

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL VALLEY REGION**

In the matter of: )  
 )  
**SHASTA COUNTY SERVICES AREA** ) **ORDER R5-2014-0580**  
**NO. 17** )  
**COTTONWOOD WASTEWATER** )  
**TREATMENT PLANT** ) **Settlement Agreement and Stipulation for**  
 ) **Entry of Order**  
 )  
 )  
\_\_\_\_\_ )

**Section I: Introduction**

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order ("Stipulation Order" or "Order") is entered into by and between the Assistant Executive Officer of the Regional Water Quality Control Board, Central Valley Region (Central Valley Water Board), on behalf of the Central Valley Water Board Prosecution Team (Prosecution Staff), and the Shasta County Services Area No. 17 ("CSA") (collectively, "Parties") and is presented to the Central Valley Water Board, for adoption as an order, by settlement, pursuant to Government Code section 11415.60.

**Section II: Recitals**

1. The CSA owns, operates, and maintains a wastewater treatment plant in Cottonwood, California ("Cottonwood Wastewater Treatment Plant").
2. The State Water Resources Control Board has determined that the Discharger's wastewater treatment plant is a publicly owned treatment works serving a small community with a financial hardship within the meaning of California Water Code (Water Code) section 13385 subdivision (k)(2).
3. On 27 May 2010, the Central Valley Water Board issued Waste Discharge Requirements (WDRs) Order R5-2010-0044 (NPDES No. CA0081507) to the CSA.
4. WDRs Order No. R5-2010-0044 Final Effluent Limitations IV.A.1. states, in part:
  - a. The Discharger shall maintain compliance with the following effluent limitations at Discharge Point No. 001 for continuous and emergency discharges to Cottonwood Creek, with compliance measured at Monitoring Location EFF-001 as described in the attached MRP (Attachment E):

**Table 6. Effluent Limitations – Discharge Point No. 001**

Parameter	Units	Effluent Limitation				
		Average Monthly	Average Weekly	Maximum Daily	Instantaneous Minimum	Instantaneous Maximum
pH	Standard Units	--	--	--	6.5	8.5
Dichlorobromomethane	ug/L	8.62	--	29.6	--	--
Total Coliform Organisms	MPN/100mL		23 <sup>3</sup>	500		240 <sup>4</sup>

<sup>3</sup>. Applied as a 7-day median effluent limitation

<sup>4</sup>. Effluent total coliform organisms are not to exceed 240 MPN/100 mL more than once in any 30-day period.

5. Section 301 of the Clean Water Act (33 U.S.C. § 1311) and Water Code section 13376 prohibit the discharge of pollutants to navigable waters of the United States except in compliance with National Pollutant Discharge Elimination Systems (NPDES) permit.
6. Between 23 February 2013 and 20 December 2013, the CSA discharged effluent to Cottonwood Creek, which ultimately discharged into the Sacramento River. Cottonwood Creek and the Sacramento River are waters of the United States. The discharge exceeded effluent limitations for pH thirty (30) times, dichlorobromomethane one (1) time, and total coliform organisms one (1) time. The discharge is a violation of WDRs Order No. R5-2010-0044 Final Effluent Limitations IV.A.1., and of Section 301 of the Clean Water Act (33 U.S.C. § 1311) and Water Code section 13376.
7. On 14 March 2014, the Central Valley Water Board issued Administrative Civil Liability Complaint (“ACLC” or “Complaint”) No. R5-2014-0522 (see Attachment B for the minimum mandatory penalties calculation). The Complaint alleged that the CSA violated WDRs Order No. R5-2010-0044, and proposed a penalty of \$81,000. Specifically, the Complaint alleged that:
  - a. **pH Violations** – Between 23 February 2013 and 20 December 2013, the CSA committed thirty (30) non-serious effluent limitations violations for pH.
  - b. **Dichlorobromomethane (DCBM) Violation** – On 3 July 2013, the CSA committed one (1) non-serious effluent limitation violation for DCBM.
  - c. **Total Coliform Organisms Violation** – On 12 July 2013, the CSA committed one (1) non-serious effluent limitation violation for total coliform organisms.
8. On 21 March 2014, in order to enter into settlement negotiations, the CSA waived their right to a hearing on the matter within 90 days of issuance of the Complaint. On 7 May 2014, the Central Valley Water Board staff issued a Compliance Project Needs letter. The Compliance Project Needs letter outlined the requirements for completing a Compliance Project.

9. On 3 September 2014, the Central Valley Water Board received a letter from the CSA. In the letter, the CSA outlines a proposed Compliance Project that includes the installation of a biological selector, submerged mixers, MLSS return pump, modifications to existing piping, and the installation of a new sand filter.
10. To resolve the alleged violations of the Water Code, set forth in Attachment B, without formal administrative proceedings, the Parties have agreed to the imposition of **eighty one thousand dollars (\$81,000)** in liability against the CSA pursuant to Water Code section 13385 and Government Code section 11415.60. Consistent with Water Code section 13385 subdivision (k) and the *Water Quality Enforcement Policy*, in lieu of assessing all or a portion of the mandatory minimum penalty, a publicly owned treatment works serving a small community with a financial hardship can spend an equivalent amount towards the completion of a Compliance Project. The parties have agreed that the total mandatory minimum penalty amount of \$81,000 will be allocated to a Compliance Project, as described below. The suspended penalty shall be dismissed upon completion of the Compliance Project, as described in Attachment A.
11. The Prosecution Staff has determined based on information in the record that the resolution of the alleged violations (i.e., assessment of penalties, all of which are approved for implementing the Compliance Project) is fair and reasonable and fulfills its enforcement objectives of Water Code sections 13000 et.seq., and the *Water Quality Enforcement Policy*, and it satisfies the objectives and requirements of the Federal Clean Water Act as implemented by the foregoing, and that no further action is warranted concerning the alleged violations except as provided in this Stipulated Order; and that this Order is in the best interest of the public.

