

# 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

## **Notice of Public Hearing Tuesday, September 15, 2009, 6PM At the Donner Summit Public Utility District 53823 Sherritt Lane, Soda Springs, CA**

NOTICE IS GIVEN that on Tuesday, September 15, 2009, at 6PM, the Board of Directors of the Donner Summit Public Utility District will conduct a public hearing to consider the adoption of a proposed ordinance to increase the District's sewer rate by 15%. There is no proposed increase to the District's water rate. All property owners, ratepayers and other interested persons are invited to attend the hearing and present written and/or oral comments on, or written protests against, the proposed rate increase.

### **Reasons for the Proposed Rate Increase**

Earlier this year the State of California, Regional Water Quality Control Board, Central Valley Region issued the District a new waste discharge permit. For most of the year the District discharges its treated effluent into the South Yuba River. The new permit requires 1) additional sampling of the treated effluent into the South Yuba River and 2) the increase use of certain chemicals. These two items account for 60% of the total overall increase from the 2008/09 operating budget.

The remaining 40% of additional operating costs come from: increased premiums for health care and property/liability/auto insurance, increased fees to state and county governments, lease payments for a loader that was purchased in 2008/09 to replace the 25 year old loader that became irreparable, and a renewed land lease necessary to spray irrigate the treated effluent in the summer on the Soda Springs ski hill.

In addition to these annual expenses the District must now submit to the State of California a number of reports and studies in order to meet the new discharge permit requirements. The estimated cost for this work is \$613,500, of which DSPUD's share is \$343,560. By Agreement the Sierra Lakes County Water District is responsible for the other \$269,940. The District intends to utilize funds collected from recent sewer permit sales to pay for these studies, however, those monies alone will not entirely cover the costs. To accommodate the shortfall, the 2009/10 budget includes estimated net revenues to pay for the remaining portion while still building a modest amount of funds for contingencies and/or reserves.

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 ~  
Julle Bartolini, Office Manager

**Steps the District Has Taken to Reduce Expenses**

The District Budget Committee and staff recommended a number of cost-saving measures to the budget which were subsequently adopted by the Board of Directors including:

- salary and wage freeze at the 2008/09 levels,
- deferment of some maintenance and repair projects,
- reduction in chemical costs with new efficiency measures (a cost saving we secured in spite of the escalating cost to purchase chemicals)
- elimination of training for the Board and Administrative staff,
- a 50% cut in the Operations training budget,
- reduced vehicle fuel costs.

The District will continue to make every effort to manage costs and ensure effective service and increased accountability. Regrettably, in order to balance the 2009/10 budget a rate increase is necessary.

The impact of a 15% sewer rate increase is shown below:

<u>Per 1 EDU</u>	<u>Annually</u>	<u>Per 1 Future EDU</u>	<u>Annually</u>
Current Rate	\$1,103.16	Current Rate	\$457.20
<b>Proposed Increase</b>	<b>\$165.47</b>	<b>Proposed Increase</b>	<b>\$68.58</b>
Cost of New Rate	\$1,268.63	Cost of New Rate	\$525.78

As the proposed rate increase will not be effective until October 1, 2009, your service for July1, 2009 through September 30, 2009 will be billed at the current rate. Any increase that is approved will be amortized from October 1, 2009 through June 30, 2010.

**How to Protest the Rate Increase, Per the Rules of Proposition 218**

If you **do not** oppose these rate increases, you do not need to do anything further.

If you **do** oppose any of the proposed rate increases, your protest must be submitted in writing to be considered, even if you plan to attend the public hearing. Your written protest must be actually received (not post marked) by the Donner Summit Public Utility District prior to the close of the public hearing. Oral, telephone, and e-mail protests will not be accepted. The protest must be signed by you and include: 1) your name, 2) your service street address or assessor's parcel number(s), and 3) a statement of protest ("I/We protest). You may mail your written protest to: Donner Summit Public Utility District, P.O. Box 610, Soda Springs, CA 95728 or deliver your written protest to: Donner Summit Public Utility District, 53823 Sherritt Lane, Soda Springs, CA 95728.

For detailed budget information, go to the District's website at [www.dspud.com](http://www.dspud.com). If you have any questions, please contact the District at 530-426-3456.

