

Cathy Preis
President

Joni Kaufman
Vice President

Dawn Parkhurst
Secretary

Craig Combs
Director

Phil Gamick
Director



June 15, 2023

Re: Sugar Bowl East and West Villages Sewer Extension Project

Dear Sugar Bowl Villager:

The Donner Summit Public Utility District (DSPUD) is beginning the process to extend the public sewer system to the remainder of the Sugar Bowl East and West Villages. Once completed, this will allow all residences in the East and West Villages to connect to the public sewer system and abandon their individual septic systems. This is the final step in fully connecting the entire Sugar Bowl community to the DSPUD's water and sewer systems. If you are receiving this letter, it is because your parcel does not currently have access to the public sewer system and will benefit from this proposed sewer extension.

Background

In 2009, Placer County Local Agency Formation Commission (LAFCo) approved ¹ the annexation of the East and West Villages into DSPUD's service area to provide water and sewer services. The East and West Villages were first connected to the water system with the intent to connect to the sewer system in the future. The 2009 Annexation Agreement states that the properties would be required to connect to public sewer within 10 years or when septic systems fail, if treatment capacity is available. DSPUD completed an upgrade and expansion of its wastewater treatment plant in 2015. The wastewater treatment plant now has the capacity to treat wastewater from the East and West Villages. The next step to providing the Villages with sewer service is to extend the public sewer lines to parcels that do not have access to the public sewer so that they can connect.

Project Scope

Public sewer lines will be constructed throughout the East and West Villages and sewer laterals will be installed from the public sewer pipe to the property line of each residential lot. DSPUD will be the lead agency for installation of the public sewer.

Individual property owners are responsible for the work on their property, including:

- DSPUD connection fees
- Private lateral pipe from the property line to the home
- Abandonment of any existing septic system

The included graphic outlines the benefits of public sewer and illustrates the homeowner's responsibilities.

¹ A condition of approval of the 2009 annexation imposed by the Placer County Local Agency Formation Commission (LAFCO). Further, California Water Code 13281 requires the Regional Water Quality Control Board (RWQCB) to prohibit the discharge of wastewater from existing individual septic tanks if sewer service is available and is within 200 feet of an existing or proposed dwelling unit. DSPUD's sewer ordinance reflects these state requirements.

Project Costs

Each property owner is responsible for the cost of work on their property. The installation of the public sewer will be paid for by the benefiting property owners through an assessment that can be paid for all at once or financed and placed on the annual property tax bill.

The assessment is established by forming an Assessment District. The first step to forming the Assessment District is the preparation of an Engineer’s Report that calculates the cost of the public sewer extension and apportions those costs to the benefiting properties. The DSPUD Board of Directors will review and approve the Engineer’s Report and direct staff to mail notices and ballots to the benefiting property owners. Property owners will indicate support or opposition to Assessment District formation on the ballot. The Board cannot form the Assessment District or impose assessments if the ballots submitted in opposition exceeds the ballots submitted in support of the assessments.

If the assessment is rejected by the property owners, then the extension of public sewer will not proceed as planned.

Informational Meeting

An informational webinar will be held for property owners on Thursday, June 29th at 6 p.m. You may access the meeting by scanning the QR code or by going to www.dspud.com/sugar-bowl and clicking the Zoom link. At this meeting, the Project team will present information about timing, Assessment District formation, project design and construction, cost estimates, and other related details. Additional meetings will be scheduled as appropriate prior to the ballot initiative to form the Assessment District.

If you have questions prior to the meeting, please contact Steven Palmer directly at (530) 426-3456 or visit www.dspud.com and click the Sugar Bowl Sewer Extension Project link on the home page.

