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CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF DRINKING WATER

TO: Seeley County Water District
1898 West Main Street
P.O. Box 161
Seeley, CA 92273

Attn: Beatriz Scroggins, Board President

**CITATION FOR VIOLATION OF
CALIFORNIA CODE OF REGULATIONS
TITLE 22, SECTION 64533
WATER SYSTEM NO. 1310013**

**CITATION NO. 05-14-16C-003A1
(AMENDMENT NO. 1 TO CITATION No. 05-14-16C-003)**

Issued on August 25, 2016

The State Water Resources Control Board (hereinafter "Board"), acting by and through its Division of Drinking Water (hereinafter "Division") and the Deputy Director for the Division (hereinafter "Deputy Director") hereby issues Citation 05-14-16C-003A1 (hereinafter "Amendment No. 1"), Amendment No. 1 to Citation No. 05-14-16C-003 (hereinafter "Citation") issued on May 10, 2016 (Attachment 1) pursuant to Section 116650 of the California Health and Safety Code (hereinafter "CHSC") to the Seeley County Water District (hereinafter "Seeley") water system for violation of California Code of Regulations, Title 22, (hereinafter "CCR, Title 22") Section 64533.

STATEMENT OF FACTS

Seeley completed the funding and Preliminary Engineering Report application process with United States Department of Agriculture – Rule Development (USDA–RD) for the

1 installation of Total trihalomethanes (TTHM) Removal System in August 2016. In a USDA-
2 RD letter, dated August 10, 2016, (Attachment 2) the Water System was required to
3 submit *Form RD 1942-46 "Letter of intent to Meet Conditions" and Form RD 1940-1*
4 *"Request for Obligation of Funds"* within three days to USDA-RD. Seeley submitted these
5 documents same day on August 10, 2016.

6
7 On August 15, 2016, the Division received a letter from The Holt Group, Seeley's
8 consulting engineer, notifying the Division that the project will not be constructed and in
9 service by the September 1, 2016 per Citation **05-14-16C-003** Directive #6 (Attachment 3).
10 The letter includes a revised project schedule with the project completion date of April 19,
11 2017.

12 13 DETERMINATIONS

14
15 Seeley failed to secure funding for the aeration project in time to meet Citation **05-14-16C-**
16 **003** Directive #6 to place into service the TTHM Removal System by September 30, 2016.

17
18 The Division finds the revised schedule with a project completion date of April 19, 2017
19 acceptable.

20
21 Therefore, the Division amends Directive #6 and Directive #8 in the Citation as follows:

22 23 DIRECTIVES

24
25 **6. By April 17, 2017**, the Water System shall complete and place into service the
26 TTHM Removal System.

27
28 **8. With this Citation No. 05-14-16C-003**, the Division amends Directive #10 in Citation
29 No. 05-14-14C-001A2 (Amendment No. 3) from \$7,000 to \$4,000, and suspends the
30 penalty of \$4,000 check payable to California State Water Resources Control Board,
31 Division of Drinking Water until **May 1, 2017**. Payment shall be made by check payable to

1 California State Water Resources Control Board Safe Drinking Water Account in
2 accordance with the instructions in Attachment 4, "Fine Payment Submittal Form".
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7
8 8/25/16



9 Date

Sean Sterchi, P.E.

San Diego District Engineer

State Water Resources Control Board

Division of Drinking Water

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14 CERTIFIED MAIL NO. 7015 3010 0001 9444 3279

15
16 ATTACHMENTS:

- 17 1. Citation No. 05-14-16C-003
- 18 2. USDA-RD letter dated August 10, 2016
- 19 3. The Holt Group letter and Revised Project Schedule dated August 15, 2016
- 20 4. Fine Payment Submittal Form

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23
24 cc) Jeff Lamoure, Deputy Director for Environmental Health Services, County of
25 Imperial (via email)
26

ATTACHMENT 1

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CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
DIVISION OF DRINKING WATER

TO: Seeley County Water District
1898 West Main Street
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Seeley, CA 92273

Attn: Beatriz Scroggins, Board President

CITATION FOR VIOLATION OF
CALIFORNIA CODE OF REGULATIONS
TITLE 22, SECTION 64533
WATER SYSTEM NO. 1310013

CITATION No. 05-14-16C-003

Issued on May 10, 2016

The State Water Resources Control Board (hereinafter "Board"), acting by and through its Division of Drinking Water (hereinafter "Division") and the Deputy Director for the Division (hereinafter "Deputy Director") hereby issues this citation (hereinafter "Citation") pursuant to Section 116650 of the California Health and Safety Code (hereinafter "CHSC") to the Seeley County Water District (hereinafter "Seeley") water system for violation of California Code of Regulations, Title 22, (hereinafter "CCR, Title 22") Section 64533.

APPLICABLE AUTHORITIES

CHSC, §116650 provides:

116650. Citations.
(a) If the department determines that a public water system is in violation of this chapter or any regulation, permit, standard, citation, or order issued or adopted thereunder, the department may issue a citation to the public water system. The citation shall be served upon the public water system personally

1 or by certified mail. Service shall be deemed effective as of the date of
2 personal service or the date of receipt of the certified mail. If a person to
3 whom a citation is directed refuses to accept delivery of the certified mail, the
4 date of service shall be deemed to be the date of mailing.

