) is as follows:

Long-Term Debt - Beginning of Year	\$ 14,300,439
Repayment of Long-Term Debt	<u>(654,384)</u>
 Long-Term Debt - End of Year	 <u>\$ 13,646,055</u>

The annual requirements to amortize District long-term debt (direct borrowings) as of June 30, 2023 is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 649,372	107,834	757,206
2025	663,496	102,953	766,449
2026	668,418	98,031	766,449
2027	673,381	93,068	766,449
2028	678,386	88,063	766,449
2029 through 2033	3,426,410	363,765	3,790,175
2034 through 2038	3,554,565	232,176	3,786,741
2039 through 2043	2,972,662	94,889	3,067,551
2044 through 2048	157,479	33,307	190,786
2049 through 2053	76,210	23,641	99,851
2054 through 2058	87,281	12,569	99,850
2059 through 2061	38,395	1,568	39,963
	<u>\$ 13,646,055</u>	<u>1,251,864</u>	<u>14,897,919</u>

Terms of the above indebtedness provide for, among other things, restrictions on future borrowings and maintenance of certain reserves and financial ratios.

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Notes to the Financial Statements

June 30, 2023

(6) PROCEEDS OF TAX LIMITATION

Article XIIB of the California Constitution, as implemented by SB 1352 of 1980, specifies that proceeds of taxes of governmental entities may increase by an amount not to exceed the change in population, and the change in the United States Consumer Price Index or California per capita personal income, whichever is less.

The proceeds of taxes limit for the fiscal year ended June 30, 2023 was \$3,916,699.

The proceeds of taxes limit adopted by the District for the year ended June 30, 2024 is \$4,056,440.

The District is allowed to assess a property tax rate sufficient to cover its debt service requirements for the general obligation bonds for the business-type activities. These funds are restricted for debt service exclusively.

(7) RETIREMENT PLANS

The District self-administers the Donner Summit Public Utility District Money Purchase Pension Plan (defined contribution) for its employees who have attained age 18, been employed for 12 months and have worked a minimum of 1,000 hours in order to be eligible to participate in the plan. The District can amend the plan at any time. The contribution ranges from 4% to 6% of the annual compensation for all qualified employees. Participants begin to vest at 20% after 2 years of service and are fully vested after 6 years of service. Forfeitures from non-vested participants are used to offset employer contribution requirements.

A 457 Deferred Compensation Plan has also been established by the District with Nationwide Retirement Solutions. Employees who completed ninety days of continuous service may elect to defer compensation up to 100% of their salary or \$22,500 (\$30,000 if employee will have obtained age 50 by the end of the calendar year), whichever is less. Additionally, if an employee participates in the plan then the District contributes an additional amount equal to 2% of their annual salary. This Plan is fully funded with Nationwide Retirement Solutions.

The required contributions for the year ended June 30, 2023 was \$77,514, with \$50,409 contributed to the Money Purchase Pension Plan and \$27,105 contributed to the 457 Deferred Compensation Plan. This amount was paid after June 30, 2023 and is included in Accrued Expenses.

DONNER SUMMIT PUBLIC UTILITY DISTRICT

Notes to the Financial Statements

June 30, 2023

(7) RETIREMENT PLANS (CONTINUED)

It is the District's position that it has a fiduciary obligation for the due care required of a prudent investor in the management of the plan's resources but is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments.

(8) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of two Joint Powers Authorities for the operation of common risk management and insurance programs. The programs cover workers' compensation, property, liability and employee dishonesty insurance. The Authorities are governed by Executive Boards consisting of representatives from member districts. The Executive Boards control the operations of the Authorities, including selection of management and approval of operating budgets.

The relationship between the District and the Joint Powers Authorities is such that the Authorities are not a component unit of the District for financial reporting purposes.

For workers' compensation insurance, the District has joined together with other special districts within the state to form the Special Districts Workers' Compensation Authority ("SDWCA"). The District pays estimated annual premiums to the SDWCA based upon estimated payroll classified into rate categories pursuant to the rules published by the California Workers' Compensation Insurance Rating Bureau. Actual premium due is determined after the fiscal year end and is based upon actual payroll. The SDWCA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District's premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The SDWCA agrees to pay all amounts legally required by California workers' compensation laws. The amounts of settlements have not exceeded coverage provided by SDWCA for the last three fiscal years.

For property, liability and employee dishonesty insurance, the District has joined together with other special districts within the state to form the Special Districts Risk Management Authority ("SDRMA"). The District pays an annual premium to SDRMA for its property, liability and employees dishonesty coverage. The SDRMA is entitled to assess additional premiums or to refund premiums based upon a pro rata allocation of the District's premium paid to total premiums paid. The District is not assessed additional premiums or refunded premiums on an individual basis based upon claims or loss experience. The amounts of settlements have not exceeded coverage provided by SDRMA for the last three fiscal years.

Notes to the Financial Statements

June 30, 2023

(9) RESTRICTED NET POSITION - DEBT PAYMENT

A portion of the net position balance has been restricted in accordance with provisions of the debt due to various government agencies. The loan provisions require the District to maintain this amount in a reserve account.

(10) LEASE COMMITMENT

The District has a lease agreement with the Truckee Fire Protection District (TFPD) for the District's fire station facility. The lease expires June 30, 2027. TFPD has the option to renew the lease for two 25-year periods. The District receives \$1 per year under the terms of the lease.

(11) DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Statement No. 83 of the Governmental Accounting Standards Board requires the District to recognize the future cost of dismantling and removing the wastewater treatment plant, which is categorized by the standard as an "Asset Retirement Obligation". The standard requires the District to record the Asset Retirement Obligation, a deferred outflow of resources, and annual expenses over the life of the related asset related to the District's wastewater treatment plant. The standard requires these actions because the wastewater treatment plant sits on United States Forest Service property under a Special Use Permit that requires the land to be restored to its original condition at the end of the term of the Special Use Permit. Management believes recording this liability would not present an accurate representation of the District's financial position. The wastewater treatment plant provides an essential service to thousands of residents and management believes it is highly unlikely it would no longer be needed in the community. In addition, management believes it is highly unlikely, given the related infrastructure, that the facility could be relocated. Further, the United States Forest Service has a history of routinely renewing Special Use Permits such that the District anticipates the wastewater treatment plant will occupy the site indefinitely. Accordingly, the District is not following the guidance required by Statement No. 83 of the Governmental Accounting Standards Board and this is a departure from generally accepted accounting principles.

Fund Financial Statements

Balance Sheet

June 30, 2023

Assets

		<u>Primary Government Proprietary Fund</u>
Current Assets		
Cash	\$	1,324,368
Investments		3,449
Total Cash and Cash Equivalents		<u>1,327,817</u>
Accounts receivable		272,141
Allowance for doubtful accounts		(1,000)
Net accounts receivable		<u>271,141</u>
Other receivable		59,369
Prepaid expenses		<u>290,568</u>
Total Current Assets		1,948,895
Noncurrent Assets		
Capital assets, net		25,116,121
Right-of-Use asset, net		<u>311,071</u>
Total Noncurrent Assets		<u>25,427,192</u>
Total Assets	\$	<u><u>27,376,087</u></u>

See the accompanying notes to the financial statements

Fund Financial Statements

Balance Sheet

June 30, 2023

Liabilities and Fund Balances

	Primary Government Proprietary Fund
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 145,912
Accrued expenses	201,188
Interest payable	53,188
Customer deposits	86,570
Deferred revenue	165,280
Current portion of lease liability	10,190
Current portion of long-term debt	649,372
Total Current Liabilities	1,311,700
<b>Noncurrent Liabilities</b>	
Lease liability	351,027
Long-term debt	12,914,616
Total Noncurrent Liabilities	13,265,643
Total Liabilities	14,577,343
<b>Fund Balances</b>	
Net investment in capital assets	11,470,066
Restricted:	
Restricted for debt payment	753,403
Unrestricted	575,275
Total Fund Balances	12,798,744
Total Liabilities and Fund Balances	\$ 27,376,087

See the accompanying notes to the financial statements

## DONNER SUMMIT PUBLIC UTILITY DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Budget and Actual  
Proprietary Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Budget Variance (Over) Under
Program Revenue				
Service fees	\$ 3,302,491	3,433,909	3,461,326	(27,417)
Total Program Revenue	3,302,491	3,433,909	3,461,326	(27,417)
Expenses				
Salaries	859,001	870,479	930,075	(59,596)
Employee benefits	366,526	366,526	416,529	(50,003)
Board expense	67,907	67,907	71,790	(3,883)
Professional fees	230,750	249,059	224,730	24,329
Equipment maintenance and repair	70,070	74,894	35,306	39,588
Operating supplies	8,980	8,980	6,406	2,574
Vehicle maintenance and repair	37,432	37,432	32,773	4,659
Facility maintenance and repair	73,055	73,055	66,227	6,828
Dues and subscriptions	8,980	8,980	13,187	(4,207)
Fees, permits and certifications	55,390	55,390	55,288	102
Training and education	5,300	5,300	4,770	530
Travel	-0-	-0-	3,055	(3,055)
Insurance	193,441	193,441	193,442	(1)
Office supplies	10,600	10,600	7,353	3,247
Utilities, communications and telemetry	543,188	543,188	616,610	(73,422)
Chemicals and lab supplies	195,706	195,706	232,862	(37,156)
Laboratory testing	47,860	47,860	59,142	(11,282)
Small tools and rental	9,160	9,160	6,301	2,859
Inflow and infiltration	15,000	18,500	18,501	(1)
Sludge removal	14,510	14,510	28,749	(14,239)
Depreciation	-0-	-0-	883,848	(883,848)
Interest	110,500	110,500	125,981	(15,481)
Amortization Land Lease	20,250	20,250	12,340	7,910
Total Expenses	2,943,606	2,981,717	4,045,265	(1,063,548)
Operating Income (Loss)	358,885	452,192	(583,939)	1,036,131

(Continued)

See the accompanying notes to the financial statements

## DONNER SUMMIT PUBLIC UTILITY DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Budget and Actual  
Proprietary Fund

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Budget Variance (Over) Under</u>
Operating Income (Loss)	\$ 358,885	452,192	(583,939)	1,036,131
General Revenues				
Property tax (including CFDs)	419,725	419,725	455,680	(35,955)
Grants	15,000	33,888	35,498	(1,610)
Interest	-0-	-0-	3,182	(3,182)
Other	<u>6,500</u>	<u>27,385</u>	<u>30,831</u>	<u>(3,446)</u>
Total General Revenues	441,225	480,998	525,191	(44,193)
Contributed Capital	<u>-0-</u>	<u>-0-</u>	<u>57,151</u>	<u>(57,151)</u>
Increase (Decrease) in Fund Balance	<u>\$ 800,110</u>	<u>933,190</u>	(1,597)	<u>934,787</u>
Fund Balance – Beginning of Year			<u>12,800,341</u>	
Fund Balance – End of Year			<u>\$ 12,798,744</u>	

See the accompanying notes to the financial statements



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Donner Summit Public Utility District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Donner Summit Public Utility District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Donner Summit Public Utility District's basic financial statements, and have issued our report thereon dated January 30, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Donner Summit Public Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Donner Summit Public Utility District's internal control. Accordingly, we do not express an opinion on the effectiveness of Donner Summit Public Utility District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Donner Summit Public Utility District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hillberg & Company  
Certified Public Accountants

## Agenda Item: 7B



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Financial Health Checkup

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### **RECOMMENDATION**

Receive 2023 Financial Health Checkup.

