

**MINUTES
PUBLIC WORKSHOP
BEAR VALLEY WATER DISTRICT
Saturday, December 29, 2007**

Time: 5:30 p.m.

Public Workshop held at Perry Walther Building in Bear Valley, CA 95223

The Public Workshop was called to order by Bear Valley Water District's Board President, Dave Ritchie.

ROLL CALL:

President Ritchie, Directors, Bissell, Davis, Orvis. Director Neth, absent with notice. District Employees present, District Engineer, Mr. Neal Colwell, Office Manager, Tia White. And special thanks to Kris Colwell for her assistance with running technical equipment set up and clean up. And to everyone else who helped in setting up this meeting on such short notice i.e. Bear Valley Day Care, Jema, and Sheriffs station etc.

GUESTS INCLUDED:

Gary Hinman, Andrea Sullivan, Eric Jung, Paul Petersen, Diane Lundquist, Scott Emerson, Noel Grandrath, Brian Thurston, Phil Coffman, John Barclay & Mary Hynes Jack Wedgewood, David Hanson-Jerrard, Lori & Tom Frazier, Jim Clarke, Joel Barnett, Chris Cook, Dave Downie, Gary Carson Hull, Ron Murphy, Don & Marilyn Ruch, Jonathon Briggs, Gloria & John Dralla, Ann Porteus, Leah Toenisketter, Eric Archer, Elizabeth Coronata, Patty Clarey, Robert Loudy, Nick Grace, Susi Lewis.

President Ritchie announced what the format of the workshop would be and turned the presentation over to the Districts Engineer, Neal Colwell of Eco-logic.

Neal stated that he has been the Districts Engineer for the last seven years, with the history going back to when Cease & Desist Order was issued to the District back in 2000. And thanked everyone for coming.

Presentation Outline-

NEED FOR THE PROJECT:

- Spills occurred in 95, 96, 98 and 99
- Regional Board issued Ceased & Desist Order
- District obtained additional temporary disposal land from US Forest Service which will expire in 2011.
- 2003 projections indicated that capacity would be reached within 5 years, so District applied for NPDES permit.
- 2006 Effluent Storage Reservoir had to be sandbagged to avoid a spill.
- District requested NPDES permit for secondary effluent to Bloods Creek.
- Due to objections from downstream users and Regional Board pressures, NPDES permit was issued with tertiary treatment requirement in October of 2005.
- Tertiary treatment is now necessary for current users and future users.

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ALTERNATIVES TO PROJECT:

- Expansion of Effluent Storage Reservoir
- Acquisition of addition land for storage and disposal
- Treat to tertiary level for only discharge to Bloods Creek
- Pursue relief from the Regional Board permit requirements through legal means
- No-project alternative (C&D, moratorium, and fines)

RECOMMENDED PROJECT

- Build system to accommodate District master plan development at 0.5 M gal/d.
- Keep existing pond as secondary process until expansion/change is necessary.
- Utilize membrane ultra filtration as best means of meeting permit requirements.
- Pre-treat before filter with dissolved air flotation (DAF)
- Disinfect utilizing ultraviolet radiation.

Opinion of Probable Capitol Cost for Build-out Tertiary Facilities Project

Capital Expense	Notes	Capital Expenditure
• Total Construction Cost (see notes below)	a)	\$9,420,000
• Design Engineering Allowance	b)	\$895,000
• Engineering Services During Construction	b) (@ 4%)	\$377,000
• Construction Management, Inspection and System Start up	b (@8%)	\$754,000
• Incurred Capital Costs plus administration/legal	c) (@ 1%)	\$369,000
<u>Total Capital Costs</u>		<u>\$11,815,000</u>

Notes- **a** = Projected to a mid-point of construction ENR CCI of 8768 for August 2009 and 10% contingency

b = Budget allocations with actual costs to be based on a detailed scope of work for each component.

c = Includes expenses incurred up through June 2007 and allocation of 1% for administration and legal.

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RECOMMENDED PROJECT continued-

- Costs are preliminary and intended to represent conservative upper limit.
- Cost savings measures will be considered during design.
- Actual project costs will be based on competitively bid construction project.
- Project costs for this facility are expected to be higher than similar capacity facilities at lower elevations.

