

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

To: BOARD OF SUPERVISORS

Date: FEBRUARY 28, 2012

From:  JAMES DURFEE /  BILL ZIMMERMAN

Subject: SEWER MAINTENANCE DISTRICT 1 WASTEWATER TREATMENT PLANT COMPLIANCE: PROGRESS UPDATE

**ACTION REQUESTED/RECOMMENDATION:** No action requested. This item is provided as an informational update on staff's progress on the follow up items requested by your Board related to the Sewer Maintenance District 1 compliance alternatives.

**BACKGROUND:** On December 6, 2011 your Board heard presentations from staff and other interested parties regarding various options to achieve compliance with current sewage treatment plant requirements in Sewer Maintenance District 1 (SMD 1). After hearing comments from the public and deliberation on the alternatives, your Board directed staff to work closely with staff from Auburn, Lincoln and South Placer Municipal Utility District (SPMUD) to complete the following tasks and return to your Board no later than March 13, 2012 for further direction. Under each task is a brief update on our progress towards completing these tasks.

1. **Provide a side-by-side comparison of the Brown & Caldwell and City of Lincoln/Stantec cost estimates for a regional sewer project.** Facility Services staff has developed a comparison of the two cost estimates. This information was provided to your Board as part of our January 10, 2012 update.
2. **Provide an updated cost estimate for the regional sewer project.** County staff is meeting weekly with the Placer Nevada Wastewater Authority (PNWA) Technical Advisory Committee (TAC) to discuss the technical differences between the Brown & Caldwell and Lincoln/Stantec estimates and to develop consensus on a revised regional cost estimate. The TAC has reached consensus on a preferred design approach for the project which includes many of the original design assumptions included in the Lincoln proposal as well as increased pumping capacity at the Auburn treatment plant, and increased emergency storage at the SMD 1 pump station. A draft price and schedule update report prepared by Stantec for the City of Lincoln is included as Attachment A. The revised estimated total project cost is \$94,610,000 (\$66,010,000 SMD 1 share).

3. **Begin working on the initial studies necessary to complete an environmental document for a regional sewer project.** Facility Services staff has completed a contract amendment with ICF International to prepare a project description and initial study that can be used as the basis for environmental review. Per your Board's direction, the Lincoln proposal has been used as the basis for the project description with potential variations agreed to through the TAC meetings. A draft of the project description is included as Attachment B. Additionally, the Planning Department has scheduled a meeting on March 2, 2012 with Federal and State environmental and permitting agencies to review the regional sewer project to identify potential issues.
4. **Present a list of questions to State Revolving Fund (SRF) staff to obtain answers to several questions regarding the availability and use of SRF funds.** On December 16, 2011, Facility Services staff submitted a list of questions to SRF staff. The questions focused primarily on the potential to use SRF funding for the PERC proposal, and on the ability of the existing SRF funding to be applied to a regional project. A response letter from SRF staff was received on February 10, 2012 and is included as Attachment C.

On January 9, 2012, County and SRF staff met to discuss funding of all three of the compliance options and the details of using SRF funding for each. A summary of this meeting is included in Attachment D. Additional information developed after this meeting is included in Attachment E.

The State Water Resources Control Board took action to gain approval for extended term (30 year financing) for regional sewer projects from EPA. The approved resolution is included in Attachment F.

5. **Prepare a rate comparison between the PERC proposal and a realistic regional sewer proposal.** Facility Services staff is continuing discussions with PERC to better understand the cost components of their project. When complete, this information will be combined with the information developed under Item 2 to provide cost comparisons for the various compliance alternatives.
6. **Obtain a more formal response from the City of Auburn regarding their interest in a regional sewer project.** At their January 23, 2012 meeting, the Auburn City Council approved a resolution affirming their support for a regional sewer project. The resolution is included as Attachment G.
7. **Accept any Design Build proposals submitted before January 1, 2012.** No additional design build proposals were received.
8. **Investigate SPMUD participation in developing a regional sewer project.** SPMUD staff has actively participated in the PNWA TAC meetings. A memo dated January 10, 2012 from Charley Clark, General Manager of SPMUD, to the PNWA TAC outlining the annexation process is included as Attachment H.

9. **Submit a request to the Central Valley Regional Water Quality Control Board (RWQCB) for information regarding the potential for a new compliance schedule under a regional sewer scenario.** Facility Services staff submitted a letter to the Executive Officer requesting that RWQCB staff provide clarification as to the process and timeline associated with amending the compliance schedules contained in the SMD 1 NPDES Permit to reflect construction of a regional project. We received a response letter dated January 20, 2012 indicating that amending the compliance schedules included in our NPDES permit would need to be adopted through the standard permit revision process, including adoption by the Water Board. Staff's request letter is included as Attachment I; the RWQCB response is included as Attachment J.
  
10. **Continue working with State Revolving Fund (SRF) staff to secure Facility Plan Approval (FPA)/Preliminary Funding Commitment (PFC) for the SMD 1 WWTP Upgrade and Expansion Project to lock in the terms of financing and Principal Forgiveness.** On February 6, 2012, SRF staff sent the FPA to the County for signature. The FPA includes a 30 year extended term loan of \$58,376,044 (\$48,300,000 for construction and \$10,076,044 for design, construction management, and other administrative allowances) with \$6,000,000 of debt forgiveness, at an estimated interest rate of 2.2%. The FPA includes provisions that allow the financing, including the debt forgiveness, to be transferred to a regional project. Should the County elect to pursue regionalization or other alternative project, the County will need to submit a complete application for the alternative that includes adopted environmental review documents and execute a new initial financing agreement by May 30, 2013. (SRF may grant a 120 day extension of this deadline for the alternative project for good cause.)

In addition to the above, staff has also been working with the PNWA TAC to develop deal points for the governance of a regional sewer project. Included in Attachment K is a list of the TAC's answers to key questions that will be used to shape the governance alternatives for a regional sewer project.

Staff will continue to pursue these tasks with the goal of completing all of them in advance of the March 13, 2012 meeting of your Board.

JD:BZ:DA

CC: COUNTY EXECUTIVE OFFICER

ATTACHMENTS: ATTACHMENT A – DRAFT PRICE & SCHEDULE UPDATE REPORT  
ATTACHMENT B – DRAFT PROJECT DESCRIPTION  
ATTACHMENT C – LETTER FROM SRF  
ATTACHMENT D – SRF MEETING SUMMARY  
ATTACHMENT E – SRF FUNDING FOLLOW-UP AND CLARIFICATIONS  
ATTACHMENT F – STATE WATER BOARD RESOLUTION  
ATTACHMENT G – AUBURN CITY COUNCIL RESOLUTION  
ATTACHMENT H – MEMO FROM SPMUD  
ATTACHMENT I – LETTER TO RWQCB  
ATTACHMENT J – RESPONSE LETTER FROM RWQCB  
ATTACHMENT K – MEMO ON REGIONAL SEWER GOVERNANCE

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**Mid-Western Placer Regional Sewer  
Project**

**Stantec**

Lincoln Regional Offer  
Price and Schedule Confirmation

**DRAFT**

February 2012

## Table of Contents

---

<b>1.0 PRICE CONFIRMATION AND ADJUSTMENT.....</b>	<b>1.1</b>
1.1 PIPELINE.....	1.1
1.2 WASTEWATER TREATMENT PLANT (WWTP).....	1.2
1.3 COMPILED PIPELINE AND WWTP COST ADJUSTMENT.....	1.3
1.4 CONTINGENCY AND PRICE VERIFICATION.....	1.3
1.5 CONSTRUCTION COST INDEX.....	1.4

---

<b>2.0 SCHEDULE.....</b>	<b>2.1</b>
<b>3.0 LINCOLN OFFER ADJUSTMENTS.....</b>	<b>3.1</b>
3.1 ADDITIONAL AUBURN PUMPING CAPACITY.....	3.1
3.2 ADDITIONAL SMD1 EMERGENCY CONTAINMENT VOLUME.....	3.1

### Tables

Table 1	Lincoln 2011 Offer Price Confirmation Estimate and Adjustment to February 2012..	1.5
Table 2	Lincoln 2012 Offer Adjustment and Contingency Summary .....	1.6

### Figures

Figure 1	Proposed Regional Project Schedule.....	2.2
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**MID-WESTERN PLACER REGIONAL SEWER PROJECT**

The purpose of this task is to confirm and update the costs and schedule previously presented in the Value Engineering Report (VE Report), which was incorporated into the Lincoln Regional Offer to Placer County and the City of Auburn.

## **1.0 Price Confirmation and Adjustment**

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There are two main project components to update. They include the Pipeline related work and the Wastewater Treatment Plant (WWTP) related work, as these two project components include different materials and specialists and are typically led by different specialty contractors: Pipeline and WWTP contractors.

### **1.1 PIPELINE**

As outlined in detail in the VE Report, the previous estimate was a "closer to bid level" construction estimate (refined estimate) for the wastewater pipeline element of the Project. The refined estimate was based upon input from the two local qualified pipeline contractors who provided near-bid level estimates: Syblon Reid Constructors and Teichert Construction.

The same engineering team who developed the pipeline refined cost estimate for the VE Report in 2011, contacted the same contractors at SRC and Teichert. Assuming all design and construction parameters outlined in the VE Report remain unchanged, the contractors were asked if they could identify any changes in the construction pricing from January 2011 to the present, February 2012. While both agreed that in many instances bid prices have in general remained flat over this time period, they both identified similar trends, which are as follows:

- Labor costs escalated 3% on average over the last year.
- Polymer based pipeline materials, i.e. PVC pipe or HDPE pipe, have increased 0% to 5%.
- Pavement costs increased 0% to 15%
- Ductile Iron Pipe (DIP) pipe costs have increased by 10%.
- Pipe fittings and valve costs have not changed.

Pipe quotes for HDPE pipe were collected directly from the manufacturers to confirm prices for the project. These quotes indicate that there is no increase in the HDPE prices as compared to the pricing in the VE Report. For this reason, a 0% adjustment is applied to the pipe material cost. In addition, pavement costs varied by at least 10% between the contractor prices provided a year ago. As a result it is the engineers' opinion that pavement costs from those identified in the VE report, only increased by the cost of labor increase of 3% over the last year. The price changes were applied to the Pipeline portion of the project in proportion to the amount of labor and different materials on the project to determine the approximate project cost change from January 2011 to February 2012. Those changes were based upon the following compiled assumptions:

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**Mid-Western Placer Regional Sewer Project**

Price Confirmation and Adjustment

February 17, 2012

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- Labor increased by 3.0%
- 74% labor/26% materials
- HDPE pipeline costs increased by 0%.

The results of this investigation show a potential overall increase to all pipeline related costs previously identified in the refined estimate from a year ago to be approximately 3.3%.

## **1.2 WASTEWATER TREATMENT PLANT (WWTP)**

The WWTP costs include the Lincoln WWTRF expansion and the pump stations and related improvements at the SMD1 WWTP site and the Auburn WWTP site. These costs were reassessed based on input from Auburn Constructors and KG Walters Construction.

The same engineering team who developed the WWTP refined cost estimate for the VE Report in 2011, contacted the noted contractors to assess current pricing for treatment plant construction. Assuming all design and construction parameters outlined in the VE Report remain unchanged, the contractors were asked if they could identify any changes in the construction pricing from January 2011 to the present, February 2012. Both agreed that in most instances WWTP bid prices have generally remained flat over this time period, and identified the following specific trends:

- Labor costs have increased 3 to 4.5% over the last year.
- Materials, predominantly concrete, rebar and mechanical equipment, have not increased over the last year based on contractor input. However, to account a small amount of material cost adjustments over this time period, the engineering team suggest a 0.5% increase in WWTP material costs.
- WWTP projects can include significant proportions for subcontractor specialties, each of which has a cost component for labor and materials. The contractors provided the following approximate breakdown of the percentages for WWTP projects:
  - Main WWTP contract:
    - 45% to 65% materials
    - 15% to 20% prime contractor labor
    - 15% to 35% subcontractors, each with a discrete labor/material division

Based upon the information provided by contractors, the price adjustments were applied to the WWTP portion of the project in proportion to the amount of labor and different materials to determine the approximate WWTP cost change from January 2011 to February 2012. Those changes were based upon the following compiled assumptions:

- Labor increased by 3.5%
- Materials Increased by 0.5%
- Overall 30% labor/70% materials (approximately)

The results of this investigation show a potential overall increase to the pipeline costs from a year ago to be about 1.4%.

### **1.3 COMPILED PIPELINE AND WWTP COST ADJUSTMENT**

Using the derived inflation factors for the last year for pipeline and WWTP construction of 3.3% and 1.4%, respectively, and applying them in proportion to the value of each component in the overall project, the net inflation factor for the 2011 Lincoln Offer Pricing to present is 2.2%<sup>1</sup>. See Table 1 for a breakdown of how the inflation components affect the total project costs.

### **1.4 CONTINGENCY AND PRICE VERIFICATION**

While the potential for an increase in project costs due to inflation exists and is calculated above to be in the 2% to 3% range, bid prices in general are perceived to be flat based on input from contractors and professionals in the field. It is also anticipated that final costs could be reduced as compared to the pricing included in the Lincoln Offer in a competitive bid environment. The following paragraphs describe the contingency and pricing verification elements of the Lincoln Offer pricing.

In establishing the existing project pricing as reflected in the original Lincoln Offer, input from multiple contractors was received, and as in any pricing environment, costs varied. In the case of the pipeline pricing, costs provided by contractors varied by as much as 9%. To remain on the conservative side of a low bid value, the price mid-way, but closer to the higher contractor value was used in the VE Report. This conservativeness represents some embedded contingency in the project pricing.

A 2011 pipe project by Nevada Irrigation District (NID) was evaluated for comparison to the Report pricing. This project included nearly a mile of 24-inch HDPE pipe in the Mount Vernon Road area representing similar conditions and pipe requirements anticipated for the Proposed Regional Project. Bids from this project, while not exactly like the Proposed Regional Project, indicate that the prices used for pipe in the Lincoln Offer are appropriately conservative, with the goal of representing actual bid costs, plus a small contingency reflecting varied conditions.

The NID project was built over the summer and fall of 2011 and did not require any rock blasting. Fractured rock was encountered along the entire length of the project, but in all cases the material was successfully removed with special rock teeth on the excavator bucket, which was anticipated and included in the contractor provided pricing for the Proposed Regional Project. The proposed Regional Project also includes a value of \$250,000 for rock blasting, which may be needed for isolated sections of hard rock along the pipe alignment. However, if the use of special teeth on the excavator is sufficient, the rock blasting allowance would represent additional embedded project contingency.

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<sup>1</sup> A factor of 1% was applied to environmental mitigation and easement costs. This was not studied in detail, but these costs total about 1% of the project so a price correction to this small amount results in an insignificant adjustment to the overall project pricing.

**Mid-Western Placer Regional Sewer Project**

Price Confirmation and Adjustment

February 17, 2012

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Vendors were contacted during preparation of the original VE Report for pipe quotes and again for this price confirmation exercise. When asked for prices, pipe vendors often provide pricing that is higher than they provide to contactors at bid time. This difference varies from month to month and year to year. If the prices are volatile then the swings are often larger. If the prices are stable then the swings are often smaller. This year the pipe vendors indicated the HDPE pipe for this project would be 12% less than last year. This swing is likely a result of greater price stability this year compared to last year and is not necessarily an actual reduction in bid prices. Since the higher vendor pricing from last year is used in the Lincoln Offer pricing this 12% reduction is essentially a contingency. This pipe price difference may be even lower at bid time in a competitive bid environment.

The current pipe material quote reduction and the potential for further pipe material and installation cost savings in an actual bid scenario indicate that the actual low pipe bid could be approximately 10% lower than the costs provided in the Lincoln Offer. This becomes what is referred to as a conservative pricing contingency. See Table 2 for a summary of the estimated project contingencies.

### **1.5 CONSTRUCTION COST INDEX**

An established construction index can be used in the future to adjust the prices presented in this memo to future values when corresponding future indices are available. The Engineering News Record Construction Cost Index (ENRCCI) is a commonly used index for wastewater treatment facilities. This is a nationally recognized index accounting for labor and materials in the construction market around the United States. It is based on information from many cities around the Country and can be used in several ways. The most common way is to use 20-City CCI which is an average of 20 large city areas around the Country. Another way is to use the nearest City zone, which for Placer County is the San Francisco area. However, using a single City CCI can be slightly more volatile than the 20-City value and may represent a more urban market than is warranted for Placer County. The February 2012 CCI indices are as follows:

20-City CCI:	9,198
San Francisco CCI:	10,208

The February 2012 20-City CCI is about 2.2% higher than it was one year ago, closely matching the price adjustment established in this memo.

The February 2012 San Francisco CCI is about 1% higher than it was one year ago, indicating that San Francisco Bay area construction markets may have experienced less inflation over the last year than the national average.

Due to the close match of the 20-City CCI past year price adjustment factor and the price adjustment factor calculated for the Proposed Regional Project based on input with local contractors, it is proposed that the 20-City ENRCCI be used for future price adjustments.

Table 1  
 Lincoln 2011 Offer Price Confirmation Estimate and Adjustment to February 2012

Project Type		Adjustment from Lincoln Offer January 2011 to February 2012							
<b>WWTP Projects</b>									
Material:	0.5%	Varies from 0% to 1%; majority costs are concrete, rebar, equipment.							
Labor, professional services	3.5%	Varies from 3% to 4.5%; carpenters, pipe fitters, operators; engineering. Costs related to insurance and overhead.							
WWTP Composite:	1.4%	Weighted average from input from WWTP contractors, based on breakdown of staff, materials & subcontractor percentages.							
<b>Pipeline Projects</b>									
Material - Pipe:	0.0%	Varies from 0% to 10%; 0% or possible reduction for HPPE; 10% for DIP							
Material - Pipe fittings/valves:	0.0%								
Material - Misc. Equipment, paving	3.0%								
Labor, professional services	3.0%	Varies from 3% to 4%							
Pipeline Composite:	3.3%	Weighted average from input from pipeline contractors, based on breakdown of staff, materials & subcontractor percentages.							
Engineering:	3.5%	Costs related to insurance and overhead							
<b>Item No.</b>									
		January 2011 Costs - Lincoln Offer,			Adjustment	February 2012 Costs:			Cost Change
		Auburn	SMD1	total		Auburn	SMD1	total	
1	SMD1 Pump Station		\$4,932,000	\$4,932,000	1.4%		\$5,001,048	\$5,001,048	\$69,048
2	Auburn Pump Station	\$2,556,000		\$2,556,000	1.4%	\$2,591,784		\$2,591,784	\$35,784
3	SMD1 Pipe		\$13,500,000	\$13,500,000	3.3%		\$13,945,500	\$13,945,500	\$445,500
4	Auburn Pipe	\$6,500,000		\$6,500,000	3.3%	\$6,714,500		\$6,714,500	\$214,500
5	Common Pipe	\$2,000,000	\$7,300,000	\$9,300,000	3.3%	\$2,066,000	\$7,540,900	\$9,606,900	\$306,900
6	Odor Control		\$600,000	\$600,000	1.4%		\$608,400	\$608,400	\$8,400
7	WWTRF Expansion	\$4,720,000	\$16,580,000	\$21,300,000	1.4%	\$4,786,080	\$16,812,120	\$21,598,200	\$298,200
8	Effluent Pipe	\$1,240,000	\$1,760,000	\$3,000,000	3.3%	\$1,280,920	\$1,818,080	\$3,099,000	\$99,000
9	Environmental Mitigation	\$50,000	\$150,000	\$200,000	1.0%	\$50,500	\$151,500	\$202,000	\$2,000
10	Easements	\$370,000	\$410,000	\$780,000	1.0%	\$373,700	\$414,100	\$787,800	\$7,800
11	Subtotal	\$17,436,000	\$45,232,000	\$62,668,000	2.4%	\$17,863,484	\$46,291,648	\$64,155,137	\$1,487,137
12	Soft Costs (19%)	\$3,312,840	\$8,594,080	\$11,906,920	3.5%	\$3,428,789	\$8,894,873	\$12,323,662	\$416,742
13	Inflation (2%)	\$348,720	\$904,640	\$1,253,360	0.0%	\$357,270	\$925,833	\$1,283,103	\$29,743
14	Contingency (6%)	\$1,046,160	\$2,713,920	\$3,760,080	0.0%	\$1,071,809	\$2,777,499	\$3,849,308	\$89,228
15	Oversizing	\$4,962,876	\$7,070,338	\$12,033,214	0.0%	\$4,962,876	\$7,070,338	\$12,033,214	\$0
Total		\$27,106,596	\$64,514,978	\$91,621,574		\$27,684,228	\$65,960,191	\$93,644,419	\$2,022,845
Total Rounded		\$27,100,000	\$64,500,000	\$91,600,000	2.2%	\$27,700,000	\$66,000,000	\$93,600,000	\$2,000,000
<b>Lincoln Offer Adjustments</b>									
Costs for Additional Auburn Pumping Capacity (1):						\$500,000		\$500,000	
Costs for Additional SMD1 Emergency Containment Volume (2):							\$510,000	\$510,000	
Reallocation of Bickford Pipe Costs (3):						\$500,000	-\$500,000		
Total Adjustments:						\$1,000,000	\$10,000	\$1,010,000	
Total Adjusted Lincoln Offer (inflation and additions):						\$28,700,000	\$66,010,000	\$94,610,000	
<b>Notes:</b>									
(1) Option to provide Auburn with additional regional pumping capacity to provide system conservatism.									
(2) Option to provide SMD1 with additional emergency containment volume to provide system conservatism.									
(3) Bickford pipe costs were previously allocated 100% to the County for future developer reimbursement; this reallocation adjusts costs in proportion to flow.									

12

Mid-Western Placer Regional Sewer Project

Price Confirmation and Adjustment

February 17, 2012

Table 2  
Lincoln 2012 Offer Adjustment and Contingency Summary

	February 2012 Costs:		
	Auburn	SMD1	total
Conservative Pricing Contingency (1)	\$878,050	\$2,148,640	\$3,026,690
Construction Contingency (6%)	\$1,071,809	\$2,777,499	\$3,849,308
Oversizing Contingency	\$4,962,876	\$7,070,338	\$12,033,214
Total Contingency	\$6,912,735	\$11,996,477	\$18,909,212
Total Project Costs (See Table 1)	\$28,700,000	\$66,010,000	\$94,610,000
Total Project Costs Less Total Contingency	\$21,787,265	\$54,013,523	\$75,700,788
Contingency Percentage (% of Total Project Costs Less Contingency)	32%	22%	25%
Notes:			
(1) Overall pipe costs include approximately 10% conservative pricing contingency primarily in pipe material pricing.			

13

## 2.0 Schedule

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The proposed project schedule is as follows and as illustrated in Figure 1:

1. Commitment to fund environmental and design by March 30, 2012.
2. Scheduled completion date for environmental review March 2013
3. Commitment to fund construction upon approval of environmental document in March 2013
4. Permitting and right of way complete June 2013.
5. Completion of SMD1 conveyance facilities to Lincoln and partial expansion of Lincoln WWTRF to accommodate SMD1 flow scheduled for March 2014
6. Completion of Auburn conveyance facilities and treatment capacity at Lincoln WWTRF scheduled for March 2016
7. Note: First payment for SRF loan would be in 2017 - one year after completion of construction

Environmental, permitting and right of way have six months of float. The additional six months is allowed upon request to the State Revolving Fund; during this time period they will continue to reserve the currently approved \$6 million in principal forgiveness commitment to SMD1.

Completion of SMD1 conveyance facilities to Lincoln and partial expansion of the Lincoln WWTRF to accommodate the SMD1 flows has 18 months of float between scheduled completion and required elimination of non-compliant SMD1 flows per the Regional Water Quality Control Board Discharge Permit for SMD1.

	2012			2013			2014			2015			2016			2017														
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	
Approval of Agreements to Implement Regional Project	◆																													
Environmental Review and Design						◆																								
SRF Financing Approval (P.F.A. and F.F.A.)					◆		◆																							
Final PS&E for Pipeline and Pumps																														
Permitting and Right of Way																														
Pipeline & Pump Bidding and Award									◆																					
Pipeline & Pump Construction																														
Partial Start-up of Pipeline & Pumps (Eliminate SMD1 Discharge)										◆																				
Final PS&E for Treatment Plant Expansion						◆																								
Treatment Plant Expansion Bidding and Award									◆																					
Treatment Plant Expansion Construction																														
Milestone for Completion of Oxidation Ditch for SMD1 Flows										◆																				
Start-up of Treatment Plant Expansion & Auburn Flows																														
Treatment Plant Notice of Completion																														
Start Repayment of SRF Loan																														◆

Note: Project Schedule includes nearly 1.5 years of float between the desired milestone of March 2014 for eliminating the SMD1 discharge and the required milestone date of September 2015.

Figure 1  
 Proposed Regional Project Schedule

15

### 3.0 Lincoln Offer Adjustments

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Over the course of the last year and the recent Technical Advisory Committee (TAC) discussions, two items have surfaced as desirable to provide a more conservative regional project. They are presented here and in Table 1 as Lincoln Offer Adjustments.

#### 3.1 ADDITIONAL AUBURN PUMPING CAPACITY

The Proposed Regional Project utilizes the existing storage basins at the Auburn WWTP for equalization to limit peak pumping rates and large pipe sizes and the associated costs. The Proposed Regional Project plan is to add pumps in the future as flows in Auburn increase over time and then, ultimately install larger pumps as the initial pumps wear out and require replacement in the future, perhaps in 15 to 20 years from start-up. This adjustment to the Lincoln Offer includes the addition of larger pumps initially to provide more pumping capacity, thereby providing more operational flexibility and capacity to manage high flows to the plant. See Table 1.

#### 3.2 ADDITIONAL SMD1 EMERGENCY CONTAINMENT VOLUME

The Proposed Regional Project provides three million gallons of emergency containment volume at the SMD1 WWTP site to capture SMD1 collection system flows if work is ever required on the Regional Pipeline. Based on discussions at the TAC, it is desirable to increase this containment volume to six million gallons. This adjustment to the Lincoln offer includes this additional containment volume, which will provide more time to implement repairs if ever required. See Table 1.