5 (b) Each citation shall be in writing and shall describe the nature of the
6 violation or violations, including a reference to the statutory provision,
7 standard, order, citation, permit, or regulation alleged to have been violated.

8 (c) A citation may specify a date for elimination or correction of the condition
9 constituting the violation.

10 (d) A citation may include the assessment of a penalty as specified in
11 subdivision (e).

12 (e) The department may assess a penalty in an amount not to exceed one
13 thousand dollars (\$1,000) per day for each day that a violation occurred, and
14 for each day that a violation continues to occur. A separate penalty may be
15 assessed for each violation.

16
17 **CCR Title 22, §64400.90, provides in relevant part:**

18 “Operational evaluation level” or “OEL” means the sum of the two previous quarters’
19 TTHM results plus twice the current quarter’s TTHM result, divided by 4 to determine
20 an average; or the sum of the two previous quarters’ HAA5 results plus twice the
21 current quarter’s HAA5 result, divided by 4 to determine an average.

22
23 **CCR Title 22, §64465, subsection (c) provides, in relevant part:**

24 “(c) A public water system providing notice pursuant to this article shall comply with
25 the following multilingual-related requirements:

26 ...

27 (2) For a Tier 2 or Tier 3 public notice:

28 (A) The notice shall contain information in Spanish regarding the importance of
29 the notice, or contain a telephone number or address where Spanish-speaking

1 residents may contact the public water system to obtain a translated copy of the
2 notice or assistance in Spanish; and

3 (B) When a non-English speaking group other than Spanish-speaking exceeds
4 1,000 residents or 10 percent of the residents served by the public water
5 system, the notice shall include:

- 6 1. Information in the appropriate language(s) regarding the importance of
7 the notice; or
- 8 2. A telephone number or address where such residents may contact the
9 public water system to obtain a translated copy of the notice or assistance
10 in the appropriate language;”

11 **CCR, Title 22, §64533 provides, in relevant part:**

12 *“(a) Using the monitoring and calculation methods specified in sections*
13 *64534, 64534.2, 64535, and 64535.2, the primary Maximum Contaminant*
14 *Level (MCL) for the disinfection byproducts shown in table 64533-A shall not*
15 *be exceeded in drinking water supplied to the public.*

17 *Table 64533-A*

18 *Maximum Contaminant Levels and Detection Limits for*

19 *Purposes of Reporting Disinfection Byproducts*

Disinfection Byproduct	Maximum Contaminant Level (mg/L)	Detection Limit for Purposes of Reporting (mg/L)
Total trihalomethanes (TTHM)	0.080	
Bromodichloromethane		0.0010
Bromoform		0.0010
Chloroform		0.0010
Dibromochloromethane		0.0010
Haloacetic acids (five) (HAA5)	0.060	
Monochloroacetic Acid		0.0020
Dichloroacetic Acid		0.0010
Trichloroacetic Acid		0.0010
Monobromoacetic Acid		0.0010
Dibromoacetic Acid		0.0010

20

1
2 **CCR Title 22, §64534.2, subsection (d) (6) provides, in relevant part:**

3 (6) If the OEL exceeds 0.080 mg/L for TTHM or 0.060 mg/L for HAA5 at any
4 monitoring location, systems shall conduct an operational evaluation. The operational
5 evaluation shall include the examination of system treatment and distribution
6 operational practices, including storage tank operations, excess storage capacity,
7 distribution system flushing, changes in sources or source water quality, and
8 treatment changes or problems that may contribute to TTHM and HAA5 formation
9 and what steps could be considered to minimize future exceedances. Systems that
10 are able to identify the cause of the OEL exceedance may submit a written request to
11 the State Board to limit the scope of the evaluation. The request to limit the scope of
12 the evaluation shall not extend the schedule in section 64537(d) for submitting the
13 written report to the State Board;

14
15 **CCR Title 22, §64535.2, subsection (e) provides, in relevant part:**

16 (e) Total Trihalomethanes (TTHM) and Haloacetic acids (five) (HAA5) MCL
17 compliance, as monitored pursuant to section 64534.2(d), shall be determined as
18 follows:

19 (1) For systems monitoring quarterly, each locational running annual average
20 (LRAA), computed quarterly, shall not exceed the MCLs specified in section 64533;

21 ...

22 (4) If the LRAA exceeds the MCL, calculated based on four consecutive quarters of
23 monitoring (or the LRAA calculated based on fewer than four quarters of data if the
24 MCL would be exceeded regardless of the monitoring results of subsequent
25 quarters), the system is in violation of the MCL and shall notify the public pursuant
26 to sections 64463, 64463.4, and 64465, including the language in appendix 64465-
27 G, in addition to reporting to the Department pursuant to sections 64537 through
28 64537.6.”

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CCR Title 22, §64537, subsection (d) provides, in relevant part:

(d) Systems required to conduct an operational evaluation pursuant to section 64534.2(d)(6) shall submit a written report of the evaluation to the State Board no later than 90 days after being notified of the analytical result that caused the OEL exceedance. Systems shall make the written report available to the public upon request. If the State Board approves the system's written request to limit the scope of the evaluation under section 64534.2(d)(6), the system shall keep the written approval with the completed report.

