

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: March 20, 2018

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

OTHERS PRESENT: Geoffrey O. Evers, General Counsel by telephone from 8732 Casa Del Rio, Fair Oaks CA 95628; Catherine Hansford, Hansford Economic Consulting; Schaelene Robbins, J. Harrison Public Relations

1. Call to Order

The Regular Meeting of March 20, 2018 of the Donner Summit Public Utility District Board of Directors was called to order at 6:15 p.m. by President Cathy Preis, at 53823 Sherritt Lane Soda Springs, California.

2. Roll Call

Cathy Preis, President	- Present
Sara Schrichte, Vice President	- Present
Bob Sherwood, Secretary	- Present
Philip Gamick, Director	- Present
Alex Medveczky	- 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 February 2018- \$276,370.72**
- B. Cash Disbursements–Payroll, Month of February 2018- \$75,705.17**
- C. Special Meeting Minutes of February 13, 2018**

Motion: Accept the Consent Calendar

By: Bob Sherwood

Second: Sara Schrichte

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

6. Department Reports

A. Administration: Tom Skjelstad, General Manager

1. **DRAFT Report of Wastewater Rates-** report conducted by Hansford Economic Consulting, updating the District's wastewater finances and rates. Discussion and possible action/direction. Tom Skjelstad highlighted the more noteworthy items of the Draft Wastewater Rate Study.

1. The study proposes a 12% increase over five years.
2. Without the CWSRF loan negotiation, the proposed increase would have been 19%.
3. The difference in annual savings between 12% and 19% is \$138.24 per EDU.
4. As in the past, the District will continue to collect 20% of depreciation of sewer assets.
5. Expenses are estimated to increase 4% per year over the Study period.
6. Future EDUs will now pay 49% of the proposed new rates as opposed to the current 41%.
7. Growth is projected at 9 EDUs per year over the five year Study period.

Catherine Hansford of Hansford Economic Consulting reviewed the Wastewater Rate Study with the Board of Directors in detail.

Motion: Accept the Wastewater Rate Study

By: Sara Schrichte

Second: Bob Sherwood

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

2. **Proposition 218 Planning-** Draft notice of Proposition 218 and Public Hearing for a potential sewer rate increase. Discussion and possible action/direction. Schaelene Robbins, J. Harrison Public Relations reviewed the Notice of Proposed Wastewater Rate Increase and Notice of Public Hearing either the Board of Directors.

Motion: Direct Staff to Proceed with the Prop 218 Process Using the Rates Accepted in the March 16, 2018 Rate Study Prepared by Hansford Economic Consulting.

By: Sara Schrichte

Second: Alex Medveczky

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

- 3. Big Bend Water Treatment Plant and Distribution Lines Project-** update of the project. Tom Skjelstad reported that as of this date, the Preliminary Engineering Report (which includes a very preliminary cost estimate), CEQA, and permission from the USFS to use one of its parcels of land have been accomplished.

Staff has run into some issues regarding funding for the project. The USDA was contacted in hopes of securing some grant funds. The project does not qualify for grant monies through the Drinking Water SRF because Big Bend is a second home community. The USDA has now indicated that grant funding is unlikely for Big Bend due to no one living full time in the community. That's disappointing but doesn't place the project in jeopardy. It means the District will need to shop around for other financing options. It should be noted that as of today, USDA interest rate is 3.5% and the DWSRF is 1.7%. Additionally, the USDA will provide 40 year financing whereas DWSRF only offers 30 years.

Other funding issues are:

- Approximately one half of the 29 cabins are situated on Federal Land (USFS).
- Those cabin owners own their cabin but not the land. They are under special use permit (SUP) from the USFS. The SUPs are for a twenty year term. The current SUPs expire in 2028.
- Funding agencies may only finance for the term of the SUPs.
- Federal Land may not be assessed for improvements.
- If Federal Land can't be assessed then a Prop 218 rate increase becomes problematic.
- For collateral reasons the USDA will only accept a voter approved assessment, special tax, G.O. Bonds or other financing instruments.