Stantec

**Mid-Western Placer Regional Sewer  
Project**

Preliminary Project Description

**DRAFT**

February 2012

Table of Contents

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<b>1.0 INTRODUCTION .....</b>	<b>1.1</b>
<b>2.0 PRELIMINARY PROJECT DESCRIPTION.....</b>	<b>2.1</b>
2.1 PROJECT BACKGROUND .....	2.1
2.2 PROPOSED PROJECT OVERVIEW .....	2.4
2.3 PROJECT PURPOSE AND NEED .....	2.7
2.4 EXISTING WASTEWATER TREATMENT AND DISPOSAL FACILITIES OVERVIEW.....	2.8
2.4.1 City of Lincoln Wastewater Treatment and Disposal Facilities .....	2.9
2.4.2 SMD1 Wastewater Treatment and Disposal Facilities.....	2.11
2.4.3 City of Auburn Wastewater Treatment and Disposal Facilities .....	2.13
2.5 PROPOSED REGIONAL PROJECT .....	2.15
2.5.1 Proposed Regional Project Flow Summary .....	2.15
2.5.2 Proposed Regional Project Component Descriptions .....	2.15
2.5.3 Proposed Regional Project Component Descriptions.....	2.15
2.5.3.1 Upgrades to Lincoln WWTRF .....	2.24
2.5.3.2 SMD1 Regional Pump Station and Related Improvements .....	2.29
2.5.3.3 Auburn Regional Pump Station.....	2.30
2.5.3.4 Regional Pipelines .....	2.30
2.5.3.5 Decommissioning or Modification of Existing Wastewater Treatment Plants .....	2.32
2.6 OPERATION AND MAINTENANCE .....	2.34
2.7 SCHEDULE .....	2.34
2.8 PRELIMINARY ENVIRONMENTAL COMMITMENTS/BEST MANAGEMENT PRACTICES .....	2.37
2.9 APPROVAL PROCESS .....	2.38
2.9.1 CEQA PROCESS .....	2.38
2.9.2 DECISION MAKING PROCESS.....	2.39
2.9.3 PURPOSE AND USE OF THE EIR .....	2.40
2.9.3.1 Issues to Be Resolved .....	2.41
2.9.4 TERMINOLOGY .....	2.41
2.9.4.1 Terminology .....	2.41
2.10 PROJECT VARIATIONS .....	2.43
2.10.1 Four Pipe Alignment Alternatives.....	2.43
2.10.2 Full Wastewater Treatment for Auburn (no Pretreatment).....	2.47
2.10.3 Gravity Option from Auburn .....	2.48
2.10.4 SMD1/Auburn Collection System Intertie.....	2.50
2.11 PROJECT ALTERNATIVES .....	2.52
2.11.1 No Project .....	2.52
2.11.2 SMD1 Upgrade .....	2.53

## Table of Contents

### Figures

Figure 1	Location and Vicinity Map.....	2.2
Figure 2	Project Overview Map.....	2.3
Figure 3	Layout of Existing and Proposed Regional Project Improvements at the Lincoln WWTRF.....	2.10
Figure 4	Layout of Existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and Improvements.....	2.12
Figure 5	Layout of Existing Auburn WWTP and the Proposed Auburn Regional Pump Station and Improvements.....	2.14
Figure 6	Proposed Regional Project Schedule.....	2.36
Figure 7	Proposed Regional Project Variations.....	2.46

### Tables

Table 1	Placer County Mid-Western Regional Sewer Project - Upgrades to Existing Infrastructure and New Infrastructure Descriptions.....	2.16
Table 2	Lincoln WWTRF Existing Design Capacity and Capacity Available for the Proposed Regional Project <sup>(a)</sup> .....	2.25
Table 3	Placer County Mid-Western Regional Sewer Project - New Infrastructure Pipe Alternate Descriptions (Incremental Improvements Only).....	2.44
Table 4	Placer County Mid-Western Regional Sewer Project - New Infrastructure for Full Regionalization for the City of Auburn Descriptions (Incremental Improvements Only).....	2.47
Table 5	Placer County Mid-Western Regional Sewer Project - New Infrastructure Pipe and Lincoln WWTRF Alternate Descriptions for a Gravity Option from Auburn (Incremental Improvements Only).....	2.49
Table 6	Placer County Mid-Western Regional Sewer Project - New Collection System Inter-tie Improvements Descriptions (Incremental Improvements Only).....	2.52

## 1.0 Introduction

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The City of Lincoln Mid-Western Regional Sewer project was originally conceived of almost fifteen years ago as a means to provide effective and efficient regional wastewater service to parts of western Placer County. In early 2011 Lincoln proposed to serve as a single service provider for the design, construction, funding and operations of the project. That project was discussed in the City's Value Engineering and Price Refinement Report (January 25, 2011), subsequently presented as a firm offer (Lincoln Offer) to Placer County and the City of Auburn. However, the project components that were discussed in the City's Value Engineering Report were developed as efficiently as possible with a focus on technical, environmental and logistical elements of the project; it did not include a complete and thorough project description in lay terms or sufficient to satisfy California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) requirements due to State Revolving Fund loan requirements (EPA funding). It also presented unevaluated possible project variations that could result in project efficiencies. This Preliminary Project Description has been developed for use by decision makers and the general public to maximize project understanding and to be compatible with advancing the project through the implementation phase, as described below.

CEQA (and NEPA) Project Descriptions are typically completed in parallel with or subsequent to an engineering predesign report. This level of project development has not yet completed. Therefore, this Preliminary Project Description will form the basis for the CEQA (NEPA) Project Description, which will be further developed in conjunction with preliminary design activities. The goal is to include descriptions of possible options in this document so that they may be used or migrate to the Alternative section of the final CEQA Project Description or be eliminated from the final Project Description through the course of developing the preliminary design and further environmental review.

Therefore this Project Description is appropriate for the following functions:

1. Placer County Board of Supervisor review and understanding
2. City of Auburn City Council review and understanding
3. South Placer Municipal Utility District independent review
4. Serve as the basis for the EIR/(EIS) Project Description
5. Enhance public understanding of the project

It should be noted that due to the multiple functions that this Preliminary Project Description may serve, it includes some explanation and critique to provide context to the lay-reader that will be eliminated from the final Project Description for CEQA and NEPA purposes. The final Project Description may also have a refined Project Purpose and Need and fewer project variations.

The sections that follow are required components of a CEQA Project Description.

## 2.0 Preliminary Project Description

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### 2.1 PROJECT BACKGROUND

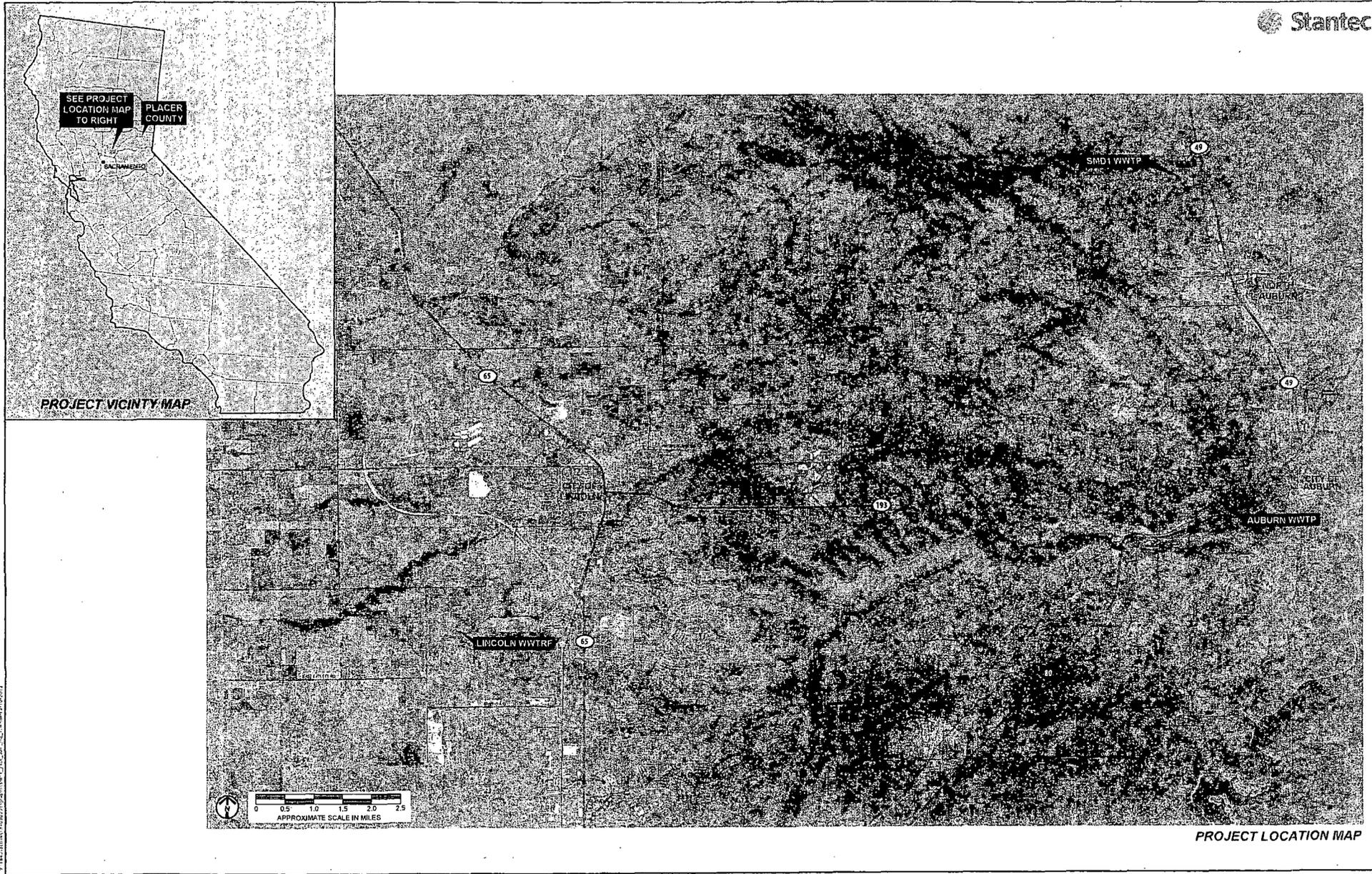
Over the last two decades, the ability to detect and therefore regulate wastewater contaminants has increased significantly. These added regulations have resulted in increased wastewater treatment facilities required to remain in compliance with water quality permits. Further, the regulations are applied in proportion to the quantity and quality of the surface water to which the treated effluent is discharged. This has resulted in significant costs to small communities in relatively rural, mountain communities where improvement projects do not have large economies of scale and the receiving water bodies are small mountain streams with high quality water.

In view of the challenges public agencies in the Sierra foothills face in addressing increasingly stringent waste discharge regulations, regionalization of wastewater service in western Placer County has been recognized as a long term strategy since the 1980's. During the past 15 years, consideration of using the City of Lincoln wastewater system as a regional service provider has evolved as a viable option given its advantageous location relative to treated wastewater disposal options and a new wastewater treatment plant designed to be easily expanded as needed. The City of Lincoln designed its new Wastewater Treatment and Reclamation Facility (WWTRF) and major influent trunk pipelines allowing for potential regional service to the City of Auburn and North Auburn (SMD1). In 2007 Placer County and the City of Lincoln worked together with the Bickford Ranch development to build gravity trunk pipelines east of Lincoln to just west of Sierra College Drive, providing a sewer line that could convey flow from Auburn and North Auburn.

Over the past eight years, the analyses of whether the City of Auburn and the Placer County Sewer Maintenance District (SMD) No. 1 would eventually connect to Lincoln wastewater facilities have been administered through the Placer-Nevada Wastewater Authority (PNWA). The Mid-Western Placer Regional Sewer Project was conceived as a means of having a single entity take responsibility for the planning, design, construction, and operation of all regional facilities to be implemented effectively, streamlining the refinement of design criteria and operational logistics.

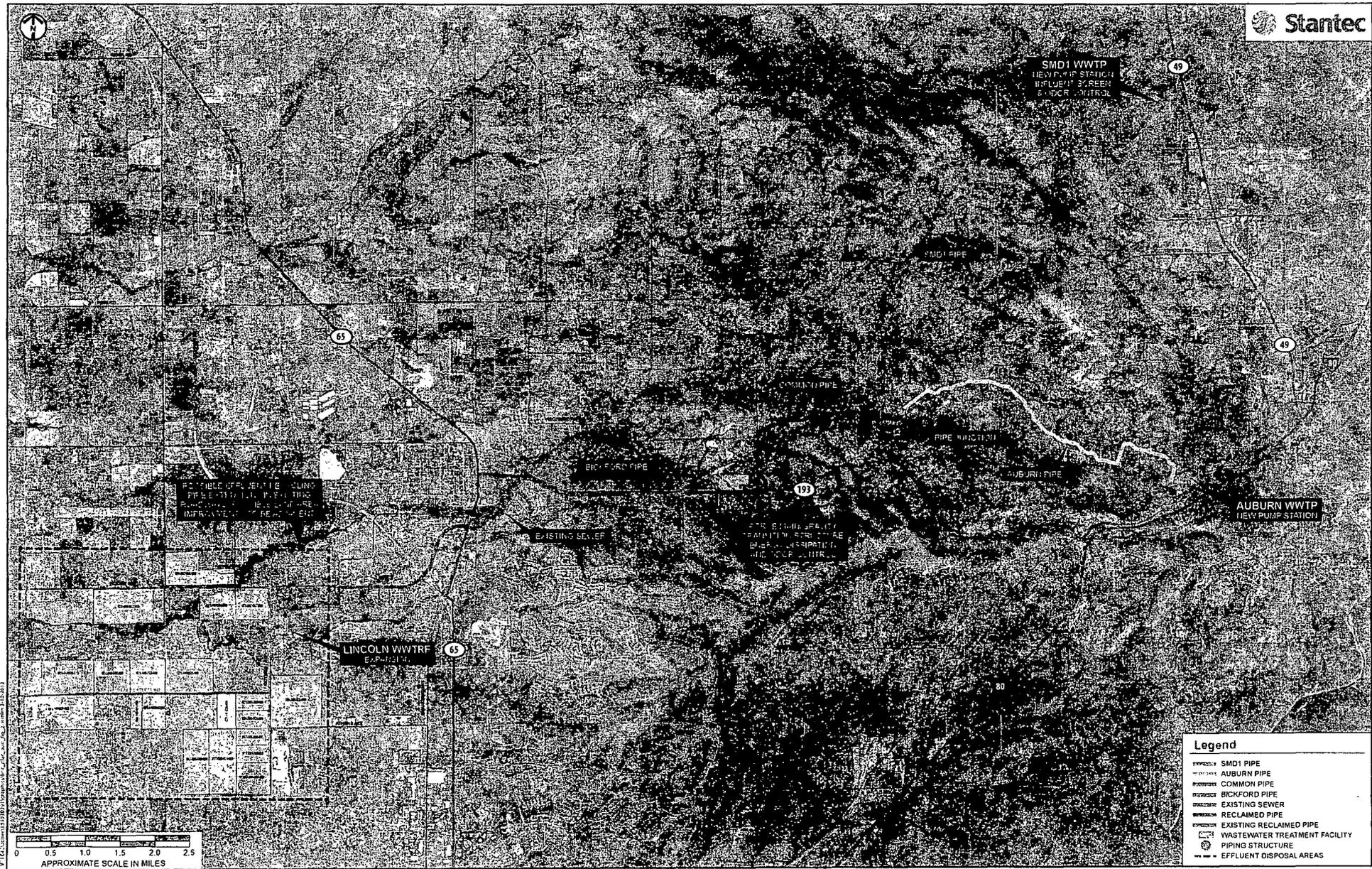
In 2010 the City of Lincoln conducted a Value Engineering effort to further define the proposed project details and costs providing Placer County and the City of Auburn with a firm price offer (Lincoln Offer) to design, construct and operate regional sewer facilities. Over the last year a few minor revisions were proposed to the Lincoln offer. The Lincoln Offer as revised is presented in this Preliminary Project Description as the Proposed Regional Project. The key components of the Proposed Regional Project are described in this document. Several variations are also presented to the Proposed Regional Project at the end of this document to accommodate options that may be considered for the final Project Description.

Refer to Figure 1 for a project vicinity and location map and Figure 2, the project overview map.



PROJECT LOCATION MAP

22



**Legend**

- SMD1 PIPE
- AUBURN PIPE
- COMMON PIPE
- BICKFORD PIPE
- EXISTING SEWER
- RECLAIMED PIPE
- WASTEWATER RECLAIMED PIPE
- PIPING STRUCTURE
- EFFLUENT DISPOSAL AREAS

Figure 2  
Project Overview Map

23

## 2.2 PROPOSED PROJECT OVERVIEW

The Proposed Regional Project will consolidate wastewater treatment from the SMD1 service area, the City of Auburn (Auburn) and the City of Lincoln (Lincoln) as encouraged by adopted policies of the Central Valley Regional Water Quality Control Board (Res. No. R5-2009-0028). Lincoln has a compliant wastewater treatment and reclamation facility (WWTRF) that came online in 2004 designed to be readily expandable with space for treatment capacity to serve the City of Lincoln's General Plan and the General Plans for the SMD1 and Auburn service areas. Lincoln also has six miles of influent sewer running from near Sierra College Boulevard to the WWTRF sized to serve SMD1 and Auburn. The Lincoln WWTRF is a designed to produce disinfected tertiary water, as described by Title 22 for unrestricted reuse options. Components of the WWTRF include: 90 million gallons of emergency storage, 180 million gallons of maturation ponds for priority pollutant and emerging contaminant removal and 180 million gallons of tertiary storage. This storage and land disposal approach provides for compliance with all regulations even under some very low probability situations. The tertiary treated effluent disposal strategy includes discharge to the creek (downstream of endangered species spawning areas), land disposal and reclamation.

**SMD1 Wastewater Facility:** The SMD1 wastewater facility is in need of replacement. It has many aged facilities and is not able to consistently meet final effluent limitations in its current NPDES permit. It is expected that additional treatment improvements will be required in future permit renewal cycles to address contaminants of emerging concern (CEC), including metals, endocrine disruptors, personal care products; pharmaceuticals, and other dissolved contaminants. The Placer County Board of Supervisors has identified the option to upgrade the existing plant at the same site as a fallback if the Proposed Regional Project is not possible. This proposed Regional Project includes a pump station and pipeline to receive and convey the SMD1 sewage to Lincoln. (Figure 2) The proposed Regional Project SMD1 pump station would include grit removal and odor scrubbing, redundant pumps and standby power and will pump all influent flows that arrive at the pump station with no equalization storage. The existing SMD1 treatment plant will be decommissioned. Some of the existing basins may be retained to provide emergency containment volume; the remaining facilities will be demolished or appropriately secured. Some additional containment volume will also be constructed with low earthen berms. Both forms of containment volume retained on the site will be part of a sewer collection system contingency plan incorporated into the Sewer System Management Plan (SSMP) required by State General Orders.

The SMD1 wastewater effluent discharge to Rock Creek will cease thus eliminating the current discharge violations. Improved water quality and potential flow related impacts of this change will be assessed and, when necessary, mitigated as part of the proposed project design. Such mitigation, if determined to be necessary to minimize project impacts, could entail the purchase of water from Nevada Irrigation District (NID) for release into Rock Creek in amounts and during seasons prescribed by the results of an in-stream flow study. Alternative mitigations will be explored. The Regional Project participants will work with the agencies that control the flow of

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

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water (PG&E, PCWA and NID) to ensure that raw water is released into the creek in amounts, at locations and at times necessary to sustain protected aquatic life. This Proposed Project Description assumes that, if necessary initially, full replacement of the effluent flow will be provided through purchase of raw water from NID. Final mitigation can be determined after completion of the in-stream flow study and the wastewater petition to change discharges has been processed by the State Water Board Division of Water Rights.

**Auburn Wastewater Treatment Plant:** The Auburn wastewater treatment plant is currently in compliance with its NPDES permit, but anticipates substantial upgrade costs in the future (increased redundancy to reduce risks and provide additional capacity) and additional compliance costs in subsequent permit cycles, including treatment for contaminants of emerging concern (metals, endocrine disruptors, personal care products; pharmaceuticals and other dissolved contaminants).

Because Auburn is currently in compliance and the treatment facilities are generally in good condition it is desirable to continue using some of the facilities to allow phasing of the cost to convey and treat waste regionally over time. This Proposed Regional Project includes retaining the Auburn secondary treatment facilities to provide pre-treatment and utilize the existing storage basins for flow equalization. The tertiary filtration and disinfection facilities would be taken off-line and either decommissioned or maintained to allow resumption of releases to the creek if necessary for fish. Secondary effluent would be conveyed to Lincoln where it will receive tertiary treatment and be disposed of with the Lincoln and SMD1 effluent. The pump station will be similar to that for SMD1, and the Lincoln WWTRF will be expanded hydraulically to accommodate the Auburn secondary effluent.

Similar to Rock Creek at SMD1, Auburn's wastewater effluent discharge to Auburn Ravine is expected to cease. The project will include an in-stream flow study in Auburn Ravine to analyze historic flows and existing fisheries requirements. The purpose will be to determine flows necessary for sustaining anadromous fish and their designated Critical Habitat. The project will identify existing and future sources of water for sustaining protected fisheries. The Regional Project participants will work with the agencies that control the flow of water (PG&E, PCWA and NID) to ensure that raw water is released into the creek in amounts, at locations, and at times necessary to sustain protected species and their designated Critical Habitat. PG&E, PCWA and NID have in place the infrastructure to, as necessary; completely replace treated wastewater effluent removed from the creeks with the Proposed Regional Project.

**Proposed Pipelines:** The proposed pipelines from SMD1 and Auburn will be located predominantly in public roads between SMD1 and Lincoln and Auburn and Lincoln (Figure 2). It will be a force main with no connections allowed between the SMD#1 and Auburn pump stations and Sierra College Drive. The pipeline is pressurized (not a gravity line allowing connections) and agreements between the agencies will preclude future connections between these points. (These are rural areas with no planned growth and no municipal wastewater serves.) The pipes from SMD1 and Auburn will join as shown in Figure 2 and will then continue

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

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as a single force main until they discharge to the a gravity sewer in Highway 193 at Sierra College Drive. The gravity sewer west of Sierra College Drive already exists except for a short stretch in Highway 193, which will be constructed with this project. The pipe crossings of Auburn and Doty Ravines will utilize trenchless technologies or bridges; there will be no open trenching through these streams.

**Lincoln WWTRF:** At the Lincoln WWTRF, additional capacity will be constructed for SMD1 and Auburn flows. The treatment strategies and equipment technology similar to that currently used at Lincoln will be expanded in kind. Disposal of the additional effluent will also rely on the existing strategy (storage, land discharge, effluent discharge to Auburn Ravine, and reclamation). Additional agricultural land in the vicinity of the WWTRF can be converted to effluent irrigation. A new force main, extending from an existing force main in Fiddymont Road, will be required to deliver effluent to the location of this agricultural land west of Lincoln. This proposed pipeline is shown in Figure 2 on East Catlett Road. Improvements at the farm site will be in accordance with the Lincoln Master Reclamation Permit (Order No. R5-2005-0040 and subsequent revisions) issued by the Regional Water Board and California Department of Public Health (DPH) Title 22 requirements for reuse, including run-off containment and monitoring.

The Proposed Regional Project is anticipated to take three years to construct with the possible elimination of the SMD1 discharge from Rock Creek after one year from start of construction. Removal of this discharge early in the project is proposed because the discharge is currently in violation of its permit and SMD1 is accumulating fines from the Regional Water Board.

**Project Variations:** The final Proposed Regional Project Description may include the following project variations:

1. Changes to the pipe alignment lengths and associated construction and operation costs.
2. The possibility of conveying Auburn raw sewage to the Lincoln WWTRF and decommissioning the Auburn WWTP.
3. Piping upgrades and routing modifications to allow for the possible downsizing of the proposed Auburn Regional Pump Station by utilizing gravity flow.
4. Piping upgrades to allow for gravity flow from some SMD1 areas through the City of Auburn and elimination of one or more existing sewage pump stations within the collection system.

The final Regional Project will be a regional wastewater system serving the City of Auburn, SMD1 and the City of Lincoln that complies with current regulations, increases the probability of reliable compliance with future regulatory requirements for all member agencies, removes wastewater effluent from the most sensitive mountain stream stretches (spawning beds for salmon and steelhead), improves opportunities for beneficial use of reclaimed water and provides economies of scale associated with operations and future regulatory compliance. Once

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

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the regional sewer system is completed these environmental and economic benefits will continue indefinitely.

In general, Auburn currently produces 1.2 Mgal/d of average dry weather flow (ADWF); SMD1 produces 1.7 Mgal/d, and Lincoln produces 2.8 Mgal/d. The Proposed Regional Project will treat the combined existing flows of these three service areas (5.6 Mgal/d). The project will include pipeline sizing to serve approved General Plan areas, while the pump stations and the Lincoln WWTRF will be sized to meet the current flows, as noted here.

### **2.3 PROJECT PURPOSE AND NEED**

The purpose of the Proposed Regional Project is to consolidate wastewater treatment in mid-western Placer County to provide long-term, efficient, reliable, high quality treatment of effluent in a cost-effective, environmentally beneficial manner.