### **BACKGROUND**

The State of California and US Environmental Protection Agency make various technical resources available to small water systems through the Environmental Finance Center Network's Smart Water Management for Small Water Systems project managed by the University of North Carolina at Chapel Hill (EFCN). These resources are provided to small water and wastewater systems at no charge to the local system.

One resource offered is a Financial Health Checkup for Water and Wastewater Utilities. This Checkup provides an assessment of the financial performance of a water and/wastewater utility fund. The Checkup uses financial data readily available from annual financial statements (ie. audits) to compute key financial indicators that measure the ability to pay debt service, availability of cash to pay for operations and maintenance, the sufficiency of revenues generated, etc. These Indicators are compared to targets to demonstrate the financial health of the utility fund over the past 5 years.

Last year, the General Manager contacted the EFCN and provided them with copies of the District's audited financial statements from the last 5 years (FYE 2018-2022). The EFCN utilized the financial data to perform a Financial Health Checkup for District. The results were presented to the Board at the April 2023 Board meeting. After completion of the Fiscal Year 2023 audit, the General Manager updated the data and performed a new Financial Health Checkup. The results of the new Financial Health Checkup are being provided as informational to the Board and the community so that informed decisions can be made about future District budgets, rates, fees, and other financial decisions

### **DISCUSSION**

The Financial Health Checkup is included as Attachment 1.

#### **I. Financial Data Input**

The financial data that was input into the Checkup are listed in the table below. One change was made to the 2022 input data. Previously, the unrestricted cash and investments amount shown for 2022 included cash that was restricted to fulfill bond covenants. That amount was reduced from \$847,881 to \$73,911 reflect the actual amount of cash that is unrestricted. Prior to Fiscal Year 2022, the District did not identify amounts restricted by bond covenants.

Financial Data	2019	2020	2021	2022	2023
Operating Revenues	\$ 3,123,711	\$ 3,052,694	\$ 3,228,408	\$ 3,746,096	\$ 3,986,517
Operating Expenses	\$ 3,673,872	\$ 3,510,172	\$ 3,665,106	\$ 3,671,237	\$ 4,045,265
Depreciation/Amor	\$ 803,877	\$ 806,926	\$ 895,859	\$ 875,748	\$ 896,188
Debt Principal Payments	\$ 716,935	\$ 727,911	\$ 777,756	\$ 714,547	\$ 654,384
Debt Interest Payments	\$ 126,441	\$ 119,144	\$ 126,656	\$ 130,117	\$ 123,159
Current Assets, excluding inventories, restricted cash, prepaids	\$ 2,237,754	\$ 1,673,603	\$ 1,067,580	\$ 847,881	\$ 1,327,817
Current Liabilities, excluding deposits & bond anticipation notes	\$ 1,049,607	\$ 1,084,198	\$ 1,126,761	\$ 1,039,342	\$ 1,311,700
Unrestricted Cash & Investments	\$ 2,237,754	\$ 1,673,603	\$ 1,067,580	\$ 73,911	\$ 423,142
Total Accumulated Depreciation	\$10,474,062	\$11,199,312	\$11,818,090	\$12,675,387	\$13,531,097
Total Depreciable Capital Assets	\$37,454,884	\$38,137,258	\$38,145,741	\$38,392,034	\$38,403,161

**II. Financial Indicators**

**A. Operating Ratio**

The Operating Ratio illustrates whether the revenues are sufficient to fund operations. The formula to calculate the Operating Ratio is the Operating Revenue divided by the Operating Expenses. This Indicator is calculated two different ways; once including depreciation, and once excluding depreciation. Depreciation is used as a surrogate for capital needs. Depreciation amount is often insufficient to cover actual capital and infrastructure needs, but it is useful to track the Operating Ratio with depreciation over time. If these Indicators are less than one, this means that the District is spending from reserves. The recommended benchmarks and the Districts values are summarized below.

Indicator	Target	District Value
Operating Ratio With Depreciation	1.0 to 1.2	0.99
Operating Ratio Without Depreciation	1.0 to 1.5	1.27

The District's Operating Ratios are within the target range however the Operating Ratio With Depreciation needs to be evaluated further. The Operating Ratio Without Depreciation is at 1.27 which indicates that the District revenue is sufficient to pay for operations and maintenance. The Operating Ratio With Depreciation is at the minimum target, which indicates that the District revenue barely meets capital replacement needs. This indicates that the District should consider dedicating more funds towards capital needs and increasing this Indicator to 1.2.

The Financial Health Checkup also includes graphs showing the five-year trends for these Indicators. These graphs show that the Operating Ratios were flat between FY2019 and FY2021, increased from FY2021 to FY2022, and were essentially flat in FY2023. Additionally, the graphs show that the Operating Ratio With Depreciation was below the minimum benchmark of 1.0 for FY2018 through FY2021 and only reached a value of 1.0 in FY2022. The recent improvement in the Operating Ratios is due to the increased revenue from the rate increases that were approved by the Board in 2021 and were effective in July 2021.

**B. Debt Service Coverage Ratio**

The Debt Service Coverage Ratio measures the ability of the District to pay debt service with operating revenue. It is calculated by subtracting the operating expenses and depreciation from the operating revenue then dividing by the total debt payments (principal and interest). The target for this Indicator is 1.2. The District's current Debt Service Coverage Ratio is 1.08. This is a decrease from 1.13 in FY2022. As approved by the Board in 2021, utility rates increased on July 1, 2023 and will increase again on July 1, 2024. This Indicator declined because the District's operating expenses increased from FY2022 to FY2023.

The Financial Health Checkup graph of the five-year trend for the Debt Service Coverage Ratio shows that it was 0.5 or less from FY2019 through FY2021, increased to 1.13 in FY2022, and decreased to 1.08 in FY2023.

**C. Quick Ratio**

The Quick Ratio measures the ability of the District to pay its bills with unrestricted assets at the end of the fiscal year. This is an indicator of the District's short term liquidity. The Quick Ratio is calculated by dividing the current unrestricted assets by the current liabilities. EFCN indicates that it is good practice for this Indicator to be 2.0 with a minimum value of 1.0. The District's Quick Ratio for June 30, 2023 was 1.0

The Financial Health Checkup graph of the five-year trend for the Quick Ratio shows that it was 2.13 on June 30, 2019, decreased to 0.8 on June 30, 2022, and increased to 1.0 on June 30, 2023. This Indicator shows that the District needs to consider increasing its unrestricted assets (ie. operating fund cash) with the goal of increasing the Quick Ratio to 2.0.

**D. Days Cash on Hand**

Days Cash on Hand measures the ability of the District to withstand a temporary reduction or disruption in revenue and still continue paying for daily operations and maintenance. In other words, it is an estimate of the number of days the District could operate without receiving revenue. Days Cash on Hand is calculated by dividing the unrestricted cash and investments by the total operating expenses excluding depreciation. According to EFCN, it is good practice for this Indicator to be greater than or less than 180 days. It should be more than enough to last one billing cycle. The District's Days Cash on Hand on June 30, 2023 was 49, which is less than the target of 180 days.

The graph of the five-year trend for this indicator shows that it has steadily decreased from 285 days on June 30, 2019 to 10 days on June 30, 2022, and increased to 49 days on June 30, 2023. This increase from the prior year indicates that the District has been able to increase its cash reserves during the last year.

**E. Percent of Capital Assets Depreciated**

The Percent of Capital Assets Depreciated is a measure of how much of the District's assets have been depreciated. This Indicator is calculated by dividing the total accumulated

depreciation by the value of the total depreciable capital assets. A value of one hundred percent indicates that all of the District's assets have reached the end of their service life and need replacement. A value of zero percent indicates that all of the District's assets are brand new. This Indicator should never get near 100% and EFCN recommends a target of less than or equal to 35%. The District's Percent of Capital Assets Depreciated is 35%, which is considered acceptable. This value indicates that a large percentage of the District's assets still have considerable useful life remaining.

The graph of the five-year trend shows that this Indicator has increased from 28% on June 30, 2019 to 35% on June 30, 2023. This illustrates the rate at which the District assets are aging.

### **ANALYSIS**

The Financial Health Checkup for June 30, 2023 indicates the following:

1. District revenues are sufficient to pay for operations and maintenance.  
The Operating Ratio Without Depreciation is 1.27, which is still below the target of 1.5. Also, this Indicator is flat since last fiscal year. This data indicates that revenues were sufficient for day-to-day operations for year end June 30, 2023.
2. District revenues are marginally sufficient to pay for debt service.  
The Debt Service Coverage Ratio target is 1.2 and the value on June 30, 2023 was 1.08. This Indicator decreased from 1.13 since last year and indicates that the District may need to reduce operating expenses.
3. District cash reserves do not meet recommendations.  
The Quick Ratio of 1.0 is less than the target of 2.0. Additionally, Days Cash on Hand on June 30, 2023 was 49 days. This is less than the EFCN target of 180 days. The Board adopted Reserve Policy sets a goal of 4 to 6 months (120 to 180 days) of operating costs for unrestricted cash.
4. District revenues may not be sufficient to adequately fund capital expenses.  
The Operating Ratio With Depreciation is 0.99, which equals the minimum value and is less than the recommended target of 1.2. This indicates that the District is funding the bare minimum for capital replacements. A more thorough evaluation would also consider an asset management plan, capital improvement program, and capital reserve needs. For example, the District has adopted a Reserve Policy which includes a goal that the Capital Reserves be 50% of the total five-year expenditures shown in the adopted capital improvement plan. Due to operating cash and restricted cash requirements, the District currently does not have any cash allocated to Capital Reserves.