**Donner Summit PUD**  
**Adopted Fiscal Year 2009/10 Operating Budget Summary**

	A	B	C	D	E	F
		Water	Sewer	Wastewater Treatment	Admin.	2009/10 Adopted
		0% Increase	15% Increase			
55						
56						
57	<b>Program Revenue</b>					
58	Water Fees	\$ 335,398	\$ -	\$ -	\$ -	\$ 335,398
59	Cal Trans Water	41,265	-	-	-	41,265
60	Sewer Fees	-	263,600	790,799	-	1,054,399
61	Cal Trans Sewer	-	7,929	23,787	-	31,716
62	Connection Fees	-	-	-	-	-
63	Sierra Lakes County Water Dist.	-	-	405,190	-	405,190
64	Property Tax	-	24,883	109,618	-	134,500
65	G.O. Bond Revenue	8,000	8,000	-	-	16,000
66	Station 97 Utilities	-	-	-	8,000	8,000
67	Late Fees, other revenue	-	-	-	9,200	9,200
68	Anticipated Const. Water Sales	20,000	-	-	-	20,000
69	Anticipated Recycled Water Sales	-	-	-	-	0
70	Big Bend Service Fees	19,200	-	-	-	19,200
71	<b>Total Program Revenue</b>	<b>423,863</b>	<b>304,411</b>	<b>1,329,393</b>	<b>17,200</b>	<b>2,074,868</b>
72						
73						
74						
75	<b>Expenses</b>					
76	Salaries	78,869	66,322	213,306	285,293	643,790
77	Employee benefits	28,174	23,691	76,197	49,293	177,355
78	Board Expense	-	-	-	19,473	19,473
79	Professional Services	5,000	2,000	2,000	57,500	66,500
80	IRS Payroll Back Taxes (previous admin.)	-	-	-	22,200	22,200
81	Dues	340	-	660	4,290	5,290
82	Fees,permits, certifications, leases	7,178	3,000	18,771	18,561	47,510
83	Training, education, travel	875	250	2,500	0	3,625
84	Insurance- property, auto, etc.	12,000	12,000	30,000	6,000	60,000
85	Office supplies and miscellaneous	500	500	750	2,000	3,750
86	Utilities, communications, telemetry	22,000	23,500	148,000	24,800	218,300
87	Chemicals and lab supplies	15,000	500	119,156	-	134,656
88	Laboratory Testing	4,000	-	109,330	-	113,330
89	Equipment maintenance and repair	13,000	9,000	17,000	1,000	40,000
90	Small equipment and rental	1,000	200	1,500	-	2,700
91	Interest expense- loans	-	-	-	-	0
92	Operating supplies	2,500	2,000	2,500	-	7,000
93	Infiltration-Inflow	-	10,000	-	-	10,000
94	Sludge removal	-	2,000	5,000	-	7,000
95	Vehicle maintenance, repair, fuel	2,345	3,451	33,125	-	38,921
96	Facility maintenance and repair	8,000	2,000	8,000	7,000	25,000
97	Amortization of land lease	-	-	20,000	2,079	22,079
98	Long term debt (principal and interest)	39,880	21,618	238,428	-	299,926
99	<b>Total Expenses</b>	<b>240,661</b>	<b>182,032</b>	<b>1,046,223</b>	<b>499,490</b>	<b>1,968,406</b>
100						
101	<b>Net Revenue (Expense)</b>	<b>183,202</b>	<b>122,379</b>	<b>283,170</b>	<b>-482,290</b>	<b>106,462</b>

Fiscal Year 2009/10  
Water Department  
Adopted  
Operating Budget

	A	B	C	D	E
1	<b>WATER</b>				
2		<b>2009/10</b>			
3	<b>Program Revenue</b>	<b>Adopted</b>			
4	Water fees	335,398			
5	Cal Trans	41,265			
6	Connection fees				
7	Property tax	-			
8	G.O. Bond Revenue and other loan	8,000			
9	Anticipated Const. Water Sales	20,000			
10	Big Bend Service Fees	19,200			
11	<b>Total Program Revenue</b>	<b>423,863</b>			
12					
13	<b>Program Expenses</b>				
14	Salaries	78,869			
15	Employee benefits	28,174			
16	Board Expense	-			
17	Professional Services	5,000			
18	Dues and subscriptions	340			
19	Fees, permits, certifications, leases	7,178			
20	Training and education	875			
21	Insurance- property, auto, etc.	12,000			
22	Office supplies and miscellaneous	500			
23	Utilities, communications, telemetry	22,000			
24	Chemicals and lab supplies	15,000			
25	Laboratory Testing	4,000			
26	Equipment maintenance and repair	13,000			
27	Small equipment and rental	1,000			
28	Interest expense- loans	-			
29	Operating supplies	2,500			
30	Infiltration-Inflow	-			
31	Sludge removal	-			
32	Vehicle maintenance, repair, fuel	2,345			
33	Facility maintenance and repair	8,000			
34	Amortization of land lease	-			
35	Long term debt (principal and interest)	39,880			
36	<b>Total Expenses</b>	<b>240,661</b>			
37					
38	<b>Net Revenue (Expense)</b>	<b>183,202</b>			
39					
40					