ENFORCEMENT HISTORY

In the 34-quarter Stage 1 monitoring period, between second quarter 2005 and third Quarter 2013, the Seeley water system (hereinafter "Water System") violated the TTHM MCL Running Annual Average (RAA) 25 times, or 74% of the operating period.

On October 26, 2006, a Citation for Noncompliance (No. 05-14-06C-016) was issued for failure to meet the TTHM MCL during the second quarter of 2006.

On February 9, 2007, a Citation for Noncompliance (No. 05-14-07C-007) was issued for failure to meet the TTHM MCL during the third and fourth quarters of 2006.

On April 23, 2009, a Citation for Noncompliance (No. 05-14-09C-006) was issued for failure to meet the TTHM MCL during the first quarter of 2009.

On May 5, 2014, a Citation for Noncompliance (No. 05-14-14C-001) was issued for failure to meet the TTHM MCL during the fourth quarter 2012, and first, second, and third quarters of 2013. On July 25, 2014, Amendment One to Citation No. 05-14-14C-001 was issued to update directive 10. On April 29, 2015, Amendment No. 2 to Citation No. 05-14-14C-001 was issued to update directives 4 and 10.

1 On May 10, 2016, a Citation for Noncompliance (No. 05-14-16C-004) was issued for
2 failure to meet the HAA MCL during the third and fourth quarters of 2015 and first quarter
3 of 2016.

4
5 **STATEMENT OF FACTS**

6 Division is informed by the Water System and believes that the Water System is a
7 community water system located in Imperial County that supplies water for domestic
8 purposes to approximately 463 permanent individuals through approximately 1,730 service
9 connections. The Water System operates under Domestic Water Supply Permit No. 05-14-
10 05P-007, issued on May 5, 2005. The Water System is a community public water system
11 as defined in CHSC, §116275; therefore, the Water System must comply with CCR, Title
12 22.

13
14 The Water System is a Schedule 4 system under the Stage 2 Disinfection Byproducts Rule
15 (DBPR). As of October 1, 2013, pursuant to CCR, Title 22, Section 64534.2(d), the Water
16 System is required to collect two distribution system samples per quarter for TTHM and
17 HAA5 analyses at the locations in their approved Compliance Monitoring Plan, which are
18 shown in the following table:

19 **Table 1: Seeley’s Stage 2 DBPR Sampling Locations**

Constituent	Stage 2 Sample Site	PS Code	Location	Pressure Zone	Source Reservoir
TTHM	Rest Area	1310013-900	Caltrans Rest Area	Main: SE	Clearwell
HAA5	Office	1310013-901	WWTP	Main: NW	Clearwell

20 According to Section 64535.2(e)(1), “For systems monitoring quarterly, each locational
21 running annual average (LRAA), computed quarterly, shall not exceed the MCLs specified
22 in section 64533”, which for HAA5s is 60 parts per billion (µg/L) and TTHMs is 80 µg/L.

23 During the period of 4th quarter 2013 through 1st quarter 2016, the Water System collected
24 TTHM and HAA5 samples as required. The Stage 2 DBPR HAA5 results for this period are

discussed in Citation No. 05-14-16C-004, issued May10, 2016. The TTHM results for this period are shown in **Table 2** and **Table 3**.

Table 2: Seeley's 4th Quarter 2013-2014 TTHM Results (all results in µg/L)

Sample Site	4 th Q 2013	1 st Q 2014	2 nd Q 2014	3 rd Q 2014	4 th Q 2014
Rest Area	88	84	110	124	120
OEL Calculations			2nd Q 2014	3rd Q 2014	4th Q 2014
Rest Area	-	-	98	111	119
LRAA Calculations				3rd Q 2014	4th Q 2014
Rest Area	-	-	-	102	110

Table 3: Seeley's 2015 TTHM Results (all results in µg/L)

Sample Site	1 st Q 2015	2 nd Q 2015	3 rd Q 2015	4 th Q 2015	1 st Q 2016
Rest Area	96	110	170	98	76
OEL Calculations	1st Q 2015	2nd Q 2015	3rd Q 2015	4th Q 2015	1st Q 2016
Rest Area	109	109	137	119	105
LRAA Calculations	1st Q 2015	2nd Q 2015	3rd Q 2015	4th Q 2015	1st Q 2015
Rest Area	113	113	124	119	114

Per Tables 2 and 3, in the 8-quarter period, between the 2nd quarter of 2014 through 1st quarter of 2016, the Water System exceeded the TTHM OEL of 80 µg/L at the Rest Area sample site in all 8 quarters. Additionally, in the 7-quarter period, between the 3rd quarter of 2014 through 1st quarter of 2016, the Water System exceeded the TTHM LRAA MCL of 80 µg/L at the Rest Area sample site in all 7 quarters.

Per CCR, Title 22, §64534.2(d)(6) if the OEL calculation, performed per CCR, Title 22, §64400.90, results in HAA5s greater than 60 µg/L and/or TTHMs greater than 80 µg/L, then the Water System must conduct an operational evaluation. Per CCR, Title 22, §64537(d) if the Water System exceeds the HAA or TTHM OEL at any sampling location, then they must submit the OEL report to the Division within 90 days of receiving lab analysis indicating an OEL exceedance. In lieu of OEL reports, the Water System can submit quarterly updates on TTHM compliance plan milestone. However, quarterly reports shall be submitted to the Division by the 10th day of the month following the monitoring quarter.

