

What if...?

...the DSPUD wastewater treatment plant is NOT upgraded and expanded?

In the short term, the State is likely to fine the water district and to impose a building and remodeling moratorium on the communities served by the plant. This means that we would pay substantial fines and then also pay to upgrade/expand the plant.

*...the Summit communities **STILL REFUSE** to fix the plant?*

Because the existing plant does not meet current wastewater effluent standards, let alone future ones, the State could require the plant to be shut down. This would mean that all businesses and homes on the Summit would become worthless. Not a pleasant thought. Although this is an extreme reaction, we understand that the State threatened Colfax with a similar action a few years ago.

...Serene Lakes property owners VOTE AGAINST establishing the Benefit Assessment District?

We would lose our rights to capacity in the new facilities and would face the red-tagging of all of our homes and businesses. DSPUD would then have to “go it alone” incurring higher per parcel costs due to fewer total customers. Not a good outcome for Serene Lakes homeowners.

...DSPUD property owners VOTE AGAINST the project?

This is not likely. DSPUD’s customers are predominately the ski areas (Sugar Bowl, Donner Ski Ranch, Soda Springs, and Boreal Ridge) and the Caltrans Rest Area on Interstate 80. These businesses will vote to support the project in order to protect their assets. They recognize that the additional cost required to improve the environmental performance of the wastewater treatment plant and to protect the Yuba River is a worthwhile business expense.

What can you do?

Inform yourself and your neighbors about the importance of the upcoming ballot to approve the Benefit Assessment District. Failure to approve the District at this time would result, in the best case, in a delay in plant completion potentially incurring fines for failure to meet wastewater effluent standards, and, in the worst case, in a shutdown of the plant.

The importance of this ballot cannot be over-emphasized. It is essential that we continue to make progress on this project so that it can be completed by 2014.

We anticipate that ballots will be mailed to all current property owners in October and will be counted after a public hearing in early December. Be sure that you and your neighbors return your ballots in a timely fashion so that they can be counted in December.

Who are the major players?

The wastewater treatment plant, located next to the fire station at the Soda Springs exit on the north side of Interstate 80, is owned and operated by the **Donner Summit Public Utilities District**. DSPUD serves customers along Old Highway 40 and along Interstate 80 as far east as the Caltrans Rest Area. DSPUD customers are responsible for 56% of the operating costs and of the investments required for the new facilities.

Our water district, the **Sierra Lakes County Water District**, provides water and sewer services to the 815 existing connections to homes and businesses in Serene Lakes. SLCWD is also required to provide services to the approximately 240 unimproved lots in the existing development. In addition, our service area includes 9 undeveloped parcels of varying sizes owned by Royal Gorge that are entitled to one connection per parcel. Based on historical plant utilization rates, SLCWD is responsible for 44% of the costs of the wastewater treatment plant.

Who will pay SLCWD's share of the Upgrade/Expansion and How?

All existing homeowners and undeveloped lot owners will pay an equal share of the upgrade costs because all will benefit equally from the improved plant.

Undeveloped lot owners will also pay the costs of the plant expansion because they have never paid a capacity charge for the existing plant—all costs of the existing plant have been borne by the owners of developed lots.

The current estimate of the total cost of the upgrade/expansion is about \$22 million including contingencies. SLCWD's share is about \$9.7 million. About \$2.4 million of SLCWD's share is associated with the plant expansion. This plant expansion is intended solely for the benefit of the undeveloped lots in the current Serene Lakes subdivision. Any development of the 9 parcels (beyond one connection per parcel) outside the existing subdivision would require new plant capacity paid for by the developer.

Once the Benefit Assessment District is approved by the property owners, SLCWD will be able to borrow money to finance our share of the construction costs. The current plan is to obtain a 30-year, 4.5% interest loan from the U.S. Department of Agriculture. Repayment of this USDA loan would be guaranteed by a lien on all properties included in the Benefit Assessment District.

The loan would be repaid by an annual line item on our property tax bills. Alternatively, a property owner can pre-pay any amount, up to the total assessment, up front or at any time during the life of the loan, thus removing the lien on the property.

Currently, we estimate that homeowners will be assessed a total cost of between \$8,000 and \$10,000 and lot owners between \$9,000 and \$11,000. The final costs will be determined when the final engineering estimates are completed later this fall. The final costs, plus interest and a collection fee charged by the County, will be used to determine the annual assessment.

Tom Burns, Director, SLCWD

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