### **Section III: Stipulations**

The Parties stipulate to the following:

#### **12. Party Contact Information**

For the Central Valley Water Board:

- i. Designated Water Board Representative: The Representative from the Central Valley Water Board responsible for oversight of the Compliance Project:

Daniel Warner, Water Resource Control Engineer  
364 Knollcrest Drive, Suite 205  
Redding, CA 96002  
dwarner@waterboards.ca.gov  
(530) 224-4848

- ii. Enforcement Coordinator: The representative at the Central Valley Water Board who is responsible for enforcement coordination:  
George Day, Senior Water Resource Control Engineer  
364 Knollcrest Drive, Suite 205  
Redding, CA 96002  
gday@waterboards.ca.gov  
(530) 224-4859

For the Shasta County Service Area No. 17:

C. Troy Bartolomei, Deputy Director – Operations  
Shasta County Department of Public Works  
1855 Placer Street  
Redding, CA 96001-1759  
(530) 225-5667

13. **Administrative Civil Liability:** The CSA agrees to the imposition of an administrative civil liability totaling **eighty one thousand dollars (\$81,000)** in mandatory minimum penalties as set forth in Paragraph 11 of Section II herein. Further, the CSA agrees that \$81,000 of this administrative civil liability shall be suspended (“Suspended Liability”) pending completion of a Compliance Project as set forth in Paragraph 9 of Section II herein and Attachment A attached hereto and incorporated by reference. Failure to complete the Compliance Project as set forth in this Stipulated Order will result in the payment of the Suspended Liability in full to the State Water Pollution Cleanup and Abatement Account.
14. **Compliance Project Description:** The Parties agree that this Stipulated Order includes the performance of a Compliance Project that will correct the violations within five years. The CSA proposed a Compliance Project consisting of installing an anoxic biological selector. This will improve operational control by increasing pH buffering capacity and minimizing the requirement for initial pH spiking through chemical addition of soda ash. This process will reduce unanticipated pH variability throughout the secondary treatment process leading to improved pH control over the treated effluent prior to disinfection/dechlorination and discharge.
15. **Agreement of the CSA to Construct, Report, and Guarantee Implementation of the Compliance Project:** The CSA represents that: (1) it will construct the Compliance Project described in this Order; (2) it will provide certifications and written reports to the Central Valley Water Board consistent with the terms of this Order detailing the implementation of the Compliance Project; and (3) it will guarantee timely implementation of the Compliance Project by remaining liable for the entire cost of the administrative liability until the Compliance Project is completed and accepted by the Central Valley Water Board in accordance with the terms of this Order. The CSA agrees that the Central Valley Water Board has the right to require an audit of funds expended by it to implement the Compliance Project.

**16. Compliance Project Progress reports:** The CSA shall provide quarterly reports of progress to the Designated Water Board Representative, commencing 90 days after the effective date of this Order and continuing through submittal of the final reports described in Paragraph 18. If no activity occurred during a particular quarter, a quarterly report so stating shall be submitted. Quarterly reports must be submitted in accordance with the following schedule:

Reporting Period	Date Due Each Year
January – March	May 1
April – June	August 1
July – September	November 1
October - December	February 1

**17. Compliance Project Completion Date:** The Compliance Project shall be completed in its entirety no later than 30 October 2015 (Compliance Project Completion Date). If other circumstances beyond the reasonable control of the CSA prevent completion of the Compliance Project by that date, the Central Valley Water Board Assistant Executive Officer may, in writing, extend the Compliance Project Completion Date by up to one (1) year, to 30 October 2016. The CSA must send its request for an extension in writing with necessary justification to the Enforcement Coordinator no later than 15 August 2015.

**18. Certification of Completion of the Compliance Project and Final Reports:** On or before the Compliance Project Completion Date, the CSA shall submit a certified report of completion of the Compliance Project (Certification of Completion) declaring such completion, detailing fund expenditures, and goals achieved. The Certification of Completion shall be submitted under penalty of perjury, to the Enforcement Coordinator by a responsible corporate official representing the CSA. The Certification of Completion shall include the following:

- a. Certification that the Compliance Project has been completed in accordance with the terms of this Order. Such documentation should include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Central Valley Water Board to evaluate the completion of the Compliance Project and the costs incurred by the CSA.
- b. Certification documenting the expenditures by the CSA during the completion period for the Compliance Project. Expenditures may be external payments to outside vendors or contractors performing the Compliance Project. In making such certification, the official may rely upon normal company project tracking systems that capture employee time expenditures and external payments to outside vendors such as environmental and information technology contractors or consultants. The CSA shall provide any additional information requested by the Central Valley Water Board staff which is reasonably necessary to verify Compliance Project expenditures.