Fiscal Year 2009/10  
Sewer Department  
Adopted  
Operating Budget

	A	C	D	E	F	G
1	<b>SEWER</b>					
2		<b>2009/10</b>				
3	<b>Program Revenue</b>	<b>Adopted</b>				
4	Sewer fees	263,600				
5	Cal Trans	7,929				
6	Connection fees					
7	Sierra Lakes County Water District					
8	Property tax	24,883				
9	G.O. Bond Revenue	8,000				
10	<b>Total Program Revenue</b>	<b>304,411</b>				
11						
12						
13	<b>Program Expenses</b>					
14	Salaries	66,322				
15	Employee benefits	23,691				
16	Board Expense	-				
17	Professional fees	2,000				
18	Dues and subscriptions	-				
19	Fees, permits, certifications, leases	3,000				
20	Training and education	250				
21	Insurance- property, auto, etc.	12,000				
22	Office supplies and miscellaneous	500				
23	Utilities, communications, telemetry	23,500				
24	Chemicals and lab supplies	500				
25	Equipment maintenance and repair	9,000				
26	Small equipment and rental	200				
27	Interest expense- loans	-				
28	Operating supplies	2,000				
29	Infiltration-Inflow	10,000				
30	Sludge removal	2,000				
31	Vehicle maintenance, repair, fuel	3,451				
32	Facility maintenance and repair	2,000				
33	Amortization of land lease	-				
34	Long term debt (principal and interest)	21,618				
35	<b>Total Expenses</b>	<b>182,032</b>				
36						
37	<b>Net Revenue (expense)</b>	<b>122,379</b>				
38						
39						
40						

Fiscal Year 2009/10  
Wastewater Treatment Plant  
Adopted  
Operating Budget

	A	E	F	G	I	J	K
1	<b>WASTEWATER TREATMENT</b>						
2		<b>2009/10</b>					
3	<b>Program Revenue</b>	<b>Adopted</b>					
4	Sewer fees	790,799					
5	Cal Trans	23,787					
6	Connection fees						
7	Property tax	109,618					
8	Sierra Lakes allocation	405,190					
9	Anticipated Recycled Water Sales	0					
10	<b>Total Program Revenue</b>	<b>1,329,393</b>					
11							
12							
13			<b>SLCWD</b>				
14	<b>Program Expenses</b>		<b>Allocation</b>				
15	Salaries	213,306	93,855				
16	Employee benefits	76,197	33,527				
17	Board Expense	-	-				
18	Professional Services	2,000	880				
19	Dues and subscriptions	660	290				
20	Fees, permits, certifications, leases	18,771	8,259				
21	Training and education	1,750	770				
22	Travel	750	330				
23	Insurance- property, auto, etc.	30,000	13,200				
24	Office supplies and miscellaneous	750	330				
25	Utilities, communications, telemetry	148,000	65,120				
26	Chemicals and lab supplies	119,156	52,429				
27	Laboratory Testing	109,330	48,105				
28	Equipment maintenance and repair	17,000	7,480				
29	Small equipment and rental	1,500	660				
30	Interest expense- loans		-				
31	Operating supplies	2,500	1,100				
32	Infiltration-Inflow		-				
33	Sludge removal	5,000	2,200				
34	Vehicle maintenance, repair, fuel	33,125	14,575				
35	Facility maintenance and repair	8,000	3,520				
36	Land Lease for Spray Irrigation	20,000	8,800				
37	Long term debt (principal and interest)	238,428	-				
38	<b>Total Expenses</b>	<b>1,046,223</b>	<b>355,430</b>	<b>Sub-total</b>			
39			<b>49,760</b>	<b>14% Admin.</b>			
40	<b>Net Revenue (Expense)</b>	<b>283,170</b>	<b>405,190</b>	<b>Total</b>			
41			<b>33,766</b>	<b>Monthly</b>			
42							
43							

Fiscal Year 2009/10  
Administrative Department  
Adopted  
Operating Budget

	A	G	H	I	J
1	<b>ADMINISTRATIVE</b>				
2		<b>2009/10</b>			
3	<b>Program Revenue</b>	<b>Adopted</b>			
4	Late Charges	9,200			
5	Station 97 Utilities	8,000			
6	<b>Total Program Revenue</b>	<b>17,200</b>			
7					
8					
9	<b>Program Expenses</b>				
10	Salaries and wages	285,293			
11	Employee benefits	49,293			
12	Board expense	19,473			
13	Professional Services	57,500			
14	IRS Back Payroll Taxes (Grimm)	22,200			
15	Dues	4,290			
16	Fees, permits, leases	18,561			
17	Training and education	0			
18	Travel	-			
19	Insurance	6,000			
20	Office supplies and misc.	2,000			
21	Utilities, communications	24,800			
22	Chemicals and lab supplies	-			
23	Equipment maintenance repair	1,000			
24	Small equipment and rental	-			
25	Interest expense	-			
26	Operating Supplies	-			
27	Sludge removal	-			
28	Vehicle maintenance, repair, fuel	-			
29	Facility maintenance and repair	7,000			
30	Amortization of land lease	2,079			
31	Long Term Debt (principal and interest)	-			
32	<b>Total Expenses</b>	<b>499,490</b>			
33					
34	<b>Net Revenue (Expense)</b>	<b>(482,290)</b>			
35					

# Donner Summit Public Utility District

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## **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](http://www.dspud.com).

July 24, 2009