

Agenda Item 8C



STAFF REPORT

TO: Board of Directors

PREPARED BY: Steven Palmer, PE, CSDM, General Manager *SP*

SUBJECT: Approve an Agreement for Soda Springs Mountain Resort to Reimburse the District \$35,000 for Improvements to the Recycled Water System

RECOMMENDATION

Approve the terms of the Reimbursement Agreement with Soda Springs Mountain Resort for Snowmaking Water System Improvements, subject to final review and approval as to form by DSPUD Legal Counsel and Soda Springs Mountain Resort, and authorize the General Manager to execute the final Agreement.

BACKGROUND

Soda Springs Mountain Resort (Resort) and Donner Summit Public Utility District (DSPUD) have been working collaboratively to identify improvements to the existing recycled water storage and delivery system that would enhance snowmaking capabilities at the Resort. The proposed improvements focus on the on-site water storage tank and associated infrastructure located at DSPUD's facility.

The identified improvements are designed to reduce incoming water temperature by five (5) or more degrees Fahrenheit, thereby expanding the range of ambient air temperatures at which snowmaking guns can effectively operate and materially increasing snowmaking productivity at the Resort. As an additional benefit, the circulating system would inhibit algae growth inside the storage tank during extended down periods, resulting in cleaner water delivery to the Resort and eliminating the need for DSPUD to recycle water back through its treatment plant for re-treatment.

DISCUSSION

The General Manager has been working with the Resort to develop a reimbursement agreement that would allow the Resort to fund the design, permitting, and construction of the Snowmaking Water System Improvements (Snowmaking Improvements), with DSPUD serving as the implementing agency. The Agreement, a draft of which is included as an attachment to this staff report, generally provides as follows:

Scope of Work

DSPUD shall perform, or cause to be performed, the Snowmaking Improvements, which include:

- Modification of existing pipe within and adjacent to the on-site water storage tank;
- Installation of a spray head at the top of the storage tank to enable effective water circulation;
- Activation and testing of the existing pump to circulate water within the storage tank; and
- All related labor, materials, equipment, and incidental work necessary to render the circulating system operational.

Funding and Payment

The Resort agrees to reimburse DSPUD for all reasonable and necessary costs incurred in connection with the Snowmaking Improvements, up to a maximum amount of Thirty-Five Thousand Dollars (\$35,000). DSPUD may submit invoices on a progress basis or upon substantial completion of the work. The Resort shall pay each invoice within thirty (30) days of receipt. If costs are anticipated to exceed the \$35,000 funding commitment, the parties shall meet and confer in good faith regarding cost-reduction options or a potential amendment to the Agreement.

Records and Reporting

DSPUD shall maintain accurate records of all project expenditures and provide budget status reports to the Resort upon request and with each invoice.

Ownership and Operations

All improvements constructed pursuant to the Agreement shall remain the property of DSPUD. DSPUD shall be responsible for the ongoing operations and maintenance of the circulating system and associated infrastructure, consistent with its obligations as a public utility.

Term

The Agreement shall remain in effect until all obligations are satisfied, including completion of the Snowmaking Improvements and final payment of all invoices.

ANALYSIS

This Agreement presents a beneficial arrangement for both DSPUD and the Resort. The Resort bears the cost and the resulting improvements provide direct operational benefits to both parties. DSPUD gains improved water quality and reduced treatment burden, while the Resort gains enhanced snowmaking capability. The Agreement includes appropriate protections for DSPUD, including a defined funding cap, cost-overrun notification requirements, and retention of ownership and operational control over all constructed improvements.

The Agreement is in draft form and is subject to final review and approval by DSPUD's Legal Counsel and the Resort prior to execution. Staff recommends the Board approve the terms of the Agreement as presented and authorize the General Manager to execute the final Agreement once legal review is complete and both parties have approved the final form.

FISCAL IMPACT

There is no direct fiscal impact to DSPUD from execution of this Agreement. The Resort will fund all costs associated with the Snowmaking Improvements up to \$35,000. DSPUD will incur no unreimbursed expenses in connection with this project. The improvements will reduce ongoing operational costs for DSPUD by eliminating the need to recycle and re-treat water that would otherwise accumulate algae in the storage tank during periods of non-use.

CEQA ASSESSMENT

A CEQA assessment will be completed as part of the project design process, as appropriate. Approval of this Agreement is not itself a CEQA project.

ATTACHMENTS

1. Draft Reimbursement Agreement

Attachment 1

REIMBURSEMENT AGREEMENT WITH SODA SPRINGS MOUNTAIN RESORT FOR SNOWMAKING WATER SYSTEM IMPROVEMENTS

This DONNER SUMMIT PUBLIC UTILITY DISTRICT REIMBURSEMENT AGREEMENT FOR SNOWMAKING WATER SYSTEM IMPROVEMENTS, dated _____, 2026 (the “Agreement”), by and between the DONNER SUMMIT PUBLIC UTILITY DISTRICT (“DSPUD”), and SODA SPRINGS MOUNTAIN RESORT, a California Corporation (“Resort”).