The project is needed for the following reasons:

- SMD1 as an aged WWTP that is currently operating in violation of effluent limitations contained in its NPDES permit. Placer County has concluded it must be replaced in its entirety to comply with current permit requirements at significant expense, if the Proposed Regional Project is not constructed.
- SMD1 does not have space for sewage emergency storage or non-compliant effluent storage; all flow passes directly through the treatment facilities to Rock Creek.
- Auburn does not have space for non-compliant effluent storage; all flow passes directly through influent equalization basins and treatment facilities to Auburn Ravine. All existing storage potential is used for inflow and infiltration.
- Auburn requires upgrades to provide treatment plant redundancy and capacity for future growth within the City.
- Auburn and the SMD1 service area are relatively small communities with limited economies of scale to comply with future maintenance and regulatory driven costs.
- SMD1 and Auburn discharge effluent upstream of critical salmon and steelhead spawning habitat. Wastewater effluent is known to contain a variety of unregulated compounds with impacts to aquatic life that are not yet known.
- SMD1 and Auburn do not have viable reclamation options to limit future permit compliance costs associated with surface water discharges and facilitate statewide efforts to encourage reclamation to extend potable water supplies statewide.
- SMD1 and Auburn do not have space to cost effectively provide low-tech, but land intensive, solutions to aid regulatory compliance, such as maturation ponds.
- Lincoln has a new, compliant Title 22 WWTP with space for efficient expansion and upgrades.

- Lincoln has 90 million gallons of emergency storage which can store influent sewage for a month if there is an effluent compliance problem or systemic equipment failure, with space available for expansion of necessary. This emergency storage has never been used.
- Lincoln has 180 million gallons of maturation ponds to equalize dissolved contaminants and improve effluent transmittance, a water quality parameter indicative of reduced dissolved contaminants.
- Lincoln's effluent transmittance is comparable to what is expected from ozone treatment, the best apparent treatment technology for CECs, indicating that CEC treatment at Lincoln may not be required or, if required, will be required at a reduced scale and cost.
- Lincoln has 190 million gallons of effluent storage, which can be used to cease a surface water discharge if there is a non-compliant effluent or adverse receiving water conditions, such as low flows, for several months. The storage also facilitates land disposal and reclamation.
- A regional facility at the Lincoln WWTRF offers immediate operational costs savings due to large economies of scale, as reflected in the current Lincoln Offer. Operational savings will continue indefinitely as compared to operating multiple smaller WWTPs.
- A regional facility at the Lincoln WWTRF offers future capital cost savings for maintenance, expansions and regulatory upgrades due to large economies of scale.
- Lincoln's surface water discharge is downstream of critical salmon and steelhead spawning habitat, avoiding exposure of effluent to sensitive fish larvae and fry.
- Lincoln's surface water discharge is utilized predominantly when Auburn Ravine flows are high or outside salmon and steelhead spawning cycles.
- Placer County's stated policy preference is for wastewater regionalization.
- The Regional Board's stated policy preference (Res. No. R5-2009-0028) is for wastewater regionalization, as supported by a January 20, 2012 letter from the Regional Water Board Executive Officer to SMD1 and the State Board Division of Financial Assistance offer of principal forgiveness and extended term financing for regional projects.

## **2.4 EXISTING WASTEWATER TREATMENT AND DISPOSAL FACILITIES OVERVIEW**

Each of the potential Regional partners (SMD1, Lincoln and Auburn) own and operate wastewater treatment and disposal facilities. Existing facilities are described in this sub-section.

### 2.4.1 City of Lincoln Wastewater Treatment and Disposal Facilities

The Lincoln WWTRF is located on Fiddymment Road, south of Moore Road, south east of Auburn Ravine, north of the West Placer Waste Management Authority's Fiddymment Road facilities and Orchard Creek. Figure 2 illustrates the location of the WWTRF.

Currently, all wastewater is treated at the WWTRF facility and discharged to Auburn Ravine under the existing Waste Discharge Requirements Order No. R5-2008-0156, NPDES NO. CA0084476 (Lincoln Order) or reused. This is currently occurring in accordance with Lincoln's existing Master Reclamation Permit Order No. R5-2005-0040 (the Master Reclamation Permit) on the WWTRF property and lands west of the West Placer Solid Waste Authority's Fiddymment Road facilities.

The WWTRF is designed to treat an average daily dry weather flow of 4.2 Mgal/d, although specific process components, such as the UV disinfection system and other facilities, are capable of treating higher flows. The current ADWF is approximately 2.8 Mgal/d and peak flows are approximately 9 Mgal/d.

The existing WWTRF treatment system includes an influent pump station, fine screening, activated sludge oxidation ditch with anoxic zones for nitrification and de-nitrification, secondary clarifiers, a return activated sludge system, lined maturation ponds, dissolved air flotation, chemical coagulation, rapid mix flocculation, and granular medium filtration. Disinfection is provided by ultra violet (UV) light. The facility also includes tertiary storage basins, a lined emergency storage basin, centrifuges for solids dewatering, solids holding tanks, solids removal, and solids storage. The maturation ponds provide additional removal of pollutants, primarily metals and pesticides. The tertiary effluent storage basins allow the Discharger to route effluent to the storage basins rather than surface water discharge to avoid violation of effluent limitations or to facilitate land disposal or reclamation.

In accordance with the existing Lincoln Order, the City may increase the design average daily flow from the current 4.2 Mgal/d to a maximum of 8.4 Mgal/d with a new permit for local growth and/or to allow sewer regionalization efforts to go forward.

Treated effluent is discharged to Auburn Ravine, a water of the United States, and tributary to East Side Canal, Cross Canal, and the Sacramento River, within the Pleasant Grove Hydrologic Sub Area, the Coon-American Hydrologic Area, and the Valley-American Hydrologic Unit of the Sacramento Hydrologic Basin. The discharge is just south of Moore Road at Auburn Ravine Creek, northwest of the WWTRF. See Figure 3 for a layout of the existing and Proposed Regional Project components for the Lincoln WWTRF described in the subsequent sections.

The WWTRF is in full compliance with the Lincoln Order and the Master Reclamation Permit and has not received a discharge violation since its start-up in 2004.



#### 2.4.2 SMD1 Wastewater Treatment and Disposal Facilities

The County owns and operates the Sewer Maintenance District 1 (SMD1) wastewater treatment plant (WWTP). The WWTP is located north of Auburn, west of Rock Creek and south of Coon Creek, on Joeger Road. Figure 2 illustrates the location of the WWTP.

The treatment system consists of headworks (influent flow meter, comminution, and aerated grit removal), four rectangular primary clarifiers, three rotating biological contactors (RBCs), two trickling filters, and four circular clarifiers, six gravity filters with anthracite media, and chlorine disinfection and dechlorination in three chlorine contact chambers. Sludge is treated in primary and secondary digesters and is dewatered using a belt press and sludge drying beds. The dewatered sludge is disposed of at a landfill.

All treated effluent from the SMD1 WWTP is currently discharged to Rock Creek under the existing waste discharge requirements Order No. R5-2010-0092, NPDES CA0079316 (the SMD1 Order) adopted by the Regional Water Board.

The SMD1 WWTP is designed to provide tertiary treatment for average dry weather flows (ADWF) of 2.18 MGD. Current ADWFs are approximately 1.6 Mgal/d. However, SMD1 has historically had high levels of infiltration and inflow (I/I) during wet weather events, currently up to 10.5 Mgal/d. During severe wet weather events when flows exceed the capacity of the gravity filters of 3.5 Mgal/d, the WWTP bypasses the gravity filters and discharges a combination of secondary and tertiary treated wastewater.

Treated effluent from the SMD1 WWTP is discharged to Rock Creek immediately west of the plant, a water of the United States and a tributary to Dry Creek which flows to Coon Creek and, further, the Bear River and the Sacramento River within the Upper Coon-Upper Auburn watershed.

The current SMD1 WWTP is unable to operate in compliance with all requirements of the SMD1 Order and is accruing penalties from the Regional Water Board. See Figure 4 for a layout of the existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and other improvements described in the subsequent sections.

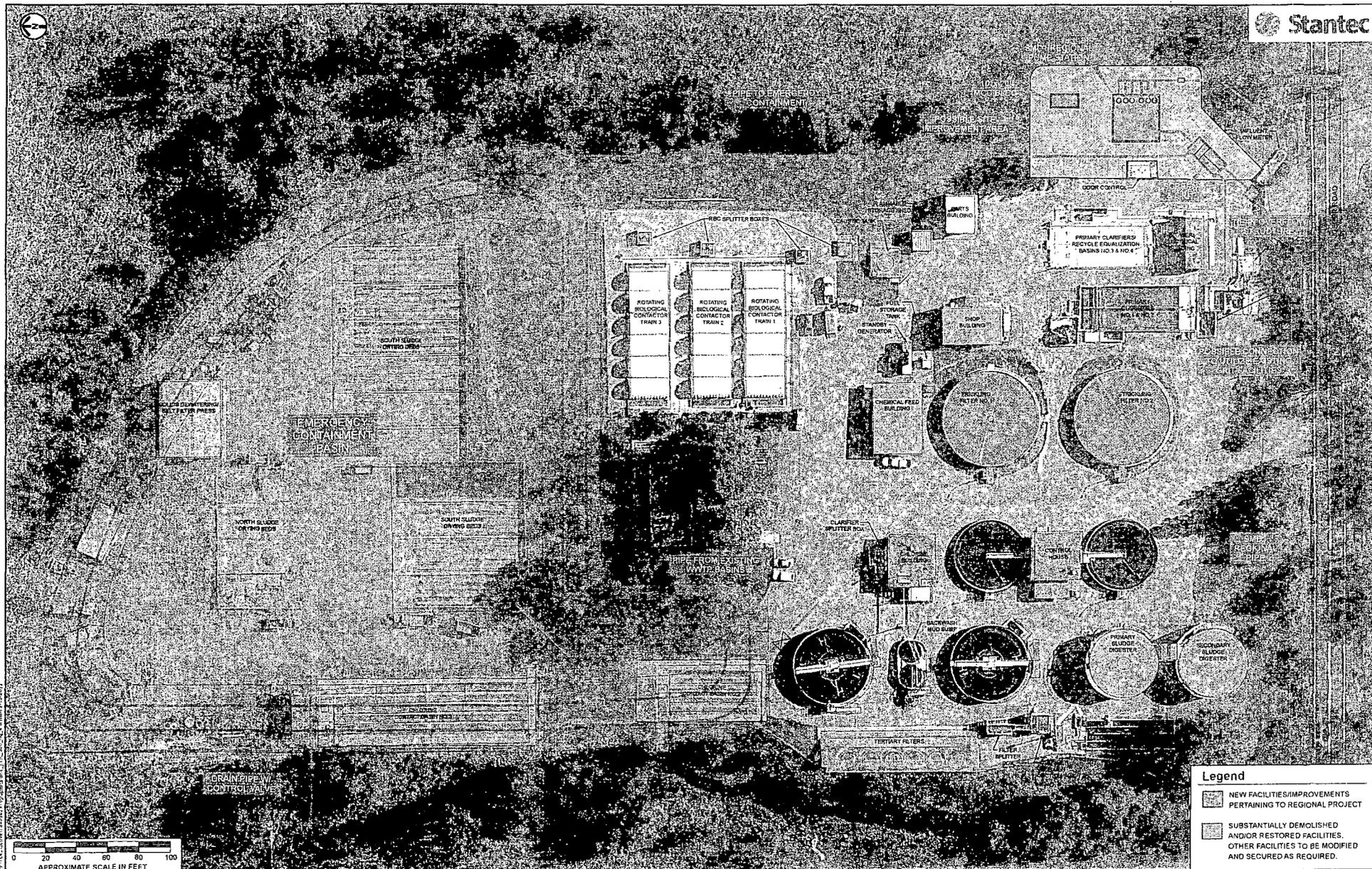


Figure 4  
Layout of Existing SMD1 WWTP and the Proposed SMD1 Regional Pump Station and Improvements

32

### **2.4.3 City of Auburn Wastewater Treatment and Disposal Facilities**

The City of Auburn owns a wastewater treatment plant (WWTP). The WWTP is located on Ophir Road east of the community of Newcastle, west of the City of Auburn and south of Auburn Ravine. Figure 2 illustrates the location of the WWTP.

The treatment system consists of a headworks (bar screening and grit removal); one aeration pond and four flow equalization ponds; an oxidation ditch providing biological treatment capable of nitrification and partial denitrification; three circular secondary clarifiers; coagulation and flocculation; filtration with seven deep bed, continuously backwashing filters; and disinfection with ultraviolet (UV) light.

All treated effluent from the Auburn WWTP is currently discharged to Auburn Ravine under the existing waste discharge requirements Order No. R5-2010-0090-01, NPDES CA0077712 (the Auburn Order) adopted by the Central Valley Regional Water Quality Control Board.

Wastewater is discharged from Auburn WWTP to Auburn Ravine on the north side of the plant. Auburn Ravine is a water of the United States and a tributary to East Side Canal, Natomas Cross Canal, and the Sacramento River. Auburn Ravine also contains known occurrences of, and designated Critical Habitat for, fall-run Chinook salmon and steelhead. See Figure 5 for a layout of the existing Auburn WWTP and the Proposed Auburn Regional Pump Station in the subsequent sections.

The WWTP is in compliance with the current Auburn Order.

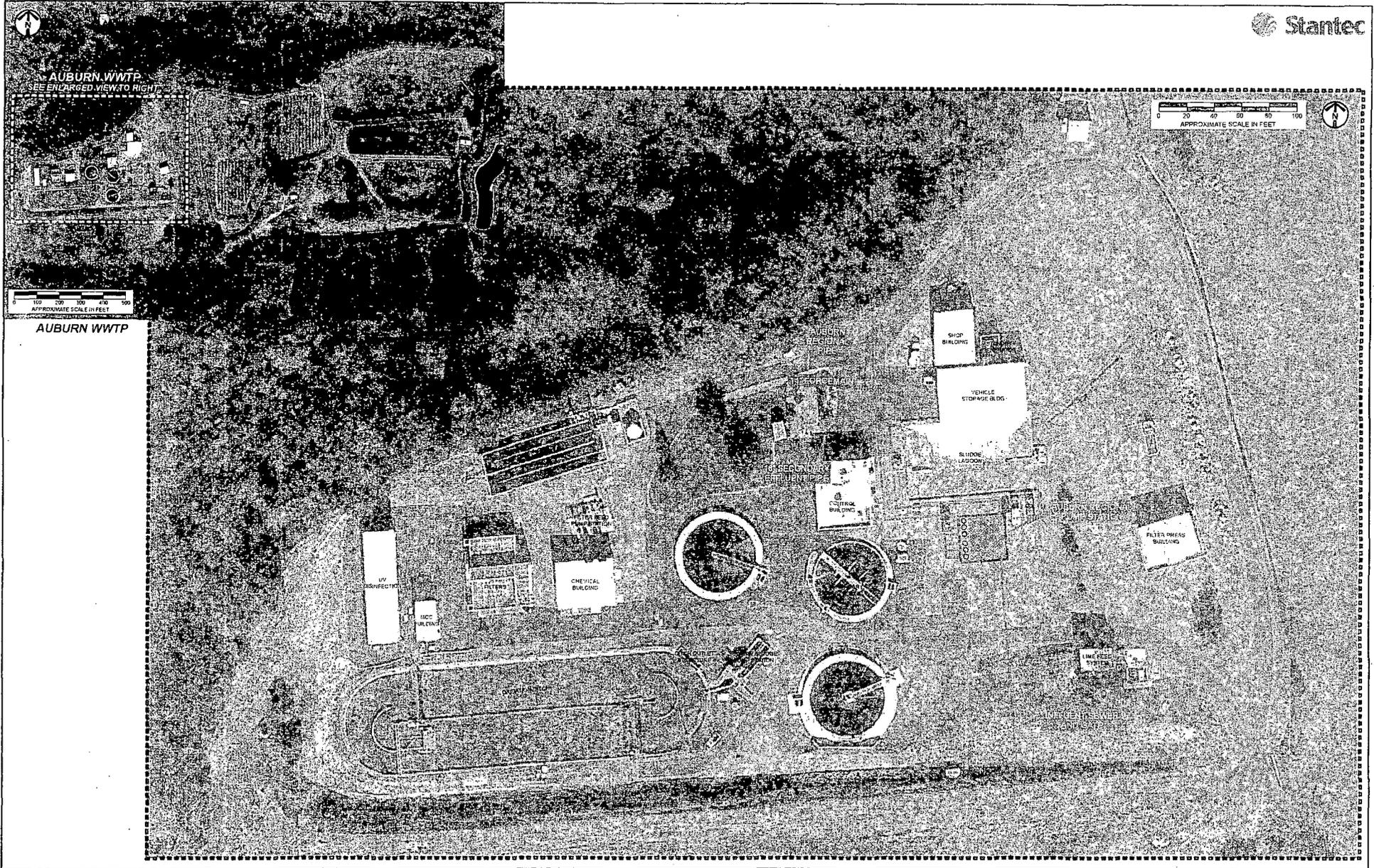


Figure 5  
Layout of Existing Auburn WWTP and the Proposed Auburn Regional Pump Station and Improvements

34

## 2.5 PROPOSED REGIONAL PROJECT

### 2.5.1 Proposed Regional Project Flow Summary

Many flows are presented in this memo, varying from current individual facility flows to facility capacities to permitted flows and combined project flows. A summary of the Proposed Regional Project flows is as follows:

SMD1 current ADWF:	1.7 Mgal/d
Auburn current ADWF:	1.2 Mgal/d
Lincoln current ADWF:	2.8 Mgal/d
<b>Total Proposed Project current ADWF:</b>	<b>5.7 Mgal/d</b>
Existing ADWF Capacity at Lincoln:	4.2 Mgal/d
Proposed Regional Project ADWF Capacity Addition at Lincoln:	2.9 Mgal/d
<b>Total Proposed ADWF Capacity at Lincoln</b>	<b>7.1 Mgal/d</b>
Capacity Available for Future Connections by All Member Agencies	1.4 Mgal/d
Current Permitted ADWF Capacity at Lincoln	8.4 Mgal/d

### 2.5.2 Proposed Regional Project Component Descriptions

The Proposed Regional Project is fundamentally simple in that it consists of the expansion of an existing treatment facility which was designed in a modular format to be easily expandable, construction of two new pump stations on existing and previously disturbed sites and new pipelines in existing roadways. These project components are described in the following sections:

- Expanding the Lincoln WWTRF including effluent disposal facilities
- New Regional Pump Stations, emergency containment volume and WWTP decommissioning.
- Pipelines, including junction structures, odor control and creek crossings.

### 2.5.3 Proposed Regional Project Component Descriptions

Much of the existing facilities at the Lincoln WWTRF are sized such that they will not need to be substantially upgraded or expanded to implement the Proposed Regional Project. These facilities include: Maturation Ponds and associated Pump Station, Filter Mud Well, Filter Clear Well, Plant Water Pump Station, UV Disinfection Facilities, Reaeration Basins, Chemical Facilities, Solids Holding Tank, Sludge Pumps, Centrifuge and associated building, Polymer

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Feed Improvements, Solar Dryers, Reclamation Booster Pump Station, and Creek Outfall, Laboratory, and Maintenance Facilities. These are facilities that are fundamentally sized sufficient to serve the Proposed Regional Project as is. They will need to be evaluated as will all of the WWTRF components when additional treatment capacity is required.

The remaining WWTRF facility components do require expansion or upgrades to accommodate the Proposed Regional Project and are described in the following sections. These are in addition to the new Regional Pump Stations and Regional Pipeline improvements associated with the Proposed Regional Project and modifications to the SMD1 and Auburn wastewater treatment plants.

The following sub-sections and Table 1 below include a description of the Proposed Regional Project components.

Table 1  
**Placer County Mid-Western Regional Sewer Project - Upgrades to Existing Infrastructure and New Infrastructure Descriptions**

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>Upgrades to/Conversions of Existing Infrastructure</b>						
<b>Lincoln WWTRF Adjustments</b>	Graded and Paved Existing WWTRF	Influent Pump Station	Install new pumps, pipes, valves and electrical services	Within existing Lincoln WWTRF fence line	N/A (Within existing structure foot print only)	June 2013 to June 2014 (12 months)
	Graded and Paved Existing WWTRF	Headworks channel and screen	Install influent channel, screen and screenings compactor, including foundation excavation and backfill, and electrical services	Within existing Lincoln WWTRF fence line	One channel; approximately 20 ft. by 30 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Headworks channel Parshall Flume modification	Remove existing nested flume; Install larger flume.	Within existing Lincoln WWTRF fence line	N/A (Within existing structure foot print only)	June 2013 to June 2016, (36 months)

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded and Paved Existing WWTRF	New oxidation ditch with anoxic basins	Construct new oxidation ditch and anoxic basins with aerators and mixers, gates and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One oxidation ditch/anoxic basin structure; approximately 100 ft. by 300 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Clarifier splitter box modification	Add two splitter box chambers, weirs and gates. Includes foundation excavation and backfill, yard piping and site restoration.	Within existing Lincoln WWTRF fence line	Two chambers; approximately 10 ft. by 20 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Secondary Clarifiers with equipment and electrical services	Construct new secondary clarifiers with clarifier mechanism equipment and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	Two 110 ft. diameter clarifiers	June 2013 to June 2016, (36 months)

## Mid-Western Placer Regional Sewer Project

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded and Paved Existing WWTRF	Return Activated Sludge (RAS) Pump Station	Construct new RAS pump station with pumps, pipe, valves and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One pump station; approx. 20 ft. by 20 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Secondary clarifiers scum pump station	Construct new scum pump station with pumps, pipe and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One 8 ft. diameter pump station	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	WAS metering station addition	Single pipe and meter on a slab with valves and electrical services.	Within existing Lincoln WWTRF fence line	Approximately 3 ft. by 12 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Maturation Pond outlet improvements and flow measurement	Modify existing basin, increase gate span, add flow meter	Within existing Lincoln WWTRF fence line	Approximately 15 ft. by 15 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Filter Feed Pump Station	Install new pumps, pipes, valves and electrical services	Within existing Lincoln WWTRF fence line	N/A (Within existing structure foot print only)	June 2013 to June 2016, (36 months)

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded and Paved Existing WWTRF	Dissolved Air Floatation Thickener (DAFT)	Construct new DAFT clarifier with clarifier mechanism equipment and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	Two 110 ft. diameter clarifiers	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Dissolved Air Floatation Recirculation and pressurization system	Construct new recirculation and pressurization pump station with pumps, compressor, pneumatic tank and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One pump station system; approximately 10 ft. by 20 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Dissolved Air Floatation Thickener float pump station	Construct new float pump station with pumps, pipe and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One 10 ft. diameter pump station	June 2013 to June 2016, (36 months)

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded and Paved Existing WWTRF	DAFT splitter box modification	Add one splitter box chamber, weir and gate. Includes foundation excavation and backfill, yard piping and site restoration.	Within existing Lincoln WWTRF fence line	One chamber; approximately 10 ft. by 10 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Filtration Rapid Mix and Flocculation system	Add rapid mix and two flocculation basins with mixing equipment, gates and electrical services. Includes foundation excavation and backfill, yard piping and site restoration.	Within existing Lincoln WWTRF fence line	Approximately 25 ft. by 30 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Sand Filters	Add three new filter cells, sand media, filter underdrains, piping, control valves and instrumentation. Includes foundation excavation and backfill, yard piping and site restoration.	Within existing Lincoln WWTRF fence line	Approximately 25 ft. by 30 ft.	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Effluent Pump Station	Install new pumps, pipes, valves and electrical services	Within existing Lincoln WWTRF fence line	N/A (Within existing structure foot print only)	June 2013 to June 2016, (36 months)

40

Mid-Western Placer Regional Sewer Project

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded and Paved Existing WWTRF	Chemical Storage and Feed Improvements	Replace existing tanks and feed pumps with larger tanks and higher capacity pumps	Within existing Lincoln WWTRF fence line	N/A (all work within existing building and containment areas only)	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	Reclamation Booster Pump Station	Install new pumps, pipes, valves and electrical services	Within existing Lincoln WWTRF fence line	N/A (Within existing structure foot print only)	June 2013 to June 2016, (36 months)
	Graded and Paved Existing WWTRF	New and modified facility interconnecting piping	Trenching, pipe placement, backfill and site restoration	Within existing Lincoln WWTRF fence line	Sporadically over approx. 5 acres.	June 2013 to June 2016, (36 months)
<b>SMD1 WWTP Adjustments</b>	Graded Existing WWTP	SMD1 Regional Pump Station Installation (includes grit removal basin, standby generator, surge tank, and related appurtenances)	Site preparation, grading, foundation installation, wet well and MCC building and equipment installation	Within the existing SMD1 WWTP fence line	100 ft by 100 ft. Pump station elevation approximately = 1210 ft, approximately 12 ft at roof peak of MCC Building.	June 2013 to June 2014 (12 months)
	Graded Existing WWTP	Retrofit of Existing Water Bearing Structures for Emergency Containment Volume	Manual work; some excavator and loader work; off-site hauling	Within existing SMD1 WWTP fence line	Existing structure foot prints only.	June 2013 to June 2014 (12 months)
	Graded Existing WWTP	Build Emergency Containment Volume	Excavation, placement, backfill, pipe installation. Mostly earthwork.	North SMD1 WWTP site	Approx. 1 to 3 acres	April 2014 to March 2016 (36 months)
	Graded Existing WWTP and Rock Creek	Digesters, Non-Water Bearing Structures not retained for other purposes and Outfall Decommissioning	Building demolition, grading, reseeding, outfall excavation, removal, bank recontouring, and reseeding	Within existing SMD1 WWTP fence line and existing outfall	Five to 15 buildings/facilities, dispersed over approximately four acres.	June 2014 to June 2016, (36 months)

41

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>Auburn WWTP Adjustments</b>	Graded Existing WWTP	Auburn Regional Pump Station Installation (includes standby generator and related appurtenances)	Site preparation, grading, foundation installation, wet well and MCC building and equipment installation	Within the existing Auburn WWTP fence line	100 ft by 100 ft. Pump station elevation approximately = 835 ft; approximately 12 ft at roof peak of MCC Building.	June 2014 to June 2016, (36 months)
	Graded Existing WWTP	Filter, disinfection and outfall shutdown.	No Impact (facilities simply turned off)	Within the existing Auburn WWTP fence line	N/A (Within existing structure foot print only)	June 2014 to June 2016, (one day duration, upon startup of Auburn regional pump station)
<b>New Infrastructure (located outside existing wastewater treatment facilities)</b>						
<b>Regional Sewer Pipelines</b>	County rural, paved roads	SMD1 WWTP to Common Pipe Segment	Excavation, pipe placement, backfill and road restoration of 16-inch to 24-inch diameter force main pipe. Also install air valves and odor scrubbers.	From the SMD1 WWTP site, west on Joeger Rd. to Mount Vernon Rd. west to Baxter Grade Rd. to Wise Rd. west Gold Hill Rd and terminated at a junction facility at the intersection of Gold Hill Rd. and Chili Hill Rd.	Within bounds of roadway paving; approx. 8 miles.	June 2013 to June 2014 (12 months)

Mid-Western Placer Regional Sewer Project

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	County rural, paved roads	Auburn WWTP to Common Pipe Segment	Excavation, pipe placement, backfill and road restoration of 12-inch to 20-inch diameter force main pipe. Also install air valves and odor scrubbers.	From the Auburn WWTP site, west on Ophir Rd. to Wise Rd. to Bald Hill Rd south to Chili Hill Rd. west and terminated at a junction facility at the intersection of Gold Hill Rd. and Chili Hill Rd.	Within bounds of roadway paving; approx. 5 miles.	June 2013 to June 2014 (12 months)
	County rural, paved roads	Common Pipe Segment	Excavation, pipe placement, backfill and road restoration of 20-inch to 36-inch diameter force main pipe. Also install air valves and odor scrubbers and energy dissipation structure to transition from force main to gravity sewer service. Also includes construction of 42-inch gravity sewer to connection to existing pipe terminus.	From the intersection of Gold Hill Rd. and Chili Hill Rd, south on Gold Hill Rd. to Virginia Town Rd to Fowler Rd. south to Highway 193 west to the terminus of the existing pipe, approximately 3,000 ft. west of Sierra College Blvd.	Within bounds of roadway paving; approx. 5 miles.	June 2013 to June 2014 (12 months)

43

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	County rural, paved roads	Effluent Pipe Extension	Excavation, pipe placement, backfill and road restoration of 12-inch to 20-inch diameter force main pipe. Also install air valves and connection to farmers irrigation system.	From the intersection of Fiddymment Rd and East Catlett Rd. west approximately 10,000 ft. to 13,000 ft. to agricultural points of use.	Within bounds of roadway paving; approximately 1 to 1.5 miles.	June 2013 to June 2014 (12 months)
<b>Effluent Disposal Site Improvements</b>	Private, agriculturally active property	Effluent Disposal Site Improvements	Improvement or construction of swales/ditches to contain run-off from irrigated lands. A small return pump station and/or alarms may be included to return or alert to the presence of run-off.	On the north and/or south side of East Catlett Rd, west of Fiddymment Road. Or on the north and/or south side of Moore Rd., west of Fiddymment Rd.	Within bounds of private property; 3,000 ft. to 10,000 ft. of swales or ditches 3 ft. to 10 ft. wide. Approx. 0.2 acres to 2.5 acres.	June 2013 to June 2014 (12 months)

**2.5.3.1 Upgrades to Lincoln WWTRF**

As noted above, many WWTRF facilities will not require upgrades (or will require only minor adjustments). There are, of course, some facilities that will require unique improvements such as new land disposal facilities, but most unit treatment processes can be expanded efficiently by providing new, identical improvements in the space provided, such as the headworks, oxidation ditches and clarifiers, and other unit processes. Table 2 is a summary of the existing facilities and associated capacities, which demonstrates why some facilities do not need to be modified for the Proposed Regional Project.