FINANCING ALTERNATIVES

FUNDING SOURCES

- Grants
- Federal and State Loan Programs
- Commercial Bank Loans
- Bonds

REVENUE SOURCES

- User Fees
- Special Taxes
- Assessments
- Connection Fees
- Upfront Developer Contribution

Analysis of Plausible Financing Strategies

- State Loan Programs
Secured by user fees
High user fees (\$2,280/year)
Not equitable
Limited ability to refinance previous debt
- Special Tax
Limited ability to tax vacant land or federal land, therefore cost per unit goes up.
Not equitable.
- Assessment District
Assess current and future users equally based on benefit, build-out.
Flexible refinancing options
Reduced cost per unit as current and future benefit is equally distributed
Limited ability to lien federal lands

Recommended Financing

- Limited obligation improvement bonds (1915 Act) to finance project.
- Assessment District combined with user fees for user on federal lands to pay down bonds.

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Recommended Financing- cont-

Total Project Cost and incidental Expenses for Recommended Financing Approach-

Total Capital Cost	*(Notes) a)	\$11,815,000
Refinancing of existing debt	b)	\$ 550,000
Assessment District Engineering Fees		\$75,000
Legal Fees		\$140,000
Out of Pocket Expenses of Special Bond Counsel (10%)		\$14,000
Capitalized Interest	c)	\$828,000
Reserve Fund	d)	\$1,126,000
Underwriters Discount	e)	\$150,000
Miscellaneous Expenses (public notices & printing)		<u>\$4,000</u>
	Total Capital Costs	\$14,702,000

***Notes**

- a-Projected total capital cost as outlined in table 1-6**
- b-Refinancing of F&M line of Credit for Outfall Project**
- c-Sewer service unit as defined by District Ordinance No. 1**
- d-Reserve fund of one year of debt service.**
- e-Based on 1% of Bond**

Resulting Assessment and Cost Comparison

<u>Description</u>		<u>Cost per Sewer Service</u>	<u>Cost per EDU</u>
Total cost for prepayment of Assessment		\$2,915	\$8,745
Annual Cost of Bond Repayment	a)	\$223	\$ 669
Total Cost to Repay Bonds	a)	\$6,690	\$20,070
Alternative Phase I Project Annual Debt Service Cost	b)	\$450	\$1,350

***Notes**

- a- Annual cost assuming 6.5% annual interest rate and 30 year term**
- b- Debt service cost for Phase I facility financed with loan proceeds**
- c- Sewer service unit as defined by District Ordinance No. 1**

NEXT STEPS

- District receives Input from Public
- If assessment district appears to be feasible then:
- Prepare facilities design
- Prepare assessment district engineers report

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NEXT STEPS, Continued-

- Hold public hearing and receive ballots from assessed land owners
- Bid project and issue bonds based on bid costs
- Record assessments
- Construct project and administer assessment district

Notes on the assessment district proceedings:

- Ballots sent to assessed land owners
- Ballots weighed according to assessment

Notes on the assessment district proceedings: cont-

- Assessment district vote passes weighted ballots received in favor of the assessment district is greater than the assessment district
- Ballots not sent in have no weight
- Assessments can be pre-paid to avoid financing charges

Additional Information given at meeting-

Web site to go to read information on Tertiary Treatment Facility, NPDES permit, Outfall project to name a few.

www.ecologic-eng.com/project_links.htm

User Name: bvwd

Password: tertiary

Send Comments to: BVWD@ecologic-eng.com

**Or contact main office e-mail at bearvalleywater@sbcglobal.net
and questions will be forwarded to proper person.**

The District Engineer explained that we went for the NPDES permit originally in 2001 and Regional Water Quality Control Board wanted to review it further and it got dropped.

- The District obtained 40 acres from the Forest Service which expires in 2011.
- There was no imminent need for NPDES permit.
- 2003 Five year time. Approach Regional – Oct. 2005 received permit.
- 2006- Heavy snow year, sandbagged reservoir to prevent spill.
- Disposal in sprayfields started late. Small window for spray disposal.
- Realized projections 2003 were conservative.
- 2006 need for Discharge.
- First request to Regional Board was to discharge secondary treated water.
- Objections from downhill users. Stockton East, Public Health Dept.

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- Regional Board sides with down hill users
- Our District Board accepts conditions.
- NPDES permit is required. Tertiary Treatment a condition of NPDES permit.

Alternatives-

- Expand Reservoir – we are on leased land not our own, this is out
- Acquire additional land, everyone district approached refused.
- Pursue relief from Regional Board, through legal means, lots of time, money.
- No project, alternative Cease & Desist, moratorium
- Condemnation

Feasible Alternatives-

- Treat the effluent before Bloods Creek.
- Permit for 2.5 million gallons per day to include future users. To include Master Plan.
- Dry years won't operate, Wet years protected.
- Investigated filtration, ultra violet, reverse osmoses, and different membranes- algae passes on with lesser filtration.
- Chlorine gas to hazardous, expensive to reproduce on-site.

