

Community Meeting with DSPUD August 25, 2018

Background on Proposed Project

Tom Skjelstad went over the history of Big Bend Water (BBW) and its relationship with DSPUD. From 1946 to 1994, BBW maintained their own system and received water from the USFS. In 1994 the USFS removed BBW from its service lines requiring BBW to find a new water source. After multiple attempts to find potable water that met State water standards, BBW sought a partnership with DSPUD in order to find a solution through public agency resources. From 2008 to 2014 DSPUD and BBW entered into a service agreement, ultimately resulting in annexation to the DSPUD agency.

After multiple years of delays by the USFS, PG&E and the County, drilling a new vertical well on USFS land became cost prohibitive. It was determined that chlorination would meet State standards and would be the least expensive alternative.

Several points were noted that led to this decision.

1. The water system is currently providing enough water for the BB community during the drought times so a new well would not be necessary.
2. The USFS offered a vacant parcel just west of the Fire Station with year-round access to Hampshire Rocks Road. Initially the USFS wanted the treatment building to house a public restroom but that requirement has been withdrawn from the project.
3. In 2016 the State rescinded the 80/20 grant/loan offer to communities primarily made up of second homes.

The Review of Service Fees and Assessment document explains where the quarterly fees are applied.

1. The annual fees per cabin (\$639.96) pay for operations and maintenance, administration, required lab testing and materials/supplies.
2. The annual assessment per cabin (\$500) paid for the required consultant studies, annexation to DSPUD, relocation of pipeline over USFS bridge, and the current chlorination project to date.

Questions and Comments from community at this point in meeting:

Q: If someone left the water system, would that result in higher costs for the rest of the group? A: Yes, *the cost are spread over 29 homes currently on the system.*

Q: If you start paying into the system now, can you get out later? And could I get back in if my plans don't work out? If I'm not in the system, can I get in later? A: *Yes, but you would have to buy back into the system all the fees you would have paid.*

Q. It seems unfair that we pay so much for water at Big Bend when we don't come up very often. It's more than I pay at home. A. Yes, *it is expensive. Water is provided to everyone throughout the year, whether it is used or not.*

Other Comments:

"When I'm at the cabin, I'm also paying for water at my home, even though I'm not using it there."

"We pay for the *right* to have the water all year, not for the *quantity* we use."

Review of Proposals

Option #1 was for a full treatment (filtration and chlorination) and distribution system at a cost of close to \$2 million. Option #2 was like #1 but without the filtration system at a cost of \$575,348. These two options were considered to be too expensive.

Option #3 is for chlorination system only with minimal new pipeline to the treatment building, at a cost of \$452,873. This option uses District labor and equipment for as much development as possible. The chlorination building will NOT house a restroom, but will be big enough for filtration equipment if required at a later date. This plan is "bare bones".

Replacement of the north service lines will be accomplished gradually each year. Individual connection lines (main to cabin) are still the responsibility of the owner. Owners who need to repair their cabin lines should contact DSPUD to discuss future connections.

Questions and Comments from community at this point in meeting:

Q: Is it possible to disinfect water at the "point of entry" to each cabin rather than treat the water at the "point of distribution"? A: *The State is unclear at this point; to be determined.*

Q: When will the project start? A: *We hope to get the financing papers completed during the next nine months then break ground when the snow melts next year.*

Review of Financing Debt

Information provided by Catherine Hansford of Hansford Economic Consulting. See draft document "Big Bend 2018 Water Facilities Upgrades"

The State dropped Big Bend from their grant/loan program because most of the properties were second homes. Many factors go into finding suitable loans for small community projects like this, particularly with the mix of private and USFS leased properties. The best option was from the USDA. At this point in time the loan of approximately \$366,000 would be paid back over 40 years at a fixed rate of 3.875%. USDA will require conditions to be met such as obtaining a project Special Use Permit

from the USFS, and holding DSPUD accountable for maintaining and replacing distribution system. The homeowners will repay the debt to DSPUD through their quarterly billing system. The full cost of the project will be presented to the DSPUD Board at a future meeting. Anyone is invited to attend the meetings or submit comments to the Board.