The reason that some capacity is currently available to facilitate a regional project is that when plant was built, it was designed to accommodate reclamation and economies of scale available at the time.

## Mid-Western Placer Regional Sewer Project

Preliminary Project Description

February 2012

Table 2  
Lincoln WWTRF Existing Design Capacity and Capacity Available  
for the Proposed Regional Project <sup>(a)</sup>

Treatment Component		Design Capacity (Mgal/d) <sup>(b)</sup>	Capacity Required for Current WWTRF (Mgal/d)	Approximate Capacity to Facilitate Proposed Regional Project (Mgal/d) <sup>(b)</sup>
1	Influent Sewer	21	4.2 <sup>(c)</sup>	8
2	Influent Pump Station	12.6 <sup>(d)</sup>	4.2	8.4
3	Headworks	6.3 <sup>(d)</sup>	4.2	2.1
4	Oxidation Ditch Splitter Box	12.6	4.2	8.4
5	Anoxic and Oxidation Basins	4.2	4.2	0
6	Clarifier Splitter Box	4.2 <sup>(d)</sup>	4.2	0
7	Secondary Clarifiers	4.2	4.2	0
8	Scum Pump Station	4.2	4.2	0
9	SC Drain Pump Station	8.4	4.2	4.2
10	RAS Pump Station	4.2	4.2	0
11	WAS Metering Station	4.2	4.2	0
12	Maturation Pond Pump Station	8.4 <sup>(d)</sup>	4.2	4.2
13	Maturation Ponds	8.4 <sup>(d)</sup>	4.2	4.2
14	Dissolved Air Floatation Clarifier	4.2	4.2	0
15	DAFT Splitter Box	4.2 <sup>(d)</sup>	4.2	0
16	DAFT Float Pump Station	4.2	4.2	0
17	DAFT Recirculation Pump Station	4.2	4.2	0
18	Filter Feed Pump Station	12.6 <sup>(d) (e)</sup>	4.2	8.4 <sup>(e)</sup>
19	Filter Rapid Mix Basin	6.3 <sup>(e)</sup>	4.2	2.1 <sup>(e)</sup>
20	Filter Flocculation Basins	6.3 <sup>(e)</sup>	4.2	2.1 <sup>(e)</sup>
21	Tertiary Filters	4.2 <sup>(d) (e)</sup>	4.2	0
22	Filter Mud Well	12.6 <sup>(e)</sup>	4.2	8.4 <sup>(e)</sup>
23	Filter Clear Well	12.6 <sup>(e)</sup>	4.2	8.4 <sup>(e)</sup>
24	Plant Water Pump Station	12.6 <sup>(e)</sup>	4.2	8.4 <sup>(e)</sup>
25	UV Disinfection	8.7 <sup>(d) (e)</sup>	4.2	4.5 <sup>(e)</sup>
26	Reaeration Basins	8.4 <sup>(d) (e)</sup>	4.2	4.2 <sup>(e)</sup>
27	Effluent Pump Station	12.6 <sup>(d) (e)</sup>	4.2	8.4 <sup>(e)</sup>
28	Chemical Facilities	12.6 <sup>(e)</sup>	4.2	8.6 <sup>(e)</sup>
29	Solids Holding Facilities	8.4 <sup>(d)</sup>	4.2	4.2
30	Reclamation Booster Pump Station	12.6 <sup>(d) (e)</sup>	4.2	8.4
31	Creek Outfall	6.3 <sup>(e)</sup>	4.2	2.1
32	Effluent Storage	4.2 (8.2) <sup>(f)</sup>	4.2	4.0
33	Disposal Land	4.2	4.2	0
34	Cooling Facilities	0	0	0

Mid-Western Placer Regional Sewer Project

Preliminary Project Description

February 2012

Treatment Component		Design Capacity (Mgal/d) <sup>(b)</sup>	Capacity Required for Current WWTRF (Mgal/d)	Approximate Capacity to Facilitate Proposed Regional Project (Mgal/d) <sup>(b)</sup>
35	Laboratory Facilities	12.6	4.2	8.6
36	Administration Facilities	8.2	4.2	4.0
37	Maintenance Facilities	12.6	4.2	8.6
38	General Site Work	6 to 12.6 <sup>(g)</sup>	4.2	2.6 <sup>(g)</sup>
39	Yard Piping and Appurtenances	12.6 <sup>(h)</sup>	4.2	8.4 <sup>(h)</sup>
40	Electrical and Instrumentation (main service & switch gear)	12.6	4.2	8.4

- (a) All flows are presented as average dry weather flow (ADWF).
- (b) The structure hydraulic capacity is cited. Additional equipment, pipe, etc. may be required.
- (c) The Capacity of the influent sewer designated for City use is approximately 13 Mgal/d.
- (d) Designed to be readily expandable, with knock-out walls, connecting wing-walls, etc.; may not actually include additional capacity, as indicated.
- (e) Design flows downstream of the Maturation Pond are ADWF\*1.7 (peak month flow) plus recycle flows.
- (f) 4.2 Mgal/d includes existing tertiary storage basins (TSB); 8.2 Mgal/d includes TSB plus the unimproved storm basin(s).
- (g) No new site work will be required for in-fill facilities; some new site work will be required for outward expansion elements.
- (h) Some arterial piping and main distribution pipes are oversized. New individual facilities will require new piping.

The existing WWTRF nominal capacity is 4.2 MGD average dry weather flow (ADWF). The Proposed Regional Project will expand the WWTRF capacity to 7.1 Mgal/d ADWF. Figure 3 depicts the existing and new facilities at the Lincoln WWTRF to be completed with the Proposed Regional Project. The following sections briefly describe the improvements for each unit process at the Lincoln WWTRF for the project:

1. Influent Pump Station. While the influent pump station structure is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.
2. Headworks: New Channel and Screen. The headworks screening serves to remove large materials such as rags from the sewage stream to protect downstream equipment and produce cleaner water and sludge. The maximum flow capacity of the existing headworks channel and screen is about 23 Mgal/d (peak flow). The Proposed Regional Project will have peak flows equal to almost 30 Mgal/d. As a result, the project will include one new headworks channel, screen, washer compactor, and flow control gates. This will occur adjacent to the existing headworks channel.
3. The existing headworks nested Parshall flume will also be modified to accurately measure higher flow rates.
4. Secondary Treatment: Oxidation Ditches and Anoxic Basins. The oxidation ditch and anoxic basins work as a system with the clarifiers and RAS pump station to remove organics and nitrogen compounds from the wastewater through an activated sludge treatment technology, utilizing biological microorganisms. To provide sufficient treatment capacity, the Proposed Regional Project will include the addition of one oxidation ditch

46

and anoxic basin, including new aeration and mixing equipment. See Figure 3 for the location of these new facilities.

5. Secondary Clarifiers: Clarifiers, Clarifier Splitter Box. To provide regional capacity for the separation of activated sludge from the liquid stream, the Proposed Regional Project will include two additional secondary clarifiers and equipment. The clarifier splitter box will also be expanded to accommodate the additional clarifiers with two new splitter chambers, gates and weirs. See Figure 3.
6. Return Activated Sludge (RAS) Pump Station. The RAS pump station returns biologically active sludge settled in the secondary clarifier back to the aeration and anoxic basin treatment basins. The two new clarifiers will require one new RAS pump station for the Proposed Regional Project, including pumps, piping, valves and appurtenances. See Figure 3.
7. Scum Pump Station. The scum pump station moves scum from the surface of the secondary clarifiers and conveys it to the solids handling facilities (centrifuges with disposal to a landfill). One new scum pump station will be configured to serve the two new clarifiers, with pumps, piping, valves and appurtenances. See Figure 3.
8. Secondary Clarifier Drain Pump Station. The purpose of the secondary clarifier drain pump station is to facilitate clarifier maintenance by allowing it to be taken off-line and drained. The Proposed Regional Project includes one new drain pump station with pumps, piping, valves and appurtenances.
9. Waste Activated Sludge (WAS) Metering Station. With a continuous inflow of organics with the wastewater stream, there is continuous growth of the biologically active sludge. Some must be wasted regularly to the solids handling facility to maintain a consistent concentration in the oxidation ditch and anoxic basin for optimal treatment. A new WAS metering station will be included in the Proposed Regional Project to facilitate the wasting process. See Figure 3.
10. Dissolved Air Flotation Thickener (DAFT). The maturation pond (not expanded with the Proposed Regional Project) is a large basin with partially treated wastewater that grows algae in the presence of sunlight. The DAFT utilizes pressurized air (like soda carbonation) to float the algae to the water surface where it is skimmed off and disposed of with the solids handling facilities. This is necessary to avoid fouling the tertiary filters with algae. The DAFT also functions to remove algae grown in effluent stored in the TSB prior to delivery for reuse. With the higher flows from a regional project, two additional DAFT units are required, including the DAFT basins themselves with equipment, recirculation pumps and compressors and an expanded splitter box, along with the required piping valves and appurtenances. See Figure 3.
11. Filter Feed Pump Station. With higher flows, the Proposed Regional Project will expand the filter feed pump station which conveys flows from the DAFT to the filters for further treatment. The pump station expansion will include additional pumps, valves and pipe in the existing wet well structure. See Figure 3.
12. Filter Facilities. The filtration process removes small particulate matter that remains in the wastewater prior to disinfection. With higher flows, additional rapid mix, flocculation

and filter cells are required. The proposed project includes a new rapid mix basin, two flocculation chambers, with mixing equipment and three new sand filter cells with underdrains and associated piping and control valves. See Figure 3.

13. **Chemical Facilities.** The chemical feed facilities include provisions for pH control, on-site system disinfection and coagulants used in the flocculation basin and solids handling processes. To accommodate the higher Proposed Regional Project flows, the chemical facilities will be modified to include larger chemical feed pumps to increase the dosing range and larger chemical storage tanks to limit the frequency between material deliveries. See Figure 3.
14. **Solids Handling Facilities. Polymer Feed System:** The polymer feed system injects polymer into the waste solids to facilitate the dewatering process by binding the solids together, making the solid/water separation more efficient. The existing solids holding tank, sludge pumps, centrifuge and building are sufficient to meet the needs of the proposed Regional Project. However, polymer feed improvements are necessary to limit the frequency of material deliveries with increased use of the dewatering facilities. These are included with the Proposed Regional Project.
15. **Effluent Pump Station.** While the effluent pump station structure (wet well) is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity.
16. **Effluent Disposal Improvements.** There are multiple combinations of creek discharge, cooling, storage and land disposal (reclamation) that can constitute a compliant effluent disposal strategy. The Lincoln WWTRF already has an outfall with ample capacity and with nearby agricultural land owners interested in receiving effluent for irrigation, the most efficient combination of the above factors is to construct additional effluent piping and incorporate additional disposal land. The proposed Regional Project includes piping west on East Catlett Road from a new connection to an existing 24-inch force main in Fiddyment Road. The pipe will provide irrigation water (effluent disposal) to approximately 1,000 acres of land used to grow fodder crops. The pipe will be constructed in the East Catlett roadway and will connect to existing farmer irrigation systems. The Catlett Road corridor is lightly-travelled, has minimal existing pavement sections, and has only minor culvert crossings. See Figure 3.
17. The Proposed Regional Project will coordinate with the farmer to provide the required improvements for compliance with all water reuse laws, including run-off containment ditches, berms recapture basins, seasonal run-off control gates, groundwater monitoring wells and separation from potable water wells. A metering and control station will also be included at points of connection as required to meter and control the flow of water, as well as prevent backflow into the transmission main. See Figure 3.
18. **WWTRF Booster Pump Station Improvements.** The existing booster pump station structure (wet well) that will supply new off-site land disposal improvements is sized for 12.6 MGD, two new pumps, piping, and valves will be constructed for the Proposed Regional Project to provide the required additional pumping capacity. See Figure 3.

### 2.5.3.2 SMD1 Regional Pump Station and Related Improvements

The proposed SMD1 regional pump station will pump raw wastewater received directly from the collection system and will be located in the Southeast corner of the Joeger Road WWTP site. Screening and grit removal will be included upstream of the pump station to protect the pumps and minimize solids deposition in the pipeline. As an option, the existing aerated grit removal system currently operating at the SMD1 WWTP will be re-assigned for operation with the proposed Regional Pump Station.

The SMD1 Regional Pump Station will consist of a dual wet well configuration for redundancy with four to six submersible pumps with discharge piping and valves at grade to facilitate operation. The pump station will be designed for an ultimate peak flow of 14.8 Mgal/d but pumps will initially be selected to accommodate an initial peak flow of 11 Mgal/d. Odor control will be included in the design utilizing an activated carbon system, other synthetic media or biofilter design. Depending on the pipe material, surge control facilities may or may not be required, but the Proposed Regional Project is assumed to include a surge tank near the pump station discharge for surge protection.

The SMD1 Regional Pump Station wet well will include 75,000 gallons to 100,000 gallons of volume for pump operations and pipeline flushing. The flushing operation can occur daily or as set by operators and will flush a minimum of 20% to 50% of the pipe length per flushing cycle at velocities exceeding four feet per second. This corresponds to migrating solids located in the pipeline a minimum of 20% to 50% down the pipeline length per flushing cycle, which means that all solids will migrate through the system in two to five cycles and will not be allowed to accumulate in the pipeline.

The SMD1 plant will be partially decommissioned and partially retrofitted to utilize existing water bearing structures for emergency containment volume. A portable pump and hoses will be needed to empty existing process basins if ever used for emergency purposes. Refer to the subsequent section on decommissioning for more description of the plans for the existing SMD1 facilities.

Improvements at the SMD1 site will also include construction of an earthen basin to provide approximately 4.5 million gallons of emergency containment volume. This basin will be located on the north side of the existing plant site in the vicinity of the existing sludge drying beds. The basin will be designed to allow it to drain freely to shed rainfall, but it will be equipped with a valve which will normally be closed to ensure it is available if it is ever needed for emergency containment of sewage. In conjunction with the use of the existing SMD1 WWTP water bearing structures (see section on Decommissioning or Modification of Existing Treatment Plants) a total of 6 million gallons will be available for emergency containment if there is ever a problem with the pump station or pipeline. This containment volume is for operating comfort: it is not required by regulation and is beyond most industry standards for pump station facilities. However, some districts, such as Sacramento Area Sanitary District (SASD) and Sacramento Regional County

Sanitation District (SRCS D), include emergency containment volume near their larger pump station facilities near creeks. The containment volume included with the Proposed Regional Project exceeds both the SASD and SRCS D standards for emergency containment volume.

See Figure 4 for an approximate layout of the existing SMD1 WWTP and the new SMD1 Regional Pump Station and related improvements.

### 2.5.3.3 Auburn Regional Pump Station

The City of Auburn WWTP has approximately 24.3 million gallons (MG) of storage capacity. To utilize the maximum capacity of the ponds, the Auburn pump station will be sized to pump at least 3.6 MGD (peak flow rate) to accommodate current flow conditions. No more storage will be required in the future when the reliable capacity of the pump station is increased to 5.2 Mgal/d to provide service to Auburn at build-out of the service area.

The proposed Auburn pump station will be located inside the Auburn WWTP property boundary. The pump station will consist of a dual wet well with four to six submersible pumps. Discharge piping and valves are at grade to facilitate operation. The pump station wet well will be designed for an ultimate peak flow of 5.2 Mgal/d, but pumps will initially be selected to accommodate an initial peak flow of 3.6 Mgal/d. Odor control is not required for the initial project because the pump station will initially pump secondary effluent. However, the pump station will be constructed to be compatible with future odor control if ever desired. Surge protection facilities are not required with the Auburn Regional Pump Station due to the specific hydraulic conditions of the proposed pump and piping system.

See Figure 5 for an approximate layout of the existing Auburn WWTP and the new Auburn Regional Pump Station.

### 2.5.3.4 Regional Pipelines

The Proposed Regional Project entails the installation of approximately 18 miles (total) of 12-inch to 42-inch diameter pipeline in roadways linking the Placer SMD1 and Auburn WWTPs to the existing 42-inch diameter sewer trunk main in Highway 193. See Figure 2. There are three discrete sections of the new sewer pipe:

1. Pipe from the SMD1 WWTP to the intersection of the Auburn Pipe (SMD1 Pipe): This pipe is 16-inch to 24-inch in diameter and extends from the SMD1 WWTP site west on Joeger Road, then west on Mount Vernon road to Baxter Grade, west on Wise Road to Gold Hill Road to the junction with the Auburn Pipe at the intersection of Gold Hill Road and Chili Hill Road. The SMD1 Pipe is approximately eight miles long.
2. Pipe from the Auburn WWTP to the intersection of the SMD1 Pipe (Auburn Pipe): This pipe will be 12-inch to 20-inch in diameter and extends from the Auburn WWTP west on Ophir Road, south on Bald Hill Road to Chili Hill Road to the junction with the SMD1

Pipe at the intersection of Chili Hill Road and Gold Hill Road. The Auburn Pipe is approximately five miles long.

3. Pipe from the SMD1 Pipe and Auburn Pipe intersection to the existing pipe in Highway 193 (Common Pipe): This pipe extends from the intersection of Chili Hill Road and Gold Hill road, south on Gold Hill Road to Virginia Town Road, south on Fowler Road to Highway 193. The pipe extends west in Highway 193 to the intersection with Sierra College Boulevard. At this intersection there will be a transition structure to transition from a gravity force main hydraulic configuration to a gravity sewer, with energy dissipation and odor control. The pipe will then be 42-inch in diameter and will extend approximately 3,000 feet further west in Highway 193 to the connection point with the existing 42-inch gravity sewer at that location. The combined length of these two pieces of the Common Pipe is approximately five miles long.

Along the pipe alignment there will be the requirement for periodic air valves to prevent air binding in the pipe and to protect the pipe from collapse due to the net fall in elevation from the pump station discharge point to the discharge point in Highway 193. All air valves will be outfitted with odor scrubbers to reduce odors at air valve locations. The air valves will be in below grade vaults or, where preferred, in above grade protective structures. Access to all valves and odor facilities will be secured from vandalism and shielded aesthetically with dull colors or otherwise camouflaged.

In general, the proposed regional sewer pipes will be installed within the roadway right of way (ROW) and road closures will either entail a single lane or, where necessary, traffic mitigation and possibly temporary re-routes. In some locations, with no or limited environmental impacts, the work corridor may be allowed to expand to 100 feet in width to facilitate efficient construction practices.

In-street excavation will be to depths of five to eight feet below the street surface, with a minimum of 3-feet of cover below roadways. One exception to this bury depth is the stretch of gravity sewer in Highway 193, which will vary from eight feet to 20 feet deep. Based on geotechnical and seismic refraction testing, minimal blasting is anticipated for the installation of the pipeline along the project alignment. Therefore the majority of the pipe will be installed using open cut conventional trenching installation with a combination of imported and native backfill materials. The width of the trench will range between two feet and five feet. The pipeline route will temporarily entail a disturbance area possibly as wide as road-side ditch to road-side ditch, with spot locations requiring more width, which in some cases may require tree trimming or removal (i.e. Baxter Grade).

Pipeline extra work areas (EWAs) or laydown sites will be located in previously disturbed areas identified along the pipe alignment to the extent feasible. Examples of such areas include the existing WWTP sites, roadside turnouts, parking areas, graded fields or grassland fields, and willing property owners with temporary storage space.

Once the in-road installation is complete, the road sections will be restored to match existing or better conditions. All disturbed lanes will receive an inch and half of pavement overlay.

To minimize stream-related impacts, trenchless pipe installations (i.e., horizontal directional drilling, jack and bore, bridge supports) are preferred. However, because trenchless methods are much more costly relative to open trenching during no flow or low flow conditions, the number of trenchless installations will be limited to the most sensitive areas, including Auburn Ravine Creek and Doty Ravine. The Rock Creek crossing may be installed using open trenching methods during low or no-flow periods, or alternatively the pipe may be mounted to the side of the existing box culvert bridge. Canal and unnamed drainage crossings in roadways would be necessary; however, these installations will either be installed in open trenches above or below culverts in roadways, resulting in no impacts and no need to divert flows (which can continue through the culvert during construction of the new pipe).

When constructing in the vicinity of wetlands, avoidance measures are incorporated into the design. Minor route adjustments and the implementation of "pinch-points" or areas where construction is narrowed to the pavement width will be utilized. In some areas the proposed in-street routes run adjacent to several wetlands and stock ponds; construction in these areas will be avoided through the designation of work area "pinch points" for the required length of avoidance where all construction must occur in-street. Such methods for further avoiding/minimizing impacts to wetlands will continue to be defined during the ongoing pre-design and future design phase.

No route as currently planned would entail removal of buildings or other potential cultural resources. They will be designed to avoid such structures. The pipelines will be buried and therefore would not permanently impact the cultural aesthetic of an area either.

Decommissioning or Modification of Existing Treatment Plants

#### **2.5.3.5 Decommissioning or Modification of Existing Wastewater Treatment Plants**

The Proposed Regional Project includes the conversion of most of the existing SMD1 WWTP water bearing structures into emergency containment basins by removing and disposing of internal mechanical equipment and using existing piping to allow said basins to receive any Regional Pump Station spills during an emergency condition (described further below). The remaining SMD1 WWTP structures will be demolished and removed or otherwise secured in a safe manner. Sludge in the existing reactor basins and digesters will be properly handled and the solids sent to a landfill. The existing operations building may be retained for operations related to the Regional Pump Station facilities or possibly on-going SMD1 collection system operational offices.

The decommissioning work will include the use of manual labor to remove equipment from structures that will be retained for emergency containment volume, and the use of excavators, dozers and haulers for demolition and removal of the remaining unwanted structures. All demolition work will utilize best and safe practices for noise control, dust control, run-off and

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hazardous material handling. Demolished areas will be left in a safe and secure manner with regrading and reseeded, or graveling, of disturbed areas to prevent unwanted run-off or erosion.

The emergency containment volume would be used only if there is a problem with the pump station or pipeline and sewage flow must be diverted somewhere during the repair. This situation is considered extremely unlikely with the use of modern equipment, redundant equipment, standby power and properly constructed pipelines. However, if there is ever an act-of-god event that damaged these facilities, sewage from the SMD1 service area would be diverted to the existing basins first, which are concrete and impermeable and only if they fill will the additional 4.5 million gallons of earthen containment volume be used. See the section on SMD1 Regional Pump Station and Related Improvements. After such an unlikely event all facilities will be cleaned immediately after facilities come back on line.

New facilities will be constructed on the SMD1 WWTP site, described above for the SMD1 Pump Station, including a new pump station with grit removal, surge protection, standby generator and an earthen berm for additional emergency containment volume. Construction activities for the new Regional Pump Station and associated improvements and the demolition activities will occur over approximately eight to twelve months, principally during week days and normal working hours. Some noise will be apparent to nearby neighbors.

