

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

To: **BOARD OF SUPERVISORS**

Date: **JANUARY 10, 2012**

From: **JAMES DURFEE / BILL ZIMMERMAN**

Subject: **APPLEGATE REGIONAL SEWER PIPELINE PROJECT:  
APPROVAL OF PLANS AND SPECIFICATIONS**

**ACTION REQUESTED / RECOMMENDATION:** Staff recommends that your Board approve the Plans and Specifications and authorize staff to solicit bids for the Applegate Regional Sewer Pipeline Project (Project).

**BACKGROUND:** The Applegate County Service Area consists of a wastewater collection system and pond treatment facility serving 27 connections (36 equivalent dwelling units). The Applegate WWTP was constructed in 1975 and consists of three unlined storage ponds. The ponds are located over rocky soil in an area with high groundwater and spring activity. During wet weather, the ponds are prone to filling with rainwater, and on occasion, have discharged to an adjacent creek to keep from overtopping. These discharges are violations of the WWTP's permit issued by the Central Valley Regional Water Quality Control Board (CVRWQCB). The CVRWQCB has issued several enforcement actions in response to these discharges; the most recent of which was Administrative Civil Liability Complaint R5-2005-0510 (ACLC). On October 10, 2006, the County Board of Supervisors authorized the Director of Facility Services to sign an Agreement with the CVRWQCB that established the terms and conditions for settlement of the ACLC. These terms included the construction of a pipeline to convey flows from Applegate to the Sewer Maintenance District 1 (SMD 1) collection system.

On April 29, 2008, your Board approved an Agreement with Camp Dresser and McKee (CDM) for the design of the Project to comply with the ACLC. The improvements include constructing a pump station in the Applegate community, installation of approximately 20,770 linear feet of 10-inch pipeline from Applegate to the Winchester system, and 350 linear feet of 6-inch pipeline in Winchester. Work completed during the design also identified an additional 7,400 linear feet of pipeline upsizing needed in the Winchester subdivision to accommodate flows from the Project. The upsizing was incorporated in the Project Plans and Specifications. Completion of the Project will allow the County to convey wastewater from Applegate to the existing SMD 1 collection system in the Winchester subdivision, and on to the SMD 1 Wastewater Treatment Plant (WWTP).

CDM has completed the Project Plans and Specifications. In order to proceed with construction of the improvements, staff recommends that your Board approve the Plans and Specifications for the Project and authorize staff to solicit bids. A copy of the Project Plans and Specifications are available for review at the Clerk of the Board and the Department of Facility Services.

**ENVIRONMENTAL CLEARANCE:** As a separate item, staff is requesting that your Board certify an Environmental Impact Report (EIR) addressing the potential impacts of the proposed Project. Your Board's certification of the EIR will satisfy the requirements of the California Environmental Quality Act.

**FISCAL IMPACT:** The Engineer's Estimate for construction is \$6.9 million. Of that amount \$1.0 million is associated with the upsizing in the Winchester subdivision. The cost of the Project has increased from a previous estimate of \$5.4 million to account for potential increases in pipeline installation costs.

Approximately \$5.9 million of the total Project cost is currently unfunded. As discussed with your Board on June 22, 2010, staff intends to return with a loan request from the Solid Waste Management Enterprise Fund (SWMEF) when recommending award of the construction contract. Therefore, award of this contract will necessitate Board approval of a budget amendment from the Solid Waste fund or other yet to be determined funding source. The short term loan would be guaranteed by the County General Fund. At the present time it is not anticipated that the Applegate Sewer District will generate sufficient revenues during the proposed loan term to repay the annual interest; therefore, the repayment obligation will likely fall to the County General Fund. If amortized over the anticipated loan term an annual obligation of the General Fund, less any future hookup reimbursements, would be approximately equal to \$660,000 per year. In the short term, repayment will be limited to the interest the SWMEF would have earned had it remained in the Placer County Treasury Account. At an average interest rate of 2.0%, the estimated interest expense on a loan of \$5.9 million would be \$118,000 annually. The first interest-only payment from the General Fund or other sources would be due one year from loan authorization, and each year thereafter. The principal would be due within ten years.

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CC: COUNTY EXECUTIVE OFFICE

A COPY OF THE PROJECT PLANS AND SPECIFICATIONS ARE AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD AND THE DEPARTMENT OF FACILITY SERVICES

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