

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **AUGUST 20, 2013**

From: **MARY DIETRICH / BILL ZIMMERMAN**

Subject: **MID-WESTERN PLACER REGIONAL SEWER PROJECT - STATE
REVOLVING FUND ASSISTANCE APPLICATION**

ACTION REQUESTED / RECOMMENDATION:

1. Pursuant to the County's role as a Responsible Agency, adopt a Resolution approving the Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Plan (MMRP) for the Mid-Western Placer Regional Sewer Project (Regional Project).
2. Adopt a Pledged Revenue and Funds Resolution dedicating net revenues received by Sewer Maintenance District 1 (SMD 1) for payment of any and all Clean Water State Revolving Fund (SRF) financing assistance for the Regional Project.
3. Adopt a Resolution of Intention to comply with Treasury Regulation Section 1.150-2 and SRF requirements regarding reimbursement of capital expenditures incurred prior to execution of a SRF financing assistance agreement for the Regional Project.

BACKGROUND: On March 13, 2012, your Board directed staff to pursue the City of Lincoln's (Lincoln) offer to complete the Regional Project in order to bring the SMD 1 Wastewater Treatment Plant (Plant 1) into compliance with its regulatory permits. Subsequently, on August 7, 2012, your Board approved the Design and Environmental Review Agreement (DERA) with Lincoln for the design and environmental review of the Regional Project which includes decommissioning Plant 1 and constructing a pump station on the site, installation of approximately 13 miles of pipeline from Plant 1 to Lincoln, and construction of 1.7 million gallons per day of capacity at the Lincoln Wastewater Treatment Plant. Additionally, the DERA provides for environmental review of improvements that would allow the City of Auburn to participate in the Regional Project. Under the terms of the DERA, Lincoln is the Lead Agency for environmental review.

On April 12, 2012, your Board authorized the Director of Facility Services to file a SRF financial assistance application that would transfer financing obtained for the SMD1 Upgrade Project to the Regional Project. This financing includes a 30-year extended term loan at an estimated 1.9% interest with \$6 million in principal forgiveness. Under the terms of the financing agreement with SRF, the County has until September 30, 2013, to submit a complete financing application package in order to receive the principal forgiveness. Your Board's approval of the EIR and MMRP as a Responsible Agency is needed to complete environmental review for the Regional Project and finalize the SRF application package. Additionally, your Board's adoption of a Pledged Revenue and Funds Resolution dedicating net funds from SMD 1 for repayment of the SRF loan and a Resolution of Intention to comply with Treasury Regulations and SRF requirements is needed to finalize the SRF application package. Each of these actions is discussed below.

EIR and MMRP

On May 30, 2012, Lincoln issued a Notice of Preparation for the Regional Project. Lincoln prepared the Draft EIR which disclosed that all potential impacts identified for the Regional Project had been mitigated to a level of less than significant. The Draft EIR was circulated for public, State and local agency review from February 4, 2013 to March 26, 2013. The Draft EIR was posted on Lincoln's website and at the Lincoln City Hall. In addition, Lincoln conducted a public meeting on

March 12, 2013 at the McBean Park Pavilion to consider comments on the Draft EIR. Lincoln received comments from seven (7) public agencies, four (4) organizations, and four (4)

individuals. Responses to each of the comments were included in the Final EIR which was also posted on Lincoln's website and at the Lincoln City Hall. On May 28, 2013, the Lincoln City Council, acting as the Lead Agency under the California Environmental Quality Act (CEQA), held a public meeting, considered public comment, and then adopted Resolution 2013-105 "Certifying the Final Environmental Impact Report for the Midwestern Placer Regional Sewer Project, Making Findings Concerning Mitigation Measures, Adopting a Mitigation Monitoring Plan, Making Findings Concerning Alternatives, and Approving the Mid-Western Placer Regional Sewer Project". On May 29, 2013, Lincoln filed a Notice of Determination (NOD). Copies of Lincoln's Resolution and NOD are included as Attachments A and B. In certifying the Final EIR, the Lincoln City Council found "that all of the potentially significant adverse environmental impacts of the proposed Regional Project will be reduced to less than significant by the implementation of the proposed mitigation measures and none of the alternative to the proposed Regional Project can feasibly substantially further lessen or avoid the potentially significant impacts."

