

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

To: **BOARD OF SUPERVISORS**

Date: **OCTOBER 10, 2006**

From:  **JAMES DURFEE / WILL DICKINSON**

Subject: **APPLEGATE SEWER CIVIL LIABILITY COMPLAINT SETTLEMENT**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board adopt the attached Resolution authorizing the following actions:

1. Authorize the Director of Facility Services to sign an Agreement approved by County Counsel and Risk Management with the California Regional Water Quality Control Board, Central Valley Region (RWQCB), establishing terms and conditions for settlement of Administrative Civil Liability Complaint No. R5-2005-0510, relating to the Applegate sewer system.
2. Authorize the Director of Facility Services to take actions as necessary to comply with the settlement Agreement, including, but not limited to, spending up to \$40,000 from County Service Area No. 28, Zone No. 24 (CSA 24) funds to construct improvements on private property, and payment of \$16,000 to the RWQCB as compensation for their staff time to pursue the complaint.
3. Authorize the Director of Facility Services to sign Agreements with two Applegate area sewer service customers providing for construction of sewer improvements on their property for the purpose of diverting flows away from the Applegate Sewage Treatment Ponds.
4. Authorize a loan in the amount of \$95,000 from the General Fund via the County Service Area Revolving Fund to CSA 24, and approve a Budget Revision appropriating the loan proceeds in Fiscal Year 2006/07.
5. Authorize staff to file a Notice of Exemption regarding this project.

BACKGROUND: Rainfall during the winter of 2005/2006 exceeded that expected on a 100-year frequency. As a consequence, in March and April of 2006 the sewer district was forced to release approximately 2.2 million gallons of treated wastewater and rainwater from the Applegate Ponds into a nearby creek. The water was chlorinated, dechlorinated and tested prior to release, and flows were regulated such that a dilution ratio of at least 20 parts creek water to 1 part pond water was achieved (this is a standard provision for discharge).

Because discharge into the creek is prohibited by the RWQCB, County staff took all possible measures to avoid discharge. These included transferring water between the ponds to equalize levels, maintaining abnormally high freeboard levels, and trucking 1,775,325 gallons of sewage from storage tanks in Applegate to manholes in the Auburn area.

On June 23, 2006, the RWQCB issued Administrative Civil Liability Complaint No. R5-2005-0510 (ACLC), addressing surface water discharges from the Applegate Sewage Treatment Ponds during March and April of 2006. The ACLC included a fine of \$300,000 to the sewer district and called for other actions to prevent future reoccurrences of the discharge. After discussion with the RWQCB Executive Officer, a revised ACLC was issued that included the following conditions:

1. The County will pay \$16,000 in RWQCB staff costs within 10 days of signing a settlement agreement.
2. Between 15 October and 15 May of each year, the County will collect and truck all wastewater generated from all 27 connections in the Applegate service area. The hauling program shall continue each year until the pipeline to SMD 1 is fully operational.

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3. By 1 September 2007, the County will provide proof that the \$66,000 suspended portion of the liability has been used in the design of the pipeline to transfer wastewater from Applegate to the SMD 1 collection system.
4. By 1 September 2008, the County will provide proof that construction of the pipeline has begun.

Staff anticipates meeting conditions #3 and #4 with financial assistance from Federal grants already secured. In order to meet Condition #2, staff must enter into agreements with two current customers and spend district funds for improvements to private property. The project will include trenching and excavating for pipes and septic tanks, and installing and maintaining pump systems and control panels. Staff must also begin trucking sewage from Applegate approximately four months earlier than is typical.

Your Board has the option to accept the revised ACLC or to request a hearing before the RWQCB to contest the ACLC. Staff recommends that your Board accept the revised ACLC and authorize staff to take the necessary actions to comply with the settlement agreement.

ENVIRONMENTAL CLEARANCE: This project is exempt under Section 15301, Existing Facilities, of the CEQA Guidelines. Under this section, projects that consist of the minor alteration of existing facilities which do not result in an expansion of the use beyond that existing are categorically exempt from further CEQA review. This project will replace two existing sewer lines that connect existing houses to the Applegate sewage treatment plant. There will be no additional connections or additional capacity at the plant as a result of this project.