The SMD1 site will be kept in County ownership with lease arrangements for City of Lincoln access and operations of the SMD1 Regional Pump Station and associated improvements. See Figure 4 for an illustration of the decommissioned and retrofitted facilities on the SMD1 WWTP site.

The Auburn WWTP will be retained in service to provide pretreatment of the City's raw sewage, conveying secondary effluent to the Lincoln WWTRF for final treatment and disposal. The only facilities that will be taken off-line at the Auburn WWTP include the effluent filtration system, the UV disinfection facility and the effluent outfall. However, these facilities will not be fully decommissioned; they will be retained in working order for a possible discharge to Auburn Ravine if the creek is ever in need of water, for example during a severe drought, and other water agencies are not able to provide the required flow. New facilities will be constructed on the Auburn WWTP site, described above for the Auburn Regional Pump Station, including a new pump station and standby generator. Construction activities for the new Regional Pump Station and associated improvements and the demolition activities will occur over approximately eight to twelve months, principally during week days and normal working hours. Some noise will be apparent to nearby neighbors.

The Auburn WWTP site will be kept in City ownership with lease arrangements for City of Lincoln access and operations of the Auburn Regional Pump Station and associated improvements. See Figure 5 for an illustration of the existing Auburn WWTP site and treatment facilities.

## 2.6 OPERATION AND MAINTENANCE

The Proposed Regional Project, in accordance with the Lincoln Offer, includes provisions for Lincoln to operate or contract operate all the regional facilities to minimize cost and maximize efficiency (single provider). While the Proposed Regional Project will add to the number and type of facilities operated by the City operations staff, there are no anticipated complexities to operating sewage pump stations and servicing the pipeline in addition to the treatment plants (Lincoln WWTRF plus Auburn WWTP for pretreatment).

In general, operation and maintenance activities at the Lincoln WWTRF will be similar to existing activities, only on a slightly larger scale, possibly including two to four new operators and/or more weekend staffing. These additional Lincoln operators would also cover the regional pipeline, regional pump stations, added effluent disposal facilities, and the Auburn pretreatment plant. The effluent disposal facilities will require attention during the irrigation season, which will vary with the seasons and climate, but could include operational attendance for five to eight months per year.

The current operation at the SMD1 WWTP and Auburn WWTP would cease. However, maintenance and administration support will continue to be necessary for the collection systems to address inflow and infiltration (I/I) reduction and development.

The energy consumption of the expanded Lincoln WWTRF will increase to approximately 5,700,000 kw-hours per year, up from the current 6,300,000 kw-hours per year for a total estimated energy consumption of 12,000,000 kw-hours annually.

The energy consumption at the decommissioned SMD1 WWTP will reduce to what is demanded for the SMD1 Regional Pump Station facilities, estimated to be about 700,000 kw-hours per year, down from the current 4,000,000 kw-hours per year.

The energy consumption at the Auburn WWTP will not change significantly; the filter pump station and UV disinfection facilities will be taken off-line, but their energy savings will be offset by the new pump station energy demand. Regardless, the City of Auburn's recently installed solar facility located at the WWTP site will continue to provide power including to the new pump station. The retrofitted Auburn WWTP is estimated to require about 1,500,000 kw-hours per year, down from the current 1,600,000 kw-hours per year.

## 2.7 SCHEDULE

The project schedule is set to initiate design, funding and environmental documentation and permitting in early/mid 2012, and conclude these activities in early/mid 2013, with completion of the CEQA/NEPA process and funding commitment by mid-2013. Construction of the pump stations, pipeline and wastewater treatment improvements will commence in mid-2013, upon completion of CEQA/NEPA and secured funding. Completion of the SMD1 Regional Pump Station and related improvements and the pipeline from SMD1 to Lincoln are targeted to be

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

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complete and operational in the fall of 2014 with the goal of taking the SMD1 WWTP off-line as soon as possible to eliminate fines currently being incurred by the facility from the Regional Board due to permit violations in Rock Creek. With minor improvements, the existing WWTRF has capacity to receive SMD1 sewage flows prior to completion of the entire WWTRF expansion (extra capacity already exists and can be used for this purpose for a limited duration with limited improvements). This capacity will be utilized to serve SMD1 as soon as the pump station and pipeline are completed to eliminate the SMD1 fines with an interim WWTRF milestone.

The remaining WWTRF improvements to provide permanent capacity for SMD1 and Auburn (and regain the capacity used for SMD1 in the interim), are targeted to be complete by late 2016. During this same time, by late 2016, the Auburn Regional Pump Station and pipeline would also be completed, at which point Auburn would start sending pretreated flow to Lincoln and the Proposed Regional Project will be complete. Funding repayments, if the State Revolving Fund (SRF) is utilized, will become due in late 2017, one year from completion of the project.

See Figure 6 for a graphical depiction of the Proposed Regional Project schedule.

1. Commitment to fund environmental and design by March 30, 2012.
2. Scheduled completion date for environmental review March 2013
3. Commitment to fund construction upon approval of environmental document in March 2013
4. Permitting and right of way complete June 2013.
5. Completion of SMD1 conveyance facilities to Lincoln and partial expansion of Lincoln WWTRF to accommodate SMD1 flow scheduled for March 2014
6. Completion of Auburn conveyance facilities and treatment capacity at Lincoln WWTRF scheduled for March 2016
7. First payment for SRF loan would be in 2017 - one year after completion of construction

Environmental, permitting and right of way have six months of float. The additional six months is allowed upon request to the State Revolving Fund; during this time period they will continue to reserve the currently approved \$6 million in principal forgiveness commitment to SMD1.

Completion of SMD1 conveyance facilities to Lincoln and partial expansion of the Lincoln WWTRF to accommodate the SMD1 flows has 18 months of float between scheduled completion and required elimination of non-compliant SMD1 flows per the Regional Water Quality Control Board Discharge Permit for SMD1.



## 2.8 PRELIMINARY ENVIRONMENTAL COMMITMENTS/BEST MANAGEMENT PRACTICES

The following environmental commitments and Best Standard Practices have been incorporated into the project design and will be executed prior to and during the proposed Project.

- Environmental Commitment A: Wetland/Drainage Avoidance. The project will avoid or minimize impacts to all wetlands. For any work within jurisdictional waters of the US, the City will obtain the appropriate USACE and CDFG permits.
- Environmental Commitment B: Nesting Migratory Bird and Raptor Avoidance. The project area contains potential nesting habitat for migratory birds and raptors. The existing trees and structures in the project area will be surveyed prior to the initiation of construction and any active nests will be avoided during construction activities. Trees requiring removal will be cut prior to the raptor and migratory bird nesting season (March 1 to August 15) or surveys will be conducted to ensure no nests are active.
- Environmental Commitment C: Prepare and Implement Erosion Control and Stormwater Pollution Prevention Plan. The project proponents will require that the selected contractor prepare an erosion control plan and a stormwater pollution prevention plan prior to construction. The plan should provide, at a minimum, measures to trap sediment, stabilize excavated soil piles, and stabilize and revegetate disturbed areas. These plans shall be implemented and inspected accordingly throughout the construction process.
- Environmental Commitment D: Traffic Control Plan. A Traffic Control Plan (TCP) will be prepared to address project-specific information for construction and vehicular/equipment travel associated with the project. The TCP will identify the traffic control devices and strategies to be implemented in order to assure public safety and reduce disruption to residences during activities associated with the construction of the roadway improvements.
- Environmental Commitment E: Minimize Temporary Impacts to Streambeds and Protected Fish Habitat. The pipelines will be installed under Auburn Ravine and Doty Ravine using trenchless methods or bridges.
- Environmental Commitment F: Minimize/Avoid Permanent Impacts to Protected Fisheries and Their Stream Habitat. The project proponents will conduct an in stream flow study below the SMD1 and Auburn Ravine outfall. The results of the study will be utilized in coordination with NMFS and CDFG to define minimum flow augmentation amounts and seasons to avoid or minimize impacts to protected aquatic species.
- Environmental Commitment G: Minimize Tree Removal and Undisturbed Area Impacts. The project has been designed to maximize pipeline installations in disturbed environments (i.e. roadways). The project proponents will also define laydown sites, access roads, and extra work areas in disturbed areas. In addition, to minimize tree disturbance the project corridor will be narrowed where feasible to reduce tree removal needs.

## 2.9 APPROVAL PROCESS

Approval of the Proposed Regional Project is considered a discretionary action by the Lead Agency and therefore will be subject to compliance with the California Environmental Quality Act (CEQA). The CEQA Process is described in detail below. In addition, at least a portion of the project is expected to be federally funded and will therefore be subject to compliance with the National Environmental Policy Act (NEPA). The funding source is the US EPA, who has delegated funding and environmental compliance authority to the State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) Division of Financial Assistance (DFA). The SWRCB SRF DFA Environmental Review Unit has developed an Environmental Checklist that assures NEPA and Federal Regulatory compliance. Therefore, clearances under the following regulations will be required:

SWRCB SRF Evaluation Form for Environmental Review and Federal Coordination including demonstration of compliance with the Clean Air Act, Farmland Protection Policy Act, Flood Plain Management – Executive Order Number 11988, Migratory Bird Treaty Act, Protection of Wetlands – Executive Order Number 11990, Wild and Scenic Rivers Act, and Source Water Protection Act.

- USFWS Endangered Species Act Section 7
- NMFS Endangered Species Act Section 7
- Clean Water Act Section 401
- Clean Water Act Section 404 (likely a Nationwide 12 Permit) National Historic Preservation Act Section 106
- CDFG Code Section 1600 et seq Streambed Alteration Agreement
- CDFG California Endangered Species Act Section 2081 Compliance
- SWRCB Division of Water Rights Petition For Change
- Placer County Tree Permit

One objective of this preliminary Project Description is to feed into the CEQA Process. Therefore, the steps and terms of the CEQA Compliance Process are described in detail below.

### 2.9.1 CEQA PROCESS

The California Environmental Quality Act (CEQA) was established to ensure state, local, and other agencies evaluate and disclose the environmental implications of their actions. Furthermore, its purpose is to prevent or minimize the environmental effects of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their actions. The CEQA Lead Agency under the Lincoln Offer is the City of Lincoln. Because the proposed discretionary action of a project approval requires CEQA compliance, possible

CEQA Responsible Agencies include Placer County, the City of Auburn, the Central Valley Regional Water Quality Control Board (RWQCB), the California Air Resources Board (CARB), California Department of Fish and Game (CDFG), California Department of Health Services (CDHS), Native American Heritage Commission (NAHC), and the Office of Historic Preservation (OHP).

The Lead Agency in consultation with the key Responsible Agency staff will likely determine that an Environmental Impact Report (EIR) must be prepared for the proposed Regional Project.

This EIR will be prepared pursuant to the following:

- The California Environmental Quality Act (CEQA) (Public Resources Code, Section 21000 et seq.) and State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, Section 15000 et seq.)

The overall purposes of the CEQA process are to:

- Identify the significant effects to the environment of a project, identify alternatives and to indicate the manner in which those significant effects can be avoided or mitigated;
- Provide for full disclosure of the project's environmental effects to the public, the agency decision-makers who will approve or deny the project, and responsible and trustee agencies charged with managing resources (e.g., wildlife, air quality) that may be affected by the project; and
- Provide a forum for public participation in the decision-making process with respect to environmental effects.

## 2.9.2 DECISION MAKING PROCESS

CEQA requires lead agencies to solicit and consider input from other interested agencies, citizen groups, and individual members of the public. CEQA also requires the proposed Project to be monitored after it has been permitted to ensure that mitigation measures are carried out.

CEQA requires the lead agency to provide the public with a full disclosure of the expected environmental consequences of the proposed Project and with an opportunity to provide comments. In accordance with CEQA, the following is the process for public participation in the decision-making process through the following steps:

- Initial Study/Notice of Preparation. The City of Lincoln will prepare and circulate an Initial Study/Notice of Preparation (NOP) to responsible, trustee, and local agencies for review and comment. The Initial Study/NOP and responses to the NOP will be included in Appendix A of the EIR. In conjunction with this public notice, a scoping meeting will be held to provide a forum for public comments on the scope of the EIR.
- Draft EIR Preparation. A Draft EIR will be circulated for review and comment to appropriate agencies and additional individuals and interest groups who have requested

to be notified of EIR projects. Per Section 15105 of the State CEQA Guidelines, the Lead Agency will provide for a 45-day public review period on the Draft EIR. The Lead Agency will subsequently respond to each comment on the Draft EIR received in writing through a Response to Comments chapter in the Final EIR. The Response to Comments will be provided to each agency or person who provided written comments on the EIR two weeks before the hearing on the Final EIR and project.

- *Preparation and Certification of Final EIR.* The Lead Agency will consider the Final EIR, all public comments, and the project and take final action on the project. At least one public hearing will be held by to consider the Final EIR, take public testimony, and then approve, conditionally approve, or deny the project.

### 2.9.3 PURPOSE AND USE OF THE EIR

An EIR is a public informational document used for planning and decision-making purposes. The Lead Agency will consider the information in the EIR, including the public comments and staff response to those comments, during the public hearing process. As a legislative action, the final decision is made by the Lead Agency City Council or Board or Supervisors, who may approve, conditionally approve, or deny the project. The purpose of an EIR is to identify:

- The significant potential impacts of the proposed project on the environment and indicate the manner in which those significant impacts can be avoided or mitigated;
- Any unavoidable adverse impacts that cannot be mitigated; and
- Reasonable and feasible alternatives to the project that would eliminate any significant adverse environmental impacts or reduce the impacts to a less-than-significant level.

An EIR also discloses growth-inducing impacts; impacts found not to be significant; and significant cumulative impacts of past, present, and reasonably anticipated future projects. CEQA requires an EIR be prepared that reflects the independent judgment of the lead agency regarding the impacts, the level of significance of the impacts both before and after mitigation, and mitigation measures proposed to reduce the impacts. A draft EIR is circulated to responsible agencies, trustee agencies with resources affected by the project, and interested agencies and individuals. The purposes of public and agency review of a draft EIR include sharing expertise, disclosing agency analyses, checking for accuracy, detecting omissions, discovering public concerns, and soliciting counterproposals. Reviewers of a draft EIR are requested to focus on the sufficiency of the document in identifying and analyzing the possible impacts on the environment and ways in which the significant effects of the project might be avoided or mitigated. Comments are most helpful when they suggest additional specific alternatives or mitigation measures that would provide better ways to avoid or mitigate significant environmental effects.

This Draft EIR will be distributed directly to agencies, organizations, and interested groups and persons for comment during a 45-day formal review period in accordance with Section 15087 of

the State CEQA Guidelines. The EIR process, including means by which members of the public can comment on the EIR.

### 2.9.3.1 Issues to Be Resolved

Section 15123(b)(3) of the CEQA Guidelines requires that an EIR contain issues to be resolved, which includes the choices among alternatives and whether or how to mitigate significant impacts. The major issues to be resolved regarding the proposed project include decisions by the lead agency as to whether or not:

- The Draft EIR adequately describes the environmental impacts of the proposed project,
- The recommended mitigation measures should be adopted or modified, or
- Additional mitigation measures need to be applied.

### 2.9.4 TERMINOLOGY

#### 2.9.4.1 Terminology

To assist reviewers in understanding this Draft EIR, the following terms are defined:

**Project** means the whole of an action that has the potential for resulting in a physical change in the environment, directly or ultimately.

**Environment** means the physical conditions that exist in the area and that would be affected by a proposed Project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved is where significant direct or indirect impacts would occur as a result of the proposed Project. The environment includes both natural and artificial conditions.

**Impacts** analyzed under CEQA must be related to a physical change. Impacts are:

- Direct or primary impacts that would be caused by the proposed Project and would occur at the same time and place; or
- Indirect or secondary impacts that would be caused by the proposed Project and would be later in time or farther removed in distance but would still be reasonably foreseeable. Indirect or secondary impacts may include growth-inducing impacts and other effects related to induced changes in the pattern of land use; population density or growth rate; and related effects on air and water and other natural systems, including ecosystems.

**Significant impact** on the environment means a substantial, or potentially substantial, adverse change in any of the physical conditions in the area affected by the proposed Project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. An economic or social change by itself is not considered a significant impact on the

environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.

**Mitigation** consists of measures that avoid or substantially reduce the proposed Project's significant environmental impacts by:

- Avoiding the impact altogether by not taking a certain action or parts of an action;
- Minimizing impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifying the impact by repairing, rehabilitating, or restoring the affected environment;
- Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action; or
- Compensating for the impact by replacing or providing substitute resources or environments.

**Cumulative impacts** are two or more individual impacts that, when considered together, are considerable or that compound or increase other environmental impacts. The following statements also apply when considering cumulative impacts:

- The individual impacts may be changes resulting from a single project or separate projects.
- The cumulative impact from several projects is the change in the environment that results from the incremental impact of the proposed Project when added to other closely related past, present, and reasonably foreseeable probable future projects. Cumulative impacts can result from individually minor but collectively significant projects taking place over time.

The Draft EIR uses a variety of terms to describe the level of significance of adverse impacts. These terms are defined as follows:

**Less than Significant.** An impact that is adverse but that does not exceed the defined thresholds of significance. Less-than-significant impacts do not require mitigation.

**Significant.** An impact that exceeds the defined thresholds of significance and would or could cause a substantial adverse change in the environment. Mitigation measures are recommended to eliminate the impact or reduce it to a less than significant level.

**Significant and Unavoidable.** An impact that exceeds the defined thresholds of significance and cannot be eliminated or reduced to a less than significant level through the implementation of mitigation measures.

## 2.10 PROJECT VARIATIONS

Through the course of establishing the Proposed Regional Project, as offered to Placer County and the City of Auburn in the Lincoln Offer, additional project options became apparent, but have not been fully evaluated technically, but have been evaluated with respect environmental constraints. As such, they are included here as project variations that may be studied further and possibly incorporated into the final Preferred Regional Project. The project variations include:

1. Four pipe alignment alternatives
2. Full Wastewater Treatment for Auburn (no Pretreatment)
3. Gravity option from Auburn
4. SMD1/Auburn Collection System Intertie

### 2.10.1 Four Pipe Alignment Alternatives

Four pipeline alternatives have been identified that may offer project cost savings by reducing environmental impacts or resulting in reduced pipe length. They are identified on Figure 7. These alignment variations are as follows:

1. SMD1 Pipe Alternate: This alternative is a short cut (reduced pipe length) from the Proposed Regional Project SMD1 Pipe alignment to intercept the Auburn pipe alignment further to the east via a cross country alignment. This alignment is approximately 13,150 feet shorter than the Proposed Regional Project, but results in the need to procure additional easements and coordinate with private property owners. From an environmental perspective, the SMD1 Pipe Alternative would likely entail relatively equivalent impacts as compared to the in-road alignment. This is because the SMD-1 Alternative does not come as close to wetlands/stock ponds (potential sensitive-species habitat). In addition, the SMD-1 Alternative has half as many stream crossings as the Proposed Regional Project SMD1 Pipe alignment; however, it runs in close proximity to houses. The SMD-1 Alternative may entail some tree removal; yet, much of the route is through grassland. Both routes cross Doty Ravine/designated Critical Habitat for steelhead. Cross-country routes typically have a higher potential to encounter cultural resources. Therefore, the potential impacts associated with this alternative are considered relatively comparable to the Proposed Regional Project alignment, despite the cross-country characteristics of the SMD-1 Pipe Alternate.
2. Auburn Pipe Alternate 1: This alternative is a short cut to leave the Auburn WWTP site to the north with a crossing of Auburn Ravine directly to Wise Road and returning to the Proposed Regional Project alignment. This alignment is approximately 2,380 feet shorter than the Proposed Regional Project, but adds an additional creek crossing through riparian zones and away from bridges (where less impacts may otherwise be possible). It also results in the need to procure easements and coordinate with private property owners. From an environmental impact perspective, the Auburn Alternative 1 potentially results in additional stream, sensitive-species, and tree-related impacts, relative to the Proposed Regional Project Auburn Alignment.

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

3. *Auburn Pipe Alternate 2:* This alternative is an Auburn Pipe alignment variation whereby the pipe extends from the Auburn WWTP to the west before crossing Auburn Ravine to the north and connecting with the Proposed Regional Project alignment. This alignment is approximately 1,750 feet shorter than the Proposed Regional Project, but results in the need to procure easements and coordinate with private property owners. From an environmental perspective, this alternative crosses Auburn Ravine at a bridge location and adds an additional creek/wetland crossing near potential sensitive-species habitat and away from bridges (similar to Auburn Pipe Alternate 1). This cross-country alignment also has a higher potential to encounter cultural resources and require oak removal. Therefore, relative to the Proposed Regional Project Auburn alignment, this variation will likely have increased environmental impacts.
  
4. *Common Pipe Alternate:* This alternative is a Common Pipe alignment variation whereby the pipe extends further west in Virginia Town Road (past Fowler Road) and then turns south via a cross country route to intercept the Proposed Regional Project alignment in Highway 193. This alignment is approximately 2,160 feet shorter than the Proposed Regional Project, but is cross country in nature as opposed to the Proposed Regional Project alignment, which remains in roads through this area. The cross country alignment can save construction costs. From an environmental perspective, the Common Pipe Alternative is similar to the Proposed Regional Project alignment. However, despite the cross-country characteristics, the Common Alternative Route crosses Auburn Ravine in an area that apparently lacks riparian trees, it avoids threading the large wetlands at the its intersection with Hwy 195 and it abuts fewer wetlands/ponds/potential sensitive-species habitat areas. These two alternatives are very similar, though and therefore, other factors may weigh in on the ultimate route decision.

Table 3 is a list of the improvements and impacts associated with the four pipe alternative options for the Regional Pipeline on an incremental basis (in addition to the improvements described in the Proposed Regional Project).

Table 3  
**Placer County Mid-Western Regional Sewer Project - New Infrastructure Pipe Alternate Descriptions (Incremental Improvements Only)**

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>New Infrastructure (located outside existing wastewater treatment facilities)</b>						
<b>Regional Sewer Pipeline Alternates</b>	County off-road, rural road areas	SMD1 Pipe Alternate	Excavation, pipe placement, backfill and road restoration of 16-inch to 24-inch diameter force main pipe. Also install air valves and odor scrubbers.	From the SMD1 Pipe from Mount Vernon Rd. cross country to an intersection with the Auburn Pipe in Chili Hill Rd. WWTP site, west on Joeger Rd.	Relative to the SMD1 Pipe, this Alternate is approx. 13,150 ft. shorter.	April 2013 to April 2014 (12 months)

64

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	County rural, paved roads	Auburn Pipe Alternate 1	Excavation, pipe placement, backfill and road restoration of 12-inch to 20-inch diameter force main pipe. Also install air valves and odor scrubbers.	From the Auburn WWTP site, west on Ophir Rd. Pipe extends north across Auburn Ravine to Wise Road and continues as the Auburn Pipe alignment	Relative to the Auburn Pipe, this Alternate is approx. 2,380 ft. shorter.	April 2013 to March 2016 (36 months)
	County rural, paved roads	Auburn Pipe Alternate 2	Excavation, pipe placement, backfill and road restoration of 12-inch to 20-inch diameter force main pipe. Also install air valves and odor scrubbers.	From the Auburn WWTP site, west on Ophir Rd. Pipe extends west, then north across Auburn Ravine to Wise Road and continues as the Auburn Pipe alignment	Relative to the Auburn Pipe, this Alternate is approx. 1,750 ft. shorter.	April 2013 to March 2016 (36 months)
	County off-road, rural road areas	Common Pipe Segment	Excavation, pipe placement, backfill and road restoration of 20-inch to 36-inch diameter force main pipe. Also install air valves and odor scrubbers and energy dissipation structure to transition from force main to gravity sewer service.	From the intersection of Virginia Town Rd and Fowler Rd., pipe extends west and then cuts south, cross country to Highway 193 and continues as the Common Pipe alignment	Relative to the Common Pipe, this Alternate is approx. 2,170 ft. shorter	April 2013 to April 2014 (12 months)

65



**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

November 30, 2011

**2.10.2 Full Wastewater Treatment for Auburn (no Pretreatment)**

Depending on funding, the possibility exists for Auburn to fully regionalize with Lincoln and eliminate the phasing included in the Proposed Regional Project to utilize the existing Auburn WWTP for pretreatment. If this full regionalization occurred for Auburn, the Auburn influent screen and equalization basins would remain in service for the new Auburn Regional Pump Station and the remainder of the WWTP can be decommissioned similar to the description for the decommissioning of the SMD1 WWTP. The Lincoln WWTRF would also be expanded to not only accommodate Auburn flow, as in the Proposed Regional Project, but also provide full treatment to remove the wastewater organics and nitrogen load and manage the waste solids at Lincoln.

Table 4 provides a brief description of the improvements required for full Auburn regionalization on an incremental basis (in addition to the improvements described in the Proposed Regional Project).