In order to complete the environmental review process for the Regional Project, staff is recommending that your Board approve the EIR, and adopt the MMRP and agree to comply with its requirements. The MMRP covers a number of project mitigations in areas relating to aesthetics, air quality, noise, geology and soils, hydrology and drainage, water quality, biological resources, fisheries resources, cultural resources, hazards and hazardous materials, public services and utilities, and transportation. Individual mitigation measures include:

- Provide replacement water in Rock Creek to avoid adverse effects on Rainbow Trout and other native fish, or implement a stream restoration or preservation within the Coon Creek Watershed. *(Lincoln has chosen to implement a restoration project, or provide in-lieu fees, in the Coon Creek Watershed. The estimated cost to implement a project or pay in-lieu fees is \$80,000. Through separate negotiations, the California Department of Fish and Wildlife is also requiring that Lincoln provide 0.5 cfs of makeup water during approximately 20 days a year for 10 years during the dry season. The estimated cost to provide this makeup water is \$50,000 per year.)*
- Avoid the potential for well contamination from possible sewer line ruptures. *(This measure requires Lincoln to define all wells within 50' of the proposed pipeline, and apply for a variance, encase the sewer pipe to 50' from the well, or remove and replace the groundwater well to achieve the required setback.)*
- Perform a hydraulic study of Rock Creek and Dry Creek. *(This measure requires Lincoln to analyze the potential for levee encroachment, which could result in flooding of adjacent properties. If the analysis demonstrates that flooding would occur above historic levels, Lincoln shall modify plans for the Plant 1 site as necessary to accommodate flows.)*
- Perform an impact assessment on protected trees prior to starting construction activities, and protect trees from any direct or indirect impacts in accordance with the County's Tree Permit process and County Tree Preservation Ordinance.
- Conduct pre-construction training on protocols to be followed if cultural resources are encountered during construction.
- Prepare and implement traffic control plans subject to approval by Placer County Department of Public Works. Additionally, the County shall inform the public of scheduled lane closures and detours through public outreach. The Contractor shall communicate and coordinate with property owners whose driveway access may be affected and to the extent practical, schedule construction activities accordingly to maintain access to these properties.

A complete inventory and description of the mitigation measures are in the Final EIR. Hard copies of the Draft and Final EIR, including the MMRP have been provided individually to your Board. Copies are also on file with the Clerk of the Board and at the Department of Facility Services, 2855 2nd Street, Auburn, California 95603.

Pledged Revenue and Funds Resolution

Your Board's adoption of a Pledge of Revenue and Funds Resolution is required in order to complete the SRF application. The pledged revenues and funds include revenue from SMD 1 monthly sewer service charges, connection fees, and reserve balances. The dedication of these revenues complies with staff's intended funding plan for the Regional Project. In the event of a shortfall in service charges and connection fees, the use of SMD 1 reserve funds will be available for debt repayment.

Resolution of Intention to Comply with Treasury Regulations and SRF Requirements

Your Board's adoption of a Reimbursement Resolution is also required to complete the SRF application. The Resolution indicates the intent of SMD 1 to comply with Treasury Regulation Section 1.150-2 regarding issuance of tax-exempt obligations. The main purpose of this code is to insure that funds used to reimburse prior expenditures will comply with tax-exempt bond requirements, such as yield restrictions and arbitrage rebate on financing. Section 1.150-2 requires an official declaration of a reasonable intention to reimburse the expenditure with proceeds from a borrowing, and a statement of the nature of the expenditure. The attached Resolution complies with the SRF and Treasury Code 1.150-2 requirements.

ENVIRONMENTAL CLEARANCE: On May 28, 2013, the Lincoln City Council certified the EIR and adopted the MMRP for the Regional Project. The NOD was filed on May 29, 2013. Your Board's approval, of the EIR as a Responsible Agency, for use on the Regional Project and adoption of the MMRP will satisfy the requirements of CEQA.

