

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 Special Meeting of the Board of Directors
Held: August 27, 2011**

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

OTHERS PRESENT: Geoffrey O. Evers, General Counsel; Catherine Hansford, Hansford Economic Consulting; Russ Powell, EPS, Inc.; and Dave Fama, Jones Hall; Hugh Marshall; Joni Kaufman; Janet Tuttle; Gail Owens; Dick Spargo; Sherry Spargo; Gail Illerich Owens

1. Call to Order

The Special Meeting of August 27, 2011 of the Donner Summit Public Utility District Board of Directors was called to order at 10:04 a.m. by President Cathy Preis, at Sugar Bowl Ski Resort located 629 Sugar Bowl Road, upstairs in the Coldstream Room at Judah Lodge, Norden California.

2. Roll Call

Cathy Preis, President	- Present
Dave Oneto, Vice President	- Absent – Arrived at 10:10 a.m.
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Present
Taylor Dolph, Director	- Present

3. Clear the Agenda – it was decided to move item #7A. 6 to the first item in the General Managers report prior to 7. A.1.

4. Public Participation - None

5. Community Facilities District (CFD) – Catherine Hansford, Principal, Hansford Economic Consulting; Russ Powell, Vice-President, EPS, Inc., Dave Fama, Jones Hall. Review and discuss the CFD boundary map, description of facilities to be financed and each improvement area therein, rate and method of apportionment of special tax for improvement areas numbers 1 through 3, and local goals and policies for the community facilities districts. Cathy Preis introduced Catherine Hansford, Hansford Economic Consulting; Russ Powell, EPS, Inc.; and Dave Fama, Jones Hall.

Catherine Hansford reviewed the estimated project cost:

Planing

- Feasibility Design \$311,900
- Predsign \$382,200
- Environmental \$537,500
- Financial \$207,000
- Outreach / Education \$39,400

Total \$1,478,000

Construction

- Treatment Plant \$14,513,000
- Irrigation Expansion \$230,000
- Subtotal Improvements \$14,743,000
- Contingencies \$2,896,000
- Engineering, Admin \$4,410,000

Total \$22,049,000

Estimated total Project cost \$23,527,000

Director Dave Oneto arrived at 10:10 a.m.

Catherine Hansford reviewed the Donner Summit Public Utility District customer types:

Customer Types:

Existing

- Current ratepayers who are connected to the sewer system

Future

- Current ratepayers who have paid a connection fee and are able to connect to the system at any time, but have not yet connected to the sewer system

Expansion

- Customers for whom the plant is being expanded; these costumers will be able to connect to the sewer system upon completion of the Project (fall of 2014)

Catherine Hansford reviewed the Donner Summit Public Utility District financing:

Financing:

- \$11,782,000 Donner Summit Public Utility District Share of Construction Cost
- \$11,613,000 Financed by a Clean Water SRF Loan
 - Repaid with CFD No. 1 special taxes
- \$169,000 Expansion paid with one-time special taxes
 - Due by April 1, 2012
- Planning loan \$1,478,000 refinanced

- Repaid with the CFD No. 1 special taxes & Sierra Lakes County Water Districts payments

Catherine Hansford reviewed the Donner Summit Public Utility District the current and projected cost burden.

Current and Projected Cost Burden:

	Existing Customer	Future Customer
Current Sewer Rate	Per month \$110.32	Per Month \$45.72
Estimated Additional Rate at Project Completion (fall 2014)	\$5.00	\$2.07
CFD No. 1	\$47.82	\$47.82
Total Burden per Month	\$163.14	\$95.61

Estimates based on 2011 engineering cost estimates and anticipated financing terms.

