

APPROVED

**DONNER SUMMIT PUBLIC UTILITY DISTRICT
P.O. BOX 610 – SODA SPRINGS – CALIFORNIA – 95728
TELEPHONE (530) 426-3456 – FAX (530) 426-3460**

**Minutes of the Regular Meeting of the Board of Directors
Held: June 19, 2012**

STAFF PRESENT: Tom Skjelstad, General Manager; Jim King, Plant Manager;
Julie Bartolini, Office Manager

OTHERS PRESENT: Geoffrey O. Evers, General Counsel; Bill Quesnel, Sierra Lakes
County Water District

1. Call to Order

The Regular Meeting of June 19, 2012 of the Donner Summit Public Utility District Board of Directors was called to order at 6:05 p.m. by President Cathy Preis, at 53823 Sherritt Lane Soda Springs, California.

2. Roll Call

Cathy Preis, President	- Present
Taylor Dolph, Vice President	- Present
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Absent - Excused
Sara Schrichte, Director	- Present

3. Clear the Agenda

No Changes

4. Public Participation

None

5. Consent Calendar:

All items listed under the Consent Calendar are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless a member of the Board requests an item to be removed from the Consent Calendar for a separate action. Any items removed will be considered after the motion to approve the Consent Calendar.

- A. Cash Disbursements – General, Month of May 2012--
\$236,875.85**
- B. Cash Disbursements – Payroll, Month of May 2012 --
\$54,000.95**
- C. Regular Meeting Minutes of May 15, 2012**
- D. Financial Statements as of April 30, 2012**

Motion: Accept the Consent Calendar
By: Bob Sherwood
Second: Sara Schrichte
Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain
Motion Carries

6. Department Reports

A. Administration: Tom Skjelstad, General Manager

1. **Update of the DSPUD State Revolving Fund Construction Loan Application-** status of the District's construction loan request for the DSPUD WWTP Upgrade and Expansion Project. Tom Skjelstad reported that at the SRF Board Meeting this morning the SRF Board voted unanimously to approve the Donner Summit Public Utility District construction loan application.

The Preliminary Funding Agreement includes a Draft Resolution for a CWSRF Program Preliminary Funding Commitment for the District. There are conditions that must be met before a Finance Agreement can be signed. Seven of the eight conditions have already been accomplished by the District to SRF satisfaction. The remaining condition is that the District provide proof of financing for SLCWD's portion of the project. SLCWD's loan application is currently in Washington D.C. awaiting USDA signatures.

2. **Tentative Administrative Civil Liability Order for Mandatory Minimum Penalties, Donner Summit Public Utility District, Wastewater Treatment Plant-** a tentative order from the Central Valley Regional Water Quality Control Board assessing administrative civil liability in the amount of \$64,000, which includes \$39,000 in mandatory minimum penalties which can be used towards the DSPUD WWTP Project, and \$25,000 in discretionary penalties. Tom Skjelstad reported that the District received notice from the Central Valley Regional Water Quality Control Board that a tentative Administrative Civil Liability Order in the amount of \$64,000.00 for discharge permit violations between July 1, 2007 and February 29, 2012 is being issued. \$39,000.00 of the total is mandatory minimum penalties and \$25,000.00 is discretionary. The mandatory minimum penalties may be used towards the District's Upgrade and Expansion Project, however, the \$25,000.00 discretionary fine must be paid by way of check. The DSPUD is responsible for \$14,000.00 and SLWCD is responsible for \$11,000.00.

The discretionary portion was the result of the 2008 algal bloom on the South Yuba River. The mandatory minimum penalties were for violations ranging from nitrate-N, ammonia, coliform and pH. Tom Skjelstad

recommends that the District issue the Regional Board a succinct letter stating it has no objections to the Order and pay the \$25,000.00.

3. **Update on the Cal Trans Rest Areas Billing-** information relating to Cal Trans cost allocation of the DSPUD Wastewater Facilities Upgrade and Expansion Project. Tom Skjelstad reported that there has been considerable discussion amongst the attorneys, including an attorney from SRF, regarding billing of the Cal Trans rest areas and its share of the project. As of this date Cal Trans has agreed, verbally, to pay for its share of the project cost provided that its sanitary engineers agree with the data and conclusion that the former District engineer Rick Dewante provided which shows the rest areas should be rated at 91 EDU's.
4. **DSPUD Water Treatment Plant Planning Loan-** discussion of the District request to fund a planning loan for the Water Treatment Plant Improvements. Tom Skjelstad reported that in order to determine project water rates over the next five years he has asked Catherine Hanford to prepare a preliminary draft water rate model. Catherine has completed the draft model but staff has not had time to give it a proper review and present it to the Board.