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The Water System was informed of the OEL reporting requirements in the "Stage 2 DBPR Compliance Monitoring Plan" letter, dated May 24, 2013 (Attachment 1). The system was reminded of the requirement in an "Operational Evaluation Level Exceedance Requirements" letter, dated July 24, 2014 (Attachment 2), and an email "Seeley OEL Reporting", dated January 22, 2016 (Attachment 3). However, the Water System has failed to submit eight (8) OEL reports to the Division for the period between the 2nd quarter of 2014 and 1st quarter 2016.

Citation No. 05-14-14C-001 required the Water System to comply with a Division approved TTHM reduction plan and schedule. The Water System submitted a TTHM Reduction Plan, dated June 11, 2014. On July 25, 2014, the Division issued Amendment One to Citation No. 05-14-14C-001 that included an update to the directive 10 penalty fine language. In a letter dated September 15, 2014, the Division provided comments on the TTHM Reduction Plan, dated June 11, 2014. The Water System submitted a revised TTHM Reduction Plan that included a schedule of events, dated February 25, 2015. The schedule of events stated that construction of the TTHM treatment will be completed prior July 1, 2016. On April 29, 2015, the Division issued, Amendment No. 2 to Citation No. 05-14-14C-001 that included updates to directives 4 and 10. Directive 4 set a September 1, 2016, deadline for the Water System to finish construction of the TTHM Removal System and Directive 10 updated penalty fine language. Based on Division comments to the reduction plan, the Water System submitted a "TTHM Removal System Preliminary Design Report" (PDR), dated July 15, 2015. In a letter, dated August 10, 2015, the Division granted conceptual approval to July 15, 2015 PDR. The Water System is currently pursuing United States Department of Agriculture – Rule Development (USDA–RD) funding for the installation of TTHM aeration treatment. In a USDA–RD letter, dated September 29, 2015, (Attachment 4) the Water System's pre-application was approved to apply for funding. The scope of work for the TTHM treatment project is included in Attachment 5.

1 The Division received from the water system Tier 2 public notification proof of notification
2 certification for 3rd and 4th quarters of 2015 and the 1st quarter 2016. However, the Tier 2
3 public notification did not comply with the Spanish language requirements of CCR, Title 22,
4 §64465(c)(2). In an email, dated March 4, 2016 (Attachment 6), the Division provided the
5 Water System with three options for complying with Spanish language public notification
6 requirements.

7
8 Directives 6, 7, 8, and 9 of Citation No. 05-14-14C-001 required the Water System to
9 submit for Division review and approval an updated Cross-Connection Control Survey,
10 implement the recommendations made in the Cross Connection Control Survey, comply
11 with the approved implementation schedule, and install and test backflow devices at three
12 dual source connections, respectively. On August 7, 2014, the Division reviewed all
13 submitted documentation related to Directives 5, 6, 7, 8, and 9 and determined that the
14 Water System had met the aforementioned citation directives.

15 16 17 **DETERMINATIONS**

18 Based on the above Statement of Facts, the Division has determined that during the seven
19 (7) consecutive quarters, 3rd quarter 2014 through 1st quarter 2016, the Water System
20 violated CCR, Title 22, §64533 for the LRAA TTHM MCL at the Rest Area sample site. The
21 Division determined that for eight (8) consecutive quarters, 2nd quarter 2014 through 1st
22 quarter 2016, the Water System violated CCR, Title 22, §64537(d) for failure to submit
23 OEL reports to the Division no later than 90 days after being notified of the analytical result
24 that caused the OEL exceedance. Finally, the Division determined the Water System did
25 not meet the Spanish language public notification requirements of CCR, Title 22,
26 §64465(c)(2) for the Tier 2 TTHM public notifications issued for the 4th quarters of 2015
27 and 1st quarter 2016.

28
29 Based on the above Statement of Facts, the Division has determined the Water System
30 met Citation No. 05-14-14C-001 Directives 5, 6, 7, 8, and 9, and that the administrative

1 penalty set in Citation No. 05-14-14C-001, Directive 10, Amendment No. 2 can be reduced
2 from \$7,000 (four thousand dollars) to \$4,000 (four thousand dollars).

3 **ADMINISTRATIVE PENALTIES**
4 **PURSUANT TO HEALTH AND SAFETY CODE SECTION 116650**

5 Sections 116650(d) and 116650(e) of the CHSC allow for the assessment of a civil penalty
6 for failure to comply with requirements of the California SDWA or any regulation, standard,
7 permit, or order issued or adopted thereunder.

8
9 Beginning on April 4, 2012, and continuing through March 31, 2016, the Water System has
10 violated California SDWA, and / or regulations, and orders issued or adopted thereunder.

11 Therefore, as of the date of this Citation, the Division assesses an administrative penalty of
12 \$4,000 (four thousand dollar) upon the Water System as summarized below. This penalty
13 supersedes the penalty issued under Citation 05-14-14C-001.

- 14
15 1. A penalty of \$4,000 (four thousand dollars) for violation of the TTHM RAA MCL for
16 4th quarter of 2012, 1st, 2nd, and 3rd quarters of 2013.