Dave Fama explained what a Community Facilities District is:

- State Law allows Creation of a CFD for Long-Term Financing of Improvements
- People Vote on Purpose, Length and Maximum Annual Amount to be Taxed
- Tax is not a Person Liability; it Stays With the Property upon Sale
- CFD Tax is Paid With and is Similar to Property Taxes
- Tax is a Deduction for Income Tax

Catherine Hansford discussed the Advantages of CFD No.1 (versus rates):

Annual payments are Special Taxes which are Tax Deductible

- Secure and predictable revenue stream for DSPUD; the pledged revenue for the CWSRF loan is not subject to future rate increases (proposition 218 process)
- Special taxes will begin to be collected with property taxes Fiscal Year 2012-13 (first payment December 2012) and cannot increase beyond the maximum set without a vote of landowners and / or registered voters
- Customer can prepay the special tax on their property (or partially prepay)
- CFD No.1 is only authorized to finance specified facilities; keeps the Project cost separate from regular operations of the sewer system
- Collection ease for Donner Summit Public Utility District – Placer and Nevada counties will send DSPUD the special taxes (no cash flow issue since loan payment due once annually)
- CFD No.1 has been structured to best suit the customer base

Russ Powell described the Structure of CFD No.1:

- Directed by the Donner Summit Public Utility District Board of Directors
- Three Improvement Areas:
 - Improvement Area No.1 (Sugar Bowl landowner vote)
 - Improvement Area No.2 (Landowner vote based on size of parcel)
 - Improvement Area No.3 (Registered voters vote)
- Taxable and Tax-exempt Properties
- Sewer EDUs may be transferred within and between improvement areas.

Catherine Hansford reported on the Project Milestones:

2011

- September: CFD special election
- November: Proposition 218 hearing if necessary

2012

- February: Design complete
- April: Bid Opening and Contract Awarded
- May: Construction Begins
- August: First Levy of CFD maximum special taxes

Recess – 10:50 a.m.

Meeting resumed at 11:06 a.m.

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 July 2011 -- \$179,897.92**
- B. Cash Disbursements – Payroll, Month of July 2011 -- \$ 55,507.70**
- C. Regular Meeting Minutes of July 19, 2011**
- D. Financial Statements through June 30, 2011**

Motion: Accept the Consent Calendar

By: Bob Sherwood

Second: Taylor Dolph

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

Motion Carries

7. Department Reports

A. Administration: Tom Skjelstad, General Manager

The following item was taken out of order:

- 6. Nevada County Community Development Block Grant Application-discussion and direction to staff to pursue grant funding for the wastewater treatment plant upgrade and expansion project. Reported.**

Motion: Staff to Proceed with the Block Grant Funding and Income Survey

By: Phil Gamick

Second: Bob Sherwood

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

Motion Carries

- 1. Blackburn Consulting Geotechnical Services- proposal for final geotechnical design, scope and budget. Discussion and action. Reported.**

Motion: Authorizing the General Manager to Sign the Agreement with Blackburn Consulting for Final Geotechnical Design, Scope and Budget not to Exceed \$16,539.50

By: Bob Sherwood

Second: Dave Oneto

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

Motion Carries

- 2. Stantec Final Design Scope of Services-proposed final design scope of services for the Wastewater Facilities Upgrade and Expansion Project.**

Motion: Authorizing General Manager to Execute the Professional Services Agreement Amendment No.1 Between Stantec and Donner Summit Public Utility District not to Exceed \$1,623,239.

By: Taylor Dolph

Second: Bob Sherwood

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

Motion Carries

- 3. Donner Summit PUD Letter to Sierra Lakes County Water District- letter from DSPUD inquiring if Sierra Lakes CWD would consider lending funds for DSPUD's portion of the final design engineering services. Reported.**

- 4. Draft Memorandum of Understanding Between Donner Summit Public Utility District and Sierra Lakes County Water District- a MOU pertaining to capacity and costs for the modification of the DSPUD wastewater treatment plant and for advance of costs. Geoff Evers stated that he believes there is no need to enter into an MOU with Sierra Lakes County Water District, that a note with Sierra Lakes County Water District is sufficient. Discussion ensued and it was decided to have a**

Wastewater Treatment Plant Expansion committee meeting Tuesday August 30, 2011 at 6:00 p.m.

