

APPROVED

**DONNER SUMMIT PUBLIC UTILITY DISTRICT
P.O. BOX 610 – SODA SPRINGS – CALIFORNIA – 95728
TELEPHONE (530) 426-3456 – FAX (530) 426-3460**

**Minutes of the Regular Meeting of the Board of Directors
Held: October 18, 2011**

STAFF PRESENT: Tom Skjelstad, General Manager; Jim King, Plant Manager;
Julie Bartolini, Office Manager

OTHERS PRESENT: Geoffrey O. Evers, General Counsel by telephone from 8732
Casa Del Rio Court, Fair Oaks, CA 95628; Catherine
Hansford, Hansford Economic Consulting; Joni Kaufman

1. Call to Order

The Regular Meeting of October 18, 2011 of the Donner Summit Public Utility District Board of Directors was called to order at 6:14 p.m. by President Cathy Preis, at 53823 Sherritt Lane Soda Springs, California.

2. Roll Call

Cathy Preis, President	- Present
Taylor Dolph, Vice President	- Present
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Present
Sara Schrichte, Director	- Present

3. Clear the Agenda

No Changes

4. Public Participation

None

5. Election of Board Vice-President- Directors will elect the position of Vice-President of the Board. Taylor Dolph volunteered to fill the office of Vice President.

Motion: Elect Taylor Dolph as Vice President

By: Bob Sherwood

Second: Phil Gamick

Vote: 4 Ayes, 0 Noes, 0 Absent, 1 Abstain

Motion Carries

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. **Cash Disbursements – General, Month of September 2011 -- \$128,774.74**
- B. **Cash Disbursements – Payroll, Month of September 2011 -- \$85,633.05**
- C. **Regular Meeting Minutes of September 20, 2011**

Motion: Accept the Consent Calendar

By: Bob Sherwood

Second: Sara Schrichte

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

Motion Carries

7. Department Reports

A. Administration: Tom Skjelstad, General Manager

- 1. **Recommendation and Request to Initiate a Proposition 218 Rate Hearing for Sewer Rates-** recommendation and request that the District Directors direct staff to proceed with a Proposition 218 rate hearing notification for sewer rate increase including a Public Hearing scheduled for December 6, 2011. The rate increase is proposed to begin on January 1, 2012 and remain through June 30, 2016. Tom Skjelstad explained that the District will need to raise sewer rate over the next five years for various reasons including funding for the WWTP Upgrade and Expansion Project in CFD Improvement Area No. 2, which failed to vote in favor of the CFD, system rehabilitation costs and increased operating costs when the Project is completed.
 - a. Catherine Hansford reviewed in detail the Summary of Calculated Rates, Charges and Special Taxes:
 - 1. Wastewater rates are calculated January 1, 2012 through June 30, 2016 on a EDU basis for Inside CFD No. 1 customers and Outside CFD No. 1 customers. Existing customers pay full rates

because they currently send wastewater flow to the WWTP. Future customers include customers that have purchased an EDU but do not yet send wastewater flow to the WWTP; as such, this category includes both Future EDUs and Expansion EDUs as defined above. Future customers pay reduced rates to cover their share of debt service and a portion of operations and maintenance expenses.

Wastewater rates for inside the CFD No. 1 customers increase primarily due to the inclusion of rehabilitation costs for the WWTP upon completion of the Project, and also small increases in operations and maintenance costs for the entire wastewater system. Project costs (the debt service for a CWSRF loan) for inside the CFD No. 1 customers are paid for through special tax payments.

Projected Wastewater Rates per EDU for inside CFD No. 1 Customers

Inside CFD No. 1	2012	2013	2014	2015	2016
Existing	\$110.32	\$110.32	\$114.83	\$116.24	\$117.58
Future	\$47.72	\$46.12	\$47.99	\$48.58	\$49.13

Note: 2012 figures are for January 1 through June 30

Wastewater rates for Outside the CFD No. 1 customers also Increase due to the inclusion of rehabilitation costs for the WWTP upon completion of the Project, and small increases in operations and maintenance costs for the entire wastewater system; however there are primarily driven by servicing their share of the CWSRF loan repayments.

