



## Sugar Bowl East and West Villages Sewer Extension Project Frequently Asked Questions (FAQ) – Update June 2024

### Sewer Expansion Project Background

#### I have a working septic system. Why do I need to connect?

In 2009, Placer County Local Agency Formation Commission (LAFCo) approved the annexation of the East and West Villages into DSPUD's service area to provide water and sewer services. The District-provided services secured a benefit for the construction of Sugar Bowl properties, and in turn, the District would receive financial benefit from the new service connections from water and subsequently sewer, when available.

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 (a legal document) states that the properties would be required to connect to public sewer within 10 years, or when a septic system fails, 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 and as required per LAFCo.

Regardless of the LAFCo legal agreement, from an environmental and regulations standpoint, the State Plumbing Code, Water Code, and Regional Water Board all prefer public sewers over septic tanks and leach fields. In fact, the State Plumbing Code requires connection to public sewer when available. Septic tanks and leach fields are not subject to any compliance testing and problems can go undetected until sewage backs up into the home or overflows into the yard. This may cause lasting consequences to the property and the surrounding environment.

On the other hand, DSPUD's wastewater treatment plant is a heavily regulated, state-of-the-art facility that provides tertiary treatment with ultraviolet disinfection before discharging water into the Yuba River. Water discharged from the wastewater treatment plant is sampled weekly for compliance with the discharge requirements.

#### How does connecting to the sewer system benefit me?

There are many benefits to connect. First, abandoning septic for sewer helps protect the environment by not having the concern of septic failure in winter months or during snow melt. Septic systems are not reliable to handle large, fast influxes of water. Second, having a sewer connection is more desirable over septic and contributes to higher property values. Third, there is no regular maintenance needed for sewer service.

Furthermore, those with septic systems are unable to expand or remodel existing dwellings. A sewer line connection provides the benefit for property owners to be able to modify or add on to their existing dwelling, which adds to property values.

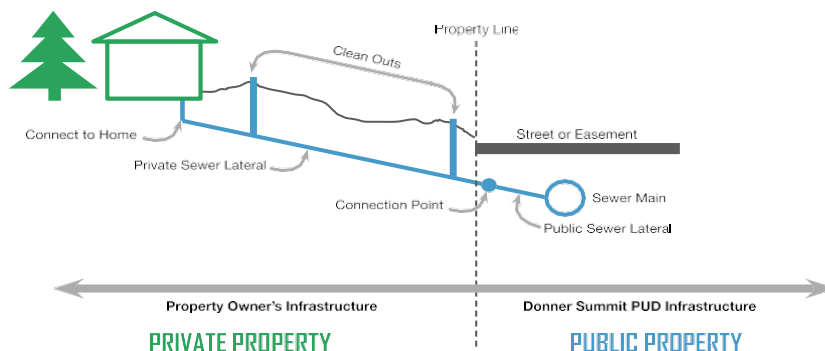
### Property Owners Responsibilities

#### What is my responsibility as a property owner?

Homeowners are responsible for the private lateral pipe on their properties, connection fees to the public system, and all septic-related termination costs.

### SUGAR BOWL SEWER CONNECTION EFFORT

#### What will it cost to install my private lateral and terminate/abandon my septic system?



The costs will be different for each property. Each property needs to obtain quotes from professionals licensed to perform sewer and septic work. For information about abandoning a private septic system, contact Placer County Building Services at (530) 745-3010 or <https://www.placer.ca.gov/2128/Building-Services>.

**What if I do not currently have a dwelling on my property?**

Your property will still benefit and will be assessed accordingly as you are a property owner with intentions to build and connect to the sewer system. You can construct your private lateral and connect to the public sewer when you construct a dwelling.

**Project Costs and Financing**

**How is the Sewer Expansion Project being funded?**

The total estimated size of the bond issue is \$8,800,000. The amount is based on a project construction cost of \$7,416,486 plus required bond reserve funding and bond issuance costs. This is detailed in the Bond Analysis Summary linked here: <https://dspud.com/wp-content/uploads/2024/02/Bond-Analysis-Summary.pdf>. The project construction cost amount includes design, environmental analysis and permits, construction contracts, inspection costs, and a construction cost contingency. The project construction cost estimates are detailed in the CFD Hearing Report that is available on the Sugar Bowl webpage: <https://dspud.com/wp-content/uploads/2024/03/DSPUD-CFD-No-2024-1-CFD-Report.pdf>.

The bond formation and ballot documents provide for a maximum bond authorization and appropriations limit of \$11,100,000. The increased bond authorization provides for flexibility in case there are unforeseen delays that may cause increases in construction costs. If bond interest rates are lower than estimated, more bonds could be sold to cover the increased construction costs without any increase in the maximum special tax rates.

**How much is the special tax?**

The maximum special tax is calculated to pay debt service on \$8,800,000 in bonds sold at an assumed interest rate of 5.5%. The documents included with the ballot describe the maximum special tax as follows based on West or East Village:

	West Village	East Village
Annual Maximum Special Tax	\$14,200	\$8,900
Total Special Tax Payments (30 years) <sup>(1)</sup>	\$576,076	\$361,056
Prepayment Amount	\$197,400	\$123,700

<sup>(1)</sup>2% annual escalator for 30 years

**What happens if the ballot to form the CFD fails?**

If the CFD is not formed, then sewer main extensions will be constructed in a piecemeal fashion by the property owners to have access to the public sewer service. DSPUD collects a Sugar Bowl East and West Villages Wastewater Infrastructure Fee from new sewer connections that can be used to reimburse property owners that construct the public sewer.

Ultimately, though, this method will result in higher costs than if cost-shared in the form of a CFD among the East and West Villages that benefit by having a sewer system to connect to given septic permits are not provided by Placer County if a sewer system connection is available.

**Project Timeline**

**When will the sewer be built?**

The construction contract has already been awarded for the first segment in the West Village and it will be complete before the next snow fall. If the bond measure is approved, construction on the remaining phases will start in June 2025. Costs are based on actual bid results for the first segment of the project. The bidding was very competitive and we have no reason to believe that next year’s bidding environment will be different.

**How do I obtain more information?**

Virtual informational meetings will be held at various times during the project delivery cycle. We encourage participation. Future meetings will be posted at [www.dspud.com/sugarbowl](http://www.dspud.com/sugarbowl).

If you have questions prior to the meeting or anytime please contact us directly at (530) 426-3456 or by going to [www.dspud.com](http://www.dspud.com) and clicking the Sugar Bowl link on the home page. The Sugar Bowl page contains documents and information that has been shared with Sugar Bowl property owners.