

# FOR YOUR INFORMATION

Lake of the Pines Wastewater Treatment Plant Improvement Project



This fact sheet is being distributed to LOP residents to answer common questions about the Lake of the Pines Wastewater Treatment Plant Improvement Project. We hope this will help you to be better informed on the current status of the project.

## 1. What are the proposed user fee increases for this project?

**Currently:** The annual user fee is \$550/yr for connected units or \$80/yr for standby. These fees cover existing plant operation and maintenance (O&M) costs.

**July 2005:** The rate is estimated to increase by \$340/yr for 25 years for standby and connected units, subject to rate payers' approval. This increase will pay for the debt service requirements for the existing rate payers' share of improvements to the treatment plant. (Please see question 8.)

**July 2006:** The rate is estimated to increase \$150/yr for connected units or \$20 for standby units, subject to rate payers' approval, to cover the increased O&M costs for the treatment plant with its improvements.

**July 2007:** The rates are not anticipated to increase in 2007.

**IMPORTANT NOTES:** The July 2005 and 2006 increases are projected increases and will be adjusted to reflect the actual capital and O&M costs for the new treatment plant.

## 2. What is the project permit compliance deadline & what are the consequences of not meeting that deadline?

The project permit compliance date is April 30, 2007. All conditions of the current permit must be met by that date. If the permit conditions are not met by April 30, 2007, there will be a mandatory \$3,000 daily fine for violation of each of 10 specific criteria required in the permit – which could reach \$30,000 per day.

## 3. What can be done to change the current water quality permit conditions?

These permit requirements are mandated by federal and state law, therefore legislative action is required to change these laws. Such action will take considerable time and energy to accomplish and will most likely not effect the current permit requirements. Supervisor Sue Horne is currently pursuing this avenue with legislative representatives and the State Board. Supervisor Horne encourages you to communicate your concerns to your legislative representatives. The names and addresses of your local representatives are available on the project's web site at: [www.mynevadacounty.com/loptreatmentplant](http://www.mynevadacounty.com/loptreatmentplant).

## 4. What is the status of the Placer Nevada Wastewater Authority (PNWA) Lincoln Regional Wastewater Treatment Facility (Lincoln RWTF) and what is the estimated cost to connect to the Regional Plant?

The Lincoln RWTF is expected to be expanded and may be able to serve the Lake of the Pines area in 2011 or 2012. The estimated capital cost for LOP to connect to this facility is \$14.2 million assuming 75% Federal Grant Funding is received. To use the Lincoln RWTF, LOP customers would pay an estimated \$2.9 million for annual O&M costs, which would be divided among all LOP customers. The Lincoln RWTF O&M cost could be 3.5 times more, based on current estimates, than the O&M costs for the proposed plant upgrade project. The Lincoln RWTF project will be tracked over the next year to determine if there are any significant changes in cost estimates.

## 5. Can we delay implementation of this project until more info is available on the Lincoln RWTF project?

On July 1, 2004 Supervisor Sue Horne wrote to the California Regional Water Quality Control Board, Central Valley Region (CVRWQCB) and delivered the petition submitted by residents of Lake of the Pines. On July 16, 2004, Thomas R. Pinkos, Executive Officer for the CVRWQCB, submitted a reply that detailed why a time extension could not be granted. Mr. Pinkos stated "... the Regional Board already has granted the maximum time for compliance allowed by federal and state law through the permit and accompanying cease and desist order." On August 2, 2004 Supervisor Horne responded to Mr. Pinkos' letter with clarifications of the District's position and requests for additional information from the CVRWQCB. Given the current estimated high cost to ratepayers to join the Lincoln RWTF Project and the CVRWQCB response to deny a permit compliance extension, the county must proceed with the proposed LOP WWTP Improvement Project.

