

MINUTES
NEVADA COUNTY SANITATION DISTRICT NO. I
ADVISORY COMMITTEE

Meeting February 22, 2017
Empire Room, Second Floor
Eric Rood Administrative Center,
950 Maidu Avenue, Nevada City, California

1. CALL TO ORDER

The meeting was called to order at 10:00 a.m. In attendance were Committee Members Howard Stone, David Rosseau, Fritz Schulte and Terry Thies. This constituted a quorum in accordance with Article VIII of the Committee By-Laws. Nevada County Supervisor, Hank Weston; Trisha Tillotson, Department of Public Works (DPW) Director; Brad Torres, DPW Wastewater Operations Manager; Carolyn Nealon, DPW Administrative Assistant; and Debbie Durkin, A/C's office; were also in attendance.

2. ANNOUNCEMENTS

The Sanitation District staff members have been responding to record storm events and doing a great job keeping up with the extra water from the storms. The Office of Emergency Services declared a state of emergency due to recent flooding and storms.

3. ACTION ITEMS

A. Acceptance of Minutes

The minutes from the November 29, 2016 meeting were unanimously approved.

4. INFORMATIONAL ITEMS

A. Updated 5-Year CIP Plan

The Committee members viewed a Power Point presentation of the CIP plan which provides a five-year look at the Sanitation budget including FY 15/16. There are many variations among the zone budgets. The presentation included a map of the treatment zones, of which there are 10 zones.

Budget and Five Year Plan Assumptions – Revenue is flat and there is no new growth or rate increases. Operations costs increase over the life of the plan primarily due to staffing costs and capital improvement projects. The five year plan does not reflect consolidation of the Penn Valley and Lake Wildwood sewer zones.

EDUs – The Committee reviewed the number of equivalent dwelling units (EDUs) in the District. Of EDUs, 95% are located in Lake of the Pines and Lake Wildwood, and the rest of zones make up 5% of the EDU total.

O&M Revenue and Expenses Budget Highlight for FY 17/18 – Infrastructure improvements will cause increases in operational costs over the next two years. Some zone balances will show fund balance draws for some zone-specific projects. The fund balances are able to support the projects.

There was a review of budget projections for FYs 18/19 and 19/20 and fund balance draws. Equipment needs to be replaced such as service trucks, line cleaning equipment and inspection cameras. Lake of the Pines and Lake Wildwood will need SCADA equipment and computer replacements. Once the Penn Valley pipeline project is completed, Lake Wildwood grit removal,

walker tank and EQ tank projects will need to be done. The Lake Wildwood walker tank coating needs to be done. After FY 19/20, CIP projects will be caught up and fund balance will level out. The District is spending a lot of money on servicing and replacing vehicles.

The Committee reviewed fund balance by zone for Fiscal Years 15/16 to 19/20. Fund balance accumulates when revenue exceeds expenditures for a zone budget. Lake of the Pines fund balance projection reflects CIP projects and projected growth which will likely generate revenue. A potential capital improvement project to install a sewer line down Combie Road will be planned in conjunction with a road improvement project on Combie Road. The Combie Road project is expected to begin in fall 2017.

The Cascade Shores zone was anticipated being out of fund balance at the end of FY 15/16, and the District was able to reduce costs. The District will be adding to fund balance for the Cascade Shores zone by the end of FY 16/17.

Higgins Village Fund Balance – The District will need to consider a rate increase in the Higgins Village sewer zone in the next few years or consider connecting the Higgins Village zone to the Lake of the Pines sewer plant.

Mountain Lake Estates – In two or three years, the Mountain Lake Estates zone may need to have a rate increase.

Gold Creek – The Gold Creek zone will need a rate increase within the next year to develop a fund balance. At the current rate, Gold Creek fund balance will go into the red by FY 19/20.

CIP Projects:

Penn Valley Pipeline Project – The project is underway and anticipated to be completed by October 2017.