- c. Certification that the CSA followed all applicable environmental laws and regulations in implementation of the Compliance Project including, but not limited to, the California Environmental Quality Act (CEQA), the federal Clean Water Act, and the Porter-Cologne Act.

19. **Compliance with CEQA:** To ensure compliance with CEQA where necessary, the CSA shall provide the Central Valley Water Board with the following documentation from the lead agency *prior to commencing Compliance Project Construction*:

- i. Categorical or statutory exemptions relied upon;
- ii. Negative declaration if there are no potentially "significant" impacts;
- iii. Mitigated negative declaration if there are potentially "significant" impacts, but revisions to the project have been made or may be made to avoid or mitigate those potentially significant impacts: or
- iv. Environmental Impact Report (EIR)

20. **Central Valley Water Board Acceptance of Completed Compliance Project:** Upon the CSA's satisfaction of its Compliance Project obligations under this Order and completion of the Compliance Project and any audit requested by the Central Valley Water Board, Central Valley Water Board staff shall send the CSA a letter recognizing satisfactory completion of its Compliance Project obligations under this Order. This letter shall terminate any further Compliance Project obligations of the CSA.

21. **Failure to Expend all Suspended Administrative Liability Funds on the approved Compliance Project:** In the event that the CSA timely completes the Compliance Project but is not able to demonstrate to the reasonable satisfaction of the Central Valley Water Board staff that the entire Compliance Project amount has been spent as described herein, the CSA shall pay the difference between \$81,000 and the amount the CSA can demonstrate was actually spent on the Compliance Project. The CSA shall pay the additional administrative civil liability within 30 days of its receipt of notice of the Central Valley Water Board's determination that the CSA has failed to demonstrate that the entire Compliance Project amount has been spent to complete the Compliance Project components.

22. **Failure to Complete the Compliance Project:** If the Compliance Project is not fully implemented within the Compliance Project Completion Date required by this Order, the Enforcement Coordinator shall issue a Notice of Violation. As a consequence, the CSA shall be liable to pay the entire Suspended Liability. The CSA shall not be entitled to any credit, offset, or reimbursement from the Central Valley Water Board for expenditures made on the Compliance Project prior to the date of the Notice of Violation. The amount owed shall be paid to the State Water Pollution Cleanup and Abatement Account within thirty (30) days after the Discharger receives the Notice of Violation. Payment of the assessed

Suspended Liability amount will satisfy the CSA's obligations pursuant to this Order to implement the Compliance Project.

23. **Matters Addressed by Stipulation:** Upon adoption of this Order by the Central Valley Water Board, this Order represents a final and binding resolution to settle, as set forth herein, the violations that are specifically identified in Attachment B as being subject to mandatory minimum penalties (Covered Matters). The provisions of this paragraph are expressly conditioned on the payment of the administrative civil liability as provided herein by the deadlines specified by this Order, and the CSA's full satisfaction of the obligations described in this Order.
24. **Publicity:** Should the CSA or its agents or subcontractors publicize one or more elements of the Compliance Project, they shall state in a prominent manner that the project is being partially funded as part of the settlement of an enforcement action by the Central Valley Water Board.

#### **Section IV: Standard Stipulations**

25. **Compliance with Applicable Laws:** The CSA understands that payment of the administrative civil liability in accordance with the terms of this Stipulated Order and/or compliance with the terms of this Stipulated Order is not a substitute for compliance with applicable laws, and that continuing violations of the type alleged in this Order may subject it to further enforcement, including additional administrative civil liability.
26. **Attorney's Fees and Costs:** Except as otherwise provided herein, each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
27. **Public Notice:** The CSA understands that the Central Valley Water Board will conduct a 30-day public review and comment period prior to consideration and adoption. If significant new information is received that reasonably affects the propriety of presenting this Stipulated Order to the Central Valley Water Board, or its delegate, for adoption, the Assistant Executive Officer may unilaterally declare this Stipulated Order void and decide not to present it to the Central Valley Water Board. The CSA agrees that it may not rescind or otherwise withdraw their approval of this proposed Stipulated Order.
28. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedures contemplated for adopting the Stipulation and Proposed Order by the Central Valley Water Board and conducting review of this Stipulation by the public are lawful and adequate. In the event procedural objections are raised prior to the proposed Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.

29. **No Waiver of Right to Enforce:** The failure of the Prosecution Staff or Central Valley Water Board to enforce any provision of this Stipulated Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of the Order. The failure of the Prosecution Staff or Central Valley Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Stipulated Order.
30. **Interpretation:** This Stipulated Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.
31. **Modification:** This Stipulated Order shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the Central Valley Water Board.
32. **If Proposed Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the Central Valley Water Board, or its delegee, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Central Valley Water Board and/or a hearing panel to determine whether to assess administrative civil liabilities for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree to re-initiate the hearing process in that new hearing procedures will be issued with scheduled due dates for a hearing within 90 days from the date the Proposed Order is deemed not accepted by the Central Valley Water Board. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing pursuant to California Evidence Code section 1152. The Parties agree to waive any and all objections based on settlement communications in this matter, other than California Evidence Code section 1152 evidentiary objections, including, but not limited to:
- a. Objections related to prejudice or bias of any of the Central Valley Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Central Valley Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the violations alleged, in Attachment B, in this matter; or
  - b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.
33. **Waiver of Hearing:** On 21 March 2014 the CSA waived their right to a hearing on the matter within 90 days of issuance of the Complaint.
34. **Waiver of Right to Petition:** The CSA hereby waives its right to petition the Central Valley Water Board's adoption of the Stipulated Order for review by the State Water Resources Control Board, and further waives its rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