A preliminary review of the rate model shows that an increase of less than 1% or \$25.80 per year would be needed this year to pay for the District share of the grant/loan. The District would need to conduct a Proposition 218 rate hearing which would take time and some expense. Tom Skjelstad believes that the District should proceed as soon as possible with the engineering that will be required in order to move the project forward in a timely manner. Tom Skjelstad recommends that the District pay the \$34,581.00 out of cash on hand rather than go through the rate hearing process for such a small increase. Once staff has had time to review the rate model it will be presented to the Board for discussion on a five year rate schedule.

Motion: Directing the General Manager to Contact California Department of Public Health and Inform them that the District will pay the \$34,581.00 Directly to California Department of Public Health

By: Bob Sherwood

Second: Sara Schrichte

Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

Motion Carries

5. Update of the Big Bend Mutual Water Company Activities- recent activity by DSPUD staff on behalf of BBMWC. Tom Skjelstad reported that staff has conducted the following list of items on behalf of Big Bend Mutual Water Company (BBMWC):

- Applied for a California Department of Department of Public Health SRF planning loan for the drilling of a test well on Forest Service land;
- Contracted with Andregg Geomatics to perform a survey in order to determine if the proposed well site is within the PG&E power line easement (it isn't);
- Prepared the Interim Service Agreement between DSPUD and BBMWC for adoption at the June 19, 2012 meeting;
- Communicated with Big Bend Mutual Water Company President and Placer County Health Department;
- Repaired one leak.

In the next few months staff will be working toward securing a Special Use Permit from USFS, bids for the access road improvements, and bids for drilling of the test well.

6. DSPUD/Big Bend Interim Service Agreement- annual renewal of the service agreement between the two agencies. Discussion and action. Tom Skjelstad reported the staff recommends that the DSPUD Board of Directors renew the current Interim Service Agreement for a period of five years. DSPUD on behalf of BBMWC has applied for a CDPHSRF loan to pay for planning and construction activities. The term of the planning loan is five years. In order for BBMWC to qualify for the SRF loan the Service Agreement must be for a minimum of five years.

Motion: Authorize the General Manager to Execute the Interim Service Agreement between Donner Summit Public Utility District and Big Bend Mutual Water Company.

By: Sara Schrichte

Second: Taylor Dolph

Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

Motion Carries

B. Sewer and Water Department – Jim King, Chief Plant Operator

- 1. Waste Water Flow Data – for May 2012 - Reported**
- 2. Fresh Water Flow Data – for May 2012 - Reported**
- 3. Operations and Maintenance Summary – activities during the month of May. Jim King reported the following:**

Operations WWTP

- Received 2,900 gallon bulk delivery of Micro “C” 2000. Saving significant cost on shipping and basic charges.
- Finished preparing drying beds for sludge processing.
- Installed sand berm in drying bed #4 for receiving sewage from Vactor sewer cleaning truck.
- Began locating and exposing sewer manholes in preparation for cleaning and inspection.

Operations Water Plant

- Replaced failed Plant-2 Waste Pump motor.
- Closed dam gate at Lake Angela to begin filling the lake to full capacity.

Repairs and Maintenance WWTP

- Had Placer Electric replace a failed transformer on plan waste station pump #16. This used transformer also failed. We are currently waiting for another replacement.

Repairs and Maintenance FWTP

- Repaired water leak at Big Bend.
- Trouble shot problems with the plants computer control system. Found that it had a failed battery backup. Telstar brought up a new backup and put the system back on-line.

Laboratory

C. Monthly Safety Committee Meeting Minutes, Month of May

Motion: Accept the Safety Committee Meeting Minutes for May

By: Sara Schrichte

Second: Bob Sherwood

Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

Motion Carries

7. President’s Report: None

8. Committee Reports:

A. Joint Facilities: Results of the Bids Received on June 6, 2012 for the DSPUD Wastewater Facilities Upgrade and Expansion Project-
Discussion and possible action. Cathy Preis reviewed the June 13, 2012 e-mail from Beth Cohan with Stantec to Tom Skjelstad.

