

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

To: **BOARD OF SUPERVISORS**

Date: **JULY 12, 2011**

From: **JD JAMES DURFEE / WILL DICKINSON**

Subject: **UPDATE, SMD NO. 1 COMPLIANCE OPTIONS**

**ACTION REQUESTED / RECOMMENDATION:**

No action requested; information only.

On May 3, 2011 your Board conducted a hearing to consider two options for compliance at the Sewer Maintenance District No. 1 Treatment Plant, (SMD 1 WWTP). The options discussed included an expansion and upgrade of the SMD 1 WWTP located on Joeger Road in North Auburn and a Regional Project that would transmit wastewater from North Auburn to Lincoln for treatment at the City's Treatment Facility.

The discussions focused primarily on an offer from the City of Lincoln to build the pump station and pipeline required to regionalize and transmit wastewater to Lincoln for treatment. Your Board received testimony from various stakeholders including representatives from the Regional Water Quality Control Board, environmental groups, members of the public and the City of Lincoln. Staff expressed concerns about the City of Lincoln's proposal, primarily regarding scheduling and cost estimates. At the conclusion of that workshop, your Board directed staff to:

1. Complete the development of Plans and Specifications for the SMD #1 Plant upgrade;
2. Utilize the existing ad hoc work by Supervisors Weygandt & Holmes to develop a comprehensive response to the draft agreement purposed by the City of Lincoln consistent with comments provided by the Board;
3. Ascertain the interest of the City of Auburn to participate in regionalization at a benefit equal to that of SMD #1 rate payers;
4. Return to the Board (possibly July 12, 2011) to update the full Board regarding progress on the above; and
5. Accept the Regional Board's offer to assist in addressing important issues raised and incorporate the possible use of anticipated future FERC proceeds as a way to partial fund regional sewer.

The purpose of this report is to update your Board on the progress of these directives.

Staff worked with Psomas to complete the Plans and Specifications for the SMD 1 Plant Upgrade as directed. By separate action today your Board is being asked to approve plans and specifications for the SMD 1 project, and to authorize staff to solicit bids. These actions are in keeping with milestones included in the NPDES Permit and Cease and Desist Order for the Plant, which require the County to complete design by July 1, 2011, and award a contract

for construction no later than December 31, 2011. Design was completed on schedule and the bid schedule will allow compliance with the December 31, 2011 deadline.

Since the May 3, 2011 workshop, the ad hoc committee comprised of Supervisors Weygandt and Holmes, the County Executive, Assistant CEO, County Counsel, and the Facility Services Director have met approximately weekly and developed a response to the City of Lincoln's offer that addresses the primary concerns delineated during the May 3, 2011 workshop. Issues addressed include schedule, governance, ownership of regional infrastructure, jurisdictional responsibilities, financing responsibilities, operational considerations and permitting issues. Staff met with Auburn City staff on June 3<sup>rd</sup> to discuss and refine these talking points to address the City's concerns, and also to continue discussions concerning the City's participation in the Regional Project and possible approaches to buying down the capital cost of the project. On June 16 the response was presented to Lincoln staff in a meeting that included Auburn, Lincoln and County representatives.

On June 28, 2011, the ad hoc committee met with City of Auburn representatives including Mayor Kirby and Councilwoman Powers to update them and discuss governance and financing options. The City clearly supports the Regional concept; however, the current cost of regionalization is significantly higher than the City's cost to upgrade and maintain their current treatment plant.

The City of Lincoln presented its response to Auburn and Placer County representatives on July 1, 2011. The City's response addresses a number of the issues included in the ad hoc committee response and staff believes that these discussions will progress over the upcoming weeks to continue to refine and hopefully resolve issues.

As this report goes to print, representatives from both Cities and the County are scheduled to meet with Regional Water Quality Control Board staff on July 8, 2011 to discuss a broad array of issues including schedules, permitting, design and environmental concerns. Details of that meeting will be provided verbally.

CC: COUNTY EXECUTIVE OFFICE

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