

**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: September 21, 2010**

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

**OTHERS PRESENT:** Geoffrey O. Evers, General Counsel; Catherine Hansford; Bill Quesnel; Cheryl Lebel; Wade Freedle; Chris Parker; Amber Waddle

**1. Call to Order**

The Regular Meeting of September 21, 2010 of the Donner Summit Public Utility District Board of Directors was called to order at 6:06 p.m. by President Cathy Preis, at 53823 Sherritt Lane Soda Springs, California.

**2. Roll Call**

Cathy Preis, President	- Absent
Dave Oneto, Vice President	- Present
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Present
Taylor Dolph, Director	- Present

**3. Clear the Agenda**

Tom Skjelstad asked that as Cathy is late to move Catherine Hansfords presentation to prior to item #8, or when Cathy arrives.

**4. Public Participation**

None

**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. **Cash Disbursements – General, Month of August 2010 --  
\$ 153,704.10**
- B. **Cash Disbursements – Payroll, Month of August 2010 --  
\$ 53,326.25**
- C. **Financial Statements through June 2010**
- D. **Regular Meeting Minutes of August 17, 2010**

**Motion: Accept the Consent Calendar with Amended Dates from July to August for Cash Disbursements – General and Cash Disbursement - Payroll**

By: Bob Sherwood

Second: Phil Gamick

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

**Motion Carries**

**DSPUD Wastewater Treatment Plant Upgrade and Expansion Project Financing Approach- Catherine Hansford, Hansford Economic Consulting-** Presentation will include:

Financing Strategy Update,  
Project Timeline / Critical Path for Financing,  
Community Facilities District Formation Timeline

It was decided to move Catherine Hansford's Presentation until after the President's Report.

## **6. Department Reports**

### **A. Administration: Tom Skjelstad, General Manager**

1. **Notice of Violation and Draft Record of Violations for Assessment of Mandatory Minimum Penalties, Donner Summit Public Utility District Wastewater Treatment Plant-** notice of violations from January 1, 2008 through May 31, 2010 and proposed assessment of fines (\$12,000). It is anticipated that said fines will be applied towards the cost of the District's Compliance Project. Tom Skjelstad reported that through correspondence with the California Regional Water Control Board, Central Valley Region and the District regarding four violations totaling \$12,000.00 in fines from January 1, 2008 and May 31, 2010. The Regional Board staff is anticipating that the \$12,000.00 will be allowed to go towards the District's compliance project.

Additionally, the Regional Board staff is working on the violations that occurred from January 1, 2007 through September 30, 2008 which resulted in proposed fines of \$49,000.00. Tom anticipates that the Regional Board staff will apply the mandatory minimum penalties of

\$24,000.00 towards the District's compliance project, however, the \$25,000.00 discretionary penalty (for the 2008 algal bloom) cannot be applied toward the project and thus the District will have to pay the state. The Regional Board staff will be making a public notice of the above proposal in the near future.

Tom Skjelstad was directed to investigate the possibility of developing a Supplemental Environmental Project to off set the \$25,000.00 discretionary penalty.

2. **Approval of Work Plans, Studies and Reports for Waste Discharge Requirements Order No. R5-2009-0034** – Notice of acceptance of all reports to date from the Regional Water Quality Control Board, Executive Officer, Pamela Creedon. Tom Skjelstad reported that under the District's Waste Discharge Requirements Order No. R5-2009-0034 (NPDES Permit No. CA0081621) the District was required to produce a number of work plans, studies, and reports for the wastewater treatment plant for the Regional Board's Executive Officer's approval. The District has received a letter from the Executive Officer's office stating that the work plans, studies and reports have been approved.
3. **Cal-Trans Rest Areas Expansion and Recalculation of EDUs-** report on Cal-Trans rest areas and recalculation of EDUs. Tom Skjelstad reported that the new rest area will have more restroom facilities and a California Highway patrol office. Therefore, the District will need to re-rate the facilities for additional EDUs. Direction to staff to initiate discussions with Cal Trans re: re-rating the rest stops.
4. **Summary of the Public Scoping Meeting of September 20, 2010**  
Tom Skjelstad reported that the Public Scoping meeting was well attended and the feedback was generally positive.