### **FISCAL IMPACT**

This item is informational only so there is no fiscal impact.

### **CEQA ASSESSMENT**

This is not a CEQA Project.

### **ATTACHMENTS**

1. Financial Health Checkup



### Financial data input worksheet

**Step 1:** Type in your utility's information in the green cells below.

Prepared by: Steven Palmer  
 Date prepared: February 14, 2024

Utility / Organization: Donner Summit Public Utility District

End date of the most recent financial statement used: 6/30/2023

Key	Field in the financial statement/CAFR	Fiscal Year End				
		2019	2020	2021	2022	2023
[1]	Total Operating Revenues	\$ 3,123,711	\$ 3,052,694	\$ 3,228,408	\$ 3,746,096	\$ 3,986,517
[2]	Total Operating Expenses	\$ 3,673,872	\$ 3,510,172	\$ 3,665,106	\$ 3,671,237	\$ 4,045,265
[3]	Depreciation & Amortization Expenses	\$ 803,877	\$ 806,926	\$ 895,859	\$ 875,748	\$ 896,188
[4]	Debt Principal Payments	\$ 716,935	\$ 727,911	\$ 777,756	\$ 714,547	\$ 654,384
[4b]	Debt Interest Payments	\$ 126,441	\$ 119,144	\$ 126,656	\$ 130,117	\$ 123,159
[5]	Current Assets, excluding inventories, restricted cash, prepaids	\$ 2,237,754	\$ 1,673,603	\$ 1,067,580	\$ 847,881	\$ 1,327,817
[6]	Current Liabilities, excluding deposits & bond anticipation notes	\$ 1,049,607	\$ 1,084,198	\$ 1,126,761	\$ 1,039,342	\$ 1,311,700
[7]	Unrestricted Cash & Investments	\$ 2,237,754	\$ 1,673,603	\$ 1,067,580	\$ 73,911	\$ 423,142
[8]	Total Accumulated Depreciation	\$ 10,474,062	\$ 11,199,312	\$ 11,818,090	\$ 12,675,387	\$ 13,531,097
[9]	Total Depreciable Capital Assets	\$ 37,454,884	\$ 38,137,258	\$ 38,145,741	\$ 38,392,034	\$ 38,403,161

#### Need help finding these numbers from your audited financial statements?

See examples by clicking links below.

[1]	Total Operating Revenues	<a href="#">Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds</a>
[2]	Total Operating Expenses	
[3]	Depreciation & Amortization Expenses	
[4]	Debt Principal Payments	<a href="#">Statement of Cash Flows - Proprietary Funds</a>
[4b]	Debt Interest Payments	
[5]	Current Assets, excluding restricted cash and prepaid items	<a href="#">Statement of Net Assets (or Net Position) - Proprietary Funds</a>
[6]	Current Liabilities, excluding deposits & bond anticipation notes	
[7]	Unrestricted Cash & Investments	
[8]	Total Accumulated Depreciation	<a href="#">Detail Notes on Capital Assets</a>
[9]	Total Depreciable Capital Assets	

\* Note: Assumes audited financials were prepared following GASB generally accepted accounting principles. Names of statements and line items within each statement may vary.





### Financial targets (benchmarks) worksheet

Did you generate the revenues needed to pay for O&M and a little for capital?

## Operating Ratio (including depreciation)

Measures the profitability of the water and/or wastewater system. It shows whether the utility's revenues from sales are sufficient to cover the cost of operations (O&M) and depreciation, which is used here as a surrogate for capital needs.

[Read more about Operating Ratios in this blog post](#)

#### Formula

$$\frac{\text{Total Operating Revenues [1]}}{\text{Total Operating Expenses [2]}}$$

#### Set Your Target:

greater than or equal to: Minimum Benchmark: >1.0  
(you may wish it to be > 1.2)

# 1.0

Value for Donner Summit Public Utility District in Fiscal Year 2023:

0.99

Did you meet your target?



Did you improve since the previous year?



What's the trend over the last 5 years?



[See Full Size Graph](#)

Did you generate the revenues needed to pay for O&M by itself?

## Operating Ratio (not including depreciation)

This version of operating ratio measures whether the utility's revenues from sales are sufficient to cover just the cost of operations and maintenance (without any consideration for capital expenses).

[Read more about Operating Ratios in this blog post](#)

#### Formula

$$\frac{\text{Total Operating Revenues [1]}}{\text{Total Operating Expenses [2] - Depreciation [3]}}$$

#### Set Your Target:

greater than or equal to: Minimum Benchmark: >1.0  
(you may wish it to be > 1.5)

# 1.0

Value for Donner Summit Public Utility District in Fiscal Year 2023:

1.27

Did you meet your target in Fiscal Year 2023?



Did you improve since the previous year?



What's the trend over the last 5 years?



[See Full Size Graph](#)



### Financial targets (benchmarks) worksheet

Did you generate the revenues needed to pay for O&M and existing debt service?

## Debt Service Coverage Ratio

Measures the ability to pay debt service with operating revenue. This means that after paying off your operating and maintenance costs, you have enough money left over to pay your existing debt service.

Applies only to utilities with debt.

[Read more about Debt Service Coverage Ratios in this blog post](#)

#### Formula

$$\frac{\text{Total Operating Revenues [1] - (Total Operating Expenses [2] - Depreciation [3])}{\text{(Debt Principal Payments [4] + Debt Interest Payments [4b])}}$$

#### Set Your Target:

greater than or equal to: Minimum Benchmark: >1.0  
(Many bonds covenants require at least 1.2)

1.2

Value for Donner Summit Public Utility District in Fiscal Year 2023:

1.08

Did you meet your target in Fiscal Year 2023?



Did you improve since the previous year?



What's the trend over the last 5 years?



[See Full Size Graph](#)

Did you have enough liquidity to pay your current liabilities at the end of the year?

## Quick Ratio

Measures short-term liquidity: the system's ability to pay its bills with its unrestricted assets on the day the financial statements are recorded. Remember that assets and liabilities are measured on the day your financial statements are prepared and may not be typical.

[Read more about Quick \(Current\) Ratios in this blog post](#)

#### Formula

$$\frac{\text{Current Assets excluding restricted assets and prepaid items [5]}}{\text{Current Liabilities excluding deposits and bond}}$$

#### Set Your Target:

greater than or equal to: Minimum Benchmark: >1.0  
(Good practice is at least 2.0)

2.0

Value for Donner Summit Public Utility District in Fiscal Year 2023:

1.0

Did you meet your target in Fiscal Year 2023?



Did you improve since the previous year?



What's the trend over the last 5 years?



[See Full Size Graph](#)



## Financial targets (benchmarks) worksheet

How many days could you continue to operate the utility with the cash levels available?

### Days Cash on Hand

Measures the ability of the system to weather a significant temporary reduction in revenue to continue paying for daily operations and maintenance. How many days could you operate if no new revenue came in?

[Read more about Days Cash on Hand in this blog post](#)

#### Formula

$$\frac{\text{Unrestricted Cash \& Investments [7]}}{(\text{Total Operating Expenses [2] - Depreciation (within Operating Expenses) [3]} / 365)}$$

#### Set Your Target:

greater than or equal to:  
**180**

More than enough to last a billing cycle or when you expect a substantial inflow of cash. Good practice is several months.

Value for Donner Summit Public Utility District in Fiscal Year 2023:

49

Did you meet your target in Fiscal Year 2023?



Did you improve since the previous year?



What's the trend over the last 5 years?



[See Full Size Graph](#)

How much have your utility's assets depreciated (nearing the end of their lives)?

### Percent of Capital Assets Depreciated

An indicator that measures how much of the assessed value of all of your depreciable assets has already been depreciated. Keep in mind that depreciation is measured by accountants and not by your system engineers. The number may or may not be a good measure of the actual wear and tear on your system.

#### Formula

$$\frac{\text{Total Accumulated Depreciation [8]}}{\text{Total Depreciable Capital Assets [9]}}$$

#### Set Your Target:

Less than or equal to:  
**35%**

Don't get close to 100%

Value for Donner Summit Public Utility District in Fiscal Year 2023:

35%

Did you meet your target in Fiscal Year 2023?



Did you improve since the previous year?



What's the trend over the last 5 years (reversed)?



[See Full Size Graph](#)

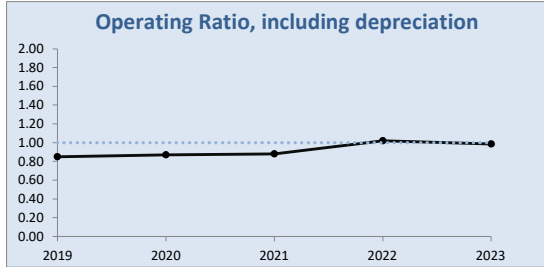


Five-Year Trends

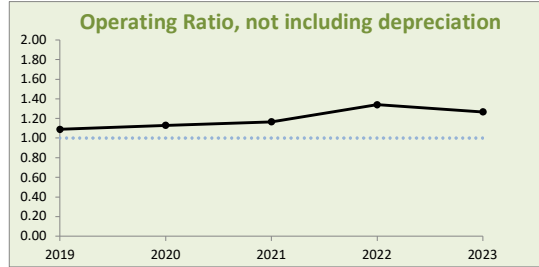
Key: Blue line = target (edit targets in Step 2) ← Above dotted line = exceeded target (good)  
 Below dotted line = did not meet target (needs improvement)

Assessment for Donner Summit Public Utility District

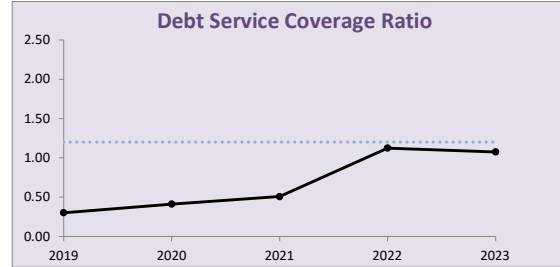
Did you generate the revenues needed to pay for O&M and a little for capital?



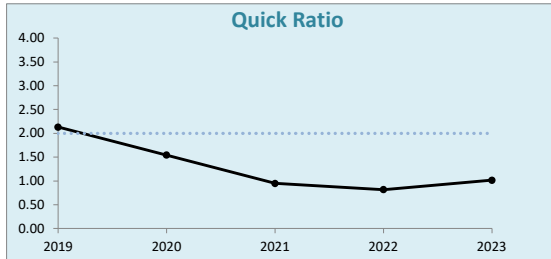
Did you generate the revenues needed to pay for O&M by itself?