Tom Skjelstad is confident that the above will be solved. The purpose is to inform the Board of Directors the hurdles that staff is facing.

Additionally, the Preliminary Engineering Project cost estimate is more than what staff expected. When Jim King and Tom Skjelstad initially discussed the project with Dean Marsh of Sauers Engineers, we expressed a desire that all of the aging distribution system should be replaced. Jim King and Tom Skjelstad still recommend replacing the distribution lines, however looking at the project costs and the debt schedule, it may be more realistic to focus solely on the water treatment plant itself. Tom Skjelstad believes it would be prudent to let the Big Bend ratepayers decide whether or not to replace the distribution system.

No matter how all of this turns out, the District should plan to conduct a public workshop with the Big Bend ratepayers once we have more information later this spring or early summer.

4. **Preliminary Sugar Bowl Sewer Master Plan-** potential layout of sewer service lines in the Sugar Bowl area currently served by individual septic systems. Tom Skjelstad reported that a Preliminary Sewer Plan for Sugar Bowl has been produced by Auerbach Engineering Corporation. This is not so much a Master Plan as it is a Preliminary Layout.

Some of the highlights include:

- 44 Parcels were identified in the Plan Area.
- 5 Parcels in the Plan Area are connected to the District sewer.
- 5 parcels have paid a sewer and water connection, are paying a future rate, no water connection fee collected.
- 13 parcels have paid a sewer and water connection fee, are paying a future rate.
- 14 parcels have water service only.
- 7 parcels are unimproved.

5. **Barnard & Vogler, Co. Engagement Letter for Bookkeeping Services thru December 31, 2018** - renew annual letter of agreement.

Motion: Authorize the Board President to Execute the Engagement Letter from Barnard Vogler for Bookkeeping Services thru December 31, 2018

By: Phil Gamick

Second: Alex Medveczky

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

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

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

Operations WWTP

- Sent 0.8 MG to Soda Springs Ski Area for snow making.
- Transferred sludge from solids holding tank to EQ tank 2 to increase available sludge storage.

Operations Water Plant

- Due to the lowering of the water in Lake Angela staff began using the raw water pump to feed the filter system.

Repairs and Maintenance WWTP

- Reinstalled repaired mixer in anoxic zone on reactor #1.
- Changed sampling location of the influent composite sampler.
- Began troubleshooting problems with the automatic wasting valves on both reactors 1 & 2.

- Cleaned out rags that clogged pump #1 at sewer lift station 8.

Repairs and Maintenance WTP

- Prepped and painted office/lab room.
- Began to trouble shoot problems with the mechanically operated valve (MOV) at the chlorine monitoring building.

Laboratory

- Collected and sent in 1st quarter priority pollutant samples from the effluent and receiving water.

4. Status of the Water Treatment Plant Upgrade Project- project update. Reported.

5. Big Bend Water System Citation No. 01-09-18C-003- notice of Citation for coliform violation. Reported.

C. Monthly Safety Committee Meeting Minutes, Month of February

Motion: Accept the Safety Committee Meeting Minutes for February

By: Bob Sherwood

Second: Phil Gamick

Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain

Motion Carries

7. President's Report: None

8. Committee Reports: None

9. Ordinance: None

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. Discussion regarding Placer and Nevada Counties Transient Occupancy Tax monies. It was decided that Tom Skjelstad should attend an informational meeting on Thursday March 22, 2018 with Nevada and Placer County staff members. It was decided to reschedule the may Board of Directors meeting to May 8, 2018.

13. Adjournment:

Motion: Adjourn Meeting at 7:55 p.m.
By: Bob Sherwood
Second: Phil Gamick
Vote: 5 Ayes, 0 Noes, 0 Absent, 0 Abstain
Motion Carries

Schedule of Upcoming Meetings

Regular Meeting	April 17, 2018
Special Meeting -	May 8, 2018
Regular Meeting -	June 19, 2018

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

Respectfully Submitted,

Deleane Mehler
Administrative Assistant