17
18
19 **DIRECTIVES**

20 Water System is hereby directed to take the following actions:

- 21 1. On or before September 30, 2016, comply with California Code of Regulations, Title 22,
22 §64533, and remain in compliance.
- 23 2. The Water System shall repeat public notification every three months for as long as the
24 TTHM or HAA5 MCL violations continue in accordance with CCR, Title 22, §64463.4.
25 Public notice shall be via 1. Mail or direct delivery to each customer, and 2. Posting

1 notice using one or more of the following methods: posting on the internet and/or local
2 newspaper, posting in conspicuous public spaces served by the water system, and
3 delivery to community organizations. A draft notification shall be submitted to the
4 Division for review and approval prior to conducting public notification. The public
5 notice shall be updated quarterly with the most recent TTHM results.
6

7 3. The Water System shall include information regarding the 2015 calendar year TTHM
8 MCL violations identified in this Citation in the 2015 Consumer Confidence Report,
9 which shall be completed and distributed to customers by July 1, 2016. A draft of the
10 2015 Consumer Confidence Report shall be submitted to the Division for review and
11 approval prior to distribution and/or posting.
12

13 4. The Water System shall include information regarding the 2016 calendar year TTHM
14 MCL violations identified in this Citation in the 2016 Consumer Confidence Report,
15 which shall be completed and distributed to customers by July 1, 2017. A draft of the
16 2016 Consumer Confidence Report shall be submitted to the Division for review and
17 approval prior to distribution and/or posting.
18

19 5. By **June 10, 2016**, the Water System shall provide to the Division a Quarterly Progress
20 Report for the TTHM Removal System using the attached form. Thereafter, quarterly
21 updates using the Quarterly Progress Report form shall be submitted by by the 10th
22 day of the month following the monitoring quarter, e.g. July 10th, October 10th, etc.
23

24 6. By **September 30, 2016**, the Water System shall complete and place into service the
25 TTHM Removal System.

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7. By June 30, 2016, the Water System shall provide to the Division a water treatment plant and water age management evaluation report. The Division recommends that the Water System review the US EPA's Stage 2 Disinfectants and Disinfection Byproducts Rule Operational Evaluation Guidance Manual, 815-R-08-018, to assist with evaluating water treatment plant and water age reduction practices.
8. With this Citation No. 05-14-16C-003, the Division amends Directive #10 in Citation No. 05-14-14C-001A2 (Amendment No. 2) from \$7,000 to \$4,000, and suspends the penalty of \$4,000 check payable to California State Water Resources Control Board, Division of Drinking Water until **October 1, 2016**. Payment shall be made by check payable to California State Water Resources Control Board Safe Drinking Water Account in accordance with the instructions in Attachment 8, "Fine Payment Submittal Form".

All submittals required by this Citation shall be addressed to:

Sean Sterchi, P.E.
San Diego District Engineer
State Water Resources Control Board
Division of Drinking Water
1350 Front Street, Room 2050
San Diego, CA 92101

As used in this Citation, the date of issuance shall be the date of this Citation; and the date of service shall be the date of service of this Citation, personal or by certified mail, on the Water System.

The Division reserves the right to make such modifications to this Citation and/or to issue such further citations as it may deem necessary to protect public health and safety. Such

1 modifications may be issued as amendments to this Citation and shall be deemed effective
2 upon issuance.

3
4 Nothing in this Citation relieves Water System of its obligation to meet the requirements of
5 Chapter 4, Part 12, Division 104 of the CHSC (hereinafter "the California SDWA"), and any
6 regulation, permit, standard or order issued or adopted thereunder.

7
8 **PARTIES BOUND**

9 This Citation shall apply to and be binding upon the Water System, its owners,
10 shareholders, officers, directors, agents, employees, contractors, successors, and
11 assignees.

12
13 **SEVERABILITY**

14 The Directives of this Citation are severable, and the Water System shall comply with each
15 and every provision hereof, notwithstanding the effectiveness of any provision.

16
17
18 **FURTHER ENFORCEMENT ACTION**

19 The California SDWA authorizes the Division to: issue a citation with assessment of
20 administrative penalties to a public water system for violation of continued violation of the
21 requirements of the California SDWA or any regulation, permit, standard, citation, or order
22 issued or adopted thereunder including but not limited to, failure to correct a violation
23 identified in a citation or compliance order. The California SDWA also authorizes the Board
24 to take action to suspend or revoke a permit that has been issued to a public water system
25 if the public water system has violated applicable law or regulations or has failed to comply
26 with an order of the Board; and to petition the superior court to take various enforcement
27 measures against a public water system that has failed to comply with an order of the
28 Board. The Board does not waive any further enforcement action by issuance of this
29 Citation.