FISCAL IMPACT: Approval of the EIR and adoption of the Resolutions included in this request do not obligate the County to additional expenses beyond those already committed under the DERA. Staff anticipates returning to your Board in September 2013 for consideration of County/Lincoln agreement documents, which, if approved would commit the County to the costs associated with construction and operation of the Regional Project.

MD:BZ:LM

CC: COUNTY EXECUTIVE OFFICE
TREASURER/TAX COLLECTOR

ATTACHMENT: RESOLUTIONS (3)
ATTACHMENT A – LINCOLN EIR RESOLUTION
ATTACHMENT B – LINCOLN EIR NOD

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Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION APPROVING THE
ENVIRONMENTAL IMPACT REPORT MID-WESTERN
PLACER REGIONAL SEWER PROJECT

Resolution _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of the Board

WHEREAS, On August 7, 2012, the Placer County Board of Supervisors approved a Design and Environmental Review Agreement with the City of Lincoln for design and environmental review of the Mid-Western Placer Regional Sewer Project (Regional Project). Under the terms of this Agreement, the City of Lincoln will act as the Lead Agency for environmental review for the Project; and

WHEREAS, On May 28, 2013, the Lincoln City Council, acting as the lead agency under California Environmental Quality Act (CEQA), held a public meeting, considered public comment, and then adopted Resolution 2013-105 Certifying the Final Environmental Impact Report (Final EIR) for the Midwestern Placer Regional Sewer Project, Making Findings Concerning Mitigation Measures, Adopting a Mitigation Monitoring and Reporting Plan (MMRP), Making Findings Concerning Alternatives, and Approving the Midwestern Placer Regional Sewer Project; and

WHEREAS, On May 29, 2013, the City of Lincoln filed a Notice of Determination for the Project; and

WHEREAS, Sewer Maintenance District 1 has a need to acquire funding to pay for construction of a pump station and a regional sewer pipeline to the City of Lincoln's wastewater treatment plant in order to comply with new discharge standards; and

WHEREAS, State Water Resources Control Board administers the Clean Water State Revolving Fund program on behalf of the people of the State of California and has money available for eligible wastewater projects; and

WHEREAS, State Water Resources Control Board requires that, in order to apply for Clean Water State Revolving Fund financial assistance, the governing Board of the sewer maintenance district must approve the environmental review document; and

WHEREAS, the Board of Supervisors has reviewed and considered the Final EIR and the MMRP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors that the Board, having considered the Final EIR, written comments and responses thereto, the mitigation measures and the MMRP, the staff report, and all public comment, oral and written, and all other information in the record pertinent to the Regional Project, hereby makes the following findings and approves the Final EIR for the Regional Project:

1. The Final EIR is complete and has been prepared in compliance with the requirements of CEQA and the CEQA Guidelines.
2. The Final EIR was presented to, and reviewed by, and certified by the Lincoln City Council, the decision-making body of the Lead Agency.
3. The MMRP prepared for the Regional Project is adopted and all mitigation measures applicable to the Regional Project will be implemented.
4. There is no substantial evidence in the record as a whole to support a fair argument that the Regional Project as mitigated would have a significant impact on the environment; therefore preparation of written Findings and a Statement of Overriding Considerations were not required.
5. Records associated with the Regional Project, the Final EIR and the MMRP are maintained at the Placer County Department of Facility Services located at 2855 2nd Street, Auburn, California, 95603.

RESOLUTION NO. 2013 - 105

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINCOLN CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MIDWESTERN PLACER REGIONAL SEWER PROJECT, MAKING FINDINGS CONCERNING MITIGATION MEASURES, ADOPTING A MITIGATION MONITORING PLAN, MAKING FINDINGS CONCERNING ALTERNATIVES, AND APPROVING THE MIDWESTERN PLACER REGIONAL SEWER PROJECT

Recitals

WHEREAS, a Notice of Preparation of the Environmental Impact Report for the Midwestern Placer Regional Sewer Project ("proposed Regional Project") was mailed to all responsible and affected agencies on May 30, 2012, pursuant to Public Resources Code Section 21080.4 and CEQA Guidelines Section 15082,