Sincerely,



Steven Palmer, PE
General Manager



Informational Meeting
Scan Code

DONNER SUMMIT PUBLIC UTILITY DISTRICT'S SUGAR BOWL SEWER CONNECTION EFFORT

An overview about connecting your property to the sewer system



BENEFITS OF SEWER



Best for the environment



Foolproof against failures



Adapts to flow fluctuations

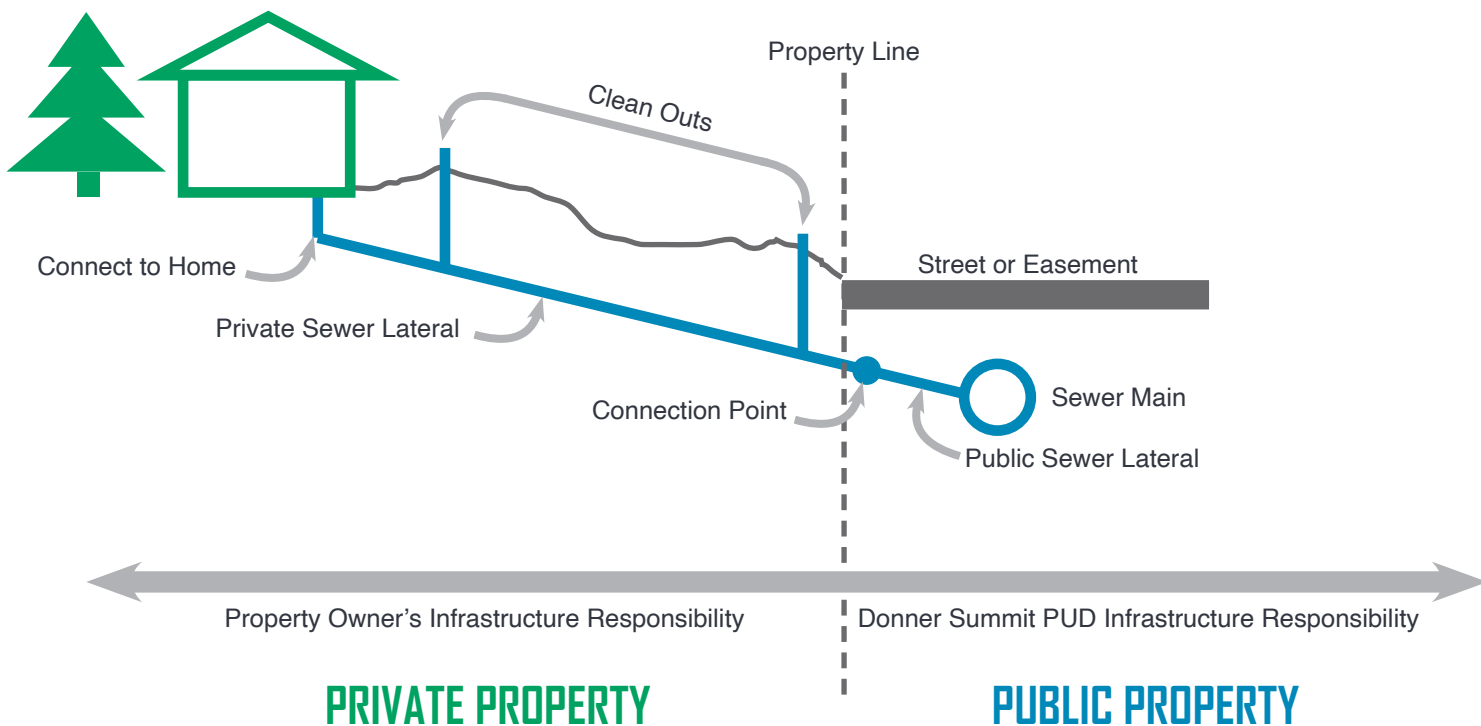


Allows for property remodel/expansion



Boosts property value

DSPUD VS. PROPERTY OWNER'S SEWER CONNECTION RESPONSIBILITY



INFORMATIONAL MEETING

Attend a virtual meeting about the planned sewer expansion project on **Thursday, June 29th at 6 p.m.** Scan the code for the Zoom link to attend or visit www.dspud.com/sugar-bowl.





**Sugar Bowl Sewer Expansion Project
Email Archive**

June 16, 2023

Attention Sugar Bowl East and West Property Owners:

The following email contains an attachment explaining the planned extension of the sewer system to provide sewer service to properties in the East and West Villages and contains information about an information meeting scheduled for Thursday, June 29, 2023 at 6 p.m. via zoom.