Motion: **Accept the Syblon Reid Bid in the Amount of \$18,633,000.00 as the Lowest Responsive Bidder, and Direct Tom Skjelstad to Send them a Letter Informing them of the afore mentioned.**

By: Bob Sherwood

Second: Sara Schrichte

Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

Motion Carries

B. Fiscal Year 2012/13 Draft Operating Budget- the Budget committee will present the draft spending plan for the District. Discussion and possible action. Sara Schrichte reported that the Budget Committee and staff are pleased to present the District's 2012/13 spending plan. The budget is balanced meaning revenues meet expenses.

This year's budget is modeled after the Wastewater Cost of Service Study that was developed by Catherine Hansford in October of last year. Catherine developed a five year model for revenues and expenses and based her analysis the Board adopted wastewater rates, by way of a Proposition 218 protest hearing, through fiscal year 2015/16.

Staff deviated from Catherine's model on three line items; salaries, benefits and professional fees. The reasons for the deviation are that the cost-of-living indexes, health insurance premiums, and legal fees are difficult to predict for a five year period. As an example if Cal Trans and the District had not reached a satisfactory resolution, it would be difficult to estimate the legal fees involved.

Budget Highlights

- Revenues increased over 2011/12 due to increased EDUs from Cal Trans, and the refinancing of the District's existing debt through the SRF loan;
- Staff is requesting and the Committee is recommending a 3% Cost-of Living increase;
- Salaries and benefits decreased from 2011/12 because one operations employee left the District and his replacement will begin at an entry level salary;
- Construction water sales were decreased from 2011/12 because revenues did not meet expectations last year;
- The budget anticipates a Net Revenue (revenue over expenses) of \$222,904. This is the highest dollar amount in the last nine years of the District. This demonstrates that the District is now beginning to accumulate a healthier reserve fund.

Motion: To Approve the Operating Budget for the Fiscal Year 2012/13
By: Bob Sherwood
Second: Taylor Dolph
Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain

Motion Carries

9. Resolutions:

**1. Resolution 2012-08 of the Donner Summit Public Utility District
Establishing Appropriation Limits for the 2012/13 Fiscal Year –**

**Motion: Adopt RESOLUTION 2012-08 of the Donner Summit Public
Utility District Establishing Appropriation Limits for the
2012/13 Fiscal Year.**

By: Sara Schrichte
Second: Bob Sherwood

Roll Call Vote

Bob Sherwood	-	Aye
Phil Gamick	-	Absent
Sara Schrichte	-	Aye
Cathy Preis	-	Aye
Taylor Dolph	-	Aye

Motion Carries

**2. Resolution 2012-09 Dedicated Source of Revenue Resolution -
Resolution dedicating net revenues of the District to payment of any and
all Clean Water State Revolving Fund Financing.**

**Motion: Adopt RESOLUTION 2012-09 of the Donner Summit Public
Utility District Dedicating Net Revenues of the District to
Payment of any and All Clean Water State Revolving Fund
Financing**

By: Sara Schrichte
Second: Taylor Dolph

Roll Call Vote

Bob Sherwood	-	Aye
Phil Gamick	-	Absent
Sara Schrichte	-	Aye
Cathy Preis	-	Aye
Taylor Dolph	-	Aye

Motion Carries

10. Correspondence: None

11. Closed Session: None

12. Informational In accordance with Government Code Section 54954.2(a), Directors may make brief announcements or brief reports on their own activities (concerning the District). They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The schedule of upcoming meetings should read as July 17, 2012.

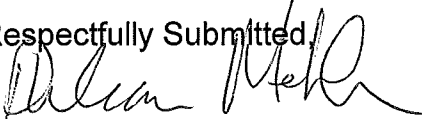
13. Adjournment

Motion: Adjourn Meeting at 7:00 P.M.
By: Bob Sherwood
Second: Taylor Dolph
Vote: 4 Ayes, 0 Noes, 1 Absent, 0 Abstain
Motion Carries

Schedule of Upcoming Meetings

Regular Meeting - July 17, 2012
Regular Meeting – August 21, 2012
Regular Meeting - September 18, 2012

The wording in these minutes are as reread from the notes by the Clerk of the Board.

Respectfully Submitted,


Deleane Mehler
Clerk of the Board