35. **Covenant Not to Sue:** The CSA covenants not to sue or pursue any administrative or civil claim(s) against any State Agency or the State of California, its officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any Covered Matter.
36. **Central Valley Water Board is Not Liable:** Neither the Central Valley Water Board members nor the Central Valley Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by the CSA, its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulated Order, nor shall the Central Valley Water Board, its members or staff be held as parties to or guarantors of any contract entered into by the CSA, its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Order.
37. **Authority to Bind:** Each person executing this Order in a representative capacity represents and warrants that he or she is authorized to execute this Order on behalf of, and to bind the entity on whose behalf he or she executes the Order.
38. **Necessity for Written Approvals:** All approvals and decisions of the Central Valley Water Board under the terms of this Order shall be communicated to the CSA in writing. No oral advice, guidance, suggestions or comments by employees or officials of the Central Valley Water Board regarding submissions or notices shall be construed to relieve the CSA of its obligation to obtain any final written approval required by this Order.
39. **No Third Party Beneficiaries.** This Stipulated Order is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Stipulated Order for any cause whatsoever.
40. **Effective Date:** This Stipulated Order shall be effective and binding on the Parties upon the date the Central Valley Water Board enters the Order.
41. **Counterpart Signatures:** This Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document.
42. **Severability:** The provisions of this Order are severable; should any provision be found invalid the remainder shall remain in full force and effect.

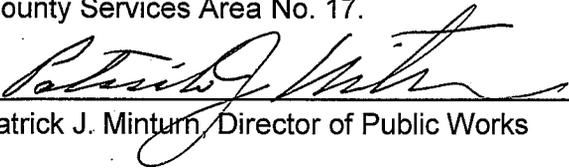
**It is so stipulated.**

California Regional Water Quality Control Board Prosecution Team  
Central Valley Region

By:   
Clint Snyder, Assistant Executive Officer

Date: 1/26/15

Shasta County Services Area No. 17.

By:   
Patrick J. Minturn, Director of Public Works

Date: 1/12/15

**Section V: Findings of the Central Valley Water Board**

43. The terms of the foregoing Stipulation are fully incorporated herein and made part of this Order of the Central Valley Water Board.
44. The Central Valley Water Board finds that the Recitals set forth herein are true.
45. The proposed settlement was noticed to receive public comment for a minimum of 30 days prior to Central Valley Water Board consideration.
46. This Stipulation and Order are severable; should any provision be found invalid the remainder shall remain in full force and effect.
47. This is an action to enforce the laws and regulations administered by the Central Valley Water Board. The Central Valley Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with section 15321 (a)(2), Title 14, of the California Code of Regulations.
48. The Central Valley Water Board is hereby authorized to refer this matter directly to the Attorney General for enforcement if the CSA fails to perform any of its obligations under the Order.
49. Fulfillment of the CSA's obligations under the Order constitutes full and final satisfaction of any and all liability for each claim in the Complaint in accordance with the terms of the Order.

Pursuant to CWC section 13323, 13385, and Government Code section 11415.60, **IT IS HEREBY ORDERED** by the California Regional Water Quality Control Board, Central Valley Region.

Original signed by

\_\_\_\_\_  
PAMELA C. CREEDON, Executive Officer

2 March 2015

\_\_\_\_\_  
Date

**ATTACHMENTS:**

Attachment A: Description of Compliance Project

Attachment B: Table of Violations from Complaint No. R5-2014-0552

# **ATTACHMENT "A"**



# Shasta County

## DEPARTMENT OF PUBLIC WORKS

1855 PLACER STREET  
REDDING, CA 96001-1759  
530.225.5661 530.225.5667 FAX  
800.479.8022 California Relay Service at 700 or 800.735.2922

**PATRICK J. MINTURN, DIRECTOR**  
C. TROY BARTOLOMEI, DEPL  
SCOTT G. WAHL, DEPL

September 2, 2014

CSA 010017

Daniel L. Warner  
Water Resources Control Engineer  
Central Valley Regional Water Quality Control Board  
364 Knollcrest Drive, Suite 205  
Redding, CA 96002

Subject: Compliance Projects for CSA No. 17 Cottonwood Wastewater Treatment Plant

Dear Mr. Warner:

This letter is in response to the Notice of Administrative Civil Liability dated May 7, 2014, for CSA No. 17 – Cottonwood Wastewater Treatment Plant (CWTP). Shasta County appreciates the opportunity to apply the \$81,000 in mandatory minimum penalties towards compliance projects. The County proposes to rehabilitate a large portion of the WWTP with design phase starting in October 2014.