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

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

**Operations WWTP**

- Located and made accessible sewer manholes for line cleaning from the freshwater plant down to Donner Pass Road. Lines were cleaned by Sierra Lakes and inspected by Mountain Pipeline with no problems being found.
- Began locating and marking manholes within Sugar Bowl for cleaning and inspection.

- Marked sprinkler and irrigation valve boxes at Soda Springs Ski Resort/ Effluent Disposal site in preparation for construction on lift equipment.

#### **Operations Water Plant**

- Conducted annual inspection and service on the treatment plant's pressure filter.

#### **Repairs and Maintenance WWTP**

- Removed for repairs influent bar screen at the head-works.

#### **Repairs and Maintenance FWTP**

- Cleaned and serviced chlorine feed pump at the fresh water plant.
- Cleaned and inspected back wash tank.
- Began minor repairs to Lake Angela Dam per request from The Division of Dam Safety.

4. **Administrative and Laboratory Building Roof Replacement-** bids received for re-roofing of the District's Administrative and Laboratory buildings. Reported.

**Motion**        **Accept bid from Advanced Roofing Solutions in the Amount of \$15,300.00.**

By:                Bob Sherwood

Second:        Taylor Dolph

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

#### **Motion Carries**

#### **C.     Monthly Safety Committee Meeting Minutes, Months of August**

**Motion:**        **Accept the Safety Committee Meeting Minutes for August**

By:                Bob Sherwood

Second:        Phil Gamick

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

#### **Motion Carries**

7.     **President's Report:** None

Recess- 6:55 p.m. Resume Regular Meeting at 7:06 p.m.

**DSPUD Wastewater Treatment Plant Upgrade and Expansion Project Financing Approach- Catherine Hansford, Hansford Economic Consulting-**  
Presentation will include:  
Financing Strategy Update,  
Project Timeline / Critical Path for Financing,  
Community Facilities District Formation Timeline

Catherine Hansford presented the Wastewater Treatment Plant Financing Strategy for the Donner Summit Public Utility District. Attached see Exhibit "A".

Recess- 8:06 p.m. Resume Regular Meeting at 8:15 p.m.

**8. Committee Reports:**

**Joint Wastewater Facilities Committee-** report from conference call with Jeff Hauser and Catherine Hansford discussing cost allocation methodology for the wastewater treatment plant upgrade and expansion project. Catherine Hansford reviewed in detail the Wastewater Facilities Upgrade and Expansion Project Allocation.

**9. Correspondence: None**

**10. Closed Session: None**

**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.

**12. Adjournment**

**Motion: Adjourn Meeting at 8:57 P.M.**  
By: Bob Sherwood  
Second: Taylor Dolph  
Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

**Motion Carries**

**Schedule of Upcoming Meetings**

Regular Meeting - October 19, 2010  
Regular Meeting - November 16, 2010  
Regular Meeting - December 21, 2010

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

# EXHIBIT "A"

## Wastewater Treatment Plant Financing Strategy

**DRAFT**

Donner Summit PUD Board Meeting

September 21, 2010

Presented by: Hansford Economic Consulting

# Outline

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- Financing Strategy Update
- Community Facilities District (CFD) Formation  
Timeline
- Project Timeline / Critical Path for Financing

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# Financing Strategy

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- Sources continue to be:
  - USDA Rural Utilities
  - Clean Water State Revolving Fund
  - CDBG Grant – potential with Nevada County
  - Other alternatives are available such as private bond sale, revenue bonds, G.O. Bond, COPs but not such favorable terms