Table 4  
**Placer County Mid-Western Regional Sewer Project - New Infrastructure for Full Regionalization for the City of Auburn Descriptions (Incremental Improvements Only)**

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>Upgrades to/Conversions of Existing Infrastructure</b>						
<b>Lincoln WWTRF Adjustments</b>	Graded And Paved Existing WWTRF	New Oxidation Ditch With Anoxic Basins	Construct new oxidation ditch and anoxic basins with aerators and mixers, gates and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One oxidation ditch/anoxic basin structure; approximately 100 ft. by 300 ft.	June 2013 to June 2016, (36 months)
<b>Auburn WWTP Adjustments</b>	Graded Existing WWTP	Auburn Regional Pump Station Grit Removal Basin Installation	Site preparation, grading, foundation installation, stilling well for grit sedimentation.	Within the existing Auburn WWTP fence line	30 ft. by 30 ft.	June 2013 to June 2016, (36 months)
	Graded Existing WWTP	Existing Treatment Structures And Buildings Not Retained For Other Purposes And Outfall Decommissioning	Structure and building demolition, grading, reseeding. Outfall excavation, removal, bank recontouring, and reseeding	Within existing Auburn WWTP fence line and existing outfall	Five to 15 buildings /facilities, dispersed over approximately four acres.	June 2013 to June 2016, (36 months)

### 2.10.3 Gravity Option from Auburn

The Auburn WWTP is several hundred feet lower in elevation than the City of Auburn. Because of this, it may be possible to extend the Auburn pipe east towards the City and gain elevation, allowing the pipe to fill and flow completely by gravity to the City of Lincoln without the need for the Auburn Regional Pump Station. To do this, the pipe would extend east in Ophir Road, approximately as shown in Figure 7. Gravity flow is usually a preferred conveyance strategy, as it is reliable and cost effective under most circumstances. However, this configuration for flow from Auburn has some complexities that must be considered and resolved prior to incorporating this project variation into the Preferred Project. The complexities include:

1. The Proposed Regional Project utilizes the existing Auburn WWTP Ponds for equalization. If these ponds are not used for equalization, the pipeline must be increased in size, possibly up to 30-inches in diameter. This adds costs to the project and may result in solids deposition during average flow rates. If the ponds are used, allowing for a smaller pipe, an Equalization Return Pump Station will be required to return equalized flow to the pipeline, thereby negating some capital costs benefits associated with utilizing gravity flow. However, this Equalization Return Pump Station could be simpler and less expensive than the Proposed Auburn Regional Pump Station.
2. To protect the pipe from rags and grit, screening and grit removal facilities may be required at the eastern end of the Auburn gravity sewer (beginning of the Auburn Pipe).
3. If raw sewage is sent from Auburn to Lincoln, the benefits of utilizing partial treatment (pretreatment) at the Auburn WWTP to phase the improvements required to expand the Lincoln WWTRF may be lost, depending on the configuration, and the full WWTRF expansion to treat raw sewage from Auburn may be required. See previous project variation.
4. Sewage flow generated in the lower elevations of Auburn in the vicinity of the Auburn WWTP will need to be pumped into the Regional Pipeline, creating the need for a small pump station to serve this region. Alternatively, if the gravity pipe extension is downsized and the existing ponds are utilized for equalization (discussed above), the Equalization Return Pump Station can provide sewer service to the lower elevation regions in the Auburn collection shed.

There are considerable operational advantages to a gravity system if the above concerns can be resolved. This project variation can be considered in further detail during the preliminary design phase.

Table 5 is a list of the improvements and impacts associated with the gravity option for Auburn on an incremental basis (in addition to the improvements described in the Proposed Regional Project).

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Table 5

**Placer County Mid-Western Regional Sewer Project - New Infrastructure Pipe and Lincoln WWTRF  
Alternate Descriptions for a Gravity Option from Auburn (Incremental Improvements Only)**

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>New Infrastructure (located outside existing wastewater treatment facilities)</b>						
<b>Regional Auburn Gravity Pipe Extension &amp; Related Facilities</b>	County rural, paved roads	Auburn Gravity Pipe Extension	Excavation, pipe placement, backfill and road restoration of 12-inch to 30-inch diameter pressure pipe. Also install air valves and odor scrubbers.	Same pipe alignment as the Auburn Pipe, plus approx. 5000 ft of pipe from Auburn WWTP, east on Ophir Road.	Within bounds of roadway paving; approx. 1 miles.	April 2013 to March 2016, (36 months)
	County rural, paved roads	Auburn Gravity Pipe Extension Screening and Grit Removal Facilities	Site preparation, grading, excavation structure and equipment installation, backfill and MCC building	Along Ophir Road right of way	50 ft. by 50 ft. Facility elevation approx. 1100 ft.	April 2013 to March 2016, (36 months)
<b>Upgrades to/Conversions of Existing Infrastructure</b>						
	Graded Existing WWTP	Auburn Equalization Return Pump Station Installation (Includes Standby Generator And Related Appurtenances)	Site preparation, grading, excavation, backfill, wet well and MCC building and equipment installation	Within the existing Auburn WWTP fence line	50 ft by 50 ft. Pump station elevation approximately = 835 ft; approximately 12 ft at roof peak of MCC Building.	April 2013 to October 2015 (30 months)
	Graded and Paved Existing WWTRF	New Oxidation Ditch With Anoxic Basins	Construct new oxidation ditch and anoxic basins with aerators and mixers, gates and electrical services. Work includes excavation and backfill, yard piping and site restoration	Within existing Lincoln WWTRF fence line	One oxidation ditch/ano xic basin structure; approximately 100 ft. by 300 ft.	April 2013 to March 2016, (36 months)

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
	Graded Existing WWTP	Existing Treatment Structures And Buildings Not Retained For Other Purposes And Outfall Decommissioning	Structure and building demolition, grading, reseeding. Outfall excavation, removal, bank recontouring, and reseeding.	Within existing Auburn WWTP fence line and existing outfall	Five to 15 buildings /facilities, dispersed over approximately four acres.	April 2014 to March 2016 (36 months)

**2.10.4 SMD1/Auburn Collection System Intertie**

The SMD1 collection system is adjacent to the City of Auburn collection system and much of the SMD1 collection system is at a higher elevation than the Auburn. The SMD1 collection system is also configured with the SMD1 WWTP on Joeger Road at a high elevation within the SMD1 collection system resulting in pump stations and force mains in the collection system. This creates an opportunity to consider consolidating the collection system and allowing some SMD1 flow to drain by gravity to the new Auburn Regional Pump Station. This would avoid pumping it from the collection system to the SMD1 WWTP where it will then be pumped a second time with the new SMD1 Regional Pump Station to the WWTRF. This could be especially valuable as the SMD1 collection system is at capacity and diverting some flow away from the collection system would free-up capacity and reduce the risk of surcharging and sanitary sewer overflows throughout the system. This is especially true through the Highway 49 siphon which is a known capacity limiting element of the collection system.

One SMD1 collection system pump station to consider is the Auburn Ravine Pump Station, which is located adjacent to a City of Auburn gravity sewer. Consideration can be given to the capacity in the Auburn sewer and/or the possibility of upsizing this sewer, or sections of it, to intercept the flows from this pump station and decommissioning the pump station. The added costs of upsizing the Auburn sewer(s) could be funded from operational savings from decommissioning the pump station. There could also be savings from downsizing the SMD1 Regional Pump Station, which is larger than the Auburn Regional Pump Station, and downsizing the SMD1 Pipe, which is longer than the Auburn Pipe. The benefits of this proposed SMD1 Regional Pump Station downsize and the Auburn Regional Pump Station could be disproportionate due to the large amount of existing equalization potential at the existing Auburn WWTP. Plus there is the reduced liability of operating a collection system pump station and the benefits of added capacity gained in the SMD1 collection system. Elements of this possible project variation include:

1. Up-size key Auburn collection system sewer mains. Current sewers are sized from 8-inch to 24-inch in diameter. To provide additional capacity it is possible that the sewers will increase in size from 12-inch to 30-inch diameter. As an alternative, a parallel sewer

- (or combination of parallel and up-sized sewer) could be installed with a size range of 10-inch to 18-inch. Some stretches of the existing Auburn sewer may not require any modifications to accommodate the additional flow. Ideally no improvements will be required for sections of sewer along Highway 80, as these will be difficult to access and expensive.
2. Decommission the Auburn Ravine Pump Station. This will require the rerouting of the influent sewers to the Auburn collection system, salvaging equipment, demolition of the buildings and wet well and restoration of the site.
  3. Increase the size of the Auburn Regional Pump Station (as compared to the Proposed Regional Project).
    - a. The Auburn Regional Pump Station would have to be modified to receive approximately 0.4 Mgal/d to 0.5 Mgal/d average flows more than the current Auburn flows of 1.2 Mgal/d under initial conditions.
    - b. New Peak flows from the Auburn Ravine Pump Station (to the Auburn Regional Pump Station) might initially increase peak flows to Auburn by 2 Mgal/d to 4 Mgal/d prior to equalization at the Auburn WWTP basins.
    - c. At build-out conditions, additional average flows to the Auburn Regional Pump Station could increase by approximately 1 Mgal/d to 2 Mgal/d, and peak flows could increase by approximately 4 Mgal/d to 8 Mgal/d.
  4. Increase the size of the Auburn Pipe zero to 6-inches in diameter as compared to the Proposed Regional Project (incremental increase), depending on the extent of I/I in the Auburn Ravine Pump Station collection shed and the equalization process in the Auburn equalization basins.
  5. Decrease the size of the SMD1 Regional Pump Station as compared to the Proposed Regional Project. The pump station could decrease in capacity by about 2 Mgal/d to 4 Mgal/d initially, and 4 Mgal/d to 8 Mgal/d in peak flow capacity at build-out conditions.
  6. Decrease the size of the SMD1 Pipe (as compared to the Proposed Regional Project). SMD1 Pipe sizes could decrease zero to 6-inches in diameter as compared to the Proposed Regional Project.

This project variation has not yet been studied in detail, but merits further consideration during the preliminary design phase. See Figure 7. There may be other SMD1 collection system pump stations that can also be considered in this fashion.

Table 6 is a list of the improvements and impacts associated decommissioning the SMD1 Auburn Ravine Pump Station, modifying the City of Auburn collection system sewers to receive its shed flow by gravity and adjusting the Regional Pump Station and Regional Pipes to accommodate the changes in flow to each. The improvements listed in the table are on an incremental basis (in addition to the improvements described in the Proposed Regional Project).

**Mid-Western Placer Regional Sewer Project**

Preliminary Project Description

February 2012

Table 6  
**Placer County Mid-Western Regional Sewer Project - New Collection System Inter-tie Improvements Descriptions (Incremental Improvements Only)**

Improvement	Setting Type	Activity	Principal Construction Activities	Location	Area of Impact	Schedule
<b>New Infrastructure (located outside existing wastewater treatment facilities)</b>						
<b>Auburn Collection System Piping Modifications</b>	City, County, State paved roads	Auburn Collection System Improvements	Excavation, pipe placement, backfill and road restoration of 10-inch to 30-inch diameter gravity sewer.	Auburn Ravine Rd by Appian Way, Under HWY 49, west along HWY 80 and west along Ophir Rd. to the Auburn WWTP.	Within bounds of roadway paving; Approx 3 miles of potential improvements	April 2013 to March 2016, (36 months)
<b>SMD1 Pump Station Elimination</b>	Graded Existing WWTP	Existing Auburn Ravine Pump Station Demolition	Structure and building demolition, grading, reseeding.	Within existing Auburn Ravine Pump Station fence line	Building; gen set and wet well; Approx. 40 ft. by 50 ft.	April 2014 to March 2016 (36 months)
<b>SMD1 Regional Pump Station Adjustments</b>	Graded Existing WWTP	Adjustments within range provided for the Proposed Regional Project				
<b>Auburn Regional Pump Station Adjustments</b>	Graded Existing WWTP	Adjustments within range provided for the Proposed Regional Project				
<b>Upgrades to/Conversions of Existing Infrastructure</b>						
<b>Regional Pipelines (All Segments)</b>	Graded Existing WWTP and Rock Creek	Adjustments within range provided for the Proposed Regional Project				

**2.11 PROJECT ALTERNATIVES**

There are two primary alternatives to the Proposed Regional Project. They are described in the following sections.

**2.11.1 No Project**

This project alternative includes doing nothing and continuing to operate the existing SMD1 WWTP and Auburn WWTP with no changes.

This does not appear to be a viable alternative for the SMD1 WWTP as the current WWTP is out of compliance with the SMD1 Order and incurring fines due to the exceedance of effluent limitations. These fines will increase when interim operating limits expire in late 2015.

The No Project Alternative will not immediately impact Auburn WWTP. However, eventual upgrades will be necessary and in the future to accommodate maintenance and reliability needs and facilitate planned City growth.

### **2.11.2 SMD1 Upgrade**

This project alternative includes upgrading the existing SMD1 plant at the SMD1 site and continuing to discharge to Rock Creek. There are currently two options for replacing the plant on site: implementing the existing improvement project designed by the County for this purpose, or accept an offer from a private firm to design, build and operate a proprietary treatment facility long term on the site. Both of these alternatives would place the SMD1 rate payers at higher risk of non-compliance due to the limited amount of dilution available in Rock Creek as compared to the disposal strategy of seasonal reclamation and discharge to Auburn Ravine utilized at the Lincoln WWTRF.

While these two project alternatives may achieve short term permit compliance, neither meet the Project Purpose and Need identified for the Proposed Regional Project and both come with significant long term compliance and cost risks.

EDMUND G. BROWN JR.  
GOVERNORMATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

FEB 10 2012

Mr. James Durfee  
 Director of Facility Services  
 Placer County  
 11476 C Avenue  
 Auburn, CA 95603

Dear Mr. Durfee:

### CLEAN WATER STATE REVOLVING FUND (CWSRF) PROCESS QUESTIONS

Thank you for your December 16, 2011 letter. The Division of Financial Assistance (Division) recognizes that the Placer County Board of Supervisors has a difficult decision to make in March. The Division is happy to answer your questions regarding how various scenarios might affect the CWSRF application process. Your questions are repeated below with the Division's responses. We've also addressed an additional question posed by Mr. Bruce Burnworth with the City of Lincoln.

1. **PERC Design/Build Proposal** - The County received a proposal from a company (PERC) to complete the upgrade and expansion of its SMD 1 treatment plant. If accepted, this project concept would replace the SMD 1 upgrade Project that was bid out and subject to the current Facility Plan Approval (FPA)/Preliminary Funding Commitment (PFC). The proposal contemplates using a design/build project delivery method to contract with PERC.

- a. Once the current FPA/PFC is executed, can it be revised to allow a design/build option?

*If the PERC proposal is selected, Division staff will need to amend the FPA/PFC with a new Project description and the new environmental clearance language. Division staff will review the CWSRF application to determine if additional items must be revised.*

- b. Since the Project would be changing, the current environmental documents will need to be revised. How would that affect the FPA/PFC?

*The amended FPA/PFC cannot be finalized until the final environmental documents for the PERC project have been approved by the County's Board of Supervisors.*

CHARLES R. HOPPIN, CHAIRMAN | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

*The final, approved environmental documents need to be reviewed and approved by the Division's Regional Programs Unit (RPU) before the FPA/PFC can be amended.*

- c. Section XI B 1 of the Policy for Implementing the CWSRF for Wastewater Treatment Facilities as amended in March 2009 delineates the two-phase selection process (request for qualifications (RFQ) and request for proposal (RFP)) for design-build projects. Is there any process that the County might complete that will satisfy this process without conducting an RFQ and RFP?

*If the County selects the PERC proposal without going through the procurement process currently reflected in the CWSRF Policy for design build projects (i.e. RFQ, Technical Review Panel, and RFP), the PFC must be approved at the State Water Board level; the Division will not be able to approve a procurement process not reflected in the Policy. To receive CWSRF financing, the County must follow state procurement law. Although we cannot speak for the Board, Division staff anticipates that the Board will approve a PFC for a project procured in accordance with state procurement law.*

- d. If the executed FPA/PFC is amended for the PERC proposal, assuming it contains Principal Forgiveness (PF), will the PF remain available?

*The Division will prepare an amended FPA/PFC if the County chooses the PERC proposal and submits a complete application. The FPA/PFC for the SMD 1 Upgrade Project has the following conditions:*

- 1) The County must sign an initial financing agreement for the SMD 1 Upgrade Project on or before August 30, 2012. Division staff may approve up to a 120-day extension for good cause.*
- 2) The County must submit an Approval of Award (AOA) package and start construction of the SMD 1 Upgrade Project by May 30, 2013. If the County selects an alternative project, this FPA and the initial agreement will be void.*
- 3) If an alternative project is selected, the County must submit a complete application for the selected project to the Division, and the initial financing agreement must be executed or be executable by May 30, 2013. Division staff may approve up to a 120-day extension for good cause.*

*In order to ensure the PF funds remain available for the PERC project, or any other alternative project, a complete application and the initial financing agreement for the alternative must be executed or be executable by May 30, 2013.*

*If this deadline is not met, the County will have to compete for whatever PF funds are available at the time.*

- e. Does the timing of when the environmental documents are complete affect the PF availability?

*Yes. The completed environmental documents must be submitted for the CWSRF application to be deemed complete. The FPA/PFC for the SMD 1 upgrade contains several expiration dates (See response 1.d). To receive PF funds for the PERC project, the County must submit a complete application for the selected project to the Division, and the initial financing agreement must be executed or be executable by May 30, 2013. Division staff may approve up to a 120-day extension for good cause.*

- f. Are there any restrictions through CWSRF regarding contracted third party operation of the treatment plant?

*Yes. The CWSRF Program does not fund operation and maintenance (O&M) costs. There are also private activity restrictions associated with our revenue bonds, and we can only finance publicly owned facilities. The County should review the attached Tax Questionnaire to identify possible private activities associated with the PERC option. Division staff previously provided the Tax Questionnaire to Mr. Wes Strickland, PERC's legal counsel.*

- g. Are there any differences or restrictions in the CWSRF process between a design/build and design/build/operate?

*Yes. The County will need to separate out the operational costs if a design/build/operate option is selected. The CWSRF Program does not fund O&M costs. As mentioned in the response to 1.f., there are private activity restrictions with our revenue bonds and public ownership requirements.*

*In a previous, unrelated instance, the CWSRF Program received an application from an agency requesting that CWSRF finance a design/build/operate project. After legal review of the contract between the public agency and the private operator, the Division determined that we could not fund the project because the public agency was giving up their ownership rights to the WWTP during the operation period. The CWSRF Program can only fund publicly owned treatment works. If the County selects PERC for a design/build/operate option, the Division highly recommends that a draft contract between PERC and the County be submitted for legal review as early as possible.*

2. **Regional Project** - As an alternative to upgrading and expanding the SMD 1 treatment plant, the County could partner with other local agencies in a regional treatment plant. Such a project would require the construction of several miles of pipeline as well as the expansion of an existing treatment plant currently owned by the City of Lincoln. At this time, there are many details that need to be worked out regarding ultimate governance and ownership of both the pipeline and treatment plant. Availability of low-interest financing through CWSRF could potentially have an impact on the manner in which this type of project is ultimately organized.

- a. How would CWSRF evaluate a regional project for the purposes of determining whether it could be designated as a DAC?

*The Division will look at the community or communities the regional Project is serving to determine DAC status. There are two categories of DACs specified in the May 17, 2011, Intended Use Plan.*

*To qualify as a Category 1 DAC wastewater project, the Project area needs to meet one of the following two requirements:*

- a.(1) Population <20,000 and (2) community median household Income (MHI) <80 percent of statewide MHI and (3) wastewater rates at least 1.5 percent of community MHI ; or*
- b.(1) Population <20,000 and (2) combined rates more than 4 percent of community MHI.*

*To qualify as a Category 2 DAC, the Project area needs to meet one of the following requirements:*

- a. Project serves a DAC (community MHI <80 percent of statewide MHI) not qualifying under Category 1 above; or*
- b. Project serves a disadvantaged area (area MHI <80 percent of statewide MHI) of a larger community.*

- i. Does the ownership of the capital improvements impact this?

*No. The applicant for the CWSRF loan is not the determining factor. The community that the Project is serving determines DAC status.*

- ii. If the two components of the Project are separated out into two different Projects and financed separately, would this impact the DAC status?

*It would depend on what the components are and which communities the Projects are serving. A project serving one DAC cannot be split into multiple projects to claim more than \$7,500,000 in PF. If additional communities are being served beyond SMD 1, Division staff must evaluate if those communities qualify as DACs.*

**3. Regional Project – Lincoln-Owned**

- a. In order to be eligible to receive ETF and PF, does the Project area to be served have to be designated as a DAC?

*Yes. The Project needs to serve a DAC.*

- i. How is the Project area to be served defined?

*The project area is the service area for the collection system.*

- ii. What if only a portion of the area is designated as a DAC?

*If 100 percent of the service area qualifies as a Category 2 DAC, the Project may receive 50 percent of eligible Project costs, not to exceed \$5,000,000.*

*If only a portion of the area is a Category 2 DAC, we would prorate the PF based on the percentage of the area that is disadvantaged. For example, if 30 percent of the area was a DAC and the eligible Project cost was \$10,000,000, the eligible PF amount would be \$1,500,000 = (\$10,000,000 x 0.5 x 0.3). Division staff will work with the applicant to figure out the percentage of the area that is eligible as a Category 2 DAC.*

*All of the 2011 Category 2 DAC funds have been committed. The Division anticipates having additional PF funds in 2012, but it is unknown at this time if any of these funds will be allocated by the State Water Board for Category 2 DACs.*

- iii. Although the City of Lincoln would own and construct both the pipeline and expansion of the treatment plant, the construction would specifically benefit the SMD 1 service area, not the City of Lincoln service area. Would this Project still qualify as a DAC?

*Yes. If the Project specifically benefited only the SMD1 service area and the DAC requirements continue to be met, the community would qualify as a DAC.*

- b. Would it be possible to transfer the PF from the current FPA/PFC to a new FPA/PFC with the understanding that it would be at least one year (for environmental clearance) before the FPA/PFC were ready for signature and that the applicant would change from Placer County to the City of Lincoln?

*Any alternative project will require a new application. The FPA/PFC for the SMD 1 upgrade, the current application, is written with several expiration dates that should give the County sufficient time to prepare and submit a complete CWSRF application for the regionalization project (see response to 1.d). In order to ensure the PF funds are available for the regionalization Project, or any other eligible alternative, a complete application and the initial financing agreement for the alternative must be executed or be executable by May 30, 2013. If this deadline is not met, the County will have to compete for whatever PF funds are available at the time.*

- c. If, at the same time but as a separate entity, Auburn were to construct a regional pipeline that joined the new pipeline constructed for SMD 1, and assuming Auburn qualified as a DAC, would Auburn be eligible for the \$7.5 million regional PF?

*Division staff have looked at the data, and the City of Auburn does not qualify as a Category 1 DAC. They may qualify in Category 2. If so, then limits would be lower, and there is less chance that any funding will be available. See the response to 3.a.ii above.*

- d. What if only portions of Auburn qualified as a DAC? Would there be a proportionate share of PF that might be available?

*If only portions of Auburn qualified as a Category 2 DAC, the PF could be pro-rated as described in the response to 3.a.ii. However, there are no Category 2 PF funds remaining. The Division anticipates receiving new PF in 2012, but it is unknown if those funds will be allocated by the Board for Category 2 DACs.*

#### **4. Regional Project – Placer-Owned**

- a. Would it be possible to transfer the PF from the current FPA/PFC to a new FPA/PFC with the understanding that it would be at least one year (for environmental clearance) before the FPA/PFC were ready for signature and that the applicant would remain the County?

*See response to 3b.*

**5. Regional Project – Joint Powers Authority (JPA)**

- a. Would the JPA have to be formed prior to applying for the CWSRF loan?

*No. The agencies involved would need to submit at least a draft JPA agreement in the CWSRF application. We will likely require that it be effective before executing the Finance Agreement.*

- b. Would there be any effect to the CWSRF loan if the original applicant was Placer County or Lincoln, but then a JPA was formed.
- c. Does the JPA have to own the pipeline and pump station in order to be the applicant for the CWSRF loan?
- d. If there is a JPA in place, how does that affect the CWSRF loan process?
- e. What is the effect, if any, on the CWSRF process if the JPA does not own the infrastructure?

*The answers to questions 5.b. through 5.e. depend on how the JPA is structured and its role in the financing, operation, and maintenance of the system. CWSRF has work successfully with many different governance arrangements to finance projects. We believe we will be able to accommodate any governance structure developed for this project, but it is somewhat difficult to give you exact answers at this time. In general, knowing more specifics about the role of the JPA will speed things up. It is not necessary that the JPA own the infrastructure or that it be the applicant. Changes in ownership or payment responsibility will need approval from Division staff at a minimum, and may require State Water Board approval.*

- f. If a JPA is the applicant, does that change anything about how a determination is made for a DAC?

*No. The DAC status is determined by the MHI and population of the project area or service area, not the applicant.*

- g. If we are utilizing a JPA structure that includes both Lincoln and Auburn as members, assuming both SMD 1 and Auburn qualify as DACs and that there are PF funds available, is there a potential for both Lincoln and Auburn to each receive \$7.5 million in PF for regionalization?

*City-wide, neither Auburn nor Lincoln qualify as a DAC, and, therefore, cannot receive Category 1 PF funds.*

*We assume you are asking if both Auburn and SMD 1 can each receive PF funds. SMD 1 qualifies as a Category 1 DAC, and, therefore, is eligible to receive \$7.5 million in PF, if PF funds are available at the time a regionalization project is approved. Auburn does not qualify as a Category 1 DAC. However, if there are disadvantaged areas in Auburn, a percentage of the service area may qualify for Category 2 DAC status. If Category 2 PF funds are available at the time of approval, the amount of PF funds will be prorated as described in the response to 3.a.ii.*

6. **Question from Bruce Burnworth, City of Lincoln** - Can CWSRF finance the cost of the oversizing design and construction completed for the regional sewer project by the City of Lincoln since 2001 (~\$12m)? I understand that a year ago, the answer from CWSRF was no, but recently we learned that the policy had changed and that project expenses that were incurred prior to loan approval could be financed if documentation is provided that the expenditures were made for the project.

*The CWSRF does not finance the cost of the oversizing. However, the cost for one agency to purchase capacity from another agency is an eligible project cost, and can be reimbursed with CWSRF funds. Division staff notes that such costs have been eligible since at least July 2007; no recent changes have been made to the Policy in this regard.*

If you have additional questions regarding the CWSRF Program or the application process, please contact Ms. Jennifer Toney at (916) 341-5646, or through email at [jtoney@waterboards.ca.gov](mailto:jtoney@waterboards.ca.gov).