A capital improvement plan (CIP) for the wastewater treatment plant (WWTP) and general wastewater collection system improvements was developed as part of the 2013 Sewer Master Plan (SMP) as shown in Table 1 herein. All of the identified projects would be too great a financial burden for the County to address at one time, so immediate, near term, intermediate term and long term prioritization projects were identified. As shown in Table 1, approximately \$557,000 and \$1,535,000 (November 2013 dollars) worth of general wastewater collection improvements and WWTP improvements, respectively, is anticipated to be needed in the immediate term. These costs take into account that since completion of the 2013 SMP, it has been determined the existing sand filter cannot be rehabbed due to obsolete equipment. Therefore, costs to install a new filter have now been included in the immediate term. Costs will be finalized once design details have been more closely analyzed in the feasibility study and design phase. All improvements are needed to correct existing system deficiencies.

As shown in Table 1, planned improvements include installation of an anoxic biological selector. Addition of a selector will provide a higher food to microorganism ratio which favors a better settling sludge, removes nitrate, and recycles alkalinity to increase pH buffering capacity. It is proposed the selector be installed prior to the aeration basins with RAS and MLSS being returned to the selector further improving the nitrification and denitrification processes, and thereby reducing effluent ammonia and nitrate concentrations. This project will include installation of a concrete box for the selector, submerged mixers, MLSS return pump, and modifications to existing piping. The anoxic selector will recover alkalinity, thus minimizing the amount of soda ash that is added to the process to increase pH. Minimizing the amount of soda ash reduces total dissolved solids loading, which is a goal of the Pollutant Minimization Plan submitted by Shasta County.

Alkalinity produced by denitrification is made available to offset the alkalinity depleted by nitrification. Approximately 3.57 grams of alkalinity as CaCO<sub>3</sub> are produced per gram NO<sub>3</sub>-N oxidized, and 7.14 grams alkalinity as CaCO<sub>3</sub> are used per gram of NH<sub>4</sub>-N oxidized, thus almost half of the alkalinity used for nitrification is recovered through the anoxic selector process (Metcalf & Eddy, 2003).

In response to the Notice of Administrative Civil Liability (ACL) for pH violations issued by the CVRWQCB May 7, 2014, CSA 17 proposes to complete improvements as recommended in the 2013 SMP. The resulting construction project will not only improve pH levels, but will improve the overall effluent quality, replace aging and inefficient infrastructure, and correct existing system deficiencies. In completing an improvement project of substantial size, and allowing the County enough time to raise rates to adequate levels, grant funding is anticipated to be obtained for a portion of the project.

Table 2 indicates the proposed schedule for successful completion of the planned project. The proposed schedule is as short as possible and takes into account industry standard timelines in which to accomplish project planning, environmental documentation, funding, design, permitting, construction, and start-up. Completing the project within the timeline depends upon reasonable efforts made by regulatory agencies for review and comment, funding agency response, and compliance with Proposition 218 as a part of funding the project.

Table 3 provides a breakdown of costs including detailed indirect costs. As shown in these two tables, approximately \$80,000 will be spent in the next two years on completion of the PER, funding acquisition assistance, and Proposition 218 rate increase compliance assistance. It is requested these costs be applied toward repayment of the ACL. Project design and contract award will be completed from August 2016 through June 2018, with project construction complete by July 2019. When inflation adders for preliminary construction, engineering, and construction administration are projected forward, the anticipated primary project cost is approximately \$3.8 million.

The County plans to contract with a consultant to begin the design process by October 1, 2014. Due to the length of the project, reports will be submitted to the Central Valley Regional Water Quality Control Board on a quarterly basis.

The total amount that will be spent will be well above the \$81,000 in penalties. The County requests your concurrence that once the items noted in this letter are completed they will satisfy any penalties to date. If you have any questions, please contact Jessica Shaw or Troy Bartolomei of this office at (530) 225-5661.