There will also be a Prop 218 Public Hearing where any property owner will be allowed to *protest* the proposed project. Notice of the public hearing will be mailed to property owners. The Agency assumes that the homeowners agree to the project however if 51% of the homeowners protest, the project will not proceed. There are no other options available through DSPUD. Non-compliance with state water laws may result in imposed fines or condemnation of the properties.

Questions and Comments from community at this point in meeting:

Q: What is the full cost per cabin for financing Option #3? A: *Approximately \$12,000 per cabin (at proposed interest it would be about \$52/month per cabin for debt financing at 40 years).*

Q: Can we pay the \$12,000 up front and not be part of the 40-year financing? A: *Yes, however there would be a limited time to make that commitment, such as 30 days. After that the home would be subject to the finance plan and payments.*

Q: Would the Board consider extending the pre-pay option to 60 days to allow for owners to find alternate financing? A: *That might be an option.*

Q: Could we pay a portion of the \$12,000 and fund the rest through the financing plan? A: *No, the District would prefer all paid up front, or financed through the plan.*

Q: If an undeveloped parcel decides to build in the future, will the costs be the same? A: *Yes, plus any additional costs already paid by existing homes.*

Q: What happens if the home is sold? A: *The financing costs will be passed on to the new owner.*

The Board and Staff were thanked for their hard work and commitment to Big Bend.

**DONNER SUMMIT PUBLIC UTILITY DISTRICT
P.O. BOX 610 – SODA SPRINGS – CALIFORNIA – 95728
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**Minutes of the Special Meeting of the Board of Directors
Held: Saturday, August 25, 2018 - 9:30 A.M.**

Big Bend Fire Station located at 49645 Hampshire Rocks Rd, Emigrant Gap, CA 95715

STAFF PRESENT: Tom Skjelstad, General Manager; Julie Bartolini, Office Manager
Deleane Mehler

OTHERS PRESENT: Catherine Hansford, Hansford Economic Consulting; Schaelene Robbins, J. Harrison Public Relations, others present, see sign in sheet.

1. Call to Order

The Special Meeting of August 25, 2018 of the Donner Summit Public Utility District Board of Directors was called to order at 9:42 a.m. by President Cathy Preis, at the Big Bend Fire Station located at 49645 Hampshire Rocks Rd, Emigrant Gap, CA 95715.

2. Roll Call

Cathy Preis, President	- Present
Sara Schrichte, Vice President	- Present
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Present
Alex Medveczky	- Present

3. Clear the Agenda: No changes

4. Public Participation: None

5. Opening Remarks- President Preis – Cathy Preis introduced the Donner Summit Public Utility District Board of Directors and Staff.

6. Big Bend Water Project: See Shelly Fletcher's notes attached.

a.) Review of Finances- User fees and assessment- Tom Skjelstad

b.) Water Project- description of project- Tom Skjelstad

c.) Funding/Financing of the Project - Catherine Hansford- Hansford Economic Consulting

d.) Questions, answers and discussion.

7. Adjournment:

Motion: Adjourn Meeting at 11:15 a.m.
By: Bob Sherwood
Second: Phil Gamick
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain
Motion Carries

Schedule of Upcoming Meetings

Regular Meeting - September 18, 2018
Regular Meeting - October 16, 2018
Regular Meeting - November 20, 2018

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

Respectfully Submitted,

Deleane Mehler



15 cabins

21
August 25 2018
Big Bend
Special Board Meeting

Please Sign In

Shelly Fletcher

SUE ELLEN BENSON - JACK BENSON

John Allen - Hatch Cabin

Katherine Keefer

Barbara Turner

Tony Meyers

Jim Williams (Edwards)

Karne Morrison

Audette Morrison

Peter Brundage

RON CASCI

John Branch

Jim Mitchell

Oscar Villegas

Katie Villegas

Mark Haywood

Jeff Bethell

- Rebecca Heiser