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5/10/16



Date

Sean Sterchi, P.E.
San Diego District Engineer
State Water Resources Control Board
Division of Drinking Water

CERTIFIED MAIL NO. 7015 3010 0001 9444 3606

ATTACHMENTS:

- 1) Stage 2 DBPR Compliance Monitoring Plan
- 2) Operational Evaluation Level Letter
- 3) Seeley OEL Reporting Email
- 4) USDA-RD Pre-Application Approval Letter
- 5) TTHM Treatment Project Scope of Work
- 6) Spanish Language Public Notification Email
- 7) Quarterly Progress Report
- 8) Fine Payment Submittal Form

cc) Jeff Lamoure, Deputy Director for Environmental Health Services, County of Imperial (via email)

Attachment 1



RON CHAPMAN, MD, MPH
Director & State Health Officer

State of California—Health and Human Services Agency
California Department of Public Health



EDMUND G. BROWN JR.
Governor

May 24, 2013

John Valdez
General Manager
Seeley County Water District
1898 W. Main Street
Seeley, CA 92273

Dear Mr. Valdez:

**SEELEY COUNTY WATER DISTRICT, SYSTEM NO. 1310013
STAGE 2 DISINFECTANTS AND DISINFECTION BYPRODUCTS RULE
COMPLIANCE MONITORING PLAN**

The purpose of this letter is to serve as a reminder of the requirements and impending deadlines associated with the Federal - Stage 2 Disinfection Byproduct Rule (Stage 2 DBPR), which has now been incorporated into Title 22, California Code of Regulations, §64530 (d) and 64534.2(d). The letter addresses the following issues:

- Review and revision of Seeley County Water District (Seeley) Stage 2 DBPR Compliance Monitoring Plan (CMP)
- Reporting Requirements
- Summary of Operational Evaluation Level (OEL) Exceedance Requirements

Per Stage 2 DBPR regulations Seeley is a Schedule 4 system. Schedule 4 systems are defined as systems serving less than 10,000 people, or belonging to a combined distribution system in which the largest system serves less than 10,000 people. As a Schedule 4 system, Seeley submitted a CMP as part of the Initial Distribution System Evaluation (IDSE) report. Seeley's CMP identified one total trihalomethanes (TTHM) and one haloacetic acids (HAA5) sampling locations, which will be monitored on a quarterly frequency.

Mr. Valdez
May 24, 2013

Seeley County Water District
System No. 1310013

Stage 2 DBPR CMP

The locations listed in Table 1 below are the approved Stage 2 sample locations. Please bring to our attention any discrepancies or requests for proposed location changes.

Table 1. Stage 2 Sample Locations

Constituent	Stage 2 Sample Site	PS Code	Location	Pressure Zone	Source Reservoir
TTHM	Rest Area	1310013-900	Caltrans Rest Area	Main: SE	Clearwell
HAA	Office	1310013-901	WWTP	Main: NW	Clearwell

Please submit a revised system map showing the approved sampling locations by **September 1, 2013**.

As a Schedule 4 system Seeley must begin using the CDPH approved CMP by October 1, 2013 and must begin sampling in fourth quarter 2013. Based on the IDSE Report, Seeley must monitor in the second week in the months of February, May, August, and November. Per the approved CMP, Seeley will only monitor for TTHM at the Rest Area and only HAA at the Office. Seeley's first round of Stage 2 DBPR monitoring is scheduled to begin during the week of November 14th, 2013. As a reminder, for the first three quarters of 2013, please continue compliance monitoring for TTHM and HAA5 per the Stage 1 DBPR.

Please note Seeley is required to conduct the following monitoring and reporting as well:

- Chlorine residual monitoring at the new Stage 2 DBPR locations
- Total organic carbon (TOC) and alkalinity as per the CDPH approved Operations Plan for Seeley's Water Treatment Plant. Please note, surface water treatment plants must monitor for TOC to be eligible for Stage 2 DBPR reduced monitoring.

Reporting Requirements

Table 1 above lists the new PS Codes that have been assigned to each Stage 2 DBPR monitoring location. Seeley must submit the results electronically using these PS Codes. In addition, laboratory hardcopies must be submitted to the San Diego District office by the 10th day of the month following the monitoring quarter along with the signed

Mr. Valdez
May 24, 2013

Seeley County Water District
System No. 1310013

Compliance Calculation and OEL Spreadsheet forms (attached). Information on the electronic data transfer (EDT) process can be viewed at the website listed below.

<http://www.cdph.ca.gov/certlic/drinkingwater/Pages/EDT.aspx>

Operational Evaluation Levels (OELs) & OEL Report

Please note that compliance with each locational OEL is a new requirement. The OEL is a LRAA threshold meant to help systems identify if they are in danger of exceeding the MCL in the following quarter. The OEL is calculated in the following manner

$$OEL = \frac{Quarter\ 1 + Quarter\ 2 + (2 * Quarter\ 3)}{4}$$

If the calculated OEL for any quarter exceeds the limits of 80 ppb for TTHM or 60 ppb for HAA5, then the system is required to perform an Operational Evaluation and submit an Operational Evaluation Report to CDPH no later than 90-days after being notified by the laboratory of the analytical result that causes the OEL to exceed the limit.

The Operational Evaluation process is useful in that it alerts the system to the potential of a MCL violation, if DBPs remain at the current level. Additionally, the Operational Evaluation Report encourages a review of source water quality, as well as treatment and distribution system operational changes that may have contributed to the elevated DBP levels. Systems are required to perform a complete Operational Evaluation (e.g. evaluation of changes in source water quality, treatment, and distribution system conditions) unless sufficient causal evidence of the exceedance is presented to CDPH and CDPH grants approval to conduct a limited scope evaluation. The limited scope evaluation submittal deadline is the same as a full Operational Evaluation Report.