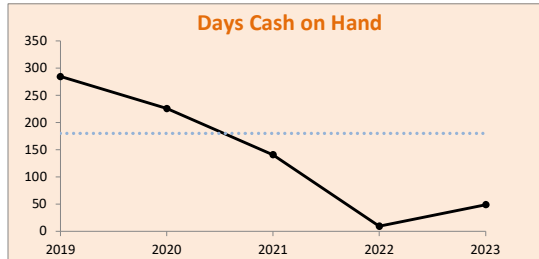
Did you generate the revenues needed to pay for O&M and existing debt service?



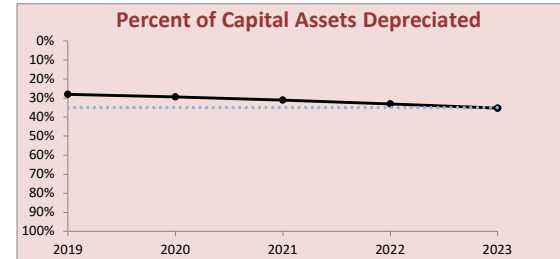
Did you have enough liquidity to pay your current liabilities at the end of the year?



How many days could you continue to operate the utility with the cash levels available?



How much have your utility's assets depreciated (nearing the end of their lives)?



## Agenda Item: 7C



## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Adopt a Resolution of Intention to Form Community Facilities District Number 2024-1, and a Resolution of Intention to Incur Bonded Indebtedness for Public Facilities in Community Facilities District Number 2024-1 for the Sugar Bowl West and East Villages Sewer Project

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### **RECOMMENDATION**

Adopt a resolution of intention to form a community facilities district and levy a special tax in Community Facilities District 2024-1 (Sewer Extension) to finance the acquisition and construction of certain public facilities in and for such community facilities district, and adopt a resolution of intention to incur bonded indebtedness to finance the acquisition and construction of certain public facilities in and for Community Facilities District 2024-1 (Sewer Extension).

### **BACKGROUND**

Donner Summit Public Utility District (DSPUD) has been working together with Sugar Bowl for several years regarding extending sewer lines in the Sugar Bowl West and East Villages. The 2009 Placer Local Agency Formation Commission (LAFCO) approval of the subdivisions and annexation required that the homes in the East and West Villages connect to DSPUD sewer within 10 years of annexation. There are 42 single family homes and three (3) vacant lots which could connect in the future if sewer main is constructed adjacent to those parcels.

DSPUD is not responsible for the cost to install sewer to these parcels, so a community facilities district (CFD) is being pursued to provide funding for the construction of the sewer. The CFD will levy a special tax secured by recording a continuing lien against the parcels within the CFD and incur bonded indebtedness to finance the cost of the authorized facilities. The bonds will be secured by the CFD special tax. The Mello-Roos Community Facilities Act of 1982 provides the authority and process for the formation of the CFD and incurring bonded indebtedness.

### **Community Facilities District Formation**

The first step of the process is for the Board of Directors to adopt two resolutions: a resolution of intention to form the CFD (CFD ROI), and a resolution of intention to incur bonded indebtedness to finance the acquisition and construction of certain public facilities in and for the proposed CFD (Bond ROI). The CFD ROI defines the name and boundary of the CFD, describes the rate and method of apportionment of the special tax to be levied, directs the General Manager to prepare a CFD report that describes and estimates the cost of the public facilities to be acquired and constructed in the CFD, and sets the time and place for the public hearing which must be between 30 and 60 days after adoption of the CFD ROI. The Bond ROI declares the necessity for the indebtedness, purpose of the debt, amount of the debt, and the time and place for the public hearing on the bonded indebtedness. The public hearing is held to allow public comment

regarding the public interest, convenience, and necessity of the CFD, the special tax levy, and the bonded indebtedness.

If the owners of one-half or more of the area of the land in the CFD file written protests in advance of the public hearing, then no further proceedings to create the CFD or levy the special tax can be taken for a period of one year. If there are insufficient written protests, then the Board may decide to establish the CFD and incur bonded indebtedness, and adopt a resolution of formation establishing the CFD and a resolution incurring bonded indebtedness. These resolutions will direct DSPUD staff to submit the levy of special tax and the proposed bonded indebtedness to the owners of property within the CFD for an election. The elections may be conducted on the same ballot and must be held between 90- and 180-days following adoption of the resolution of formation. After the canvass of the election returns, the Board may levy the special tax in the CFD and incur bonded indebtedness if two-thirds of the votes cast are in favor of the special tax.

### **DISCUSSION**

The proposed name for the CFD is Community Facilities District 2024-1 (Sewer Extension). The DSPUD General Manager worked with the CFD consultant, Goodwin Consulting Group (Goodwin), to prepare the boundary map for the proposed CFD which is included as Attachment 1. Only parcels within the boundary can be taxed. Goodwin also prepared the required rate and method of apportionment (RMA) include as Attachment 2.

Legal counsel for the CFD and bonded indebtedness, Jones Hall, provided the resolutions of intent included as Attachments 3 and 4. The CFD ROI declares the intention of DSPUD to establish the CFD, designates the name of the district, identifies the facilities to be acquired and financed, and states DSPUD's intention to levy a special tax on certain properties to pay for the costs of the public facilities. It includes the RMA as Exhibit A and a List of Facilities as Exhibit B, which provides a brief description of the public facilities that are permitted to be financed by the CFD. The Special Tax Formula in the RMA is the roadmap as to the amount of taxes proposed to be levied against parcels in the CFD. The taxes will become the security for bonds of the CFD; the bonds are not an obligation of DSPUD and are payable only from the collected special taxes. The special tax is payable by the owner of the property in the CFD in the same manner property taxes are payable. The Bond ROI declares the intention of DSPUD to provide for the issuance of bonds in an amount not to exceed \$11,100,000 to finance the authorized improvements of the CFD, although a lesser amount of bonds is anticipated to be actually issued.

The resolutions set March 26, 2024 as the date for the required hearing on the matters set forth therein. At the public hearing the DSPUD Board will hear a presentation on the proposed CFD and bonding to fund the authorized facilities. At the same time protests against the establishment of the district, the extent of the district, or the furnishing of specified types of public facilities within the district and the issuance of bonds may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with DSPUD on or before the time fixed for the hearing. DSPUD Board may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. Objections of the non-owner public will be heard but are not determinative to the formation process. If DSPUD Board determines at the conclusion of the hearings to proceed with the establishment of the CFD, the election to vote on the tax and bonded indebtedness may proceed. Notice of the Public Hearings will need to be published in a newspaper of general circulation at least seven days prior to the hearing date. DSPUD may also elect to mail a notice of the hearings to each property owner within the CFD.

If the CFD and bonded indebtedness are approved by the election, Board approval of the bonds will be presented at a future meeting subsequent to the election date. The bonds are expected to be tax-exempt since they finance public improvements which will be acquired by DSPUD.

### **FISCAL IMPACT**

The CFD formation work is being funded by a deposit from Sugar Bowl Corporation and was therefore not included in the Fiscal Year 2023/2024 budget. As described in the cost sharing agreement, Sugar Bowl Corporation will get reimbursed for these expenses from the financing district and not from DSPUD funds.

Costs related to implementing bonded indebtedness are paid to Goodwin and Jones Hall out of bond proceeds and not from DSPUD funds.

The CFD and bonded indebtedness are necessary to fund and construct the sewer extension project.

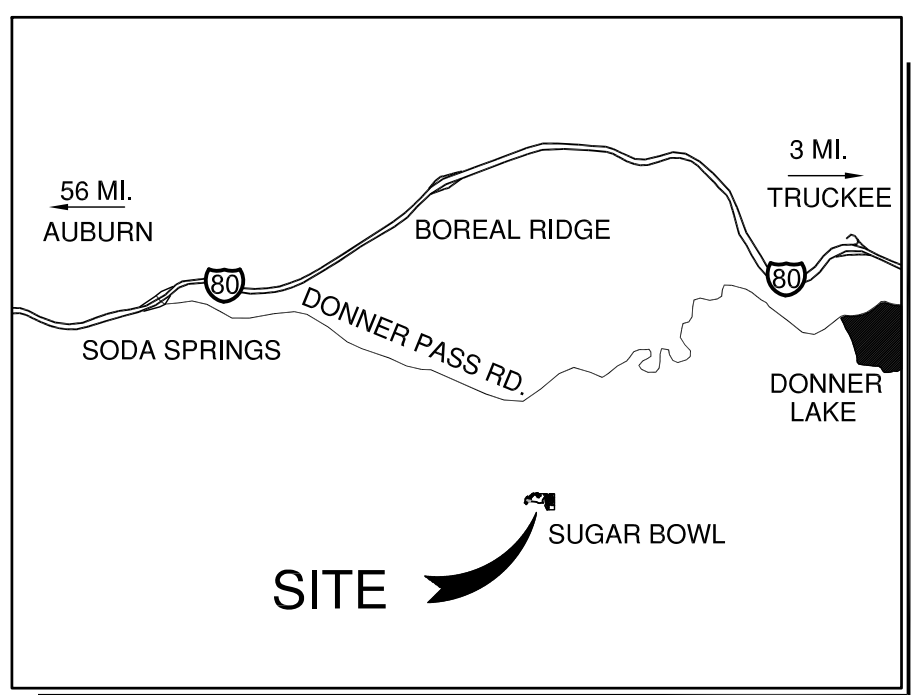
### **CEQA ASSESSMENT**

The Initial Study/MND was approved by the Board on October 17, 2023. Mitigation measures are incorporated into the project plans and specifications.

### **ATTACHMENTS**

1. Boundary Map
2. Rate and Method of Apportionment
3. Resolution of Intention to Form Community Facilities District Number 2024-1
4. Resolution of Intention to Incur Bonded Indebtedness for Public Facilities in Community Facilities District Number 2024-1





VICINITY MAP  
 N.T.S.

PROPOSED BOUNDARIES OF  
**DONNER SUMMIT PUBLIC UTILITY DISTRICT  
 COMMUNITY FACILITIES DISTRICT NO. 2024-1  
 (SEWER EXTENSION)**  
 PLACER COUNTY, STATE OF CALIFORNIA

SECRETARIE'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF DIRECTORS OF THE  
 DONNER SUMMIT PUBLIC UTILITY DISTRICT, PLACER COUNTY, STATE OF  
 CALIFORNIA, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024.

