

EXHIBIT 17 – Conditional Dismissal of DFW Protest

See attached.

DRAFT



State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Region 2 – North Central Region
1701 Nimbus Road, Suite A
Rancho Cordova, CA 95670
www.wildlife.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



August 16, 2013

City of Lincoln
c/o Mark Miller
600 6th Street
Lincoln, CA 95648

Subject: CONDITIONAL DISMISSAL OF PROTEST OF CHANGE PETITION FOR
WASTEWATER DISCHARGE PERMIT 0071 (WW0071) FILED BY CITY OF
LINCOLN IN PLACER COUNTY

Dear Mr. Miller:

The City of Lincoln (City), Placer County and the Department of Fish and Wildlife (Department) after several meetings have negotiated conditions for the dismissal of the Department's protest against the City's petition for change. The subject change petition proposes to eliminate discharge from the Sewer Maintenance District 1 Wastewater Treatment Plant (SMD 1 WWTP) as well as dilution water to Rock Creek in Placer County. The Department filed a protest against the petition for change based on concerns for potential impacts to Rock Creek resulting from the reduction of flow. This letter describes our understanding of the agreed upon conditions of dismissal. The Department is seeking your concurrence with this understanding so that it may dismiss its protest.

The following are the conditions agreed to by the City for dismissal of the Department's protest:

1. To compensate for the loss of 0.96 acres of wetted habitat within Rock Creek due to reduction of flows, the City or its successor agency shall design, permit, and implement a restoration project, or provide funds to the Placer County Land Trust or equivalent jurisdiction, for the preservation of stream habitat within the Coon Creek Watershed.
 - a. The City shall expend \$79,000 to preserve or restore stream habitat;
 - b. The restoration or preservation plan shall be completed in consultation with the Department; and
 - c. The restoration or preservation plan shall be implemented within five years of Project completion.
2. The City agrees to secure transition water in the amount of 0.5 cubic feet per second (cfs) to reduce the potential of Rock Creek going dry as Placer County ceases discharge from SMD 1 and the purchase of dilution water.
 - a. Transition water must be purchased for an average of 20 days per year, as necessary when flow is approaching zero;
 - b. Transition water must be purchased as necessary when flow is approaching zero, until minimum flows are provided under a new license for the Drum-

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Spaulding FERC Project or for a maximum of 10 years commencing from Project completion if the FERC license is delayed;

- c. Rock Creek flow will be monitored at the R1 gage (upstream) of SMD 1 WWTP; and
- d. At times when transition water is necessary but not technically feasible for delivery, equivalent water will be purchased to bank flows that shall be applied to the system at appropriate low flow periods when water becomes available.

If the above conditions are acceptable, the Department's protest against the City's petition for change of WW0071 will be dismissed and a letter indicating the protest is dismissed will be submitted to the State Water Resource Control Board Department of Water Resources. If you have any questions regarding these conditions, please contact Lauren Mulloy at (916) 358-2909 or Lauren.Mulloy@wildlife.ca.gov; or you may direct written correspondence to the Department at the address above.

Sincerely,


Tina Bartlett
Regional Manager

FW
ec: Jeff Drongesen
Marylisa Lynch
Lauren Mulloy
Patrick Moeszinger
Department of Fish and Wildlife

David Lee
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