CDPH encourages all systems to review the US EPA's *Stage 2 Disinfectants and Disinfection Byproducts Rule Operational Evaluation Guidance Manual*, 815-R-08-018, available online at:

http://www.epa.gov/ogwdw/disinfection/stage2/pdfs/draft_guide_stage2_operationalevaluation.pdf

This guidance manual is an excellent resource in assisting treatment and distribution staff in evaluating water quality dynamics within the system. In order to assist systems in performing these evaluations, copies of the evaluation forms are attached to this letter and electronic pdf forms will be emailed to the system at a later date.

CDPH further encourages all systems that have the potential to exceed the OEL, based on Stage 1 and IDSE monitoring data, to prepare for a Stage 2 DBPR exceedance and begin collecting the data that is necessary to file the Operational Evaluation Report, if not already doing so. Below is a partial list of historical data that is required for filing the report.

Under the Source Evaluation, these elements include, but are not limited to, documenting changes in: raw water detention times, natural organic material levels, rainfall and reservoir turnover events, turbidity, pH, and alkalinity levels, etc.

Mr. Valdez
May 24, 2013

Seeley County Water District
System No. 1310013

Under the Treatment Evaluation, these elements include, but are not limited to, documenting changes in: flow rate, chemical feed rate and manufacturer, equipment failures, DBP precursors, effluent chlorine residual, etc.

Under the Distribution Evaluation, these elements include, but are not limited to, documenting changes in: localized temperature and residual trends, O&M events, systemic and high user demand patterns, etc.

Please see the attached evaluation forms for a complete listing of the historical data elements that are necessary for filing an Operational Evaluation Report.

Stage 2 Reporting Requirements

Seeley shall report quarterly Stage 2 monitoring results and OEL results to CDPH within 10 days after the end of each quarter in which samples were collected. Please note that CDPH requires both EDT and physical submittals of all Stage 2 results. Please see the attached Compliance Calculation and OEL Spreadsheet for the wet signature submittal forms.

Transitioning Existing Stage 1 MCL Violation to Stage 2 Reporting Requirements

During the transition period between Stage 1 and Stage 2 the Public Notification (PN) requirements continue. Specifically, Title 22, CCR, §64463.4 requires Tier 2 public notice when a system exceeds a TTHM and/or HAA5 MCL under Stage 1 or Stage 2. §64463.7 requires a Tier 3 public notice for monitoring and reporting (M&R) violations of either rule. Any activities associated with existing Stage 1 MCL violations are ongoing. Additionally, a system must include in its yearly consumer confidence report (CCR) the range of TTHM and HAAS individual sampling results during the transition period.

Analysis of Seeley's TTHM data indicates that it is likely that the Stage 1 RAA will exceed the MCL during the Stage 1 to Stage 2 transition period. As a result Seeley will be required to provide PN to their consumers that the system is in violation until a four quarter Stage 2 MCL compliance determination has been made.

As part of the PN, CDPH recommends that systems explain that they are collecting and evaluating new data before determining compliance with the MCL using the LRAA. The explanation should also detail the system's actions in addressing the TTHM and/or HAA5 levels, including the use of Stage 2 data to make improved treatment decisions (e.g., data may identify an area in the distribution system with extended water age that the system can then address using water age management). Once the Stage 2 MCL compliance determination has been made and if it shows no exceedance of the Stage 2 MCL, then public notice for the Stage 1 violation is no longer necessary. However, if the Stage 2 MCL has been exceeded, Tier 2 public notice will be required for the Stage 2 MCL violation.

Mr. Valdez
May 24, 2013

Seeley County Water District
System No. 1310013

Your attention to this matter is greatly appreciated. If you have any questions, please contact Mr. Scott Ketcham at (619) 525 4395.

Sincerely,



Sean Sterchi, P.E.
District Engineer

Enclosures:

- Compliance Calculation & OEL Spreadsheet
- OEL evaluation forms.

cc: Jeff Lamoure, Deputy Director - Division of Environmental Health, Imperial County
Public Health Department

Attachment 2



State Water Resources Control Board
 Division of Drinking Water

July 24, 2014

Mr. Frank Cornejo
 Chief Operator
 1898 West Main Street
 P.O. Box 161
 Seeley, CA 92273

Dear Mr. Cornejo:

**SEELEY COUNTY WATER DISTRICT, SYSTEM NO. 1310013
 STAGE 2 DISINFECTANTS AND DISINFECTION BYPRODUCTS RULE
 OPERATIONAL EVALUATION LEVEL EXCEEDANCE REQUIREMENTS**

The purpose of this letter is to serve as a reminder of the Operational Evaluation Level (OEL) Exceedance Requirements associated with the Stage 2 Disinfection Byproduct Rule (Stage 2 DBPR), Title 22, California Code of Regulations, § 64534.2(d) and 64537(d). The Seeley County Water District (Seeley) has exceeded the OEL based on the last three quarters of data, and is therefore required to submit an Operational Evaluation Report **by September 10th, 2014**. The following includes the background for the Seeley's OEL determination and information on the Operational Evaluation Report.