Sincerely,

Patrick J. Minturn, Director

By



C. Troy Bartolomei  
Deputy Director – Operations

CTB/JJS/ldr

Attachments: Tables 1-3

c: Laurie McCollum, PACE Engineering

**TABLE 1**  
**CSA 17 2013 Sewer Master Plan**  
**RECOMMENDED IMPROVEMENTS & CAPACITY CHARGE BASIS <sup>(1)</sup>**

Item No.	Description	Estimated Cost <sup>(2)</sup>				% Attributed to Growth	Cost Attributed to Growth
		Immediate Term (2013-2017)	Near Term (2017-2022)	Intermediate Term (2022-2027)	Long Term (2027-2032)		
<b>GENERAL COLLECTION SYSTEM IMPROVEMENTS</b>							
1	Parallel 200' of 8" sewer along Gas Point Rd with 10," and 630' of 8" sewer near West Cottonwood Junior High with 8" (Pis. 1 to 2)	\$112,000				0%	\$0
2	Replace 200' of 10" sewer east of Main Street with 15" and parallel 215' of 10" sewer with 8" and 130' of 12" sewer with 10" (Pis. 3 to 4)		\$82,000			23%	\$18,860
3	Parallel 620' of 8" sewer near Cimbar Road and Wincham Lane with 10," and 550' of 8" sewer with 8" (Pis. 5 to 8)			\$144,000		23%	\$33,120
4	Parallel 180' of 8" sewer on Park Dr with 8" (PL 7)				\$20,000	23%	\$4,600
5	Hydro Jetter sewer cleaner & tester	\$30,000				0%	\$0
6	Aging sewer main replacements <sup>(3)</sup>	\$205,000	\$205,000	\$205,000	\$205,000	23%	\$188,800
<b>COTTONWOOD LIFT STATION IMPROVEMENTS</b>							
7	Grinder	\$75,000				0%	\$0
8	Floet Backup System	\$10,000				0%	\$0
9	Generator		\$70,000			0%	\$0
10	2-700 GPM & 2-300 GPM centrifugal pumps, motors, and starters, complete with upsized piping and valving			\$184,000		23%	\$42,320
<b>BLACK LANE LIFT STATION IMPROVEMENTS</b>							
11	Replace callings	\$10,000				0%	\$0
12	New generator w/ auto transfer switch	\$50,000				0%	\$0
13	2-230 GPM pumps, motors, and starters, complete with upsized piping, valving, and alarms		\$42,000			23%	\$9,660
14	Portable trash pump and piping			\$40,000		0%	\$0
<b>CROWLEY CREEK LIFT STATION IMPROVEMENTS</b>							
15	Diesel gas tank secondary containment		\$5,000			0%	\$0
16	Cover over electrical controls		\$10,000			0%	\$0
17	Install bypass piping				\$10,000	0%	\$0
<b>QUAIL LANE LIFT STATION IMPROVEMENTS</b>							
18	2-80 GPM grinder pumps and motors	\$10,000				0%	\$0
19	Replace all mechanical	\$15,000				0%	\$0
20	New generator w/ auto transfer switch	\$40,000				0%	\$0
21	Cover over electrical controls		\$10,000			0%	\$0
22	Install fence around lift station		\$5,000			0%	\$0
23	Install bypass piping				\$10,000	0%	\$0
<b>GENERAL COLLECTION SYSTEM IMPROVEMENTS SUBTOTAL:</b>		<b>\$597,000</b>	<b>\$425,000</b>	<b>\$573,000</b>	<b>\$245,000</b>		<b>\$297,000</b>
<b>WWTP IMPROVEMENTS</b>							
24	New Auper Monster®		\$200,000			0%	\$0
25	New biological selector w/ mixers	\$120,000				0%	\$0
26	Replace aeration basin aerators	\$40,000				0%	\$0
27	Recal mechanical equipment & new drives on existing clarifiers	\$75,000		\$75,000		0%	\$0
28	Replace existing RAS, WAS, scum, sludge, water, and drainage pumps	\$25,000	\$25,000	\$25,000	\$25,000	0%	\$0
29	Install additional RAS pump	\$25,000				0%	\$0
30	Rehab existing filter	\$100,000				0%	\$0
31	New traveling bridge filter	\$700,000				0%	\$0
32	Replace chlorine contact basin side gates	\$30,000				0%	\$0
33	Enlarge chlorine contact basin				\$150,000	0%	\$0
34	Replace 9 freeze-proof yard hydrants	\$10,000				0%	\$0
35	New chemical dosing and monitoring equipment				\$100,000	0%	\$0
36	Effluent disposal feasibility study			\$75,000		23%	\$17,250
37	SSB 1 modifications				\$100,000	0%	\$0
38	New SSB aerators	\$20,000	\$20,000	\$20,000		0%	\$0
39	Sludge drying beds modifications			\$200,000	\$200,000	0%	\$0
40	New office building			\$250,000		0%	\$0
41	New chart recorders	\$20,000				0%	\$0
42	New lab equipment	\$50,000				0%	\$0
43	Update all controls and alarms, including those at the WWTP and all lift stations	\$250,000				0%	\$0
44	New generator	\$80,000				0%	\$0
<b>WWTP IMPROVEMENTS SUBTOTAL:</b>		<b>\$1,535,000</b>	<b>\$245,000</b>	<b>\$545,000</b>	<b>\$375,000</b>		<b>\$17,000</b>
<b>TOTAL ESTIMATED CONSTRUCTION COSTS:</b>		<b>\$2,092,000</b>	<b>\$674,000</b>	<b>\$1,218,000</b>	<b>\$820,000</b>		<b>\$314,000</b>
Construction Contingency (25%):		\$523,000	\$168,000	\$305,000	\$205,000		\$79,000
Environmental, Engineering & Indirect Costs (36%):		\$915,000	\$286,000	\$533,000	\$369,000		\$138,000
<b>TOTAL ESTIMATED PROJECT COSTS:</b>		<b>\$3,530,000</b>	<b>\$1,138,000</b>	<b>\$2,056,000</b>	<b>\$1,394,000</b>		<b>\$531,000</b>
Cumulative Project Costs:		\$3,530,000	\$4,668,000	\$6,724,000	\$8,108,000		\$8,639,000
Total Cumulative Project Costs w/o Growth Component:						\$7,577,000	
Average Yearly Cost for 20 Years:						\$378,850	
Number of Existing HEs:						1425	
Average Yearly Cost per HE:						\$265.85	
Average Bi-Monthly Cost per HE:						\$44.31	
Additional HEs Over Next 20 Years:						427	
Additional Future Capacity Charge per HE:						\$1,244	
Existing Capacity Charge:						\$3,600	
<b>Total Future Capacity Charge:</b>						<b>\$4,844</b>	

<sup>(1)</sup> Based on a 1.7% annual growth rate.  
<sup>(2)</sup> All costs in November 2013 dollars at an ENR Index of 9666.  
<sup>(3)</sup> Costs shown would result in ~325 feet of various sizes of pipe replaced every year.