Cascade Shores Leach Field Project – The Water Board approved \$1.2 million grant funding and \$1.2 million loan funding in December, and the District should have the final agreement in place by April of 2017. Design of the project will begin once funding is in place. For the current plant, the District is hoping to sell the plant equipment.

FY 17/18 budget documents are nearly complete, and the Committee will receive a copy to review it before the next tentatively scheduled meeting in early April.

There was a discussion about repaving Penn Valley Drive once the pipeline project is done. Repaving the road depends on when the County Department of Public Works will get funding and whether or not NID will need to repave over the work they are doing. There are conditions listed in the encroachment permit issued to NID to work in the County road and in the County code about where NID needs to pave when they install water lines. There was a comment that the turn at Wildwood West Heights on the east side of Lake Wildwood needs to be widened when this section is paved. The Penn Valley pipeline project specifications state what section of road needs to be repaved after the pipeline is installed.

Lake Wildwood and Penn Valley Sewer Rates – There will possibly be a minor rate decrease per year in the Lake Wildwood zone, and the pipeline project may postpone future rate increases. District staff will need to determine sewer rates that will be needed.

DarkHorse Connection to Lake of the Pines – When the pipeline was installed to connect the DarkHorse subdivision to the Lake of the Pines Wastewater Treatment Plant, there were two, 6” pipes installed; one is an emergency bypass line.

B. Penn Valley Zone Project Update

A copy of a quarterly report submitted to the state was included in the agenda packet, which provides information about the Penn Valley pipeline project. The contractor moved to the Pleasant Valley Road side of the project due to migratory bird nesting in that area which necessitates that section be completed by March 2017, and the work to bore under Highway 20 is still in the approval process from Caltrans. There are supports on the bridge and the contractor hopes to be out of the ground in April 2017. The contractor will do work at the grit control area and piping at the Lake Wildwood plant and will also work on pipes in the Penn Valley zone.

The Creekside Mobile Home Park annexed into the Sanitation District zone through LAFCo, and staff is working with the property owner on design requirements. The mobile home park property owner will pay the cost for infrastructure improvements to connect to the sewer system, and the current pond system at the mobile home park will be decommissioned.

C. Cascade Shores Community Leach Field Update

The State Water Resources Control Board (SWRCB) approved funding for \$1.2 million in grant funding and \$1.2 million in a loan and is finalizing the agreement for signatures. Project design is to begin once funding is in place. The District will need to get the new plant online and establish a sizable fund balance for the Cascade Shores zone, and then we can consider possible rate reductions.

D. Sewer Relief Valve (SRV) Project Update

Out of 1,650 homes visited, staff found 856 cleanouts and installed SRVs. Homes are exposed to potential sewer backups without the SRVs. Collection staff members are installing SRVs during their current maintenance rotation schedule. By default, the challenging sewer areas are being addressed sooner. Mr. Torres explained that “pump” lots need cleanouts at the property line, but do not need an SRV to be installed at the cleanout.

E. Staffing Update

The District currently has three recruitments and offers were made for a Wastewater Service Worker II and Wastewater Electrical/Mechanical Worker. Staff received the current eligibility list for the WW Operator position.

5. CORRESPONDENCE

The Committee members received a copy of the fourth quarter 2016 status report for the Penn Valley Sewer System Connection Project in the agenda packet.

6. PUBLIC COMMENT

Supervisor Weston said that he will submit an article for TWI regarding SRV installation stressing the importance of having them installed.

There was a discussion that there are many vacancies on the SDAC and the County needs to do some recruiting. There was a suggestion to contact home owner associations in the sewer zones. The County Supervisors discuss Committee vacancies during community meetings.

7. NEXT MEETING

The District proposes an early second quarter meeting on April 6th to review the completed budget prior to Budget Sub-Committee the week of April 10th. A copy of the Sanitation budget will be provided to the committee members prior to the next meeting.

8. ADJOURNMENT

The meeting was adjourned at 10:45 a.m.

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