5. **Donner Summit Public Utility District, Notice of Exemption for Water Treatment Plant Improvements- authorization to file with the State Clearinghouse and other agencies a Notice of Exemption for the planning phase of water plant improvements.** Reported.

Motion: Adopt the Notice of Exemption for Water Treatment Plant Improvements – Authorizing to file with the State Clearinghouse and other Agencies a Notice of Exemption for the Planning Phase of the Water Plant Improvements

By: Phil Gamick
Second: Bob Sherwood

Roll Call Vote

Bob Sherwood	-	Aye
Phil Gamick	-	Aye
Dave Oneto	-	Aye
Cathy Preis	-	Aye
Taylor Dolph	-	Aye

Motion Carries

6. **Nevada County Community Development Block Grant Application-discussion and direction to staff to pursue grant funding for the wastewater treatment plant upgrade and expansion project.** Item previously discussed.
7. **Gibson & Company Engagement Letter for the Fiscal Year Ending June 30, 2011 – letter authorizing Gibson & Company, the District’s Auditors to conduct the annual independent audit for the year ending June 30, 2011.** Reported.

Motion: Authorizing the Board of Director’s President to Sign the Engagement Letter with Gibson & Company

By: Bob Sherwood
Second: Taylor Dolph
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

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

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

Operations WWTP

3. Began filling and drying sludge in the drying beds.
4. Began and completed installation of sprinklers on the ski hill.

Operations Water Plant

- ◆ Oversaw hot tap to a 10 inch water line at Boreal for their new building under construction.

Repairs and Maintenance WWTP

- ◆ Cleaned out debris from the irrigation storage tank.

Repairs and Maintenance FWTP

- ◆ Repaired fire hydrant located on Poma Ct.

C. Monthly Safety Committee Meeting Minutes, Month of July

Motion: Accept the Safety Committee Meeting Minutes for July

By: Taylor Dolph

Second: Bob Sherwood

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

Motion Carries

8. President's Report:

A. Resignation of Dave Oneto, Director DSPUD- letter from Director Oneto stating his resignation from the DSPUD Board of Directors, effective August 31, 2011. Direction to staff to conduct the necessary Notice of Vacancy. Direction was given to staff to proceed with noticing the vacancy.

B. Donner Summit Area Association Annual Membership Renewal Request. Direction was given to staff to renew the Donner Summit Area Association Annual Membership in the same amount as last year.

9. Committee Reports:

A. Joint Facilities: presentation of the Wastewater Facilities Upgrade and Expansion Project Pre-Design report by Stantec. Discussion and action. Cathy Preis reported that Joint Facilities Committee approved the Wastewater Facilities Upgrade and Expansion Project Pre-Design by Stantec.

Motion: Approve the Wastewater Facilities Upgrade and Expansion Project Pre-design Report by Stantec

By: Taylor Dolph

Second: Bob Sherwood

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

Motion Carries

10. Correspondence:

1. **Letter of Support From the Donner Summit Area Association- letter supporting the DSPUD Wastewater Treatment Facilities Upgrade and Expansion Project and the creation of the necessary tax mechanisms. Reported.**

11. **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.** Tom Skjelstad notified the Board of Directors that he had been informed that Royal Gorge is in receivership.

12. **Adjournment**

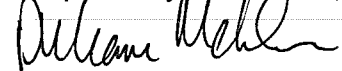
Motion: Adjourn Meeting at 11:50 a.m.
By: Bob Sherwood
Second: Dave Oneto
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain
Motion Carries

Schedule of Upcoming Meetings

Regular Meeting - September 20, 2011
Regular Meeting - October 18, 2011
Regular Meeting - November 15, 2011

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

Respectfully Submitted,



Deleane Mehler
Clerk of the Board