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# Sources and Uses

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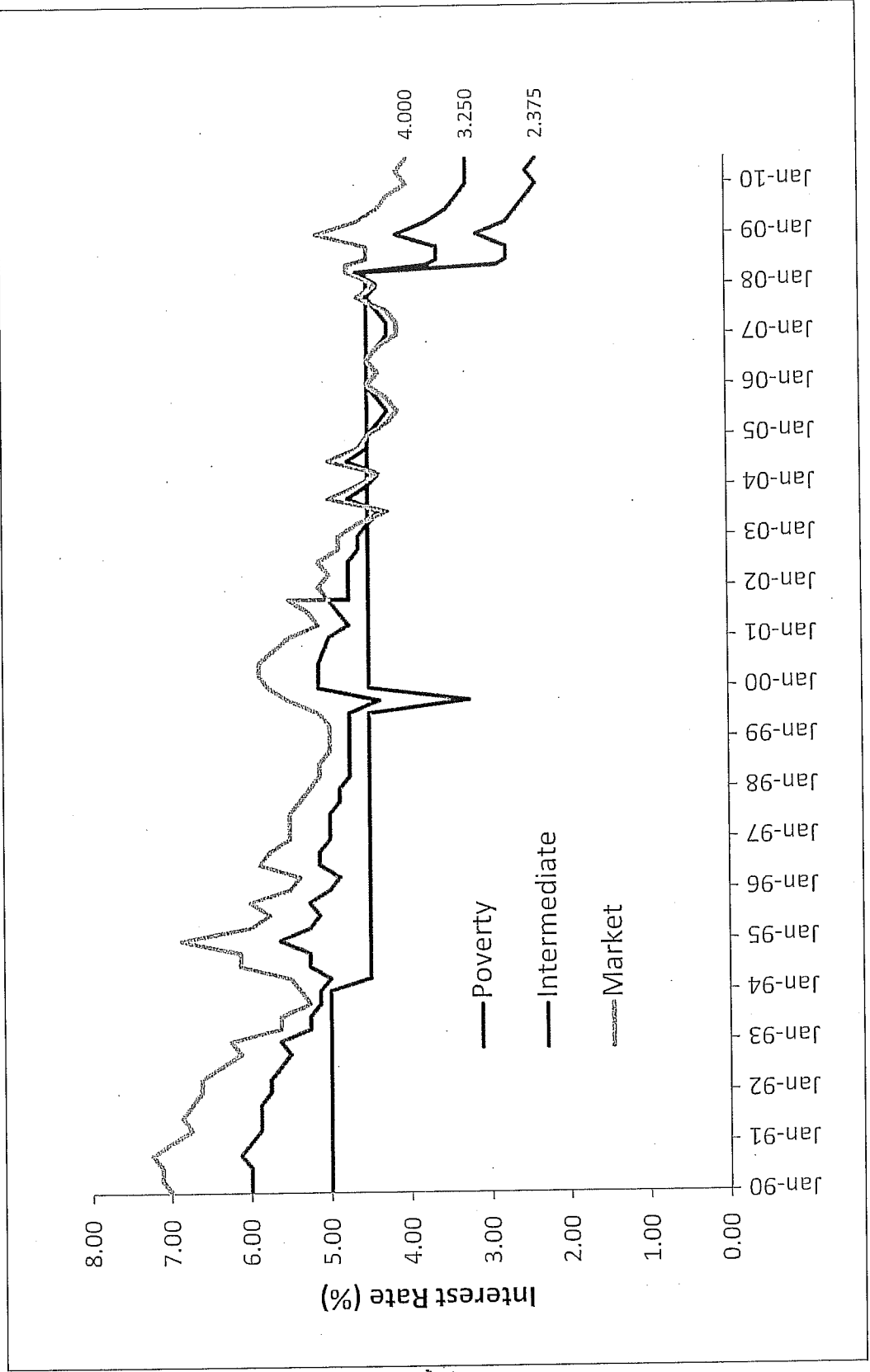
<b>Uses</b>			
Estimated Total Project Cost	\$21,262,320		
DSPUD Share of Total Cost	\$12,908,108	61%	
Costs of Issuance / Bond Load [1]	\$774,486	6%	
<b>TOTAL DSPUD Costs</b>	<b>\$13,682,594</b>		

<b>Sources</b>			
USDA	\$6,000,000	30 Years @ 3.25%	
CWSRF	\$7,682,594	20 Years @ 2.70%	
<b>Total</b>	<b>\$13,682,594</b>		
Estimated Debt Service	\$818,300	per year	

[1] Bond Load may include bond counsel, capitalized interest, deposit to reserve fund.

Debt Service if 100% USDA is \$720,800, 100% CWSRF is \$894,400

# USDA Interest Rates **DRAFT**



# How Do Customers Pay? **DRAFT**

- Establishment of CFD(s):
  - **Existing Customers** pay Maximum Special Tax collected with property taxes, paid directly to the County who sends to the District. District pays debt service.
  - **Future Customers with Will Serve** pay Maximum Special Tax as above but may be a different amount per the cost allocation exercise.
  - **Future Customers with No Will Serve** pay zero taxes until obtain will serve (next phase of plant improvements).

