

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

To: BOARD OF SUPERVISORS **Date: FEBRUARY 8, 2011**

From: JD JAMES DURFEE / WILL DICKINSON *W.D.*

Subject: SEWER MAINTENANCE DISTRICT 1 WASTEWATER TREATMENT PLANT COMPLIANCE PROJECT UPDATE

ACTION REQUESTED/RECOMMENDATION: No action requested. This item is for information only.

BACKGROUND: Sewer Maintenance District 1 (SMD 1) provides sewer service to approximately 7,900 Equivalent Dwelling Units in the North Auburn area. The SMD 1 Wastewater Treatment Plant (Plant 1), constructed in 1961, uses biological and filtration processes that cannot meet regulatory standards included in its current discharge permit with the Regional Water Quality Control Board (RWQCB). Compliance schedules that provided the County protection from fines and third party lawsuits expired on March 1, 2010. Staff anticipates fines of approximately \$180,000 per year from now until September 2015, when monthly fines could total \$2,500,000 per year until compliance is achieved. Plant 1 is also nearing the limit of its capacity to effectively treat sewage generated in SMD 1 and must be expanded to serve future customers.

Two options have been pursued in parallel to achieve compliance at Plant 1:

- Option 1 - Upgrade and expand Plant 1.
- Option 2 - Regionalize sewage treatment by building a pump station and pipeline to the Lincoln wastewater treatment plant and expanding the Lincoln plant to handle SMD 1 flows.

On May 18, 2010, your Board approved an Agreement with Owen Psomas (Psomas) for final design (\$3,173,700) and construction management (\$4,710,800) of the Upgrade Project. By February 1, 2011, Psomas will have billed approximately \$1,750,000 for design work. With this funding they have conducted a value engineering study and completed 60% design documents. Per your Board's direction on May 18, 2010, we are also proceeding through the application process for a State Revolving Fund loan for the Upgrade Project.

On September 22, 2010, SMD 1 received a new discharge permit and Cease and Desist Order that requires the County to:

- Complete final design and environmental clearance of the Upgrade Project by July 31, 2011;
- Award the construction contract by December 31, 2011; and
- Complete construction by December 31, 2014.

The Upgrade Project is on schedule to meet these deadlines.

The SMD 1 Regional Sewer Project has been considered in conjunction with a similar project proposed for the City of Auburn. Placer County, City of Lincoln and City of Auburn staff and elected officials have been meeting for several years under the umbrella of the Placer Nevada Wastewater Authority (PNWA) to determine the feasibility and cost of regionalization. Although there has been considerable staff and consulting resources devoted towards fine tuning planning level cost estimates for the Regional Sewer Project (there is no existing design), the most recent estimated capital and life cycle costs of regionalization were still significantly higher than the Upgrade Project.

Last November the City of Lincoln put forward a new regionalization concept whereby the City would design, construct, operate and own all the equipment and structures needed to transmit and treat all Auburn-area sewage. The County and Auburn would pay Lincoln for capital improvements, treatment and conveyance costs. On November 23, 2010, your Board approved a Memorandum of Understanding with the City of Lincoln and City of Auburn to fund \$70,000 of additional engineering work needed to enable the City of Lincoln to bring forward their proposal for the regional project by February 2011. Staff from the City of Lincoln is present today to update your Board on their progress.

ENVIRONMENTAL CLEARANCE: Environmental consultants for the County are on schedule to have a Mitigated Negative Declaration evaluating the Upgrade Project ready for approval by early May. The City of Lincoln plans to complete an EIR and EIS for their regional proposal by March of 2012.

FISCAL IMPACT: Staff now estimates the total cost of the Upgrade Project at \$64.3 million, of which \$2.3 million has been spent to date. The remaining project costs total \$62.0 million, including all remaining engineering and environmental work, administration and construction.

Costs for pursuing regionalization will depend on the proposal put forward by the City of Lincoln.

JD:WD:LM

CC: COUNTY EXECUTIVE OFFICE

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