

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

To: **BOARD OF SUPERVISORS**

Date: **MAY 7, 2013**

From: **JAMES DURFEE / BILL ZIMMERMAN**

Subject: **MID-WESTERN PLACER REGIONAL SEWER PROJECT AND APPLAGATE  
REGIONAL SEWER PROJECT UPDATES**

**ACTION REQUESTED / RECOMMENDATION:**

1. No action requested. This item provides an information update on the status of the Applegate Regional Sewer Project serving the Applegate area and the Mid-Western Placer Regional Sewer Project in North Auburn.

**BACKGROUND:** This informational item provides your Board with an update on the two sewer regionalization projects associated with the proposed Maintenance and Operations (M&O) rate increase being considered by your Board later today.

**Applegate Regional Sewer Project**

The Applegate County Service Area 28, Zone 24 (Applegate CSA) consists of a wastewater collection system and pond treatment facility serving 27 connections (38 equivalent dwelling units). The ponds are prone to filling with rainwater during wet weather which has resulted in a self-imposed restriction on new connections since 1985, as well as a number of enforcement actions by the Regional Water Quality Control Board (RWQCB). In October 2006, your Board approved a settlement agreement with the RWQCB that included a commitment to construct a pipeline to convey flows from the Applegate CSA to Sewer Maintenance District 1 (SMD 1).

In January 2012, your Board awarded the construction contract for the Applegate Regional Sewer Project (Applegate Project) which includes construction of a pump station and approximately 5.5 miles of pipeline from the Applegate CSA to the existing SMD 1 collection system in the Winchester Development. Construction was completed in April 2013. The Applegate Project was funded through a combination of Federal grants, a \$4.6 million General Fund backed loan from the Solid Waste Management Enterprise Fund, and \$1.0 million in General Fund contributions. With the completion of the Applegate Project, wastewater from the Applegate CSA is now being conveyed to the SMD 1 Wastewater Treatment Plant (Plant 1) for treatment. Ultimately, staff intends to return to your Board with a request to annex the Applegate CSA into SMD 1.

**Mid-Western Placer Regional Sewer Project**

On March 13, 2012, your Board directed staff to pursue the City of Lincoln's (Lincoln) offer to complete the Mid-Western Placer Regional Sewer Project (Regional Project). Then on August 7, 2012 your Board approved the Design and Environmental Review Agreement (DERA) with Lincoln in an amount not-to-exceed \$6,067,000 and directed staff to negotiate the Construction and Initial Operations Agreement (CIOA) pursuant to the Deal Points Outline. The DERA includes the design and environmental review for the Lincoln-County improvements which include decommissioning Plant 1 and constructing a pump station on the site, installation of approximately 13 miles of pipeline from SMD 1 to Lincoln, and construction of 1.7 million gallons per day (MGD) of capacity at the Lincoln wastewater treatment plant.

In February 2013, Lincoln completed the 30% design for the Lincoln-County improvements and the final design is scheduled for completion in June 2013 with bidding anticipated for July 2013.

Also in February 2013, Lincoln circulated the Draft Environmental Impact Report (EIR) for public review and comment. Lincoln and its consultant are now preparing the Final EIR which will include

responses to comments received on the Draft EIR. The Final EIR is scheduled for certification by the Lincoln City Council in June 2013.

Negotiations between the County and Lincoln on the CIOA are ongoing with anticipated presentation to your Board for approval after receipt of construction bids, currently scheduled for August 2013. County and Lincoln staff are starting work on financing studies for future upgrades and rehabilitation and replacement for inclusion in the CIOA.

State Revolving Fund (SRF) staff has completed its review of the Regional Project financing and SMD 1's creditworthiness was approved for a loan not to exceed \$76.3 million dollars. The Facilities Plan and the most recent Draft CIOA were submitted to SRF for their review in early May. The remaining items that need to be submitted to SRF to complete the financial application include: certification of the Final EIR by the City of Lincoln, copies of all required environmental permits, and acquisition of all necessary easements and property. All of these items are the responsibility of the City of Lincoln under the terms of the DERA.

**ENVIRONMENTAL CLEARANCE:** The Final EIR for the Applegate Project was certified by your Board on January 10, 2012. The City of Lincoln is preparing the Final EIR for the Regional Project concurrent with the project design.

**FISCAL IMPACT:** The Applegate Project total cost is \$7.7 million and was funded through a combination of Federal grants, a General Fund backed loan from the Solid Waste Management Enterprise Fund and General Fund contributions. The estimated Regional Project cost of \$76.3 million, which includes the \$73.2 million payment to Lincoln and \$3.1 million in County staff and consultant costs, is proposed to be funded with SRF financing repaid with SMD 1 user fees.

JD/BZ/KB/LM

CC: COUNTY EXECUTIVE OFFICE

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