Total Projected Wastewater Rates per EDU for Outside CFD No. 1 Customers

Outside CFD No. 1	2012	2013	2014	2015	2016
Existing	\$127.03	\$143.06	\$164.28	\$165.69	\$167.02
Future	\$62.43	\$78.86	\$97.44	\$98.02	\$98.58

Note: figures are for January 1 through June 30

2. Donner Summit PUD Wastewater Cost of Service Projected Sources and Uses of Funds. See Table A.
3. Project Costs and Revenue Source by Customer Type (Inside or Outside CFD No. 1) See Table B.
4. Projected Revenue Requirement, see Table C.
5. Calculated Wastewater Rates and Connection Fees through 2016. See Table D.
6. Wastewater Service Costs per Residential Customer at Project Completion. See Table E.
7. Projected Wastewater Operations Cash Flow. See Table F.
8. Debt Service Coverage Calculation. See Table G.

Motion: To Staff to Proceed with Proposition 218 Rate Hearing for a Sewer Rate Increase
By: Bob Sherwood
Second: Sara Schrichte
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain
Motion Carries

The Board of Directors directed staff to research the cost of forming a CFD for those outside of Donner Summit Public Utility District CFD No. 1.

2. **Monthly Progress Report from Stantec Engineering:** summary of activities for the wastewater treatment plant upgrade and expansion project. Tom Skjelstad reported Stantec Engineering performed the following tasks since the last Board meeting:

Final Design Engineering:

- Prepare Project Work Plan and Schedule.
- Conduct Internal Project Kickoff Meeting.
- Prepare general contractor prequalification package.
- Presentation at District Board Meeting.
- Advertise Statement of Pre-Qualification (SOPQ) for general contractors.
- Coordination with GE regarding MBR design, their submittal, and kickoff meeting.
- Coordination with Structural Engineer on Membrane Equipment Building design.
- Determined oxygen demands in each aerobic zone and submitted request for proposal from diffuser manufacturer.
- Researched available data on Plants 1 and 2 modifications layout and requested mixer information from manufacturer.
- Worked on site piping layout and hydraulic profile calculations.
- Site visits by Design Team (Civil, CADD, Architectural and Structural).
- Continued coordination with Catherine Hansford and Tom Skjelstad regarding cost allocations.
- Coordination with Geotechnical (Blackburn)
- Create 50% drawing shells, updated general drawings, coordinate site numbering scheme.
- Answer general contractors' SOPQ questions.
- Prepare specification table of contents, created spec templates, and update front end specifications.
- Modifying site layout and piping coordination.
- Quantifying storm water and snowmelt flow for plant site.
- Start drawing and specs for the ammonia feed system.

- Start drawings and specs for combination boiler/heater exchanger.
- Prepare structural calculations and roof framing plan for Membrane Building.
- Start process and instrumentation drawings (P&IDs) for treatment process areas.
- Prepare irrigation return ditch layout for irrigation disposal area.
- Start single line electrical drawings.

3. **Status of District Income Survey and Community Development Block Grant (CDBG)** - update on activities of the income survey and the CDBG. Tom Skjelstad reported that the income survey was sent out in September and the following statistics are as of October 6, 2011. TIG stands for Targeted Income Group.

20 TIG

15 owners have homes in CFD Area #2.

5 owners have homes in CFD Area #3

53 eligible surveys returned

37.7% TIG If this percentage holds up areawide, it would not historically be eligible for an areawide CDBG benefit. Must have achieved 51% to be minimally eligible. Should probably be in the 80% range to be competitive.

48% of required surveys returned for areawide survey. This is about average for this phase of the survey. 9 onsite tenants need to be surveyed for areawide survey (should check all non-local homes)

In addition to the data there is an issue as to whether or not improvement areas that fail to pass a CFD are eligible for CDBG funds. We are waiting an opinion from the Nevada County Planning Department. DSPUD's Project did make it onto the Nevada County Board of Supervisors agenda for October.

B. Sewer and Water Department – Jim King, Chief Plant Operator

1. **Waste Water Flow Data – for September** - Reported
2. **Fresh Water Flow Data – for September** - Reported
3. **Operations and Maintenance Summary – activities during the month of September.** Jim King reported the following:

Operations WWTP

- Assisted Joy Engineering with the installation of water and sewer at the new subdivision on Mule Ear Court at Sugar Bowl located near sewer lift station #8.
- Conducted lateral, manhole and water line inspections at the new subdivision on Mule Ear Court at Sugar Bowl.

