

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

To: **BOARD OF SUPERVISORS**

Date: **NOVEMBER 25, 2008**

From: **JAMES DURFEE / WILL DICKINSON**

Subject: **MOU WITH NEWCASTLE SANITARY DISTRICT**

ACTION REQUESTED / RECOMMENDATION: Adopt the attached Resolution to:

1. Authorize the Chairman to sign a Memorandum of Understanding with the Newcastle Sanitary District (NSD); and
2. Designate the Director of the Department of Facility Services as authorized representative to execute disbursements and other administrative documentation necessary in connection with the MOU; and
3. Approve the attached budget revision to create and fund the NSD Regionalization capital project, with an initial appropriation of \$1,520,000 from EPA grant funds.

BACKGROUND: Placer County (County) and NSD are both member agencies of the Placer Nevada Wastewater Authority (PNWA), a Joint Powers Authority created to explore the concept of regionalization of wastewater treatment for its member agencies. The current charter of the PNWA limits its authority to planning and evaluations studies; therefore, the County was chosen as the agency to obtain a grant from the Environmental Protection Agency (EPA) for use by members of the PNWA to assist in funding the Regionalization Project. The grant of \$5,104,150 has a 45% local match requirement.

NSD operates a wastewater collection system, treatment ponds and irrigation disposal system in the Newcastle community. The treatment ponds do not meet current regulatory standards and must be upgraded or closed. NSD has evaluated their options and determined that closing the ponds and sending their untreated wastewater to the Dry Creek Treatment Plant in Roseville is their best option. To accomplish this they must construct a new force main to connect to existing sewer lines operated by the South Placer Municipal Utility District, construct pump stations, and decommission their existing pond and irrigation disposal system.

Both the County and NSD have expended funds, and will expend funds in the future, in furtherance of this portion of the Regionalization Project. The MOU provides a method for each party to receive appropriate reimbursement for their costs. NSD's project will proceed independent of the County or other Regional Partners.

ENVIRONMENTAL CLEARANCE: Signing the MOU is not a project as defined by NEPA or CEQA. NSD is the CEQA Lead Agency and has initiated environmental review of the anticipated improvements concurrent with project design. Federally mandated environmental clearance will be performed and considered by the appropriate federal agencies when completed. The EPA and the County will not release funds to NSD for physical improvements prior to completion of any necessary environmental review.

FISCAL IMPACT: Exhibit A to the MOU outlines a spending plan for the Regionalization Project. The NSD project is composed of Tasks 4, 9 and 12, plus a portion of the Project Management costs defined in Task 10. Per this spending plan, \$1,649,000 of EPA grant funding would be dedicated to the NSD project. NSD would be responsible for providing a local match totaling \$4,013,421.

This MOU would provide a mechanism for the County to collect approximately \$1,440,000 of EPA grant funds on behalf of NSD, deduct approximately \$78,000 of local matching funds owed by NSD for work performed for NSD by County staff and contractors, and disburse the balance to NSD. Although the net fiscal impact to the County will be positive, current appropriations in the FY 08-09 Regional Sewer Budget are not sufficient to accommodate the pass through of EPA funds; therefore, staff recommends establishing a new capital project budget for that purpose via the attached budget revision.

AVAILABLE FOR REVIEW AT THE CLERK OF THE BOARD'S OFFICE: MOU WITH NEWCASTLE SANITARY DISTRICT

ATTACHMENTS: RESOLUTION
BUDGET REVISION

JD:WD:LM

CC: COUNTY EXECUTIVE OFFICE

T/FAC/BSMEMO2008/EE/NSD MOU FOR REG SEWER.DOC

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

In the matter of: A RESOLUTION AUTHORIZING THE
CHAIRMAN TO SIGN A MEMORANDUM OF
UNDERSTANDING WITH THE NEWCASTLE SANITARY
DISTRICT TO FACILITATE GRANT REIMBURSEMENT
OF REGIONAL SEWER PROJECT EXPENDITURES

Resol. _____

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

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, County and NSD are both member agencies of the Placer Nevada Wastewater Authority (PNWA), a Joint Powers Authority created to explore the concept of regionalization of wastewater treatment for its member agencies; and

WHEREAS, the current charter of the PNWA limits its authority to planning and evaluations studies; and

WHEREAS, County has obtained a State and Tribal Assistance Grant (STAG) from the Environmental Protection Agency (EPA) in the amount of Five Million One Hundred Four Thousand and One Hundred Fifty Dollars (\$5,104,150) that can be used to assist in funding of the Regionalization Project, which has a 45% local match requirement; and

WHEREAS, County has expended funds, and will expend funds in the future, in furtherance of the Regionalization Project for the benefit of PNWA members, including NSD, and desires to be reimbursed for said expenditures; and

WHEREAS, NSD has expended funds, and will expend funds in the future, in furtherance of the Regionalization Project and desires to be reimbursed for said expenditures;

NOW BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California, that the Chairman is hereby authorized to sign the attached Memorandum of Understanding (MOU) with the Newcastle Sanitary District to facilitate reimbursement of grant eligible expenses.

BE IT FURTHER RESOLVED that the Director of the Department of Facility Services shall serve as the authorized representative to execute disbursements and other administrative documentation necessary in connection with the MOU.

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	4,560,000.00	3

- Cash Transfer Required
- Reserve Cancellation Required
- Establish Reserve Required

- Auditor-Controller
- County Executive
- Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT											APPROPRIATION ADJUSTMENT										
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006		140		991078	04833	7249			1,520,000.00	12	014		140		991078	04833	4151	704833	010000	1,520,000.00
											12	034		140		991078	04833	4151	704833	010000	1,520,000.00
TOTAL											TOTAL										
1,520,000.00											3,040,000.00										

REASON FOR REVISION: TO BUDGET FEDERAL GRANT REVENUES AND INCREASE APPROPRIATIONS FOR THE NEWCASTLE SANITARY DISTRICT

REGIONALIZATION CAPITAL PROJECT PER BOARD MEMO DATED 11/25/08.

Prepared by Valerie Baume Ext 6803
Department Head _____
Board of Supervisors _____

Date: 11/25/08

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

1471

