

Donner Summit Public Utility District

P.O. Box 610 53823 Sherritt Lane – Soda Springs California –95728
Phone (530) 426-3456 – Fax (530) 426-3460
www.dspud.com

The High Cost of Wastewater Treatment Beyond the Operating Costs

Every five years the Donner Summit Public Utility District (DSPUD) is required to renew its waste discharge permit which allows for discharge of treated effluent into the South Yuba River for much of the year. As explained in the District's Rate Increase Public Hearing Notice, the State of California adopted the DSPUD's permit in April 2009. The proposed rate increase however, only satisfies one aspect of waste treatment on Donner Summit, which is operations. During the next five years the District, in cooperation with the Sierra Lakes County Water District, will be studying and then selecting the most cost effective option to bring its treatment plant into compliance with the new permit. This may prove to be an expensive venture.

Wastewater infrastructure planning and construction throughout the United States is very expensive but for the dry western states and especially in the California foothills and mountains, it is even more expensive. International competition for materials and the high cost of sophisticated equipment is partially to blame. There are other questions you may have about these costs:

How does the increased testing technology affect costs?

As the technology to detect potentially harmful contaminants in wastewater improves, the state continues to issue more stringent treatment requirements. This creates a complex and expensive cycle; as labs detect contaminants at lower levels, our treatment processes must improve. We now measure contaminants in parts per BILLION whereas only seven years ago, we measured only in the parts per MILLION. When these tiny amounts are detected and are outside of the acceptable range, ratepayers are ultimately subject to mandatory minimum fines (commonly \$3,000 per day per violation), in addition to civil liability if their wastewater treatment plant violates state requirements.

Does our location affect costs?

A substantial portion of the cost to *treat* wastewater effluent is dependent on how the wastewater is *returned* to the environment (in effect, disposal). Disposal options are largely affected by geography, therefore, disposal of treated wastewater into a large river or into the ocean (two water bodies that offer lots of dilution), requires less treatment. Donner Summit, however, disposes to a small ephemeral stream—the South Yuba River—so the discharged wastewater has to be treated to a much higher level and at a much higher cost to adequately protect public health and the environment.

Does our community size impact costs?

When that higher treatment cost must be funded by a *small* community, the cost per person is much greater than it would be in Sacramento or San Francisco where economies of scale and lots of dilution keep treatment costs and sewer rates low.

BOARD MEMBERS: ~Cathy A. Preis, President~ Dave Oneto, Vice-President ~Bob Sherwood, Secretary ~ Philip Gamick~

DISTRICT STAFF: Thomas G. Skjelstad, General Manager ~ Jim King, Chief Plant Operator ~ Julie Bartolini, Office Manager

What steps is the DSPUD taking to find funding and reduce the costs to rate payers?

DSPUD is actively investigating every available finance opportunity however without a final plan in place for what our improvements must encompass, we cannot begin the application process. The grant process is very complicated so we can only research options at the moment.

Doesn't the Federal Government provide money for improvements?

Most *existing* wastewater treatment infrastructure was paid for by Federal Clean Water Grants in the 70's and 80's – federal monies. While it is true that the ARRA grants of 2009 might provide money for our improvements, we cannot yet apply for the aforementioned reasons. It is also unclear what effect the Federal stimulus money will have to wastewater infrastructure since funds are slow to be released. The District is also investigating every other available public finance opportunity including low-interest loans.

Would winning the right to have dilution credits have been the best option for DSPUD?

It is possible that winning the option to use dilution credits for discharge into the South Yuba River would have saved the district a substantial amount of money. There were many factors to consider in the permit process and the state made a decision not to award dilution because of environmental concerns and input from multiple sources. Regardless of the outcome, the permit requirements have now been set and DSPUD is working diligently to meet the permit requirements, minimize costs to ratepayers and all the while, protect the environment.

In summary, the study and planning process for how to economically, equitably, and successfully meet the more stringent requirements of the District's new permit is just beginning. The public can be assured that we are doing all we can to find an equitable solution that minimizes negative impacts. Please follow our progress through meeting notices and documents that are posted regularly on the District's website www.dspud.com.

July 24, 2009