FISCAL IMPACT: The cost of complying with the ACLC can be estimated as follows:

1. \$16,000 in direct costs for RWQCB staff time.
2. Construction of improvements to connect two private properties to the transfer tank: \$40,000.
3. Additional sewage hauling costs: \$30,000 per year for 2-3 years.
4. County administrative staff time: \$9,000.
5. Cost of designing and constructing a pipeline from Applegate to Sewer Maintenance District 1: unknown at this time, but assumed to be financed through Federal grants via the Placer County Regional Wastewater Project, plus an approximate 25% local match.

A loan of \$95,000, from the General Fund through the CSA Revolving Fund, will be needed to support the district's compliance during the 2006/07 budget year. The CSA Revolving Fund has loaned the Applegate Sewer CSA a total of \$513,000 from FY2001/02 to the present time; including the new loan, total outstanding loans will equal \$608,000.

ATTACHMENTS: RESOLUTION
BUDGET REVISION

CC: COUNTY EXECUTIVE OFFICE

JDWD:im

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

Resolution _____

In the matter of: A RESOLUTION AUTHORIZING
A LOAN FROM THE GENERAL FUND TO THE CSA
REVOLVING FUND FOR CSA 28 ZONE 24; AND DELEGATING AUTHORITY
TO THE DIRECTOR OF FACILITY SERVICES TO TAKE VARIOUS
ACTIONS ASSOCIATED WITH SETTLEMENT OF ADMINISTRATIVE CIVIL LIABILITY
COMPLAINT NO. R5-2005-0510, RELATING TO THE APPLGATE SEWER SYSTEM.

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

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Bill Santucci, Chairman
Placer County Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, CSA No. 28, Zone 24 (CSA 24) operates the sewer treatment ponds that serve the community of Applegate; and,

WHEREAS, the Regional Water Quality Control Board (RWQCB) has issued Administrative Civil Liability Complaint No. R5-2005-0510 (ACLC), addressing surface water discharges from the Applegate Sewage Treatment Ponds during March and April of 2006; and

WHEREAS, in order to settle the complaint the District must enter into a settlement agreement and comply with certain requirements of the RWQCB; and

WHEREAS, the CSA does not have the funding necessary to comply with the requirements, and requires loans to cover these costs, such loans to be accounted for in the CSA Revolving Fund; and,

WHEREAS, Government Code Section 25210.9C.(a) requires that the method and term of the loan not exceed 10 years and that interest will be charged on the loan at the rate earned by the Treasury, and that CSA 28, Zone 6 will begin repayment as monies become available.

NOW, THEREFORE BE IT RESOLVED, the Placer County Board of Supervisors does hereby authorize a loan from the General Fund to the CSA Revolving Fund for CSA No. 28, Zone No. 24 in the amount of \$95,000 to be appropriated in Fiscal Year 2006/07.

BE IT FURTHER RESOLVED, that this Board authorizes the Director of Facility Services to:

1. Sign an agreement approved by County Counsel and Risk Management with the RWQCB, establishing terms and conditions for settlement of Administrative Civil Liability Complaint No. R5-2005-0510, relating to the Applegate sewer system.
2. Take actions as necessary to comply with the settlement agreement, including, but not limited to, spending up to \$40,000 from County Service Area No. 28, Zone No. 24 (CSA 24) funds to construct improvements on private property, and payment of \$16,000 to the RWQCB as compensation for their staff time to pursue the complaint.
3. Sign agreements with two Applegate area sewer service customers providing for construction of sewer improvements on their property for the purpose of diverting flows away from the Applegate Sewage Treatment Ponds.
4. File a Notice of Exemption regarding this project.

PLACER COUNTY

PAS DOCUMENT NO.

Fund = 100, OCA=107800 GL=1330 Sub GL =260700

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12 BR		95,000.00	4

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	FCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	FCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	
											12	014	502	24	996824	96824	2405				20,000.00	
											12	014	502	24	996824	96824	2555				30,000.00	
											12	014	502	24	996824	96824	2840				16,000.00	
											12	014	502	24	996824	96824	2970				29,000.00	
										TOTAL											95,000.00	

REASON FOR REVISION: TO TRANSFER GENERAL FUND DOLLARS TO THE CSA REVOLVING FUND FOR THE LOAN TO APPLIGATE SEWER FOR ADDITIONAL SEWAGE HAULING AND CONSTRUCTION OF SEWER IMPROVEMENTS ON TWO SEWER SERVICE CUSTOMERS.

Prepared by Valerie Bourne Ext 6803

Department Head _____ Date: 10/10/06
 Board of Supervisors _____ Page: _____
 Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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