**6. Is the proposed plant upgrade project really necessary, or is there a better and more cost-effective alternative?**

*The existing discharge permit issued by the CVRWQCB and effective as of June 7, 2002 places new limits on ammonia, nitrate, nitrite and aluminum discharges to Magnolia Creek. Effective April 30, 2007, the plant must achieve full tertiary treatment of effluent with new limitations for turbidity and total coliform for discharges to Magnolia Creek. The proposed membrane bioreactor (MBR) treatment process chosen for the upgrade of the existing facility provides the most cost-effective and reliable method of meeting these new discharge limits.*

*While an added benefit of the MBR technology is its ability to meet anticipated future discharge requirements, this technology was not chosen solely for this benefit. The County of Nevada Sanitation District No. 1 (SD No. 1) staff followed a structured decision-making process in choosing the MBR technology and other treatment technologies required to reliably meet the new discharge limitations. This decision-making process is summarized in the Facility Master Plan for Lake of the Pines and within Technical Memorandum No. 6 prepared by Kennedy/Jenks Consultants. The ability of the MBR process to meet future discharge requirements was one of many considerations that went into the MBR's selection. Please see the Facility Master Plan for more details.*

**7. Is additional capacity being provided in the plant upgrade project for future development and what is the associated cost?**

*Additional capacity for 500 equivalent dwelling units (EDU's) located within the current SD No. 1 Sphere of Influence is proposed to be provided in the plant improvements. This is a conservative estimate of projected growth in the area over the next 10 years and was based on the recent 2004 LAFCO report of wastewater infrastructure needs in western Nevada County. The cost to provide this additional capacity is \$1.26 million or 9.2% of the construction and engineering costs of the \$13.68 million proposed plant upgrade project.*

**8. Why should we support expanding the plant, how much of the total plant cost will new development pay for?**

*Under the principle of "economy of scale," spreading the costs over a large number of customers will reduce each customer's bill. By planning a plant upgrade for a larger number of residents, we save the current ratepayer an estimated \$95/year. For example, under the proposed plan to upgrade the plant to accommodate 500 additional connections, the annual user fee is estimated to increase \$340 per year in July 2005. If the proposed plan is to upgrade the plant only for the existing LOP service area, the annual user fee is estimated to increase \$435 per year in July 2005. (see question 1) Connection fees from new development could generate \$3.55 million in operating monies for the district which could reduce the existing customers' share of improvement costs by \$2.29 million. Note: Fees for new connections are proposed to be \$9,700 per unit.*

**9. What happens if new development does not occur as quickly as projected?**

*The District has been very conservative in estimating the potential revenue from new growth. No revenue from new development is projected until Fiscal Year 2007/08, and then only 24 connections per year are necessary to cover the annual debt service. (Note that the 2004 LAFCO report estimated that 60 new connections per year will occur over the next 25 years.) Present land zoning designated the LOP/Higgins Corner area as one of the three areas in the county where growth is to occur. Lending and bonding institutions require that the District maintain reserves in the event of revenue shortfalls. The District is projected to have \$1.7 million in reserves that can be used to cover revenue shortfalls. These reserves reduce the necessary minimum average number of connections to 16 per year to cover the annual debt service. Essentially, this would provide sufficient funds for O&M costs for 8 years assuming that in a worst-financial-case scenario that there are no new connections to provide operating funds.*

**10. What are the next steps to be taken in the project?**

*A recently formed ad hoc committee is monitoring Sanitation District plans being developed for the improvement project and to keep LOP members informed. In order to meet the permit deadline of April 30, 2007, several steps still need to be taken. The recommended plant upgrade project needs to go through environmental review and preliminary design, which may take 10 months or more. Once this is completed, final design of the project must occur (a six month process) and then construction can commence. Construction can take 16 months, therefore, we need to proceed quickly to meet the permit deadline. The SD No. 1 will work with the ad hoc committee in finding an amenable solution and in proceeding ahead with the project.*

**11. How can I get more information on this project?**

*The best way to get more information is from the project web site: [www.mynevadacounty.com/loptreatmentplant](http://www.mynevadacounty.com/loptreatmentplant).*