Costs for total plant not in phases, \$11,815,000

An approximate 6,000 square ft. Building plus modifications to Main Pump Station and Equipment house. We operate in a remote location, limited access; we have to have redundant units. We have a limited construction period which makes it more expensive to build. Snow loads have to be taken into consideration so building a plant from plans constructed for a plant down in lower elevation won't work. A state loan backed by user fees, which we checked into the I-Bank would not refinance current debt on the Outfall Project which is associated with the Tertiary Treatment Facility.

The Board felt that it was more equitable to share the cost across current users and future users and not just have the burden on current users since a Tertiary Treatment plant would benefit both. Since there is a limited ability to lien federal lands their portion would be charged through sewer service fees.

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A Composition of Questions from the attending Public-
I did not get everyone's name that stood and ask questions, my apologies.

Below is a Summary of Questions and Comments from Public;

1. From Mr. Jim Clarke asked about the flows, through Bear Valley Water District.
2. Dr. Grace asked about putting a wall around the reservoir, or big dike.
3. Mr. Phil Coffman, asked about flows, influent, why the need for such an expensive plant when our flows, being so low, low occupancy. and how the ski area comes into play.
4. Question on the size of the water tanks in town, where is all the water coming from that comes into the system. How does Lake Alpine Basin play into the equation.

Questions and comments from Public-

5. Mr. Brian Thurston, what can be an influence here, what questions can change things, what actual input can be make by a rate payer to make a difference in cost.
6. Why are the assessments weighted the way they are? How are the assessments developed?
7. John from Blds Ridge, is it a property tax? Is it deductible? Is it for ten years.
8. Question on why we need a 2.5 million gallon plant, could we get by with less.
9. Mr. John Barclay, What happens if it doesn't pass.
10. How many parcels is the assessment district based on.
11. What will happen to the hook-up fee?

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12. Structure of units, which base the assessment, and the fairness of it?
Large land owners if in favor of assessment district out weight individual property owners.
13. Ms. Diane Lundquist, get a second opinion, Engineer costs, construction costs too high, need more dialog. How can the assessment be fair?
14. Wouldn't water conservation alone solve the problem? New construction low flow toilets mandatory.
15. Ms. Patty Clarey a homeowner in BV and answered questions as to why the Forest Service has the disposal requirements they do. That the Forest Service is paying their fair share. And the current budget of the Forest Service won't allow much more. Need to talk about 40 acres that will expire. Forest Service does not care for the spraying of secondary treated water on public lands. Not all land out there suitable. No more to give.
16. Has Global Warming been taken into consideration?
17. With the prevailing wage couldn't we make a deal with developers.
18. Go to Regional Board, resolve conflict with Stockton East on the level of treatment.
19. Design data incorrect; reduce infiltration, engineering costs too high.
20. Developers have more weight.
21. Master plan design, homeowners have no voice.
22. Do we need the tertiary plant? Too expensive! Any other avenues that we can take; what are the payoffs, from Elizabeth?
23. What happens if a developer goes bankrupt?
24. Improve reservoir, cover with roof, diversion ditch or wall?
25. What if someone wants to annex into the District?
26. Create a committee for this project?
27. Storage Tanks, Mr. Paul Petersen; Nothing but problems since the hiring of Eco-Logic. Higher O &M costs with this project not figured in.

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28. Condo Association fund this project?

29. Mr. Eric Jung spoke in favor of Tertiary Treatment Plant. Also stated getting a second opinion was a good idea.

30. Get competitive bids for project.

Although the Directors did have interaction with the person's making the comments and answered questions to the best of their ability, along with the District Engineer, answering technical questions the answers are not listed here. The District is interested in any and all public input. This was a workshop. Not all questions and Comments are word for word. For this I apologize but since each subject on the Agenda only gets usually a paragraph or two in the Minutes and this is my first Public Workshop, it's new to me. Thank you for your understanding, Tia White Office Manager, BVWD.

District Staff is going to post a question and answer page.

Board Members Reports and Comments

Board members are interested in any community involvement in this matter. Please contact the e-mail addresses and numbers listed in these Minutes or the District office or Engineers Office with any questions you might have.

District Office 209-753-2112
Engineer's Office 209-242-0292

District office e-mail bearvalleywater@sbcglobal.net

Or the Engineer's web site listed on page 5.

Adjournment: President Ritchie adjourned the Public Workshop at 8:33 p.m.. All in Favor.

**MINUTES APPROVED BY; _____
BOARD SECRETARY**

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