*All customers will have the option to pre-pay at any time including prior to bond sale to reduce financing costs.*

# Why a Community Facilities

## District (CFD)?

DRAFT

- For the District:
  - Reasonable relationship between customer and amount of tax only necessary; do not need to establish **benefit** - Assessment Districts require quantification of general and special benefit which has been challenged in court
  - Separates cost of Project from other District capital and operating costs
  - Greater financial security and ease of collection; tax is lien on property
  - Formed with 2/3 majority; not subject to Prop 218

# Why a Community Facilities District (CFD)?

## DRAFT

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- For the Customer:
  - Ability to pre-pay anytime before or after bond sale.
  - Potential for CDBG assistance for Low-Income households
  - Maximum special tax is a tax write-off

# CFD Formation Timeline DRAFT

Month / Year	Action Item
Dec 2010	Initiation --- written request 2 members of DSPUD Board describing boundaries of the district and types of facilities and services to be financed Establish CFD Team: Jones Hall (bond counsel), USDA (underwriter), HEC (special tax consultant), DSPUD and legal counsel
Jan 2011	First Draft Rate and Method, List of Authorized Facilities / Services, Boundary Map Prepared, Prepare Resolution of Intention (ROI)
Feb 2011	<b>Board Mtg:</b> Adopt ROI to Establish CFD (within 90 days of initiation) - gives the CFD a name, establishes its boundaries, types of facilities and services it can finance Declare intention to form the CFD, levy a special tax, and issue bonds Set time and place of hearing Establish voting procedures
Mar 2011	Publication of Notice of Hearing Hearing Report prepared and filed with County Clerk(s)

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# CFD Formation Timeline (cont'd)

Month / Year	Action Item
Mar - Apr 2011	<b>Board Mtg:</b> Hearing (must occur within 30 - 60 days of ROI adoption) <i>If no majority protest by registered voters (must be written protests), immediately follow hearing with:</i> Resolution of Formation and Call Election First reading / introduction of ordinance to levy special taxes
July 2011	<b>SPECIAL ELECTION</b> ( 90 - 180 days following Resolution of Formation) Return of Ballots, certification of results by County Clerk(s) <i>Need 2/3rds majority vote by registered voters (of those who vote)</i> <b>Board Mtg:</b> Adopt Resolution Cavassing Election Second reading of ordinance to levy special taxes
Aug 2011	Record Notice of Special Tax Lien with County Recorder(s) within 15 days of adopting resolution canvassing election Publication of Ordinance Levying Special Tax (within 15 days of passage of ordinance)
Sep 2011	Effective date of ordinance levying special tax is 30 days after passage of ordinance
Sep 2011	<b>Board Mtg:</b> Authorize issuance of bonds Approve Preliminary Official Statement and Continuing Disclosure
Feb 2012	Sell USDA bonds ( maybe before this date - depending on USDA requirements)

# Critical Path - 2010

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- **September** - Submit USDA Pre-application (CWSRF done already)
  - **October / November** - On-site meeting with Financing Sources:
    - USDA
    - SRF
    - CDBG
  - **November** - Income Study (independent party)
  - **December** - Board Initiates Formation of a CFD



# Critical Path - 2011 DRAFT

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- **February** – Resolution of Intention CFD
- **March / April** – CFD Public Hearing
- **May** – Submit bulk of USDA and SRF packages
- **June** – Pre-design & Final Environmental Reports  
Complete
- **July** – CFD Special Election
- **August** – USDA and SRF packages complete
- **October** – CFD Formed / Authorized to Sell Bonds
- **December** – Treatment Plant Design Complete

# Critical Path - 2012 **DRAFT**

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- **February** – Bid Opening / Contract Awarded
- **March – All Financing Secured**
  - Bonds Sold to USDA
  - SRF Final financing agreement executed \*
- **April** – Environmental Permitting Complete
- **May** – CONSTRUCTION!

\* A preliminary financing agreement would be ready between October and February.