WHEREAS, a Draft Environmental Impact Report for the Midwestern Placer Regional Sewer Project ("DEIR") was prepared for the Project in accordance with Public Resources Code Section 21000 et seq. and CEQA Guidelines Section 15000 et seq. ;

WHEREAS, a Final Environmental Impact Report for the Midwestern Placer Regional Sewer Project ("FEIR"), which includes the DEIR, as revised, was prepared for the Project in accordance with Public Resources Code Section 21000 et seq. and CEQA Guidelines Section 15000 et seq.,

WHEREAS, the City distributed copies of the DEIR to the public agencies which have jurisdiction over resources affected by the proposed Regional Project and to other interested persons and agencies and sought the comments of such person and agencies;

WHEREAS, notice inviting comments on the DEIR was given in compliance with CEQA Guidelines Section 15085;

WHEREAS, the public comment period for receiving comments on the DEIR began on February 4, 2013 and ended on March 25, 2013;

WHEREAS, comments to the DEIR have been received, and responses to those comments have been prepared in the form of the FEIR;

WHEREAS, copies of the FEIR were sent to commenting agencies at least ten days prior to the certification by the City Council;

WHEREAS, the City Council of the City of Lincoln has reviewed and considered the FEIR, including the DEIR as amended, prepared for the Project, the City Staff Report pertaining to the FEIR and all evidence received prior to approving this Resolution. All of these documents and evidence are herein incorporated by reference into this Resolution,

WHEREAS, the FEIR identified certain potentially significant adverse effects on the environment caused by the proposed Regional Project and identified mitigation measures to reduce these impacts to less than significant;

WHEREAS, it is the intent of the City Council that the mitigation measures contained in the FEIR are conditions of the proposed Regional Project, unless otherwise modified by City action;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LINCOLN DOES HEREBY RESOLVE TO CERTIFY THE FEIR FOR THE MIDWESTERN REGIONAL SEWER PROJECT, ADOPT THE FINDINGS OF FACT; ADOPT THE MITIGATION MONITORING PLAN; AND APPROVE THE PROPOSED MIDWESTERN REGIONAL SEWER PROJECT AS FOLLOWS:

1. The FEIR (which includes the DEIR, as revised) has been completed in accordance with CEQA and the CEQA Guidelines.
2. The FEIR has been presented to the City Council which has reviewed and considered the information and analysis contained in the FEIR before approving the proposed Regional Project, making the Findings attached hereto, and adopting the Mitigation Monitoring Plan as set forth in the FEIR and the FEIR reflects the City Council's Independent Judgment. The Findings of Fact are contained in the "CEQA Findings of Fact Required Under CEQA" attached hereto as **Exhibit A** are hereby adopted and incorporated herein by reference
3. The City Council finds, pursuant to Public Resources Code Section 21081 and CEQA Guidelines Section 15091, that the proposed mitigation measures described in the FEIR are feasible, and therefore, unless specifically modified by City action, will become binding upon the City upon approval of the proposed Regional Project
4. To the extent that these findings conclude that various proposed mitigation measures outlined in the FEIR are feasible and have not been modified, superseded, or withdrawn, the City Council hereby binds itself to implement those measures. These findings are not merely informational but when adopted constitute a binding set of obligations that will come into effect upon the City Council's adoption this Resolution approving the proposed Regional Project. The implementation of the mitigation measures shall occur by having them included as conditions of approval of the proposed Regional Project.
5. As set forth in the recommended CEQA Findings, the City Council find that all of the potentially significant adverse environmental impacts of the proposed Regional Project will be reduced to less than significant by the implementation of the proposed mitigation measures and none of the alternative to the proposed Regional Project can feasibly substantially further lessen or avoid the potentially significant impacts.

6. In order to comply with Public Resources Code Section 21081.6, the City Council hereby adopts the Mitigation Monitoring Plan as set forth in the FEIR. The Mitigation Monitoring Plan is designed to ensure that, during project implementation, the City and any other responsible parties comply with the mitigation measures identified therein. The Mitigation Monitoring Plan identifies, for each mitigation measure, the party responsible for implementation

7. The FEIR sets forth environmental impacts that would be significant or potentially significant in the absence of mitigation measures. As to each such impact, the City Council find that changes or alterations incorporated into the proposed Regional Project mitigate or avoid the significant or potentially significant environmental impacts.