Sincerely,



James Maughan, Assistant Deputy Director  
Division of Financial Assistance

Attachment

Cc: Jenine Windeshausen  
Placer County  
2976 Richardson Drive  
Auburn, CA 95603

Jennifer Pereira  
Placer County Board of Supervisors  
175 Fulweiler Avenue  
Auburn, CA 95603

Cc: (con't) Will Dickinson  
Kathy Kane  
Placer County  
11476 C Avenue  
Auburn, CA 95603

Bruce Burnworth  
City of Lincoln  
600 Sixth Street  
Lincoln, CA 95648

Jeff Small  
Capitol Public Finance Group, LLC  
1900 Point West Way, Suite 273  
Sacramento, CA 95815

Sheri L. Lasick  
Sylvir Consulting, Inc.  
5235 Fawn Crossing Way  
Antelope, Ca 95843



**STATE WATER RESOURCES CONTROL BOARD  
CLEAN WATER STATE REVOLVING FUND PROGRAM  
TAX QUESTIONNAIRE (Version October 2011)**

LEGAL NAME OF APPLICANT	CWSRF Project No.	DATE/TIME REC'D BY SWRCB
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NAME AND LOCATION OF PROJECT

*Instructions: Answer all and provide all information and documents requested. Begin typing in the shaded area and the space will enlarge to accommodate the information that is typed. In lieu of typing in the shaded areas for any question, a separate page may be attached to this Tax Questionnaire or an electronic file in any format (e.g., Word, WordPerfect, Excel, etc.) may be attached.*

*Certain Definitions: As used in this Tax Questionnaire, "Project" means the facilities and/or capital improvements that you described in the Financial Assistance Application submitted to the State Water Board and constitutes those costs that will be funded by the State Water Board under the Financing Agreement (a template Financing Agreement can be found on the State Water Board's website), "Governmental Entity" means a state, city, county, town, public school district, other special district or joint powers authority, and "Non-Governmental Entity" means any person, partnership, corporation or other organization that is not organized as a state, city, county, town, public school district, other special district or joint powers authority. The federal government constitutes a Non-Governmental Entity. A Section 501(c)(3) organization constitutes a Non-Governmental Entity.*

1. Briefly describe the Project, its functions and its principal components.

2. Indicate by principal components your current estimates of the costs of the Project, as follows:

- a. Construction costs ..... \$ \_\_\_\_\_
- b. Equipment costs ..... \$ \_\_\_\_\_
- c. Rehabilitation or renovation of facilities ..... \$ \_\_\_\_\_
- d. Site preparation costs ..... \$ \_\_\_\_\_
- e. Architectural/engineering, design and planning costs ..... \$ \_\_\_\_\_
- f. Engineering and administrative costs during construction ..... \$ \_\_\_\_\_
- g. Surveys ..... \$ \_\_\_\_\_
- h. Legal fees ..... \$ \_\_\_\_\_
- i. Financing costs ..... \$ \_\_\_\_\_
- j. Commitment fees and deposits ..... \$ \_\_\_\_\_
- k. Other costs (please specify) ..... \$ \_\_\_\_\_

3. Will any portion of the financing provided under the Financing Agreement be used to refinance other debt(s) (e.g., including any bonds, notes, leases or commercial paper) relating to the Project?

- Yes       No       Not Applicable

4. If you answered "yes" to Question #3, please state the amount of financing provided under the Financing Agreement that is expected to be used for refinancing purposes.

\$ \_\_\_\_\_

5. If you answered "yes" to Question #3, please specify the date(s) on which the financing provided under the Financing Agreement will be used to redeem other debt(s) relating to the Project.

6. If you answered "yes" to Question #3, please provide the following information:

- a. Name of the existing indebtedness to be refinanced .....
- b. Issue date of the existing indebtedness .....
- c. Par amount of the existing indebtedness .....
- d. Purpose(s) of the existing indebtedness .....
- e. Whether the existing indebtedness is immediately prepayable .....
- f. Whether the interest on the existing indebtedness is federally taxable or tax-exempt .....

7. If you answered "yes" to Question #3, are any proceeds of the other debt(s) relating to the Project still unspent?

- Yes       No       Not Applicable

If yes, please identify the amounts and the funds or accounts in which such proceeds are on deposit.

8. If you answered "yes" to Question #3, was the other debt(s) to be refinanced with the financing provided under the Financing Agreement used to refinance other prior debt(s) relating to the Project?

- Yes       No       Not Applicable

If yes, please provide the name of the original indebtedness, the issue date of the original indebtedness, the par amount of the original indebtedness, the purpose(s) of the original indebtedness, and whether the interest on the original indebtedness was federally taxable or tax-exempt.

9. Will any portion of the financing provided under the Financing Agreement be used for new financing of the Project?

- Yes       No       Not Applicable

10. If you answered "yes" to Question #9, please provide the dates of expected commencement and completion of construction of the Project.

Expected Commencement Date of Project: .....

Expected Completion Date of Project: .....

11. If you answered "yes" to Question #9, please state the amount of the financing provided under the Financing Agreement that is expected to be used for new financing purposes. If you answered "no" to Question #9, skip to Question #18 below.

\$ \_\_\_\_\_

12. If you answered "yes" to Question #9, please state the amount of Project costs to be newly financed under the Financing Agreement that are expected to be paid within the following periods of time:

Please respond to this question using the expected initiation date of construction.

- Project costs to be spent within 6 months ..... \$ \_\_\_\_\_
- Project costs to be spent within 12 months (cumulative) ..... \$ \_\_\_\_\_
- Project costs to be spent within 18 months (cumulative) ..... \$ \_\_\_\_\_
- Project costs to be spent within 24 months (cumulative) ..... \$ \_\_\_\_\_
- Project costs to be spent within 30 months (cumulative) ..... \$ \_\_\_\_\_
- Project costs to be spent within 36 months (cumulative) ..... \$ \_\_\_\_\_
- Project costs to be spent *beyond* 36 months (cumulative) ..... \$ \_\_\_\_\_

13. If you answered "yes" to Question #9, have you paid any costs of the Project prior to the date hereof?

- Yes       No       Not Applicable

For each Project cost that has been previously paid, please provide an itemization of the following:

- a. Amount of the payment ..... \_\_\_\_\_
- b. Purpose of the payment ..... \_\_\_\_\_
- c. Date of the Payment ..... \_\_\_\_\_
- d. Source of payment of such cost (e.g., revenue, federal or state grants, other financing, internal loan) ..... \_\_\_\_\_

14. If you answered "yes" to Question #13, have you at any time adopted a resolution or other official action (e.g., a so-called "reimbursement resolution") relating to your intent to finance the Project with financial assistance from the State Water Board or other indebtedness?

- Yes       No       Not Applicable

If yes, please identify the date of such resolution or other document and attach a copy.

\_\_\_\_\_

15. If you answered "yes" to Question #9, will any portion of the financing provided under the Financing Agreement be used to pay administrative or engineering expenses directly relating to the construction of the Project?

- Yes       No       Not Applicable

If yes, please state the amount expected to be so used and provide details as to its calculation (e.g., based on actual costs or a percentage of construction).

\_\_\_\_\_

16. If you answered "yes" to Question #15, will any portion of the administrative or engineering expenses directly relating to the construction of the Project be incurred by the staff of the Applicant?

Yes       No       Not Applicable

If yes, please state the amount expected to be so used and provide details as to its calculation (e.g., based on actual costs or a percentage of construction).

\_\_\_\_\_

17. If you answered "yes" to Question #16, will the administrative or engineering expenses directly relating to the construction of the Project be tracked by an accounting system, such as a cost accounting system, that will allow them to be differentiated from other charges for other work done by the applicant's staff?

Yes       No       Not Applicable

If yes, please specify how charges will be tracked.

\_\_\_\_\_

18. Does any Non-Governmental Entity own, or do you anticipate any Non-Governmental Entity owning, any portion of the Project at any time during the term of the financing?

Yes       No       Not Applicable

If yes, identify the Non-Governmental Entity and provide all available details with respect to its ownership interest.

\_\_\_\_\_

19. Does any Non-Governmental Entity lease, or do you anticipate any Non-Governmental Entity leasing, any portion of the Project at any time during the term of the financing?

Yes       No       Not Applicable

If yes, identify the Non-Governmental Entity and provide all available details with respect to its lease interest.

\_\_\_\_\_

20. Have you entered, or do you anticipate entering, into any inter-municipal contract or agreement(s) with any Governmental Entity with respect to the Project (or any portion of the Project) during the term of the financing?

Yes       No       Not Applicable

If yes, please describe the purpose of each such agreement, and attach a copy of any existing or contemplated agreement.

\_\_\_\_\_

21. Have you entered, or do you anticipate entering, into any contract or agreement any Non-Governmental Entity contracting to operate, manage or provide any exclusive services with respect to the Project (or any portion of the Project) during the term of the financing?

Yes       No       Not Applicable

If yes, please identify the Non-Governmental Entity and explain the arrangement. If an operations, management or exclusive services contract currently exists, please attach a copy. Contracts that relate solely to services that are merely incidental to the primary use of the Project need not be listed. Examples of incidental services are contracts for janitorial services, office equipment repairs or billing services. If you are uncertain as to whether the contract is incidental or not, please describe the contract and the services provided thereunder.

\_\_\_\_\_

22. Does the Project provide, or do you anticipate the Project providing, water or wastewater services to any Non-Governmental Entity other than on the basis of standard rates and charges which are generally applicable and uniformly applied and are adjusted from time to time by the Applicant?

Yes       No       Not Applicable

If there are or will be any non-standard rates and charges, describe the rate structure, focusing on any special rate agreements or charges for specific entities. An example of a non-standard rate is an industrial user paying a flat fee in a system where the other users pay a rate based on usage.

\_\_\_\_\_

23. Does any Non-Governmental Entity have, or do you anticipate any Non-Governmental Entity having, special priority rights or other preferential rights to use the Project or the services of the Project pursuant to any contractual or other arrangement?

Yes       No       Not Applicable

If yes, please identify the Non-Governmental Entity, and describe the special priority or preferential right(s).

\_\_\_\_\_

24. Are the functions and services of the entire Project available, and do you expect the functions and services of the entire Project will be available, for use by the general public on a first-come, first-served basis?

Yes       No       Not Applicable

If no, please explain and describe the portion of the Project that is not, or will not, be available for use by the general public. For example, municipal water and wastewater systems used for residential, commercial, governmental and business purposes are available for use by the general public; a specialized pollution control facility immediately adjacent to a private business that is the sole user of the facility is not available for use by the general public.

\_\_\_\_\_

25. Have you entered, or do you anticipate entering, into a "take" or "take-or-pay" contract with any Non-Governmental Entity for use of any portion of the Project or the services of the Project?

Yes       No       Not Applicable

If yes, please identify the Non-Governmental Entity, and describe the arrangement therewith. If a take or a take-or-pay contract currently exists, please attach a copy.

\_\_\_\_\_

26. Will any Non-Governmental Entity guarantee or otherwise be directly obligated to repay the financial assistance provided under the Financing Agreement?

Yes       No       Not Applicable

If yes, please identify the Non-Governmental Entity, and describe the guarantee arrangement therewith.

\_\_\_\_\_

27. Have you received, or do you expect to receive, any grant or other form of assistance for financing of any portion of the Project from the State of California, the federal government or any other entity or person?

Yes       No       Not Applicable

If yes, please explain.

\_\_\_\_\_

28. Will any portion of the financing projected under the Financing Agreement be used as a substitute for other funds which were otherwise to be used as a source of financing and which have been used or will be used to acquire, directly or indirectly, other investment property?

Yes       No       Not Applicable

If yes, please explain.

\_\_\_\_\_

#### APPLICANT ACKNOWLEDGEMENT AND SIGNATURE

I hereby certify that I am an authorized representative of the Applicant, and that I am authorized by the Applicant to execute this Tax Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, construction, acquisition and/or improvement of the Project, and am acting for and on behalf of the Applicant in executing this Tax Questionnaire. I certify that I am familiar with the Project and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these responses or attached documentation. I understand that the foregoing information and attached documentation will be relied upon by the State Water Board and their counsel, in providing financing with respect to the Project.

**AUTHORIZED SIGNATURE**

**PRINT NAME AND TITLE**

**DATE**

**Meeting: January 9, 2012**  
**State Water Resources Control Board and Placer County**  
**And related follow-up**

**Attendees:**

**Jim Maughan, Assistant Deputy Director, Division of Financial Assistance**  
**Christopher Stevens, CWSRF Supervisor, Division of Financial Assistance**  
**Kelly Valine, Financial Supervisor, Division of Financial Assistance**  
**Jennifer Toney, Project Manager, Division of Financial Assistance**  
**Kathy Martinis, Auditor-Controller Placer County**  
**Jenine Windeshausen, Treasurer-Tax Collector Placer County**  
**Jennifer Pereira, Aide to Placer County Supervisor Robert Weygandt**  
**Jeff Small, Director Capitol Public Finance**

The three alternatives being considered by Placer County for SMD 1 compliance (Regional, Upgrade and Design Build upgrade) were discussed as they related to SRF funding.

**Principal Forgiveness, Funding Availability and Timing:**

SRF principal forgiveness funding comes from an annual congressional appropriation. SRF principal forgiveness is available on a first-come, first served basis for approved applications. The federal allocation for principal forgiveness has dropped from \$70 million in 2010 to \$45 million in 2011 to \$10 million for 2012. Depending on availability of principal forgiveness, projects for small, disadvantaged communities (Category 1) may be eligible for up to \$6 million in principal forgiveness. Regional projects for Category 1 may be eligible for up to \$7.5 million in principal forgiveness. Eligibility limits for Category 2 (Other Disadvantaged Communities) are lower than Category 1 limits.

Principal Forgiveness funds are disbursed on the SRF loan at a rate of 50 percent of each disbursement during construction up to the maximum eligible for the project. Construction period interest is applied to the other 50 percent (loan portion) of each disbursement, as well as the loan funds that are disbursed after all the principal forgiveness funds have been disbursed. Construction period interest and loan principal are capitalized at the end of construction, and the loan is then amortized over the life of the loan. If the recipient fails to complete the project or fulfill the conditions necessary to receive principal forgiveness, then the principal won't be forgiven. Construction period interest would then be applied to past disbursements of principal forgiveness and capitalized along with all of the principal disbursed to calculate the new amount due.

SRF staff is in the process of committing the principal forgiveness for the Upgrade project in the amount of \$6 million from the 2011 allocation. The formal commitment of the \$6 million Upgrade principal forgiveness should be complete before the end of January. After the commitment is made, DFA will work with the County to assist in securing an additional \$1.5 million, for a total of \$7.5 million for the regional project.

SRF is willing to work with the County to establish a date that will give the County sufficient time to submit the application for the Regional project. The County will need to submit the Regional SRF application and get approval before the Upgrade commitment expires in order to be assured that the principal forgiveness committed to the Upgrade project can be transferred to

the Regional project. SRF has expressed a willingness to work with the County to determine a reasonable expiration date for the Upgrade funding approval. The County very likely needs to complete the application and approval process for the Regional SRF loan before the end of 2012 in order to prevent losing the Upgrade principal forgiveness due to expiration of the Upgrade commitment.

**Very soon, the County should communicate the anticipated expiration date needed for the Upgrade application approval in order to accommodate the Regional application process.**

A number of communities are moving forward in the application process for SRF funding, resulting in substantial competition for SRF funding. It should be stressed that it is incumbent upon the County to demonstrate a commitment to moving a SMD 1 compliance project forward at a timely rate. Once an application is "approved", the principal forgiveness is then committed to that project for a limited period of time. Should a project not meet the expiration date or other conditions in the commitment, SRF will seek to re-allocate the funds to other project that are requesting funding, or projects that have not received full funding due to a shortage of principal forgiveness funds. This could work in the County's favor if previously allocated funding is available from another community for the County for the full regional eligibility of \$7.5 million. It could also work against the County if there is insufficient progress on a compliance project for SMD1.

The State Board has the discretion to make certain allocations of SRF funding. To-date the State Board has chosen to allocate principal forgiveness between applicants of small (Category 1) and other (Category 2) communities.

#### **Availability of Principal Forgiveness**

**Category 1 Funds:** Provide principal forgiveness to small communities determined to be economically disadvantaged by SRF Board criteria.<sup>1</sup> Currently there is approximately \$22 million in principal forgiveness eligible for allocation remaining from the 2010 and 2011 congressional appropriations. This category may receive approximately \$6 million of the \$10 million, 2012 federal appropriation, depending on State Board action if the Board continued its past allocation of 60/40 for Category 1 and 2.

**Category 2 Funds:** Provide principal forgiveness to other communities determined to be economically disadvantaged by SRF Board criteria. There is no population cap or rate threshold on Category 2 funding, but the MHI criterion is the same as Category 1. Category 2 also includes an option to account for segments of a community that may be disadvantaged. Communities may be able to qualify for partial principal forgiveness to address areas within a larger community that are disadvantaged. Currently, all Category 2 funding is committed to projects. Based on State Board past allocations, this category may receive approximately \$4 million of the \$10 million, 2012 federal appropriation.

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<sup>1</sup> Population under 20,000, the median household income is less than 80% of the statewide median household income, and wastewater rates at least 1.5% of community median household income.

**DAC Status:**

- Placer County SMD 1 Service area – Yes, qualifies as a Category 1 small, disadvantaged community
- City of Auburn Service Area – Not Category 1 or Category 2 as a whole; may qualify for partial Category 2 principal forgiveness
- City of Lincoln – Not Category 1 or Category 2 as a whole; may qualify for partial Category 2 principal forgiveness

The SMD 1 service area has already been determined to have Category 1 disadvantaged community status under the current SRF financing approval for the upgrade of SMD 1. As long as funding is available, SMD1 would be eligible for disadvantaged community status regardless of the compliance project being financed.

The City of Auburn’s service area does not qualify as a small, disadvantaged community (Category 1). It meets the population (13,123) requirement, but median household income at \$51,944 is 88% of statewide MHI and its sewer rate at \$58.25 is only 1.34 percent of the City’s MHI.

Auburn may have areas that are disadvantaged under Category 2 (Other Disadvantaged Communities) for which they could qualify for a partial grant. However, it is doubtful if Auburn could obtain principal forgiveness Category 2. All past Category 2 funds have been committed, and there is less than \$10 million in new principal forgiveness for 2012 which is likely to be divided between Category 1 and 2. The State Board may put some of that 2012 money into Category 2, but it will not go very far and it will go very quickly.

The City of Lincoln’s service area has a 2011 population of 51,161 and a 2011 MHI of \$72,771 (124% of the State MHI). Lincoln does not qualify as a disadvantaged community. As indicated for Auburn, Lincoln may have disadvantaged pockets that qualify under Category 2, but there is only a remote chance that there will be funds available.

**30-Year Repayment:**

As a disadvantaged community, the SMD 1 service area qualifies for 30-year SRF financing for both Upgrade and design-build upgrade projects. SRF is pursuing 30-year repayment for the Regional project, but approval has not yet been determined.

**PERC Proposal:**

The PERC proposal is based on different design and engineering than the current Upgrade project. The PERC proposal requires a new project description, new environmental review and new financial plan. Therefore, a new SRF application would need to be submitted. The issue of the County’s design-build procurement process and the possible private activity use of tax-exempt bond proceeds will very likely need to be addressed by the County if a new application based on the PERC proposal is submitted. The procurement issue will likely need to be reviewed by State Board legal counsel, and may require that the State Water Board approve

financing in an open meeting. The private activity associated with the PERC proposal will require additional legal review.

NOTE: As stated above, SRF has the discretion to determine that a project is not moving forward and to re-allocate principal forgiveness to another approved application that has not received principal forgiveness or has not received the full amount of principal forgiveness. This could be a concern if the County were to move from the current Upgrade application to an application for a design-build Upgrade project.

**Project Procurement:** SRF recognizes that the County conducted a competitive bid process based on an engineering design that was initiated, reviewed and approved by the County for the Upgrade project. At this time, SRF does not view the PERC proposal as a responsive bid in that process and has questions about the County's legal ability to sole source a design-build project. Specifically, the DFA has indicated that US EPA requires the Water Board follow the state's contracting code. Because the County's method of design-build project procurement of the PERC proposal is relatively new and not reflected in the current SRF guidelines, it's likely that financing approval will be needed from the State Board rather than at the Deputy Director level.

In the event the PERC project design-build procurement is approved, the SMD 1 project would still be eligible for both principal forgiveness and 30 year, extended term financing.

**Private Activity Bond Issue:** Funding for SRF comes from a variety of sources. A source of that funding is proceeds from tax-exempt revenue Bonds issued by the SRF. In order to maintain tax-exempt status on outstanding SRF bonds used to fund SRF projects, the proceeds from these bonds **need to be used consist with IRS regulations regarding private activity**.

The questions of whether any PERC proposal is considered a private activity will need to be reviewed by State Board's outside bond counsel for an opinion.

**Governance:**

SRF will need to relate funding to the service area receiving SRF benefits such as principal forgiveness and extended term financing. Tracking the benefitting service area can be accomplished in a variety of ways. As long as the financing/beneficiary relationship is documented, the governance model for a regional project is not relevant. Therefore, a JPA, a lead partner, or other governance model can be utilized as long as the financing/beneficiary relationship can be documented for SRF. The governance structure may raise other technical, financial, or legal questions, but it's not used as the basis for determining eligibility for principal forgiveness or extended financing.

**Financial Analysis of Participants:**

All local government participants involved in the collection and/or treatment of a regional project will need to provide SRF with sufficient financial data to demonstrate that the local government has the ability to repay any financing provided to that entity and to continue to carry out their

responsibilities related to the regional project. SRF needs to be assured that they are granting and loaning money to a going concern.

**Future Regulatory Requirements**

There is not any information available that would provide guidance on future regulatory compliance. New regulations are often driven by new technology which does not currently exist today. SRF does not have data available that would provide an analysis of operational cost savings derived from regionalization.

The State Board contends that a regional wastewater treatment plant would be more cost effective than an upgraded plant because upgrade costs related to regulatory compliance can be spread over a larger user base. State Board staff has indicated that regulations are expected to increase in the future.

# #

**Follow-up, Information and Clarifications  
Related to SMD 1 Compliance  
January 18, 2012**

Auburn DAC Status:

There have been a number of follow-up questions related to the City of Auburn's eligibility for principal forgiveness. In order for the City of Auburn to qualify as a DAC to obtain the \$7.5 M total amount of Category 1 funds for a regional project, the Auburn service area must meet **all three** of the qualifying thresholds at the time the construction financing application is submitted:

- 1) Population less than 20,000,
- 2) Median Household Income 80% or less of the statewide MHI, and
- 3) Sewer rates that are 1.5% or more than the MHI of the service area,

While the Auburn service area meets the population threshold, it does not meet the MHI threshold or the sewer rate threshold.

Since Auburn does not meet all three thresholds for Category 1 principal forgiveness, SRF is determining DAC qualification on block-by-block basis. The block analysis should be complete sometime on Thursday, the 19<sup>th</sup> of January. For each block that qualifies as a DAC (area MHI < 80% of statewide MHI; sewer rate are irrelevant), Auburn would be eligible to receive a pro-rata share of the \$ 5 M for a regional project under Category 2 dependent upon available funding. As noted on the January 9, 2012 notes, availability of Category 2 funds is remote. A recent update indicated that there no funds currently available, and minimal new funds from 2012 may be available in Category 2.

Environmental Review Requirements:

In response to the question: Does the environmental review analysis need to be completed for regional before receiving approval for SRF and/or the potential disadvantage community principle forgiveness?

According to SRF, approval for construction financing requires the following:

*"In addition to submitting the final Environmental Document and associated information, the applicant must also submit to the Division copies of the following:*

- ✓ *Resolution or similar documents certifying or adopting the document and making appropriate findings, including any Statement of Overriding Considerations for adverse environmental impacts that cannot be avoided or fully mitigated for the Project that is selected;*
- ✓ *An adopted mitigation monitoring and reporting program, if there are proposed mitigation measures (compliance with this program will be a condition of the financing agreement); and*
- ✓ *The Notice of Determination (or NOD) filed with the County Clerk and Governor's Office of Planning and Research."*<sup>1</sup>

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<sup>1</sup> Policy for Implementing the Clean Water State Revolving fund for construction of Wastewater Treatment Facilities, Amended 2009

DAC principal forgiveness is dependent upon construction financing approval. Therefore, both the financing approval and the principal forgiveness require that the environmental work as outlined above must be complete before the construction financing application can be approved. As I noted in the January 9, 2012 notes, the County should let SRF know the anticipated expiration date needed for the Upgrade application as soon as possible in order to accommodate the regional application process.

#### Planning Financing (Pre-Construction Costs)

Financing is available for "pre-construction costs". Below, I have outlined a number of key points related to planning financing. The TAC and other officials can use this information to determine if planning financing should be pursued. I will provide additional information and specific tasks related to securing planning financing if it is decided to proceed with planning financing.

**Eligible costs** for planning financing include the preparation of wastewater-related planning documents, including, but not limited to:

- a. Feasibility Studies/Project Reports
- b. Financial Analyses
- c. Environmental Impact Analyses
- d. Capital Improvement Plans
- e. Water Conservation Plans
- f. Sewer System Evaluation Surveys
- g. Environmental Management Systems
- h. Asset Management Systems

**Costs which are not eligible** for planning financing include: design, value engineering, construction management, and administration costs associated with the design and construction phases. These costs will be included in the construction financing agreement, and are not eligible for reimbursement under the planning financing agreement.

Financing terms consist of a three-year draw period. The DFA Deputy Director may approve a 180 extension for good cause. The interest rate is zero (0%) during the draw period. The planning financing can be refinanced as part of a CWSRF construction financing before the end of the draw period. Interest will start to accrue the effective date of the construction financing. If the planning financing is not refinanced as part of a CWSRF construction financing, then the planning financing is amortized over five years. Interest will start to accrue at the end of the draw period at the rate of half of the State's GO bond rate on the effective date of the planning agreement (rounded up to the nearest 0.1 percent).

The planning process must be complete prior to approval of construction funding.

The planning financing application has three main components:

- 1) a Plan of Study,
  - a. Scope of Planning Work (all planning docs necessary for construction financing approval)
  - b. Planning Budget
  - c. Planning Schedule (including deliverables and submittal dates)

Clarification and Follow-up

January 18, 2012

J. Windeshausen

Page 2 of 3

- 2) legal documents,
  - a. Legal Authority for entering into a financing agreement
  - b. Agency Resolution
    - i. Authorizing application,
    - ii. Financing amount,
    - iii. Designation of Authorized Representative
    - iv. Joint Powers Agreement detailing financial and management responsibilities of each entity, if applicable
    - v. Related financial commitments
  
- 3) Financial Documents
  - a. Dedication of Revenue Source (contained in reso above)
  - b. Three Years of Financial Statements
  - c. Identification of other sources of security
  - d. Explanation of existing debt related to pledged revenues and security
  - e. Certain legal opinions from appropriate counsel

Disbursement of financing proceeds must be made based on incurred costs. Evidence of amounts due and payable must be submitted. However, the costs do not have to be actually paid before requesting disbursement.