Meeting participation link:

Join Zoom Meeting

<https://us02web.zoom.us/j/81614980218?pwd=YWhsL2hTTjVUTEhPMTBBUjZXajBYQT09>

Meeting ID: 816 1498 0218

Passcode: 266281

One tap mobile

+16694449171,,81614980218#,,,,*266281# US

Please visit DSPUD.com/Sugar-Bowl for more details or contact Steven Palmer, DSPUD General Manager, at (530) 426-3456. Thank you.

September 15, 2023

Greetings Sugar Bowl Villager:

The Sugar Bowl Sewer Extension Project to construct new sewer lines in the Sugar Bowl East and West Villages has reached a new milestone. The environmental review as required under the California Environmental Quality Act (CEQA) has been performed and a Draft Initial Study/Mitigated Negative Declaration (IS/MND) is complete. The purpose of the IS/MND is evaluate potential project impacts on the environment and determine if the potential impacts can be mitigated.

Per CEQA requirements, the document is available for public review and comment for 30 days. The full report is posted on the Sugar Bowl Sewer Extension Project webpage at <https://dspud.com/sugar-bowl/> including instructions for submitting comments.

The Donner Summit Public Utility District (DSPUD) Board of Directors will review and consider approving the IS/MND at the regular Board meeting on October 17, 2023. The board packet and agenda will be posted to www.dspud.com on October 13, 2023 and the meeting is open to the public in person and via Zoom.

Please contact Steven Palmer, General Manager, at (530) 426-3456 or spalmer@dspud.com with any questions.

December 22, 2023

Greetings and Happy Holidays Sugar Bowl Property Owners!

Work continues on the Sugar Bowl Sewer Extension Project (Project) to bring public sanitary sewer collection and treatment to the Village residential properties that are still utilizing septic disposal systems. The District is pleased to provide an update on current and upcoming events.

As a reminder, there are three construction phases within this project:

“Phase 1” – Buildout of the East Village.

“Phase 2A” – First segment in the West Village crossing the Yuba River to connect to the existing main in Mule Ears Drive.

“Phase 2B” - Buildout of the remaining West Village.

First, the District is excited to announce that construction documents for the West Village (Phase 2A) are complete and are open for bidding by qualified contractors. The bid documents are posted at <https://dspud.com/bid-opportunities/> and bids will be accepted through February 8, 2023.

Second, there are several upcoming milestones related to financing the Project. Donner Summit Public Utility District (DSPUD) is proposing a special tax that will be levied by forming a Community Facilities District (CFD) to finance the improvements for both the West and East Villages, The process to form the CFD and levy the special tax requires both a public hearing and a formal ballot process (i.e. election). Every affected property owner will receive a ballot and a two-thirds majority of ballots returned must be in favor of the special tax to be imposed. The special tax amount will be calculated after the Phase 2A bids are opened and the construction pricing is reviewed, which will allow the District to better estimate the cost of the remaining phases.

Upcoming milestones are summarized below:

January 23, 2024	Virtual Meeting with Sugar Bowl Property Owners
February 8, 2024	Phase 2A Bid Opening
February 13, 2024	Virtual Meeting with Sugar Bowl Property Owners
February 20, 2024	Board adopts Resolution of Intention (ROI) to establish the CFD. Award construction contract for Phase 2A.
March 26, 2024 (Special Meeting)	Public Hearing on the Resolution of Formation (ROF). Call for the Special Election to Approve Maximum Special Tax (30 Days after ROI).
May 2024	Issue Notice to Proceed to Contractor for Phase 2A
June 2024	Phase 2A Construction Start
June 25, 2024 (Special Meeting)	Special Election to Approve Maximum Special Tax (90 Days after ROF).
August 2024	Estimated Phase 2A Construction Completed

Finally, future work will continue on preparing construction documents for the remainder of the West Village (Phase 2B)and the East Village (Phase 1). If the maximum special tax is approved, the construction documents for Phase 2B and Phase 1 will be advertised in Fall/Winter 2024 and construction will begin in 2025.