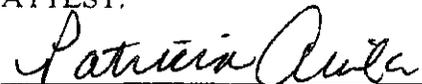
8. Based on the findings set forth in this Resolution, the Staff Report, and the FEIR, the City Council approves the proposed Regional Project as described in the FEIR, subject to the conditions set forth in **Exhibit B** hereto.

PASSED AND ADOPTED this 28th day of May, 2013, by the following vote.

AYES: COUNCILMEMBERS: Short, Joiner, Hydrick, Gilbert, Nader
NOES: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: None



Mayor

ATTEST:


City Clerk

POSTED 5/28/2013
Through
JIM McCAULEY, COUNTY CLERK
By [Signature]
Deputy Clerk

Notice of Determination

Appendix D

To:
 Office of Planning and Research
U.S. Mail: Street Address:
P.O. Box 3044 1400 Tenth St., Rm 113
Sacramento, CA 95812-3044 Sacramento, CA 95814

From:
Public Agency: City of Lincoln
Address: 600 Sixth Street
Lincoln, CA 95670
Contact: Mark Miller
Phone: 916-434-2470

County Clerk
County of: Placer
Address: 2954 Richardson Drive
Auburn, CA 95603

Lead Agency (if different from above):
Address:
Contact:
Phone:

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2012052083

Project Title: Midwestern Placer Regional Sewer Project

Project Applicant: City of Lincoln

Project Location (include county): Midwestern Placer County (Lincoln, Newcastle, Auburn)

Project Description:
The proposed Project entails the expansion of the existing Lincoln wastewater treatment and reclamation facility; construction of two new pump stations at the sites of the existing Sewer Maintenance District-1 wastewater treatment plant (located on Joegar Road in northern Auburn) and Auburn wastewater treatment plant (located on Ophir Road); construction of new biofilters at all three sites; and the addition of reclamation fields on East Catlett Road.

This is to advise that the City of Lincoln has approved the above
(Lead Agency or Responsible Agency)

described project on 5/28/2013 and has made the following determinations regarding the above
(date)
described project.

1. The project [will will not] have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [were were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [was was not] adopted for this project.
5. A statement of Overriding Considerations [was was not] adopted for this project.
6. Findings [were were not] made pursuant to the provisions of CEQA.

FILED
MAY 29 2013

Jim McCauley
COUNTY CLERK OF PLACER COUNTY
BY: [Signature]
DEPUTY

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:
City of Lincoln, 600 Sixth Street, Lincoln, CA 95670

Signature (Public Agency): [Signature] Title: ASSIST. DIR. COMMUNITY DEV.

Date: 5.29.2013 Date Received for filing at OPR: _____

#13-113

State of California -- The Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
2010 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT# 130113
STATE CLEARING HOUSE# (if applicable) 2012052083

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY CITY OF LINCOLN	DATE 05/29/2013
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COUNTY/STATE AGENCY OF FILING PLACER COUNTY CLERK AUBURN

PROJECT TITLE MIDWESTERN PLACER REGIONAL SEWER PROJECT

PROJECT APPLICANT NAME CITY OF LINCOLN	PHONE NUMBER - -
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PROJECT APPLICANT ADDRESS 600 SIXTH STREET	CITY LINCOLN	STATE CA	ZIP CODE 95648
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PROJECT APPLICANT (Check appropriate box):

Local Public Agency School District Other Special District State Agency Private Entity

CHECK APPLICABLE FEES:

<input checked="" type="checkbox"/> Environmental Impact Report (EIR)	\$2,995.25	\$ 2,995.25
<input type="checkbox"/> Mitigated/Negative Declaration (ND)(MND)	\$2,156.25	\$ _____
<input type="checkbox"/> Application Fee Water Diversion <small>(State Water Resources Control Board Only)</small>	\$850.00	\$ _____
<input type="checkbox"/> Projects Subject to Certified Regulatory Programs (CRP)	\$1,018.50	\$ _____
<input checked="" type="checkbox"/> County Administrative Fee	\$50.00	\$ 50.00
<input type="checkbox"/> Project that is exempt from fees		
<input type="checkbox"/> Notice of Exemption		
<input type="checkbox"/> DFG No Effect Determination (Form Attached)		
<input type="checkbox"/> Other _____		\$ _____