The estimated approval time frame from the time a complete application is submitted is approximately six to eight (6-8) weeks.

**Purchase of Lincoln Plant Capacity**

SRF has confirmed that capacity related to SMD1 service area and the City of Auburn's service area qualifies as a cost that can be made from construction loan proceeds. This allows the County and the City to finance the capacity over the term of the construction loan.

**30-Year Amortization of Construction Financing**

The State Board is still on track to hear this matter on February 7<sup>th</sup>. No further action to report at this time.

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2012-0007**

DIRECTING THE STATE WATER RESOURCES CONTROL BOARD'S (STATE WATER BOARD'S) EXECUTIVE DIRECTOR TO APPLY TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (U.S. EPA) TO OFFER EXTENDED TERM FINANCING FOR REGIONALIZATION PROJECTS AS PART OF THE CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM

WHEREAS:

1. The CWSRF Program is a joint federal/state funded program, providing low-interest financing for projects intended to improve the quality of the state's waters;
2. While CWSRF financing terms are generally capped at 20 years under state and federal law, U.S. EPA may authorize a state to offer Extended Term Financing (ETF), with financing terms capped at 30 years;
3. In 2008, U.S. EPA approved the State Water Board's ETF program for small, disadvantaged communities;
4. The State Water Board most recently amended its *Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities* (Policy), which Policy guides the CWSRF Program, in March 2009;
5. The State Water Board recognizes the importance of promoting regionalization for existing facilities;
6. ETF for regionalization projects may increase and accelerate the financing and completion of regionalization;
7. Completion of additional regionalization that otherwise would not be affordable, will have a direct benefit to water quality;
8. The eight approval criteria outlined by U.S. EPA for ETF will be addressed, as outlined in Attachment A, in the application to U.S. EPA; and
9. Staff has determined that the CWSRF can maintain or exceed its average historic assistance level if it provides ETF to small, disadvantaged communities and expected regionalization projects.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board directs the Executive Director, or designee, to apply to U.S. EPA to offer ETF for regionalization projects as part of the CWSRF Program;
2. The State Water Board approves the amendments to the Policy, identified in Attachment B, contingent upon approval of this application by U.S. EPA; and

3. The State Water Board directs staff, in the CWSRF Annual Report, to evaluate the effect of ETF on the revolving level of the CWSRF.

**CERTIFICATION**

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on February 7, 2012.

AYE: Chairman Charles R. Hoppin  
Vice Chair Frances Spivy-Weber  
Board Member Tam M. Doduc

NAY: None

ABSENT: None

ABSTAIN: None

  
\_\_\_\_\_  
Jeanine Townsend  
Clerk to the Board

## Attachment A

### EXTENDED TERM FINANCING PROGRAM APPROVAL CRITERIA

The California State Water Resources Control Board (State Water Board) will submit an Extended Term Financing (ETF) application to the United States Environmental Protection Agency (U.S. EPA). If approved, the State Water Board will offer ETF to regionalization projects in addition to small, disadvantaged communities as part of the Clean Water State Revolving Fund (CWSRF) Program. California's ETF Program proposal is structured to address U.S. EPA's eight ETF evaluation criteria.

#### Evaluation Criteria:

1. **The State Water Board buys or refinances debt obligations from municipalities at or below market rates.**
  - The State Water Board may purchase or refinance a municipality's bond or other debt, secured by adequate pledged revenues or other collateral, where the initial debt was incurred after March 7, 1985, and building began after that date. (33 USC § 603(d)(2); 40 CFR § 35.3120(b); Water Code § 13480(b)(2).)
2. **ETF is available to disadvantaged communities only. The state defines "small disadvantaged community."**
  - The California CWSRF program requests to offer extended term financing to regionalization projects, in addition to small disadvantaged communities. Offering 30 year financing will promote regionalization. Regionalization achieves efficiency and better water quality by reducing the number of individual treatment and collection systems. Regionalization can also result in lower wastewater costs because multiple agencies are sharing the infrastructure and operation costs.
3. **ETF cannot exceed the least of the following: (1) the life of the underlying asset, (2) 30 years, or (3) the time necessary to overcome the threshold at which the project becomes affordable for the community.**
  - An applicant will need to determine the useful life of the treatment works or other project for which ETF is sought, and provide an assessment of the project's useful life as part of the Project Report. Division of Financial Assistance (DFA) staff will review each project to check that the infrastructure financed has a useful life of at least the term of the financing. DFA staff will also review the applicant's Affordability Analysis to check that the time necessary to make the project affordable for the community is consistent with the financing period (e.g., 30 years maximum).

4. **The State Water Board must require that the community establish a dedicated source of revenue for debt payments (e.g., a general obligation or revenue obligation pledge to guarantee their payments), or provide some form of security which will guarantee debt payment in the event of a default (e.g., property lien, etc.).**

- The applicant will be required to provide proof of a dedicated source of revenue consistent with existing practice:

“Revenue will be considered dedicated when the Agency passes an ordinance or resolution committing a source of funds for payments. The Agency must submit a draft ordinance or resolution dedicating a legal and adequate source of revenue for payment of the CWSRF financing agreement before facility plan approval (FPA). The ordinance or resolution dedicating a source of revenue for payment of the CWSRF financing agreement must be adopted by the Agency’s governing board before execution of the financing agreement.” (*Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities* § IX, E, 2.)

5. **All principal and interest received from bond payments must be deposited into the CWSRF.**

- All principal and interest payments associated with ETF agreements will be returned to the CWSRF Program Fund:

“Any repayment of fund moneys, including interest payments, and all interest earned on, or accruing to, any moneys in the fund, shall be deposited in the fund and shall be available, in perpetuity, for expenditure for the purposes and uses authorized by the federal act.” (*Water Code* § 13482(b).)

6. **Interest rates must be at or below the market rate.**

- The State Water Board will set its ETF interest rates using the current CWSRF Program Policy for setting interest rates on twenty year CWSRF loans. The ETF interest rate will be capped at half the most recent general obligation bond rate obtained by the State Treasurer’s Office.

7. **The long-term revolving nature of the fund is protected in one of two ways: (1) offering ETF must not decrease the projected revolving level of the fund by 10 percent or more compared to the revolving level the fund would attain if ETF were not offered, using a 60-year project period, or (2) the state must maintain its CWSRF program's historical average annual assistance, or baseline, levels.**

California will meet this criterion under Option 2. To ensure that the fund can maintain its long-term ability to finance projects while offering extended term financing to regionalization projects, DFA's financial advisor, Public Financial Management, Incorporation (PFM), ran several funding scenarios. PFM determined that the CWSRF Program can annually offer as much as \$560 million in 30 year financing. This exceeds the average annual amount the CWSRF program has funded over the past ten years. It is anticipated that the amount of ETF to small, disadvantaged communities and regionalization projects will be less than this. The effect of ETF will be assessed each year in the CWSRF Annual Report and evaluated in light of other demands on the CWSRF Program (i.e., offering lower interest rates to disadvantaged communities, limiting the local match option, etc.).

8. **If the State Water Board chooses to measure its ETF Program's impact using the 60 year projection method, the State Water Board must include a section in its annual report to U.S. EPA that compares projected revolving levels under extended and non-extended financing scenarios with actual results, and describes and explains the reasons for difference between projected and actual results. If, however, the State Water Board chooses to use the baseline method of measurement, it must only include the comparisons between baseline and rolling averages it created under paragraph 7 above. Evidence that the baseline has been met must also be included, along with progress towards meeting the baseline in the two years before a rolling average can be calculated.**
  - The State Water Board agrees to include a section in its Annual Report to U.S. EPA that evaluates the CWSRF program's financing level compared to its historic level or baseline.

RESOLUTION NO. 12-05

REGIONALIZED WASTEWATER TREATMENT PLAN

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

**WHEREAS**, residents of western Placer County (County), are served by seven separate wastewater treatment agencies that provide wastewater treatment services to approximately 200,000 residents; and

**WHEREAS**, in 1994 the County updated its General Plan. It's here that county policy to regionalize wastewater treatment began to take shape; and

**WHEREAS**, in 1998 the County recognized the need to sharpen its focus and commissioned a study to evaluate available options to meet the County's increased wastewater treatment needs; and

**WHEREAS**, this study recommended that the County pursue a regionalized wastewater treatment plan to include: construction of two new regional wastewater treatment plants, upgrade of an existing wastewater treatment facility, and closure of six small, inefficient facilities; and

**WHEREAS**, in 2000 the Placer Nevada Wastewater Authority (PNWA) was formed to help advance such projects. As one of its founding members, the City of Auburn remains a member agency; and

**WHEREAS**, the PNWA has proven to be successful with efforts contributing to the successful construction of a regional wastewater treatment and reclamation facility, the decommissioning of two inefficient facilities, installation of the Bickford Ranch regional pipeline and securing \$10 million in grants; and

**WHEREAS**, after years of hard work, leadership and a shared vision, nearly forty percent of the regional pipeline to the City of Auburn has been constructed and is in the ground awaiting completion; and

**WHEREAS**, the regional project under consideration would construct the remaining portions of this pipeline from Lincoln to Auburn. It would transfer wastewater from Sewer Maintenance District 1 (SMD1) in North Auburn to the regional facility in Lincoln, and;

1           **WHEREAS**, completion of a regional project would allow the County to  
2 achieve and better comply with increasingly stringent water quality standards  
3 and treatment/disposal criteria; and

4           Given all taxpayers in California face increasing regulation and the  
5 resulting cost, a regional approach may also benefit the City of Auburn; and

6           **WHEREAS**, such consistent increase in sewer rates reveal the high cost  
7 of regulatory compliance, this trend is expected to continue with future cost  
8 increases best positioned to be offset with a regional solution; and

9           **WHEREAS**, City of Auburn expects to be granted the capital cost of the  
10 project; and

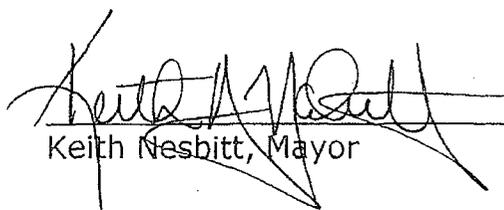
11           **WHEREAS**, participation of the City of Auburn is a key element in  
12 consideration of the regional solution effecting overall costs and the policy and  
13 organizational framework upon which will be used as the project advances; and

14           **WHEREAS**, the City reserves the right to review and accept any  
15 proposed governance. At the December 6, 2011 meeting of the Placer County  
16 Board of Supervisors, the board adopted Alternative A and directed staff to  
17 proceed with a regional solution for SMD1 compliance and return to the Board  
18 no later than March 13, 2012 with recommendations for a final Board decision.  
19 The upgrade and expansion of SMD1 remain a fall back option until March 19,  
20 2012 in the event a regional solution is not possible. Staff was also directed to  
21 collaborate with staff of the City of Auburn, City of Lincoln, including SPMUD.  
22 Direction included evaluation of the public/private partnerships with the  
23 regionalization option.

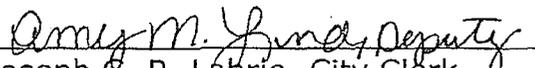
24           **NOW, THEREFORE, BE IT RESOLVED**, that the Auburn City Council  
25 recognizes this unique opportunity and desires to participate with the County  
26 and the City of Lincoln to further evaluate this regional solution. As a result, we  
27 direct staff to participate in all relevant discussions and conduct analysis  
28 including but not limited to details about County funding support for the City  
per the direction of the Board of Supervisors on December 6, 2011. The  
Council will return in early March 2012 to consider participation in this regional  
solution.

DATED: January 23, 2012

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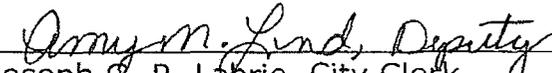
  
Keith Nesbitt, Mayor

ATTEST:

  
Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 23<sup>rd</sup> day of January 2012 by the following vote on roll call:

Ayes: Kirby, Hanley, Holmes, Powers, Nesbitt  
Noes:  
Absent:

  
Joseph G. R. Labrie, City Clerk

## MEMORANDUM

January 10, 2012

TO: PNWA TAC COMMITTEE

FROM: Charley Clark, GM, SPMUD

SUBJECT: Regional Sewer Issue Annexation to SPMUD (Process)

South Placer M.U.D. is a Municipal Utility District organized under the Municipal Utility District Act of California (Public Utilities Code, Division 6), and has been in existence since 1956. SPMUD provides sewer service to the City of Rocklin, Town of Loomis, and portions of unincorporated Placer County (Penryn, Newcastle, and sections of Granite Bay). As these areas have grown and developed over the years, so has the District through various annexation actions. Our Vision and Mission is to be the best, most efficient and effective sewer operation; to protect public health and the water environment; to provide outstanding sanitary sewer service; and prepare for the future. The District takes pride in providing exceptional sewer service to the areas it serves.

Regionalization efforts between Placer County, the City of Lincoln and the City of Auburn have been ongoing for several years. Inquiries have recently been made as to SPMUD being involved as part of the regional solution. In the event SPMUD were to be the regional sewer provider, annexation to SPMUD would be required.

SPMUD has had territory annexed to it ever since its original formation in 1956. Several different kinds of annexations have been accomplished—individual parcel annexations associated with the development of the property; large multi-parcel annexations that occurred to a city and automatically to SPMUD; community area annexations of unincorporated territory (Penryn); and most recently the annexation to SPMUD of another public agency (Newcastle Sanitary District). With respect to the current regional sewer issues, there are two manners by which annexations to SPMUD can occur. One is through the MUD Act (Sections 13801, et seq. related to annexations to SPMUD of another public agency). The other is through the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code, Sections 56000, et. seq. related to annexations of unincorporated territory and/or public agencies). Both can be applicable to a regional annexation effort.

The following basic steps of the process are relatively straight-forward:

1. The County and Cities must pass resolutions requesting/initiating the annexation.
2. The SPMUD Board passes a resolution supporting/(initiating) the annexation.
3. The annexation application (with agreement) is submitted to LAFCO for approval.
4. The annexation is approved/ordered by SPMUD, the County and the Cities.
5. The annexation is complete and the Certificate of Completion filed with the State.

Although the above outline simplifies the steps, there are peripheral actions that would be involved in a regional annexation effort. Some of these actions would likely involve agreements between SPMUD and the annexing parties; modification of SPMUD's Sphere of Influence; an updated Municipal Services Review by LAFCO; and other associated activities. The peripheral actions may be time-extensive, but the annexation process itself remains non-complex.

As noted previously, SPMUD has been involved in several different kinds of annexations over the years. The most involved annexation was the recent Newcastle annexation. The steps leading up to the annexation did require some time in preparing certain agreements, but the LAFCO process (including the NSD and SPMUD Resolution) was completed in only 11 months. Conversely, an annexation to SPMUD of a three acre parcel several years ago took over two years to complete. Nevertheless, the annexation process remains straight-forward, and to date SPMUD has encountered no complications in property annexing to the District.

Although specific details would remain to be worked out, processing a regional annexation to SPMUD is doable. SPMUD would provide the same exceptional sewer service to the regional customers as we provide to our current customers.



COUNTY OF PLACER  
FACILITY SERVICES DEPARTMENT

Phone 530-886-4900 Fax 530-889-6809

www.placer.ca.gov

Attachment I

JAMES DURFEE, DIRECTOR  
MARY DIETRICH, ASSISTANT DIRECTOR  
JOEL SWIFT, DEPUTY DIRECTOR  
MARK RIDEOUT, DEPUTY DIRECTOR  
VALERIE BAYNE, ADMIN. SVS. MANAGER

Ms. Pamela Creeden, Executive Officer  
California Regional Water Quality Control Board  
11020 Sun Center Drive, Suite 200  
Rancho Cordova, CA 95670

Dear Pamela,

Thank you for attending the December 6<sup>th</sup> Board of Supervisors meeting. Your insights on permitting and compliance and your support for the Regional Project are helpful to the Board as they consider this important decision.

As you as you heard at the end of the Hearing, the Board elected to prioritize a Regional solution, with direction to staff to finalize certain specific analyses and return for a decision no later than March 13, 2012. County staff is working with the other Regional Partners and the Placer Nevada Wastewater Authority to complete the various analyses and collect additional information. One of the questions the Board has specifically asked staff to follow up on is to provide clarification as to the process and timeline associated with amending the compliance schedules contained in the SMD 1 NPDES Permit to reflect construction of a regional pipeline, potential expansion of Lincoln's Treatment Plant and the change in location of the SMD 1 discharge. While we have had some preliminary conversations with you and your staff concerning this possibility, in light of the Board's action to prioritize a regional project, we would request your assistance in developing a specific strategy for amending the permit.

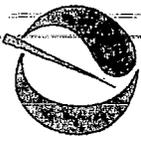
Please let me know how we can help to initiate this conversation up to and including taking a recommendation to your Board should the Board of Supervisors elect to commit to a regional project in March. Thank you again for supporting this process and for your consideration of this request.

Sincerely,

  
James Durfee  
Director

11476 C Avenue Auburn CA 95603  
Entrance at 2855 2nd Street

Administration – Building Maintenance – Capital Improvements – Museums – Parks  
Property Management – Environmental Engineering – Utilities



11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114  
(916) 464-3291 • FAX (916) 464-4645  
<http://www.waterboards.ca.gov/centralvalley>

Edmund G. Brown Jr.  
Governor

Matthew Rodriguez  
Secretary for  
Environmental Protection

RECEIVED  
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20 January 2012

James Durfee, Director  
County of Placer Facility Service District  
11476 C Avenue  
Auburn, CA 95603

**AMENDMENT TO CENTRAL VALLEY WATER BOARD COMPLIANCE SCHEDULES TO ACCOMMODATE PROPOSED REGIONALIZATION OF TREATMENT FACILITIES**

Thank you for your 9 January 2012 letter providing the County Board of Supervisors' decision to hold regionalization of wastewater treatment within Placer County a high priority. The Central Valley Regional Water Quality Control Board (Central Valley Water Board) will continue to support efforts for regionalization and urges the County to act diligently in its final decision making.

Your letter posed the specific question regarding steps that the County must take to address amending compliance schedules in the existing NPDES permits and Cease and Desist Order (CDO) for the Placer County Sewer Maintenance District No. 1 (SMD1) wastewater treatment plant. The NPDES permit and CDO for this facility were adopted in September 2010, with requirements that the County complete the currently proposed onsite upgrade project, and comply with permit requirements by September 2015. The existing compliance schedule addresses the need for the facility to be upgraded to include tertiary treatment, nitrification and denitrification, and the reduction of aluminum and chlorine byproducts. If the County formally decides to comply with permit requirements by ceasing the SMD1 surface water discharge and transporting the wastewater to the City of Lincoln wastewater treatment plant, you must submit a formal request for amendment of your NPDES permit and CDO.

An amendment to the existing compliance schedules must be adopted by the Central Valley Water Board, and must include a milestone schedule that demonstrates progress towards compliance. Therefore, the County may submit a request for amendment to its compliance schedules once it has established detailed milestones and dates that correspond to the completion of the planning, design, construction and operation of the pipeline, and the resulting cease of discharge. Continuation of the current protection the County has from mandatory minimum penalties for current violations of existing effluent limitations must be re-addressed through the amendment process.

Amendment of the NPDES permit and CDO is not an immediate process. Upon receipt of a commitment for regionalization and a revised project milestone schedule from the County, proposed revisions to the Orders will be drafted. If time allows, the draft revised Orders should be reviewed by the County to assure the revisions reflect the new proposal, prior to a required 30-day public comment period.

Ideally, the public comment due date is established to be at least five weeks prior to the planned Central Valley Water Board meeting in order to address public comments on the proposed amendment, prior to it being added to the Board agenda. The agenda process time can be shortened significantly, but this increases the possibility of last minute changes that may force delay of adoption to a later Board meeting. Also, the Central Valley Water Board meets only six times per year; therefore the Board meeting at which a proposed amendment can be considered will depend on when the County's request and project schedule is received.

The Central Valley Water Board is very supportive of a regionalization project and is pleased to learn of these recent developments. With a firm commitment from the County Board of Supervisors and a formal request from you, we will do all we can to expedite the necessary permitting amendments for the regionalization project.

If you have any detailed questions about the NPDES permit/CDO amendment process, please contact Diana Messina, our NPDES Program manager, at (916) 464-4828 or [dcmessina@waterboards.ca.gov](mailto:dcmessina@waterboards.ca.gov).



Pamela C. Creedon  
Executive Officer

**Memorandum**  
**Office of Jenine Windeshausen**  
**Treasurer-Tax Collector**




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**To:** PNWA TAC

**From:** Jenine Windeshausen, Treasurer-Tax Collector

**Date:** February 1, 2012

**Subject:** Regional Sewer Governance Structure

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Last week, the PNWA TAC discussed issues related to governance. The process of identifying and addressing issues that would be turned into deal points and rolled-up into a term sheet was discussed. The need to involve the city managers, the County CEO and some elected officials before taking the final draft of a term sheet to the full governing bodies was discussed.

It was noted that governance could involve a number of inter-related contracts or agreements or a JPA or a combination of contracts and a JPA to accomplish the goals of the jurisdictions participating in a regional wastewater project. There are a number of JPA models including the two wastewater JPAs between Roseville and the County, the Western Placer Waste Management Authority, the Middle Fork Project and others that could be helpful in developing a governance structure. It was also noted that at some future point ownership, operation and governance could be transferred to another agency such as SPMUD or other special district.

It was agreed that any governance structure would need to include the ability of elected officials to have control over rates in their respective service areas

To develop a term sheet that would form the basis of a JPA model or contractual agreements a number of questions had been identified and presented to the TAC. The answers to these questions will help to outline the deal points of the term sheet. The TAC discussed the questions below and the gist of this discussion is noted below each question.

Please keep in mind that the information below is based on the TACs initial discussion to develop a first draft that will need much further discussion and refinement.

Deal Point Questions for Term Sheet

- Who will be responsible for the construction of the pipeline?
  - Construction would be based on the Lincoln proposal with Lincoln responsible for construction.
  - As an alternative if elected officials so chose, Auburn and the County could each build their own sections, however this presents issues related to timelines, coordination of technical issues such as design and environmental work.
  - Either alternative needs a contingency plan for project completion identified in the event the original plan cannot be carried out.

- Who will be responsible for the financing of the pipeline?
  - The County Treasurer can take the lead in an SRF financing and can be a lead if any bond financing is necessary. This includes the County being the applicant for the SRF application.
  - Financial administration of the pipeline project financing an ongoing administration related to financing can also be provided by the County Treasurer's office operating in a escrow/trustee capacity and as a clearing house for financial matters among the participants.
  - Lincoln will be responsible for obtaining future financing related to upgrades and expansion.
  
- Who will be responsible for operating and maintaining the pipeline?
  - Per the Lincoln proposal, Lincoln will be responsible for operating and maintaining the pipelines and pump stations for at least the first five years.
    - Lincoln may contract out with a private firm, SPMUD or other entity to provide these services.
  - Later these responsibilities could be transferred to SPMUD.
  
- Who will be responsible for operating and maintaining the treatment facility?
  - Lincoln for at least the first five years.
  
- How will the need for future capacity be handled? (re: construction, financing, governance)
  - Each entity will collect connections fees that will be directed for future expansion.
  - A Planning Committee or other such entity comprised of representatives from each entity could establish agreed upon triggers (i.e. capacity % in use) that would be used in moving forward with timely expansions for any entity needing it. This committee could monitor, track and report capacity utilization of the treatment plant and by each agency. Monitoring procedures would be agreed upon up front.
  
- How will costs be accounted for and agreed upon?
  - Per Lincoln's offer, expenses would be shared based on cost.
  - Provisions could be made for participation by Auburn and the County in Lincoln's budget process for treatment plant operations.
  
- How will costs be allocated for regional collection?
  - For allocations of costs among the partners there needs to be a determination of flow monitoring from each agency.
    - One set of meters would be installed with one meter for Auburn's flow, one meter for SMD1's flow and a meter for Lincoln.
    - Methodology for allocation based on flows to be established (i.e. prorate)
    - There needs to be a process established for dispute resolution

- How will costs be allocated for regional treatment?
  - See above
- What will be the rate methodology?
  - Each jurisdiction will determine the rates for their service area based on collection and treatment cost components combined with any subsidies provided.
  - The costs components need to include debt service and capital replacement.
  - Connection fees must also be included for future expansion.
- How will the rate methodology be determined?
  - See above.
- Who will determine future rates in each service area?
  - See above
- Will a jurisdiction be allowed to subsidize rates in their service area? In the service area of another jurisdiction?
  - An agency may subsidize the rates for its service area if they so choose.
  - Subsidies provided from another jurisdiction are by agreement between the giving and receiving agencies.
- How will the contracting of services be determined? By who? (i.e. treatment plant operations)
  - Contracted services would be incorporated into the budget process.
  - The procurement process must be based on legal process.
  - The partners can establish a mechanism for participation in the selection process of contractors.
- Who will be responsible for violations related to collection in each service area? (corrective action & related cost, fines, administrative response)
  - Each agency would be responsible for their collection system.
  - Auburn and the County would be responsible for their collection systems up to the pump station for the regional pipeline.
- Who will be responsible for responsible for violations related to regional collection (the pipeline)? (corrective action and related cost, fines, administrative response)
  - Penalties would be shared by the entities using that portion of the collection system, unless there is an issue of malfeasance or of a direct responsibility such as failure to report.
  - There will be no constituent monitoring of the wastewater to attribute liability. Monitoring will only be used to determine and remedy unusual levels or unexpected constituents.
- Who will be responsible for violations related to treatment? (corrective action and related cost, fines, administrative response)
- Lincoln is responsible for the operation and maintenance of the treatment plant and therefore the liability and remedies for violations.