WITNESSETH:

WHEREAS, Soda Springs and DSPUD desire to improve the snowmaking capabilities at Soda Springs Mountain Resort through modifications to the existing water storage tank and associated infrastructure at DSPUD’s facility; and

WHEREAS, the proposed improvements include installation of a water circulating system within the on-site storage tank, modification of existing pipe with a spray head at the top of the tank, and activation of a pump to circulate water (collectively, the “Snowmaking Improvements”); and

WHEREAS, the Snowmaking Improvements are anticipated to reduce incoming water temperature by five (5) or more degrees Fahrenheit, thereby expanding the range of air temperatures within which snowmaking guns can operate and materially increasing snowmaking productivity at the Resort; and

WHEREAS, the circulating system will additionally inhibit algae growth inside the storage tank during extended down periods, thereby ensuring cleaner water delivery to the Resort and eliminating the need for DSPUD to recycle the water back into the plant for re-treatment; and

WHEREAS, the Resort desires to fund the design, permitting, and construction of the Snowmaking Improvements; and

WHEREAS, the Resort and DSPUD desire to enter into this Agreement to describe the terms and conditions applicable to funding the Snowmaking Improvements, the work to be performed by DSPUD, and the invoicing and payment procedures applicable thereto; and

NOW THEREFORE, in consideration of the mutual promises contained herein, the Resort and DSPUD hereby agree as follows:

Section 1. Scope of Work

1.1 General

DSPUD shall perform, or cause to be performed, the Snowmaking Improvements described herein. The work includes, but is not limited to, the following:

- Modification of existing pipe within and adjacent to the on-site water storage tank;
- Installation of a spray head at the top of the storage tank to enable effective water circulation;
- Activation and testing of the existing pump to circulate water within the storage tank;
- All related labor, materials, equipment, and incidental work necessary to render the circulating system operational.

Section 2. Funding and Payment

2.1 Funding Commitment

The Resort agrees to reimburse DSPUD for all reasonable and necessary costs incurred by DSPUD in connection with the Snowmaking Improvements, up to a maximum amount of Thirty-Five Thousand Dollars (\$35,000) (the “Funding Commitment”).

2.2 Invoicing

DSPUD shall submit written invoices to the Resort for costs incurred in connection with the Snowmaking Improvements. Invoices shall be supported by invoices received from the contractor or itemized to show materials and labor provided by DSPUD. DSPUD may submit invoices on a progress basis as costs are incurred or, at DSPUD’s election, upon substantial completion of the Snowmaking Improvements.

2.3 Payment

The Resort shall pay each invoice submitted by DSPUD within thirty (30) days of receipt. Payment shall be made directly to DSPUD by check, wire transfer, or such other method as the parties may agree in writing.

2.4 Costs Exceeding Funding Commitment

If DSPUD anticipates that the total cost of the Snowmaking Improvements will exceed the Funding Commitment, DSPUD shall provide written notice to the Resort as soon as practicable. The parties shall meet and confer in good faith to discuss cost-reduction options and, if warranted, to negotiate an amendment to this Agreement increasing the Funding Commitment. DSPUD shall not incur costs in excess of the Funding Commitment without prior written approval from the Resort.

Section 3. Records

DSPUD shall keep accurate records of all expenditures for the Snowmaking Improvements in accordance with DSPUD’s standard accounting practices. DSPUD will provide a budget status report to Soda Springs upon request and in connection with each invoice. For all consultants and contractors involved in the Snowmaking Improvements, DSPUD will enter into contracts that specify the scope of services and compensation.

Section 4. Ownership; Operations and Maintenance

All improvements constructed by DSPUD pursuant to this Agreement shall remain the property of DSPUD. DSPUD shall be responsible for the ongoing operations and maintenance of the circulating system and associated infrastructure, consistent with its obligations as a public utility.

Section 6. Notice

Any notice required or permitted by this Agreement to be delivered to any party shall be deemed to have been received when sent to that party by facsimile or email at the number or address listed below, with confirmation of successful delivery (if sent prior to 5:00 p.m. on a business day). Any notice, payment, or instrument required or permitted by this Agreement to be delivered to any party shall be deemed to have been received when personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office, first class, postage prepaid, addressed as follows:

DSPUD: General Manager PO Box 610 Soda Springs, California 95728	Soda Springs Mountain Resort:
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Any party hereto may, by notice given hereunder, designate a different address to which subsequent notices, payments, and instruments shall be delivered hereunder.

Section 7. Amendment

No provision of this Agreement may be modified, waived, amended, or added except by a written amendment signed by all parties.

Section 8. Term

The term of this Agreement shall start as of the date first written above and shall remain in effect until all terms and conditions contained in this Agreement have been satisfied, including completion of the Snowmaking Improvements and final payment of all invoices, or until the Agreement is terminated pursuant to Section 5 hereof.

Section 9. Severability

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement

Date

Approved as to form:

_____ Date