The District wants to provide an opportunity to refresh property owners about processes and activities outlined above and encourages you to attend a Zoom meeting on January 23, 2024 at 5:30 p.m. A reminder with the meeting link will be sent closer to the date. In the meantime, please call or email me if you have any questions.

January 16, 2024

Greetings Sugar Bowl Properties,

You are receiving this email as a follow-up to an email sent December 22nd which provided an update about the Sugar Bowl Sewer Expansion Project. Donner Summit PUD will be holding a virtual workshop Tuesday, January 23rd at 5:30 p.m. to provide an update about construction efforts, project funding, and estimated timeframe.

Please join us!

Topic: Sugar Bowl Sewer Expansion Project

Join Zoom Meeting

<https://us02web.zoom.us/j/6709488201>

Meeting ID: 670 948 8201

One tap mobile

+16699009128,,6709488201# US (San Jose)

+16694449171,,6709488201# US

Find your local number: <https://us02web.zoom.us/j/6709488201>

Additional project information is post at <https://dspud.com/sugar-bowl/>. Questions? Please contact Steven Palmer, General Manager, at (530) 426- 3456.

February 8, 2024

Hello West and East Village Property Owners!

During the informational meeting held January 23rd, the District provided an update about the sewer expansion project and explained the project would be financed by forming a Community Facilities District (CFD). A question was raised regarding the interest costs of one bond issuance versus two bond issuances to secure project funding needs. The thought was that financing might be less expensive if there was an initial bond issuance for the West Village only, and avoid paying interest on the funds needed for the East Village construction while design is being completed.

I asked District consultants Goodwin Consulting Group and Oppenheimer for an analysis comparing the cost of having two bond issuances (East and West Village) versus the extra interest cost to the East Village incurred with one bond. According to Oppenheimer, the interest rates will be higher with two bond issuances than holding one bond issuance. This is because there is less demand for the smaller issuances. The analysis shows that it is less expensive to have one bond issuance. The amount of savings for one bond issuance instead of two is \$478,852 (\$15,150,508-\$14,671,656) over the 30 year bond term.

Please contact me at spalmer@dspud.com or (530) 426-3456 with any questions.

Sincerely,

February 20, 2024

Sugar Bowl Village Property Owners,

We have reached another important milestone in the effort to bring sewer service to all parcels in the West and East Villages. Bids for construction of the first segment in the West Village were opened on Tuesday February 13, 2024. Six bids were received and bid prices were near the engineer's estimate and ranged from \$1,555,330 to \$2,284,650.

Since construction bids confirm the current engineer's estimate, the process to form the community facilities district (CFD), levy the special tax, and authorize the sale of bonds is moving forward. As was discussed at the last informational meeting, this is a long process requiring multiple actions by the District Board of Directors and an election by the property owners. Important dates and actions are listed below:

- On February 20 the Board of Directors will consider resolutions declaring the intent to form a CFD, levy the special tax, issue bonds; and set March 26, 2024 as the hearing date to consider calling an election for property owners to vote on the issues. The Board will also review the rate and method of apportionment report prepared by the CFD consultant. **The resolutions of intent do not require approval by property owners.**
- On March 26th, the Board will hold a public hearing to determine whether they can adopt the necessary resolutions to form the CFD and authorize staff to proceed with the mailing ballots for the election. **This public hearing is considered a "protest" hearing, meaning that 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 the Board cannot approve the formation.** No further proceedings to create the CFD or levy the special tax can be taken for a period of one year.
- Between 90 and 180 days following the March 26th hearing (mid-late June) the Board will hold a public hearing to tabulate the results of the ballots and proceed, based on the voting outcome, to form the CFD.

All board meetings are hybrid and can be attended in person or by zoom. The link to the Board packet and Zoom meeting are available on the District website (www.dspud.com).