\_\_\_\_\_  
 DAWN PARKHURST  
 SECRETARY OF THE BOARD OF DIRECTORS  
 DONNER SUMMIT PUBLIC UTILITY DISTRICT

SECRETARIE'S MAP CERTIFICATE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF  
 COMMUNITY FACILITIES DISTRICT NO. 2024-1 (SEWER EXTENSION), PLACER  
 COUNTY, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS  
 OF DONNER SUMMIT PUBLIC UTILITY DISTRICT AT A MEETING THEREOF, HELD ON  
 THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2024, BY ITS RESOLUTION NO.  
 \_\_\_\_\_.

\_\_\_\_\_  
 DAWN PARKHURST  
 SECRETARY OF THE BOARD OF DIRECTORS  
 DONNER SUMMIT PUBLIC UTILITY DISTRICT

RECORDER'S STATEMENT

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ AT THE HOUR OF  
 \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M, IN BOOK \_\_\_\_\_ OF MAPS OF COMMUNITY  
 FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY  
 RECORDER OF THE COUNTY OF PLACER, STATE OF CALIFORNIA.

FEE \_\_\_\_\_  
 FILE NO. \_\_\_\_\_

\_\_\_\_\_  
 RYAN RONCO  
 PLACER COUNTY RECORDER

\_\_\_\_\_  
 DEPUTY



ASSESSOR'S PARCELS WITHIN  
 CFD 2024-1

069-102-002-000	069-103-039-000
069-102-003-000	069-103-040-000
069-102-004-000	069-103-041-000
069-102-005-000	069-103-042-000
069-102-006-000	069-103-045-000
069-102-007-000	069-103-046-000
069-102-008-000	069-103-047-000
069-102-009-000	069-103-048-000
069-102-012-000	069-103-049-000
069-102-017-000	069-103-051-000
069-102-022-000	069-103-053-000
069-102-025-000	069-103-054-000
069-103-008-000	069-103-055-000
069-103-009-000	069-103-056-000
069-103-011-000	069-103-057-000
069-103-012-000	069-103-064-000
069-103-013-000	069-103-069-000
069-103-018-000	069-103-072-000
069-103-020-000	069-103-092-000
069-103-028-000	069-103-093-000
069-103-033-000	069-103-095-000
069-103-034-000	069-103-096-000
069-103-038-000	

LEGEND

- 103 ASSESSOR'S PAGE NUMBER
- 56 ASSESSOR'S PARCEL NUMBER (MAP INDEX)
- 069-103-056-000 ASSESSOR'S PARCEL NUMBER
- \_\_\_\_\_ ASSESSOR'S PARCEL LINE
- \_\_\_\_\_ CFD 2024-1 BOUNDARIES

NOTE:

REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF  
 RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF  
 PLACER FOR THE DETAILED DESCRIPTION OF THE LINES AND  
 DIMENSIONS OF ANY PARCELS SHOWN HEREON.



**DONNER SUMMIT PUBLIC UTILITY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2024-1  
(SEWER EXTENSION)**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

---

A Special Tax applicable to each Assessor's Parcel in the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) shall be levied and collected according to the tax liability determined by the Board through the application of the appropriate amount or rate for Taxable Property, as described below. All property in the CFD, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment is adopted for the annexation area.

**A. DEFINITIONS**

The terms hereinafter set forth have the following meanings:

**“Acre” or “Acreage”** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map or other parcel map recorded at the County Recorder's Office.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the District in carrying out its duties with respect to the CFD and the Bonds, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of Special Taxes, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to Bonds, costs associated with complying with continuing disclosure requirements for the District and any major property owners or other obligated parties, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the District and the County in any way related to the establishment or administration of the CFD.

**“Administrator”** shall mean the person or firm designated by the District to administer the Special Tax according to this RMA.

**“Assessor's Parcel” or “Parcel”** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**“Assessor's Parcel Map”** means an official map of the County Assessor designating Parcels by Assessor's Parcel number.

“**Authorized Facilities**” means the public facilities authorized to be financed, in whole or in part, by the CFD.

“**Board**” means the Board of Directors of the District.

“**Bonds**” means bonds or other debt (as defined in the Act), whether in one or more series, secured by the Special Tax and issued or assumed by the CFD to fund Authorized Facilities.

“**Capitalized Interest**” means funds in any capitalized interest account available to pay debt service on Bonds.

“**CFD**” means the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension).

“**CFD Formation**” means the date on which the Resolution of Formation to form the CFD was adopted by the Board.

“**County**” means the County of Placer.

“**District**” means the Donner Summit Public Utility District.

“**Fiscal Year**” means the period starting July 1 and ending on the following June 30.

“**Improvement Fund**” means the account (regardless of its name) identified in the Indenture to hold funds that are available for expenditure to acquire or construct Authorized Facilities or to pay eligible impact fees.

“**Indenture**” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“**Maximum Special Tax**” means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Sections C and D below.

“**Maximum Special Tax Revenues**” means the aggregate amount that could be levied in any Fiscal Year if the Maximum Special Tax was levied against all Parcels of Taxable Property within the CFD. The Maximum Special Tax Revenues at the time of CFD Formation are shown in Attachment 1 hereto and may be adjusted due to prepayments in this CFD.

“**Original Parcel**” means an Assessor’s Parcel included in the CFD at the time of CFD Formation, as identified in Attachment 2 hereto. A Successor Parcel that is further subdivided shall also be considered an Original Parcel for the purposes of determining the Maximum Special Taxes pursuant to Section C.

**“Proportionately”** means the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all parcels of Taxable Property.

**“Public Property”** means any property within the boundaries of the CFD that is owned by the District, County, federal government, State of California, or other public agency.

**“RMA”** means this Rate and Method of Apportionment of Special Tax.

**“Successor Parcel”** means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

**“Special Tax”** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year after application of any available Capitalized Interest; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support, and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities. The amounts referred to in clauses (i) and (ii) of the definition of Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the District, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the District.

**“Tax Zone”** means a geographic area within which a particular Maximum Special Tax rate may be levied pursuant to this RMA. Attachment 2 identifies the two Tax Zones in the CFD.

**“Taxable Property”** means all of the Parcels within the boundaries of the CFD that are not exempt from the Special Tax pursuant to law or Section G below.

**“Taxable Public Property”** means any Parcel of Public Property that had in its entirety been a Parcel of Taxable Property in a prior Fiscal Year and, as such, had been subject to the levy of Special Taxes when the public agency took ownership of the Parcel, and which will continue to be Taxable Property for purposes of this RMA.

## **B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX**

Each Fiscal Year, the Administrator shall: (i) identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within the CFD; and (ii) identify the Special Tax Requirement for the Fiscal Year. If, in any Fiscal Year, it is determined that: (i) a parcel map for property in the

CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), and (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, then the Administrator shall calculate the Special Taxes separately for each Successor Parcel and levy the sum of these amounts on the Original Parcel that was subdivided by recordation of the parcel map

**C. MAXIMUM SPECIAL TAX**

The Maximum Special Tax for each Original Parcel in the CFD for Fiscal Year 2024-25 is shown in Attachment 1 of this RMA. On July 1, 2025, and on each July 1 thereafter, all figures shown in Attachment 1 shall be increased by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year.

**D. CHANGES TO THE MAXIMUM SPECIAL TAX**

*1. Subdivision of Original Parcels*

If an Original Parcel is subdivided or reconfigured, the Administrator shall assign the Maximum Special Taxes applicable to the Original Parcel to the Successor Parcels by applying the following steps:

- Step 1.** Determine the aggregate Acreage of Taxable Property within all Successor Parcels created from subdivision or reconfiguration of the Original Parcel.
- Step 2.** Divide the Maximum Special Tax assigned to the Original Parcel by the Acreage of Taxable Property determined in Step 1 to determine a Maximum Special Tax per acre.
- Step 3.** Multiply the Maximum Special Tax per acre determined in Step 2 by the Acreage of Taxable Property within each Successor Parcel to determine the Maximum Special Tax for each Successor Parcel, which amount shall escalate in the following Fiscal Year and each Fiscal Year thereafter by 2.0% of the amount in effect in the prior Fiscal Year.

Once a Successor Parcel is created, if such Successor Parcel is further subdivided or reconfigured, the Parcel will be considered an Original Parcel and Steps 1 through 3 above shall be applied to determine the Maximum Special Taxes for the Parcels created from the subdivision or reconfiguration. If, at any time, an Original Parcel or a Successor Parcel is assigned a different Assessor's Parcel number, the Maximum Special Taxes assigned to that Parcel shall continue to apply. Notwithstanding the foregoing, a lot line adjustment that does not result in a significant change to the acreage of any Successor Parcel, as determined by the Administrator, will not require a reallocation of the Maximum Special Taxes assigned to the Parcel(s) affected by the lot line adjustment. Under no circumstance shall the combined Maximum Special Taxes assigned to Successor Parcels upon subdivision of an Original Parcel be less than the Maximum Special Taxes that applied to the Original Parcel prior to the subdivision.

2. *Partial Prepayments*

If a Parcel makes a partial prepayment pursuant to Section H below, the Administrator shall recalculate the Maximum Special Tax for the Parcel pursuant to Section H.2.

3. *Reduction in Maximum Special Tax*

Except in the case of a partial prepayment, the Maximum Special Tax assigned to a Parcel of Taxable Property shall never be reduced regardless of changes in ownership, configuration, land use, demolition, or destruction of buildings on the Parcel.

**E. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement for the Fiscal Year, and the Special Tax shall be levied Proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year.

**F. MANNER OF COLLECTION OF SPECIAL TAX**

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the District may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on Bonds have been repaid. However, in no event shall Special Taxes be levied after Fiscal Year 2059-60. Under no circumstances may the Special Tax on a Parcel be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

**G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied in any Fiscal Year on the following:

- i. Public Property, except Taxable Public Property.
- ii. Parcels that have fully prepaid the Special Tax obligation assigned to the Parcel pursuant to the formula set forth in Section H below.

**H. PREPAYMENTS**

The following definitions apply to this Section H:

**“Outstanding Bonds”** means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

**“Previously Issued Bonds”** means all Bonds that have been issued prior to the date of prepayment.

**“Public Facilities Requirement”** means either \$7,407,356 in 2024 dollars, which shall increase on January 1, 2025, and on each January 1 thereafter by two percent (2%) of the amount in effect in the prior year, or such other number as shall be determined by the District as sufficient to fund Authorized Facilities.