PAYMENT METHOD:

Cash Credit Check Other _____

TOTAL RECEIVED \$3,045.25

SIGNATURE X <i>S. Kasza</i>	TITLE S. KASZA, DEPUTY
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PROJECT APPLICANT COPY DFWIASB COPY LEAD AGENCY COPY COUNTY CLERK COPY FG 753.5b (Rev. 11/12)

Before the Board of Supervisors County of Placer, State of California

In the matter of: **PLEGGED REVENUES AND FUNDS RESOLUTION BY SEWER MAINTENANCE DISTRICT 1 FOR PAYMENT OF ANY AND ALL CLEAN WATER STATE REVOLVING FUND FINANCING ASSISTANCE FOR THE MID-WESTERN PLACER REGIONAL SEWER PROJECT.**

Resolution _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:
Noes:
Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Sewer Maintenance District 1 has a need to acquire long term financing to participate in the Mid-Western Placer Regional Sewer Project in order to comply with new discharge standards; and

WHEREAS, State Water Resources Control Board administers the Clean Water State Revolving Fund Program on behalf of the people of the State of California and has money available for eligible wastewater projects; and

WHEREAS, State Water Resources Control Board requires that, prior to issuance of the financing agreement, the governing Board of the Sewer Maintenance District must pledge revenues and funds for repayment of the State Revolving Fund loans, as follows:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California for Sewer Maintenance District 1 ("Entity") hereby dedicates and pledges the net revenue from the Sewer Maintenance District 1 Enterprise Fund consisting of sewer user fees, connection fees and general reserves, for payment of any and all Clean Water State Revolving Fund Program financing on the Mid-Western Placer Regional Sewer Project, C-06-5274-110 (the "Project"). The Entity commits to collecting such revenues and maintaining such fund throughout the term of such financing and until the Entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund and revenues at levels sufficient to meet its obligations under the financing agreement(s).

Before the Board of Supervisors County of Placer, State of California

**In the matter of: INTENTION TO COMPLY
WITH TREASURY REGULATION SECTION 1.150-2
AND CLEAN WATER STATE REVOLVING FUND
PROGRAM REQUIREMENTS REGARDING
REIMBURSEMENT OF CAPITAL EXPENDITURES
INCURRED PRIOR TO EXECUTION OF A CLEAN
WATER STATE REVOLVING FUND FINANCING
ASSISTANCE AGREEMENT FOR THE MID-
WESTERN PLACER REGIONAL SEWER
PROJECT**

Resolution _____

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:
Noes:
Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Sewer Maintenance District 1 (the "District") desires to finance the costs of constructing pumping facilities located at the existing District Wastewater Treatment Plant on Joeger Road in North Auburn, a conveyance pipeline connecting to the existing City of Lincoln Wastewater Treatment and Recycling Facility (WWTRF) on Fiddyment Road in Lincoln, and expansion of certain facilities at the Lincoln WWTRF to increase treatment capacity from 4.5 mgd to 5.9 mgd average dry weather (the "Project") in order to comply with the waste discharge standards; and

WHEREAS, the District intends to finance the construction and/or reconstruction of the Project or portions of the Project with monies ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the District; and

WHEREAS, the District has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California as follows:

1. The District hereby states its intention and reasonably expects to reimburse its Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.
2. The reasonably expected maximum principal amount of the Project Funds is \$76,364,000.
3. This Resolution is being adopted no later than 60 days after the date on which the District will expend monies for the portion of the Project costs to be reimbursed with Project Funds for construction costs.
4. Each District expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
5. To the best of our knowledge, this District is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.
6. This Resolution is adopted as official intent of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of the Project costs.
7. All the recitals in this Resolution are true and correct and this District so finds, determines and represents.