**TABLE 2**  
**CSA 17**  
**Proposed Time Schedule**

<b>Item No.</b>	<b>Action</b>	<b>Target Date</b>	<b>Completion Date</b>
1	CSA 17 receives Notice of Administrative Civil Liability		May 2014
2	CSA 17 responds to Notice of Administrative Civil Liability		Aug 2014
3	CSA 17 authorizes PACE to prepare PER	Oct 2014	
4	PACE provides draft PER to CSA 17	Mar 2015	
5	CSA 17 begins Prop 218 rate increase procedures	Apr 2015	
6	CSA 17 provides comments on draft PER	Apr 2015	
7	PACE finalizes PER	June 2015	
8	First rate increase goes into effect	July 2015	
9	PACE submits application for funding to USDA RD	July 2015	
10	CSA 17 reviews USDA RD Letter of Conditions	July 2016	
11	Second rate increase goes into effect	July 2016	
12	CSA 17 directs PACE to proceed with design	Aug 2016	
13	Draft plans submitted to CSA 17	Apr 2017	
14	Third rate increase goes into effect	July 2017	
15	Final plans and specifications submitted to CSA 17 & CVRWQCB	July 2017	
16	CSA 17 & CVRWQCB approves final design and specifications	Sept 2017	
17	CSA 17 approves advertising for bids	Nov 2017	
18	CSA 17 invites construction bids	Dec 2017	
19	Construction bids received	Mar 2018	
20	Construction contract awarded	May 2018	
21	Begin construction	July 2018	
22	Fourth rate increase goes into effect	July 2018	
23	Construction complete	July 2019	
24	Fifth rate increase goes into effect	July 2019	
25	Complete testing, adjustment of system & achieve compliance	Oct 2019	

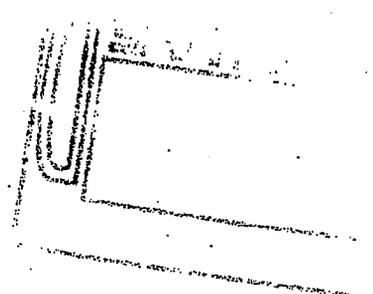
**TABLE 3  
CSA 17  
Project Cost Estimate**

No.	Item	Quantity	Unit	Unit Cost	Total Cost
1	GENERAL COLLECTION SYSTEM IMPROVEMENTS	1	LS	\$557,000.00	\$557,000
2	WWTP IMPROVEMENTS	1	LS	\$1,535,000.00	\$1,535,000
3	<b>SUBTOTAL CONSTRUCTION COSTS</b>				<b>\$2,092,000</b>
4	Construction Contingencies @ 25%				\$523,000
5	Inflation adder for construction in 2018 @ 3% per year				\$242,500
6	<b>TOTAL CONSTRUCTION COSTS</b>				<b>\$2,857,500</b>
7					
8	<b>INDIRECT COSTS</b>				
9	<i>Basic Engineering Services</i>				
10	Study and Report Phase (PER)				\$49,000
11	Engineering & construction management @ 18% of construction costs				\$514,350
12	Inflation adder for design engineering in 2017 & construction administration in 2018 @ 3% per year				\$47,700
13	Bidding/Contract Award Services				\$25,000
14	Construction Surveying				\$15,000
15	Geotechnical Services				\$20,000
16	Easement Acquisition/ROW				\$10,000
17	Resident Project Representative				\$156,000
18	Operation & Maintenance Manual/As-Built Drawings				\$10,000
19	<b>Total Engineering Services</b>				<b>\$847,000</b>
20					
21	<b>OTHER INDIRECT COSTS<sup>(2)</sup></b>				
22	Funding Assistance - USDA RD and/or CWSRF				\$15,000
23	Prop 218 Compliance Assistance				\$15,000
24	Bond Counsel				\$40,000
25	Environmental Documentation Assistance <sup>(3)</sup>				\$5,000
26	Assistance with Permits				\$10,000
27	<b>Total Other Indirect Costs</b>				<b>\$85,000</b>
28	<b>TOTAL INDIRECT COSTS</b>				<b>\$932,000</b>
29					
30	<b>TOTAL ESTIMATED PROJECT COST</b>				<b>\$3,790,000</b>

(1) Preliminary costs based on Nov 2013 ENR of 9666; Costs to be finalized during completion of the PER and design phases.

(2) County to provide project administration and legal fees internally, as well as interim financing from the CSA 17 General Fund for completion of the PER, design engineering, and bidding.

(3) Environmental documentation assistance cost assumes a CEQA Categorical Exemption will apply. If pipeline alignments require more detailed environmental, costs will be increased.