**“Remaining Facilities Costs”** means the Public Facilities Requirement minus public facility costs funded by Previously Issued Bonds, developer equity, and any other source of funding.

*1. Full Prepayment*

The Special Tax obligation applicable to a Parcel in the CFD may be prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the District with written notice of intent to prepay. Within 30 days of receipt of such written notice, the District or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayment must be made not less than 60 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

	Bond Redemption Amount
plus	Remaining Facilities Amount
plus	Redemption Premium
plus	Defeasance Requirement
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1.** Compute the amount that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the District by applying the Maximum Special Tax for the Parcel.
- Step 2.** Divide the Maximum Special Tax computed pursuant to Step 1 for such Parcel by the total Maximum Special Tax Revenues for all property in the CFD.
- Step 3.** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the “Bond Redemption Amount”*).
- Step 4.** Compute the current Remaining Facilities Costs (if any).
- Step 5.** Multiply the quotient computed pursuant to Step 2 by the amount determined pursuant to Step 4 to compute the amount of Remaining Facilities Costs to be prepaid (*the “Remaining Facilities Amount”*).
- Step 6.** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the “Redemption Premium”*).
- Step 7.** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment will be received until the earliest redemption date for the Outstanding Bonds. However, if Bonds are callable at the first interest payment date after the prepayment has been received, Steps 7, 8, and 9 of this prepayment formula will not apply.
- Step 8:** Compute the amount of interest the District reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 9:** Subtract the amount computed pursuant to Step 8 from the amount computed pursuant to Step 7 (*the “Defeasance Requirement”*).
- Step 10.** The administrative fees and expenses associated with the prepayment will be determined by the Administrator and include the costs of computing the prepayment, redeeming Bonds, and recording any notices to evidence the prepayment and the redemption (*the “Administrative Fees and Expenses”*).
- Step 11.** If and to the extent so provided in the Bond Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the



Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

**Step 12.** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 5, 6, 9, and 10, less the amount computed pursuant to Step 11 (the “*Prepayment Amount*”).

**Step 13.** From the Prepayment Amount, the amounts computed pursuant to Steps 3, 6, and 9 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to Step 5 shall be deposited into the Improvement Fund. The amount computed pursuant to Step 10 shall be retained in the account or fund that is established to pay Administrative Expenses.

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. *Partial Prepayment*

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 10 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be equal to the portion of the Maximum Special Tax that was not prepaid. Once a partial prepayment has been received, an Amended Notice of Special Tax Lien shall be recorded against the Parcel to reflect the reduced Special Tax lien for the Parcel. However, an Amended Notice of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

**I. INTERPRETATION OF RMA**

Interpretations may be made by Resolution of the Board to interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as such correction does not materially affect the levy and collection of Special Taxes.

**ATTACHMENT 1**

**Donner Summit Public Utility District  
 Community Facilities District No. 2024-1  
 (Sewer Extension)**

**Original Parcels and Maximum Special Taxes**

Fiscal Year 2023-24 Assessor's Parcel Number	Maximum Special Tax Fiscal Year 2024-25 *
<b>TAX ZONE 1</b>	
069-102-002-000	\$14,200
069-102-003-000	\$14,200
069-102-004-000	\$14,200
069-102-005-000	\$14,200
069-102-006-000	\$14,200
069-102-007-000	\$14,200
069-102-008-000	\$14,200
069-102-009-000	\$14,200
069-102-012-000	\$14,200
069-102-017-000	\$14,200
069-102-022-000	\$14,200
069-102-025-000	\$14,200
069-103-045-000	\$14,200
069-103-046-000	\$14,200
069-103-047-000	\$14,200
069-103-048-000	\$14,200
069-103-049-000	\$14,200
069-103-051-000	\$14,200
069-103-053-000	\$14,200
069-103-054-000	\$14,200
069-103-055-000	\$14,200
069-103-056-000	\$14,200
069-103-057-000	\$14,200
069-103-064-000	\$14,200
069-103-095-000	\$14,200

Fiscal Year 2023-24 Assessor's Parcel Number	Maximum Special Tax Fiscal Year 2024-25 *
<b>TAX ZONE 2</b>	
069-103-008-000	\$8,900
069-103-009-000	\$8,900
069-103-011-000	\$8,900
069-103-012-000	\$8,900
069-103-013-000	\$8,900
069-103-018-000	\$8,900
069-103-020-000	\$8,900
069-103-028-000	\$8,900
069-103-033-000	\$8,900
069-103-034-000	\$8,900
069-103-038-000	\$8,900
069-103-039-000	\$8,900
069-103-040-000	\$8,900
069-103-041-000	\$8,900
069-103-042-000	\$8,900
069-103-069-000	\$8,900
069-103-072-000	\$8,900
069-103-092-000	\$8,900
069-103-093-000	\$8,900
069-103-096-000	\$8,900

**Maximum Special Tax Revenues (FY 2024-25 \$)\***

**\$533,000**

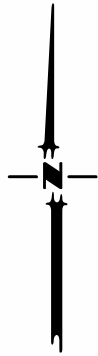
\* On July 1, 2025, and on each July 1 thereafter, the Maximum Special Taxes shown above shall be increased by an amount equal to two percent (2%) of the amount in effect for the prior Fiscal Year.

**ATTACHMENT 2**






**Donner Summit Public Utility District  
Community Facilities District No. 2024-1  
(Sewer Extension)**

**Identification of Tax Zones**

ATTACHMENT 2  
ORIGINAL PARCELS IN CFD  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2024-1  
(SEWER EXTENSION)



LEGEND

-  ASSESSOR'S PARCEL NUMBER (MAP INDEX)
-  ASSESSOR'S PARCEL LINE
-  CFD 2024-1 BOUNDARIES
-  TAX ZONE 1
-  TAX ZONE 2



**RESOLUTION NO. 2024-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONNER SUMMIT PUBLIC UTILITY DISTRICT OF INTENTION TO FORM A COMMUNITY FACILITIES DISTRICT AND LEVY A SPECIAL TAX IN THE DONNER SUMMIT PUBLIC UTILITY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (SEWER EXTENSION), TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT**

**WHEREAS**, the Donner Summit Public Utility District (“DSPUD”) desires to undertake construction of an extension of the DSPUD sewer system to provide public sewer access to certain parcels located within the boundary of DSPUD in the vicinity of the Sugar Bowl resort; and

**WHEREAS**, the General Manager of DSPUD has engaged the affected community to evaluate funding options for the sewer system extension and this Board of Directors of the Donner Summit Public Utility District (the “Board”) has determined that placing a local revenue measure to be voted on by the owners of parcels to be benefited by the sewer extension and the successful approval thereof would provide funding for the sewer system improvements by contributing to the cost thereof; and

**WHEREAS**, under the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the “Act”), the Board is authorized to establish a community facilities district, and to act as the legislative body for such community facilities district and to call for an election on a special tax measure and the issuance of bonds to fund the construction and acquisition of the sewer system improvements; and

**WHEREAS**, the Board desires to proceed with the establishment of a community facilities district as described herein for the purposes stated above and herein.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. It is proposed to establish a community facilities district within the Donner Summit Public Utility District under the authorization and terms of the Act to finance costs of system sewer public facilities authorized by the Act.

2. The name proposed for the community facilities district is the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) (the “CFD”).

3. The proposed boundaries of the CFD are shown on the Map of Proposed Boundary of a proposed community facilities district to be known as Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension), on file with the Board Secretary, which the Board approves as the map describing the extent of the territory included in the proposed CFD. The Board directs the Board Secretary to certify the adoption of this resolution on the face of the map, and to file a copy of the map in the office of the Board Secretary in accordance with Section 3111 of the California Streets and Highways Code, and within 15 days of the date of adoption of this resolution but in no event later than 15 days prior to the public hearing provided for herein, transmit the map to the County Recorder of the County of Placer for recording in the Book of Maps of Assessment and Community Facilities Districts in the office of the County Recorder of the County of Placer.

4. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities (as defined below), including the principal and interest as it becomes due on bonds issued by DSPUD for the CFD to construct and/or acquire the Facilities, a special tax (“Special Tax”) sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary *ad valorem* property taxes, or in such other manner as the Board or its designee shall determine, which may include direct billing to the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in the Rate, Method of Apportionment and Manner of Collection of Special Tax attached hereto as Exhibit A and hereby incorporated herein (the “Rate and Method”).

No portion of the Special Tax shall be levied in the CFD for Facilities after the fiscal year identified in the Rate and Method, except that a portion of the Special Tax for Facilities that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances will the special tax levied in contravention of the Act, including Section 53321(d) of the Act which provides that the special tax levied in any fiscal year against any parcel shall not be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the CFD by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

The Board hereby finds that the provisions of Sections 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

5. The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items described as authorized facilities on Exhibit B hereto (the “Facilities”). The financing of the costs of Facilities may include, without limitation, the payment of principal of and interest on bonds or other indebtedness together with all direct, indirect periodic, and/or other related costs (including, without limitation, costs of administering the CFD, levying the Special Tax and administering the bonds, and establishing and replenishing reserve funds).

6. Except as may otherwise be provided by law or by the Rate and Method, all lands owned by any public entity, including the United States, the State of California and DSPUD, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, DSPUD will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the required debt service payments and other annual expenses of the CFD, if any, subject to the provisions of the Rate and Method. It is anticipated that the Special Tax will be billed as a separate line item on the regular property tax bill. However, DSPUD reserves the right, under Section 53340 of the Act, to utilize any method of collecting the Special Tax which it shall, from time to time, determine to be in the best interests of DSPUD, including, but not limited to, direct billing by DSPUD to the property owners and supplemental billing.

7. It is the intention of the Board, acting as the legislative body for the CFD, to cause limited obligation bonds of DSPUD in one or more series to be issued on behalf of the CFD

pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities. The bonds issued in these proceedings shall be callable in accordance with the provisions of the Act, and shall be issued in such series and bear interest payable semi-annually or in such other manner as the Board shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, shall mature not to exceed 40 years from the date of the issuance thereof and shall be as more specifically set forth in any resolution authorizing the issuance of such bonds.

8. The levy of the Special Tax and issuance of bonds shall be subject to the approval of the qualified electors within the CFD at a special election. The Board finds there are less than 12 registered voters within the proposed CFD and that the qualified electors shall be the landowners within the proposed CFD.