Operations Water Plant

- Conducted Annual inspection of the pressure filter at the water treatment plant. The filter was cleaned and approximately 1000lbs of anthracite coal were added.

Repairs and Maintenance WWTP

- Repaired water leak at Donner Ski Ranch.

**8. President's Report:
None**

9. Resolutions:

1. Resolution 2011-11 Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 1

Motion: Adopt Resolution 2011-11 of the Donner Summit Public Utility District Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 1.

**By: Bob Sherwood
Second: Phil Gamick**

Roll Call Vote

Bob Sherwood	-	Aye
Phil Gamick	-	Aye
Cathy Preis	-	Aye
Taylor Dolph	-	Aye
Sara Schrichte	-	Aye

Motion Carries

2. Resolution 2011-12 Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 2

Motion: Adopt Resolution 2011-12 of the Donner Summit Public Utility District Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 2.

By: Bob Sherwood
Second: Taylor Dolph
Roll Call Vote
Bob Sherwood - Aye
Phil Gamick - Aye
Cathy Preis - Aye
Taylor Dolph - Aye
Sara Schrichte - Aye

Motion Carries

3. Resolution 2011-13 Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 3

Motion: Adopt Resolution 2011-13 of the Donner Summit Public Utility District Declaring Results of Special Tax for Community Facilities District No. 1 Improvement Area No. 3.

By: Bob Sherwood
Second: Sara Schrichte
Roll Call Vote
Bob Sherwood - Aye
Phil Gamick - Aye
Cathy Preis - Aye
Taylor Dolph - Aye
Sara Schrichte - Aye

Motion Carries

10. Ordinance:

1. Ordinance 2011-02 Levying Special Taxes Within the Improvement Areas No. 1 and 3 of the Donner Summit Public Utility District Community Facilities District No. 1

Motion: Adopt Ordinance 2011-02 of the Donner Summit Public Utility District Levying Special Taxes Within the Improvement Area No. 1 and 3 of the Donner Summit Public Utility District Community Facilities District No. 1

By: Bob Sherwood
Second: Taylor Dolph
Roll Call Vote
Bob Sherwood - Aye
Phil Gamick - Aye
Cathy Preis - Aye
Taylor Dolph - Aye
Sara Schrichte - Aye

Motion Carries

11. Committee Reports:

Joint Facilities: report from the September 21st meeting; Cathy Preis reported the following:

- **Project Cost Allocation of the Wastewater Treatment Plant Upgrade and Expansion;** the Committee discussed the cost allocation methodologies and various spreadsheets but were unable to agree on a cost allocation. Disagreements centered around DSPUD's 102 future customers that have paid a connection, and pay quarterly charges. DSPUD considers these rate payers as existing customers and SLCWD does not because they have yet to contribute flow into the plant. The difference in cost is around \$500,000. The Committee will continue to meet in an effort to resolve this matter.
- **Review of possible administrative procedures for execution of the funding MOU between DSPUD and SLCWD;** SLCWD asked that minor administrative changes be placed in the MOU, mainly that DSPUD send statements from Stantec to SLCWD for payment rather than DSPUD pay Stantec directly and then bill SLCWD.
- **Preparation of a solicitation for proposals for Construction Management Manager** Staff was directed to develop a Request for Proposal in order to solicit bids for the Construction Management position during project construction. Stantec will be allowed to bid for these services.

12. Informational 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. Julie Bartolini reported staff was exploring having the Holiday dinner at Cottonwood restaurant. Staff was directed to proceed with making the arrangements for the Holiday Dinner.

13. Adjournment

Motion: Adjourn Meeting at 8:10 p.m.
By: Phil Gamick
Second: Taylor Dolph
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

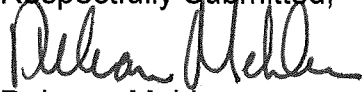
Motion Carries

Schedule of Upcoming Meetings

Regular Meeting - November 15, 2011
Special Meeting - December 6, 2011
Regular Meeting - January 17, 2012

The wording in these minutes are as reread from the notes by the Clerk of the Board.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Deleane Mehler".

Deleane Mehler
Clerk of the Board