# **ATTACHMENT "B"**

**ATTACHMENT B**

**SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF ORDER; ORDER R5-2014-0580**

**Shasta County Services Area No. 17  
Cottonwood Wastewater Treatment Plant**

**RECORD OF VIOLATIONS (23 February 2013 – 20 December 2013) MANDATORY PENALTIES  
(Data reported under Monitoring and Reporting Program No. R5-2010-0044)**

Violation Date	Discharge Point	Pollutant/Parameter	Units	Effluent Limit	Analytical/Calculated Result	Percentage Over	Period	Violation Type	CIWQS Violation ID	MMP Amount
2/23/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	954814	1
3/06/2013	D-001	pH	Standard Units	8.5	8.6	--	Instantaneous Maximum	Non-Serious	947404	1
3/07/2013	D-001	pH	Standard Units	8.5	9.6	--	Instantaneous Maximum	Non-Serious	947407	1
3/10/2013	D-001	pH	Standard Units	8.5	9.2	--	Instantaneous Maximum	Non-Serious	947406	\$3,000
3/10/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	947401	2
3/11/2013	D-001	pH	Standard Units	8.5	9.6	--	Instantaneous Maximum	Non-Serious	947408	\$3,000
3/11/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	947402	2
3/14/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	947403	\$3,000
3/15/2013	D-001	pH	Standard Units	6.5	6.3	--	Instantaneous Minimum	Non-Serious	947400	\$3,000

Violation Date	Discharge Point	Pollutant/ Parameter	Units	Effluent Limit	Analytical/ Calculated Result	Percentage Over	Period	Violation Type	CIWQS Violation ID	MMP Amount
3/17/2013	D-001	pH	Standard Units	6.5	6.3	--	Instantaneous Minimum	Non-Serious	947405	\$3,000
7/03/2013	D-001	DCBM	µg/L	8.62	9.78	13.5	AMEL	Non-Serious Group II	954566	\$3,000
7/12/2013	D-001	Total Coliform Organisms	MPN/ 100mL	500	1050	--	MDEL	Non-Serious	954563	\$3,000
7/19/2013	D-001	pH	Standard Units	8.5	8.8	--	Instantaneous Maximum	Non-Serious	954569	\$3,000
7/21/2013	D-001	pH	Standard Units	8.5	8.8	--	Instantaneous Maximum	Non-Serious	954567	\$3,000
7/30/2013	D-001	pH	Standard Units	8.5	8.8	--	Instantaneous Maximum	Non-Serious	954564	\$3,000
9/25/2013	D-001	pH	Standard Units	8.5	8.9	--	Instantaneous Maximum	Non-Serious	957353	\$3,000
10/23/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	958344	\$3,000
10/27/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	958345	\$3,000
11/07/2013	D-001	pH	Standard Units	8.5	8.6	--	Instantaneous Maximum	Non-Serious	960288	\$3,000
11/14/2013	D-001	pH	Standard Units	8.5	8.6	--	Instantaneous Maximum	Non-Serious	960289	\$3,000
11/16/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	960293	\$3,000
11/17/2013	D-001	pH	Standard Units	6.5	6.4	--	Instantaneous Minimum	Non-Serious	960287	\$3,000
11/19/2013	D-001	pH	Standard Units	8.5	8.6	--	Instantaneous Maximum	Non-Serious	960290	\$3,000
11/24/2013	D-001	pH	Standard Units	8.5	8.8	--	Instantaneous Maximum	Non-Serious	960291	\$3,000

Violation Date	Discharge Point	Pollutant/Parameter	Units	Effluent Limit	Analytical/Calculated Result	Percentage Over	Period	Violation Type	CIWQS Violation ID	MMP Amount
12/03/2013	D-001	pH	Standard Units	8.5	9.0	--	Instantaneous Maximum	Non-Serious	961628	\$3,000
12/08/2013	D-001	pH	Standard Units	8.5	8.6	--	Instantaneous Maximum	Non-Serious	961625	\$3,000
12/09/2013	D-001	pH	Standard Units	8.5	8.9	--	Instantaneous Maximum	Non-Serious	961622	\$3,000
12/13/2013	D-001	pH	Standard Units	8.5	9.0	--	Instantaneous Maximum	Non-Serious	961626	\$3,000
12/14/2013	D-001	pH	Standard Units	8.5	8.8	--	Instantaneous Maximum	Non-Serious	961623	\$3,000
12/16/2013	D-001	pH	Standard Units	8.5	9.2	--	Instantaneous Maximum	Non-Serious	961627	\$3,000
12/17/2013	D-001	pH	Standard Units	8.5	9.1	--	Instantaneous Maximum	Non-Serious	961624	\$3,000
12/20/2013	D-001	pH	Standard Units	8.5	8.7	--	Instantaneous Maximum	Non-Serious	961621	\$3,000
<b>TOTAL:</b>									<b>\$81,000</b>	

<sup>1</sup> Non-serious violations that fall within the first three violations in a 180-day period are exempt from MMPs.

<sup>2</sup> Second violation in a single day of an instantaneous minimum limitation; Therefore, not subject to MMPs.

AMEL: Average Monthly Effluent Limitation

MDEL: Daily Maximum Effluent Limitation

N/A: Not Applicable

Notes:

Serious Group I: any waste discharge that exceeds the effluent limitation for a Group I pollutant by 40 percent or more

Serious Group II: any waste discharge that exceeds the effluent limitation for a Group II pollutant by 20 percent or more

Non-Serious Violation: A mandatory minimum penalty shall be assessed whenever the discharger does any of the following four or more times in any period of 180 days, except that the requirement to assess the mandatory minimum penalty shall not be applicable to the first three violations:

(a) violates a WDR effluent limitation;

(b) fails to file a report pursuant to California Water Code section 13260;

(c) files an incomplete report pursuant to California Water Code section 13260; or

(d) violates a whole effluent toxicity limitation where the WDRs do not contain pollutant-specific effluent limitations for toxic pollutants.