9. The General Manager of DSPUD, as the officer having charge and control of the Facilities in and for the CFD, or the designee of such official, is hereby directed to cause and direct a study of said proposed CFD and the Facilities, and to cause to be prepared for filing at the public hearing the report required by Section 53321.5 of the Act (the "CFD Report") presenting at least the following:

(a) A brief description of the Facilities by type which will be required to adequately meet the purpose and needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Facilities, including the cost of acquisition of lands, rights-of-way and easements, any physical facilities required in conjunction therewith and incidental expenses in connection therewith, including the costs of the proposed bond financing and all other related costs as provided in Section 53345.3 of the Act.

The CFD Report shall be made a part of the record of the public hearing specified below.

10. The Board hereby sets Tuesday, March 26, 2024, at 6:00 p.m., in the Board Room at 53823 Sherritt Lane, Soda Springs, CA 95728, as the time and place when and where the Board, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD, and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD, and the levy of the Special Tax. At the hearing, testimony concerning the CFD, the extent of the CFD, or the furnishing of the particular types of public facilities will be heard and protests will be considered from persons owning real property within the CFD and any registered voters residing within the CFD. Written protests by a majority of the registered voters or of the owners of land which would be subject to special taxation within the proposed CFD will require the suspension of proceedings for at least one year. Written protests must be filed with the Board Secretary at or before the time fixed for the hearing. If such protests are directed only against certain elements of the proposed improvements or proposed Special Tax, and if such protests constitute a majority protest, only those elements shall be deleted from the proceedings.

11. The Board Secretary is hereby directed to cause notice of the public hearing, attached hereto as Exhibit C, to be given by one-time publication in a newspaper published in the area of the CFD. The publication shall be completed at least 7 days before the date of the public hearing referenced above. The notice shall be substantially in the form specified in Section 53322 of the Act and attached hereto, with the form summarizing the provisions hereof hereby specifically approved.

12. The Board Secretary is hereby authorized and directed to provide a copy of the this Resolution to the Board of Supervisors of the County of Placer, in accordance with Section 53315.6 of the Act

13. This Resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** by the Board of Directors of Donner Summit Public Utility District, this 20th day of February 2024, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: \_\_\_\_\_  
Cathy Preis  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Dawn Parkhurst  
Secretary of the Board



**EXHIBIT A**

[ATTACH A COPY OF THE RATE AND METHOD OF APPORTIONMENT  
FOR THE COMMUNITY FACILITIES DISTRICT]

**EXHIBIT B**

**LIST OF AUTHORIZED FACILITIES**

**Donner Summit Public Utility District  
Community Facilities District 2024-1  
(Sewer Extension)**

The authorized Facilities to be funded from the levy and collection of annual special taxes shall consist of improvements to the wastewater collection system of the Donner Summit Public Utility District in order to extend service to certain residential units within the boundaries of the CFD and not currently connected to the system, including but not limited to the following improvements:

- Public sewer lines throughout the Sugar Bowl East and West Villages;
- Sewer laterals from the public sewer line to the property line of residential lots;
- Approximately 4,600 linear feet of public sewer lines.

**Incidental Costs.** In addition, costs eligible to be financed by the CFD shall include all costs and expenses incidental to the above and authorized by the Mello-Roos Community Facilities Act of 1982 determined by DSPUD to be associated with the authorized Facilities, the formation and ongoing administration of the CFD, the election, bonding, the levy and collection of taxes, and all other costs as permitted by the Act, and any other costs incurred to carry out the authorized purposes of the CFD.

**EXHIBIT C**  
**FORM OF PUBLIC HEARING NOTICE**

**NOTICE OF PUBLIC HEARING ON PROPOSED  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2024-1 (SEWER EXTENSION)  
PLACER COUNTY, CALIFORNIA**

The Donner Summit Public Utility District is considering the formation of a community facilities district (the "CFD") under the authority of the Mello-Roos Community Facilities Act of 1982, as amended, to fund the acquisition and construction of certain public facilities within the Donner Summit Public Utility District, and to incur bonded indebtedness of the CFD.

This Notice contains a brief summary of the proposal, but you are referred to the Board's Resolution of Intention to Form a Community Facilities District and Levy a Special Tax in the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) to Finance the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District (No. 2024-\_\_\_\_, adopted \_\_\_\_\_, 2024) and its Resolution of Intention to Incur Bonded Indebtedness to Finance the Acquisition and Construction of Certain Public Facilities in and for the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) (No. 2024-\_\_\_\_, adopted \_\_\_\_\_, 2024) for details of the proposals.

The proposal is to subject the property within the CFD to a special tax which will be used to pay for the authorized facilities proposed by the CFD, including paying principal and interest on bonds used to acquire or construct facilities. The proceeds of the bonds will be used to pay for the facilities and other expenses, all as set forth in the resolutions referred to in the preceding paragraph. A map showing the land proposed to be included in the CFD is on file with the Board Secretary. Only parcels within the boundary will be subject to the tax.

As set forth below, the Board will hold a public hearing on the establishment of the CFD, the facilities to be financed by the CFD, the levy of the special tax within the CFD and the authority to issue up to \$11,100,000 in bonds to be repaid by a portion of the special tax. Neither the Donner Summit Public Utility District nor any person outside the CFD has any liability for the special tax or the bonds. The security for the bonds will be limited to the property subject to the special tax within the CFD.

In order to confer the authority upon the Board of Directors of the Donner Summit Public Utility District to levy the special tax and to issue the bonds, a public hearing must be held on the proposals, then the Board will decide whether to form the CFD, and finally the qualified electors within the CFD must approve the proposals by a two-thirds vote. The qualified electors are, pursuant to law, the registered voters within the CFD.

**This is the notice of the public hearing.** The public hearing will be held during the Board meeting on Tuesday, \_\_\_\_\_, 2024, at 6:00 p.m., in the Board Room at 53823 Sherritt Lane, Soda Springs, CA 95728.

At the hearing, the testimony of all interested persons or potential special taxpayers for or against the formation of the CFD, the authorization to levy the special tax, and the authorization to issue the bonds will be heard.

If written protests against the proposed CFD are delivered to the Board Secretary at or before the time set for the hearing by either registered voters residing within, or the owners of property within, the proposed CFD, they will be counted toward a possible majority protest. Such protest by a majority of the registered voters residing within the CFD or by the owners of a majority of the land area within CFD which is or will be subject to the special tax, if not withdrawn prior to the close of the hearing so as to reduce the value of the protests to less than a majority, will require the proposed CFD to be eliminated from immediate consideration, and prevent its being included in a subsequent proceedings for at least one year.

If the Board, after the public hearing, determines that a majority protest under Section 53324 of the California Government Code was not made at the hearing, the Board may conduct an election by special mailed ballot, or consolidated with a County-wide election, to levy a special tax within the CFD and incur bonded indebtedness for the CFD.

Questions should be directed to the undersigned, telephone (530) 426-3456.

Dated: \_\_\_\_\_, 2024

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Board Secretary,  
Donner Summit Public Utility District

**RESOLUTION NO. 2024-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONNER SUMMIT PUBLIC UTILITY DISTRICT OF INTENTION TO INCUR BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC FACILITIES IN AND FOR THE DONNER SUMMIT PUBLIC UTILITY DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2024-1 (SEWER EXTENSION)**

**WHEREAS**, the Board of Directors of the Donner Summit Public Utility District (the “Board”) has this date adopted its Resolution of Intention of the Board of the Donner Summit Public Utility District to Form a Community Facilities District, and Levy a Special Tax in the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) to Finance the Acquisition and Construction of Certain Public Facilities in and for Such Community Facilities District (the “Resolution of Intention”), stating its intention to form the Donner Summit Public Utility District Community Facilities District No. 2024-1 (Sewer Extension) (the “CFD”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the “Act”), for the purpose of financing costs associated with the Sugar Bowl West and East Villages sewer facilities acquisition and public improvements thereto (the “Authorized Facilities”), all as further described and provided in that Resolution of Intention; and

**WHEREAS**, under the Act the Board is authorized to call for an election on a measure to incur bonded indebtedness to fund the Authorized Facilities; and

**WHEREAS**, the Board estimates the amount required for the financing of the costs of the Authorized Facilities to be the sum of not to exceed \$11,100,000 and in order to finance the costs of the Authorized Facilities it is necessary to incur bonded indebtedness on behalf of the CFD in not to exceed such amount; and

**WHEREAS**, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

**WHEREAS**, it is in the public interest and for the public benefit that the Board declares its official intent to reimburse itself and/or other local agencies constructing and/or acquiring the Facilities on whose behalf the Board will issue debt the expenditures related to the Facilities with the proceeds of bonded indebtedness and other debt issued by the Board for the CFD.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Board declares and finds that in order to finance the cost of the Authorized Facilities, as described in the Resolution of Intention, it is necessary to incur a bonded indebtedness.

2. The purpose for which the proposed bonded indebtedness is to be incurred is to provide the funds necessary to pay for the cost of said Authorized Facilities.

3. The maximum amount of proposed bonded indebtedness for the CFD is \$11,100,000. Indebtedness subject to this limit shall only include indebtedness evidenced by bonds secured by the special tax levied in the CFD.

4. It is the intention of the Board that any such bonds issued may be issued in multiple series and shall be made callable in accordance with the terms of the Act and as more specifically to be set forth in any resolution authorizing issuance of the bonds, and shall be issued in such series and bear interest payable semi-annually or in such other manner as the Board shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, and shall mature not to exceed 40 years from the date of the issuance thereof.

5. The financing the cost of Authorized Facilities with bonded indebtedness shall be subject to the approval of the qualified electors within the CFD at a special election. The qualified electors shall be the registered voters within the proposed CFD.

6. In the event any series of bonds issued under the authorization is refunded to produce savings meeting the requirement of Section 53362.5 of the Act, all or a portion of the savings achieved through the issuance of refunding bonds may be used to finance Authorized Facilities insofar as the savings component provides capacity for bonded indebtedness in excess of that being refunded, and such additional bonded indebtedness shall not reduce and may exceed the amount of bonded indebtedness authorized herein.

7. The Board hereby sets Tuesday, March 26, 2024, at 6:00 p.m., in the Board Room at 53823 Sherritt Lane, Soda Springs, CA 95728, as the time and place for a hearing by the Board on the proposed bond issue. At that time and place any persons interested, including any persons owning property in the CFD, will be heard.