Additionally, the financial consultant has completed initial calculations and the rate and method of apportionment for the special tax). Attached is the bond analysis summary that shows the maximum annual special tax for the West and East Villages and shows the assumptions used in the calculations. The maximum annual special tax is \$14,200 for the West Village (Tax Zone 1), and \$8,900 for the East Village (Tax Zone 2). This is calculated based on a total construction cost of \$7,416,486, total financed amount of \$8,800,000, and an interest rate of 5.50%. If the CFD and special tax are approved by the property owners, there will be an opportunity for property owners to prepay their special tax before the bonds are issued and avoid the costs to issue bonds and finance. The prepayment amounts are currently calculated to be \$197,344 for the West Village (Tax Zone 1), and \$123,688 for the East Village (Tax Zone 2). The prepayment opportunity will occur after the CFD election and before the bond issuance.

An informational meeting will be held Tuesday, March 19th at 6 p.m. to review the special tax calculations and bond issuance process. Please save the date. A reminder email with the zoom link will be sent the week prior.

Please contact the District at (530) 426-3456 with any questions.

March 11, 2024

Attention East and West Village Sugar Bowl Property Owners:

A couple of weeks ago, Donner Summit PUD provided an update about the formation of a Community Facilities District to finance the sewer expansion project in the East and West Villages.

An information meeting to review the special tax calculations and bond issuance process will be held Wednesday, March 20, 2024 at 6 p.m. via Zoom (previously scheduled March 19th). Please make a note of the date change.

Attached is the bond analysis summary that shows the maximum annual special tax for the West and East Villages and shows the assumptions used in the calculations. This is the same table provided in the email dated February 20, 2024.

The meeting will be recorded and placed on the District's website (DSPUD.com) by Friday, March 22, 2024 for those who may not be able to participate on March 20th.

Please contact the District at (530) 426-3456 with any questions.

April 29, 2024

East and West Village Sugar Bowl Property Owners,

First, we are moving closer to the start of construction on the first segment in the West Village (Phase 2A). DSPUD received advance funding for this segment from one property owner and the Sugar Bowl Corporation. This allowed us to award the construction contract and the contractor is obtaining performance bonds and executing the contract. This process can take a few weeks to complete, however we are on schedule to start construction as soon as the snow melts.

Second, an update on the schedule for the election. Ballots will be mailed on May 27, 2024 and must be returned to DSPUD by close of business on June 25, 2024. The timing of this is governed by the state election code, so we have very little flexibility. The results of the election will be presented at the DSPUD Board meeting on July 16, 2024.

As always, please reach out if you have any questions.

Table 1
Donner Summit Public Utility District
Community Facilities District No. 2024-1
(Sewer Extension)
Mello-Roos Bond Analysis Summary

<u>Special Tax Summary (FY 2024-25) (1)</u>			
	<u>Lots</u>	<u>Max Tax Rate</u> <u>(2024-25)</u>	<u>Max Tax Revenue</u> <u>(2024-25)</u>
Tax Zone 1	25	\$14,200	\$355,000
Tax Zone 2	20	\$8,900	\$178,000
Total	45		\$533,000
 <u>Bond Assumptions</u>			
Average Interest Rate			5.50%
Capitalized Interest (Months)			0
Bond Term (Years)			30
Reserve Fund as a % of Bond Issue			9.72%
Capitalized Interest as a % of Bond Issue (1)			0.00%
Issuance Cost / Underwriter's Discount as a % of Bond Issue			6.00%
Annual % Increase in Special Tax			2.00%
 <u>Bond Uses</u>			
Construction Costs Funded by Bonds			\$7,416,486
Reserve Fund			\$855,514
Capitalized Interest (1)			\$0
Issuance Costs / Underwriter's Discount			\$528,000
Total			\$8,800,000
 <u>Debt Service Coverage (FY 2025-26)</u>			
Buildout Maximum Special Tax			\$533,000
Est. Administrative Expenses (2)			\$30,000
Est. Debt Service			\$481,631
Estimated Debt Service Coverage			110.67%

(1) No capitalized interest will be included in preliminary numbers if levy is placed on the Placer County tax roll in fiscal year 2024-25.

(2) It is assumed that annual administrative expenses will be covered from special tax revenues each year, and such expenses were not factored into the sizing of the bond issue.