8. The Board Secretary is hereby directed to cause notice of said public hearing to be given by one-time publication in a newspaper of general circulation circulated within the CFD. The publication of said notice shall be completed at least 7 days before the date herein set for said public hearing. Such notice shall be substantially in the form specified in Section 53346 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

9. The Board hereby declares its intention to reimburse itself and/or other local agencies constructing and/or acquiring the Facilities certain expenditures for the Facilities from the proceeds of the bonded indebtedness and other debt described in this Resolution, including costs of the Facilities paid by the Board and/or other local agencies on whose behalf the Board will issue debt for the CFD prior to the date of issuance of such bonded indebtedness and other debt not in excess of the amount described in Section 3 above.

10. This Resolution shall take effect from and after its adoption.

**PASSED AND ADOPTED** by the Board of Directors of Donner Summit Public Utility District, this 20th day of February 2024, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: \_\_\_\_\_  
Cathy Preis  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Dawn Parkhurst  
Secretary of the Board

## Agenda Item: 7D





## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, General Manager *SP*

**SUBJECT:** Authorize the General Manager to Request Technical Assistance from the State Water Resources Control Board to Fund a Detailed Evaluation of a Domestic Water System Intertie with Sierra Lakes County Water District, PlaVada Community Association, and Kingvale Water Users

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### **RECOMMENDATION**

Authorize the General Manager to work with Rural Community Assistance Corporation (RCAC) to request Technical Assistance (TA) from the State Water Resources Control Board (SWRCB) to fund a detailed evaluation of a domestic water system intertie with Sierra Lakes County Water District, PlaVada Community Association, and Kingvale Water Users

### **BACKGROUND**

At the October 2023 Board meeting, the Board authorized the General Manager to work with RCAC to request TA from the SWRCB to fund a feasibility study and conceptual plan to connect the DSPUD and Sierra Lakes County Water District (SLCWD) water systems. The SWRCB did not approve the request because "it does not address serious health risks or Safe Drinking Water Act compliance issues."

Since that time the Kingvale Water Users (Kingvale) reached out to DSPUD to evaluate the feasibility of extending drinking water service to their community and suggested that the PlaVada Community Association (PlaVada) might want to be included in the study. The request was discussed with RCAC and they recommended that we revise the previous request for TA to include the Kingvale and PlaVada water systems. Interties would provide a way to move treated water between the agencies, thereby providing emergency backup supply and some flexibility in case of drought.

### **DISCUSSION**

The Kingvale and PlaVada water systems provided the letters in Attachment 1 requesting evaluation of connecting their systems to the DSPUD water system. The previous letter from SLCWD supporting the TA is included in Attachment 2.

A location map showing the locations of the four water systems is included as Attachment 3.

The General Manager requests that the Board authorize the General Manager to work with RCAC to submit a request for TA for a detailed evaluation of water system interties with SLCWD, Kingvale, and PlaVada.

### **FISCAL IMPACT**

There is no cost associated with this action.

**CEQA ASSESSMENT**

The approval of the letter of support and request for TA is not a CEQA project.

**ATTACHMENTS**

1. Letters from Kingvale Water Users and PlaVada Community Association
2. Letter from SLCWD
3. Location Map

January 9, 2024

Ms. Zoe Wu, P.E.  
Senior Water Resource Control Engineer  
State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, Sacramento, CA 95814

Subject: Letter of Support to Evaluate Consolidation

Dear Recipient,

On December 7<sup>th</sup>, 2023, the Kingvale Property Owners and Water Users (KPOWU) reached out to the Donner Summit Public Utilities District to inquire about consolidation. KPOWU has 80 service connections and Donner Summit Public Utility District (DSPUD) has 350 service connections.

The KPOWU has had recent compliance issues due to arsenic as well as uranium. Those issues have been addressed, and currently the system meets the standards required. However it has become clear that managing the small scale water system is becoming more and more difficult and could in fact become impossible in the not too distant future.

Interconnection of the two systems could provide a sustainable path forward to provide high quality drinking water to the residents of Kingvale and could benefit DSPUD by spreading the operation costs over a larger number of users.

The Kingvale Property Owners and Water Users support the evaluation of consolidation with Donner Summit Public Utility District.

Sincerely,

*Kingvale Property Owners and Water Users*

*Brett Lee / Member Board of Directors KPOWU  
and authorized by entire board to sign on behalf  
of the board*



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Authorized Signature

1/24/2024

Ms. Zoe Wu, P.E.  
Senior Water Resource Control Engineer  
State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, Sacramento, CA 95814

Subject: Letter of Support to Evaluate Consolidation

Dear Recipient,

On 1/24/2024, the Plavada Woodlands Community Association (PVCA) reached out to the Donner Summit Public Utilities District to inquire about consolidation. PVCA has approximately 300 service connections encompassing Residential, Commercial, & Governmental Users. 75 connections allotted in the Community have not been built out. The PVCA also has +/- 250K gallons of water storage, multiple wells and a treatment plant to service infrastructure operating currently. Donner Summit Public Utility District has 350 service connections.

The PVCA has had prior compliance issues due to Arsenic. All issues are currently addressed and meet all Agency compliance. We have Staff employed to administer to the System. It has been an ongoing discussion with Membership that managing and operating our small scale water system is becoming more and more difficult and could become unsustainable in the future.


Interconnection of the Systems could make both DSPUD and PVCA more sustainable in the wake of the current drought, fire, regulatory and other regional challenges we've seen in the last decade. It would benefit all Users on the Summit in evaluate the interconnection of systems.

The PVCA supports the evaluation of consolidation with Donner Summit Public Utility District.

Sincerely,

PlaVada Woodlands Community Association

Albert Faccini, Board Member in charge of  
Water/Sewer System



Authorized Signature

October 16, 2023

Ms. Zoe Wu, P.E.  
Senior Water Resource Control Engineer  
State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, Sacramento, CA 95814

Subject: Letter of Support to Evaluate Interconnection

Dear Recipient,

On September 27, 2023, the Donner Summit Public Utility District reached out to the Sierra Lakes County Water District to inquire about a mutually beneficial interconnection between the two agencies. Sierra Lakes Water District is willing to be a non-funding partner in a study to evaluate the benefits and costs associated with an intertie between the two agencies. As two small agencies, the Sierra Lakes County Water District has just under 800 service connections and Donner Summit Public Utility District has 350 service connections, an interconnection between the two agencies would be beneficial if the cost is feasible. Interconnection would benefit both agencies as it would provide a way to move treated water to either agency in the event of an emergency or severe drought. Neither agency is a disadvantaged community or under compliance orders.

Sierra Lakes County Water District and Donner Summit Public Utility District support the evaluation of an interconnection between the districts.

Sincerely,

*Sierra Lakes County Water District*  
*Shauna Lorange, General Manager*

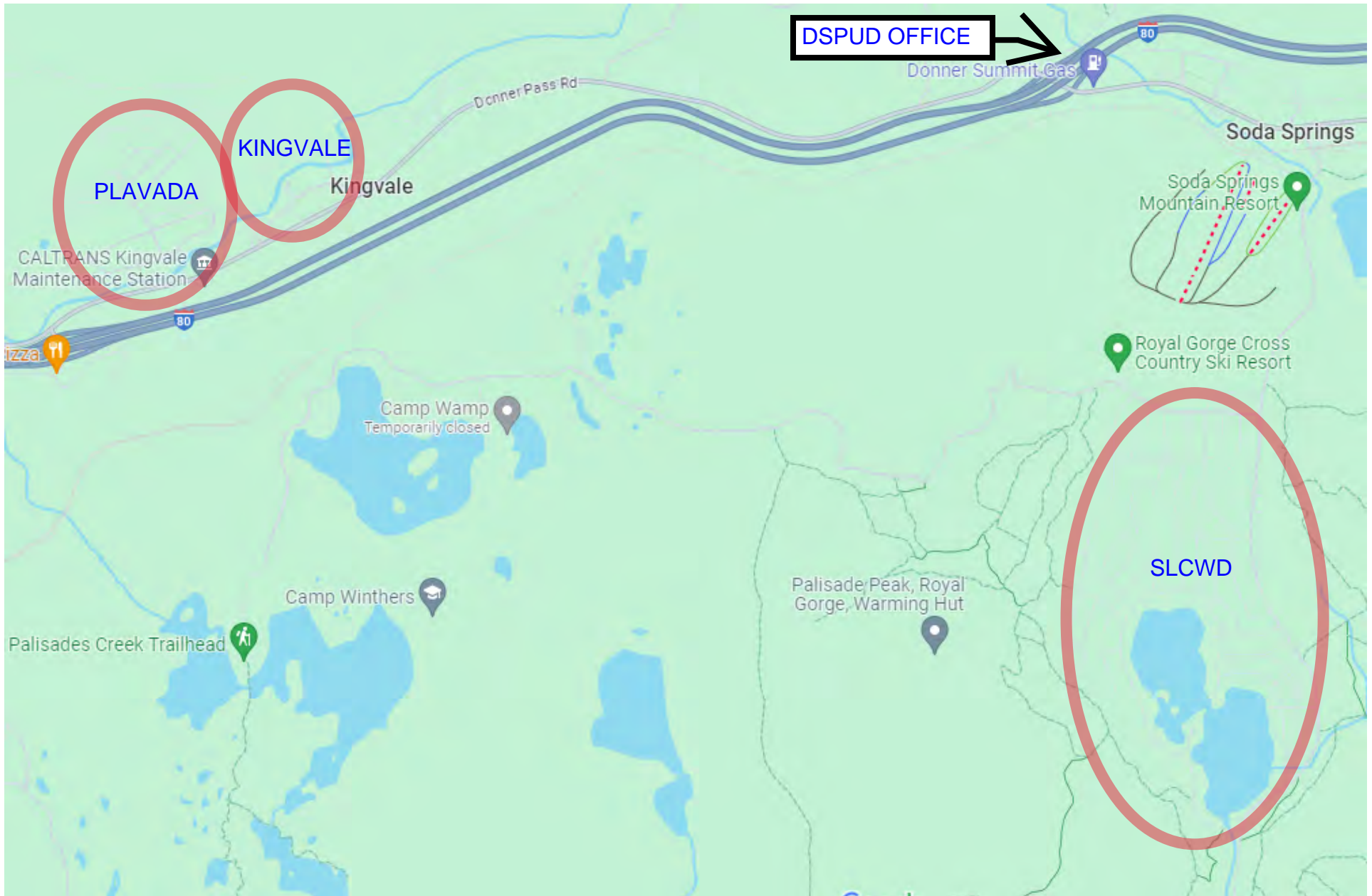
*Donner Summit Public Utility District*  
*Steven Palmer, General Manager*



\_\_\_\_\_  
Authorized Signature



\_\_\_\_\_  
Authorized Signature



## LOCATION MAP

NOT TO SCALE