Seeley is currently monitoring at the Stage 2 DBPR Compliance Monitoring Plan (CMP) approved monitoring locations, shown in Table 1 below:

Table 1. Stage 2 Sample Locations

Constituent	Stage 2 Sample Site	PS Code	Location	Pressure Zone	Source Reservoir
TTHM	Rest Area	1310013-900	Caltrans Rest Area	Main: SE	Clearwell
HAA	Office	1310013-901	WWTP	Main: NW	Clearwell

Per the approved CMP, Seeley is currently monitoring in the second week of the months of February, May, August, and November. Seeley submits the results to the San Diego District office electronically using the PS Codes in Table 1, and submits

Mr. Cornejo
July 24, 2014

Seeley CWD
System No. 1310013

laboratory hardcopies along with signed Compliance Calculation and OEL Spreadsheet forms by the 10th day of the month following the monitoring quarter.

Operational Evaluation Levels (OELs) & OEL Report

The OEL is a threshold meant to help systems identify if they are at risk of exceeding the Maximum Contaminant Level (MCL) in the following quarter and allow them to take corrective actions to prevent an MCL violation. The OEL is calculated in the following manner

$$OEL = \frac{Quarter\ 1 + Quarter\ 2 + (2 * Quarter\ 3)}{4}$$

If the calculated OEL for any quarter exceeds the limits of 80 parts per billion (ppb) for Total Trihalomethanes (TTHM) or 60 ppb for Haloacetic Acids (HAA5), then the system is required to perform an Operational Evaluation and submit an Operational Evaluation Report to State Water Resources Control Board, Division of Drinking Water (Division) no later than 90-days after being notified by the laboratory of the analytical result that causes the OEL to exceed the limit. The OEL and MCL LRAA are each calculated individually.

Analysis of the first three quarters of Stage 2 DBPR data shows that Seeley exceeded the OEL threshold limits of 80 ppb for TTHM at the Rest Area monitoring location, shown in Table 2 below.

Table 2. Stage 2 OEL

Stage 2 Sample Site	OEL TTHM Analysis (ppb)
Rest Area	98

The Operational Evaluation process is useful in that it alerts the system to the potential of a MCL violation, and provides a framework for evaluating the problem and solutions. The Operational Evaluation Report does this by providing a step by step process of reviewing source water quality, as well as treatment and distribution system operational changes that may have contributed to the elevated DBP levels.

Systems are required to perform a complete Operational Evaluation unless sufficient causal evidence of the exceedance is presented to the Division, and the Division grants written approval to conduct a limited scope evaluation. The limited scope evaluation submittal deadline is the same as a full Operational Evaluation Report deadline.

The Division encourages all systems to review the US EPA's *Stage 2 Disinfectants and Disinfection Byproducts Rule Operational Evaluation Guidance Manual*, 815-R-08-018, available online at:

http://www.epa.gov/ogwdw/disinfection/stage2/pdfs/draft_guide_stage2_operationalevaluation.pdf

Mr. Cornejo
July 24, 2014

Seeley CWD
System No. 1310013

This guidance manual is an excellent resource in assisting treatment and distribution staff in evaluating water quality dynamics within the system. In order to assist systems in performing these evaluations, copies of the evaluation forms were included in the Division CMP letter dated May 24, 2013. Additional copies of the form are attached to this letter, and electronic forms will be emailed to the system at a later date.

In the May 24, 2013 letter, the Division encouraged all systems that had the potential to exceed the OEL, based on Stage 1 and IDSE monitoring data, to prepare for a Stage 2 DBPR exceedance and begin collecting the data that is necessary to prepare the Operational Evaluation Report, if they were not already doing so. Below is a partial list of historical data that is required for the report.

Under the Source Evaluation, these elements include, but are not limited to, documenting changes in: raw water detention times, natural organic material levels, rainfall and reservoir turnover events, turbidity, pH, and alkalinity levels, etc.

Under the Treatment Evaluation, these elements include, but are not limited to, documenting changes in: flow rate, chemical feed rate and manufacturer, equipment failures, DBP precursors, effluent chlorine residual, etc.

Under the Distribution Evaluation, these elements include, but are not limited to, documenting changes in: localized temperature and residual trends, O&M events, systemic and high user demand patterns, etc.

Action Item

By September 10th, 2014, Seeley shall submit to the Division an Operational Evaluation Report.

Thereafter, in any quarter where the OEL threshold Seeley shall submit an amended Operational Evaluation Report detailing the current conditions of the systems and steps taken since the last Operational Evaluation Report to reduce the elevated disinfection byproduct levels.

Your attention to this matter is greatly appreciated. If you have any questions, please contact Mr. Scott Ketcham at (619) 525 4395.

Mr. Cornejo
July 24, 2014

Seeley CWD
System No. 1310013

Sincerely,



Sean Sterchi, P.E.
District Engineer

Enclosures:

-OEL evaluation forms.

cc: Jeff Lamoure, Deputy Director - Division of Environmental Health, Imperial County
Public Health Department
Patrick Harris, Board President

Attachment 3

Ketcham, Scott@Waterboards

From: Ketcham, Scott@Waterboards
Sent: Friday, January 22, 2016 2:56 PM
To: 'Phammond.SCWD@yahoo.com'; 'matthew.hughes7@me.com'; 'strang.scwd@yahoo.com'
Cc: Ertas, Tuba@Waterboards; Sterchi, Sean@Waterboards
Subject: FW: Seeley OEL reporting
Attachments: Source_OEGM_4-30-08.doc; DBP handling from 2008 OEL GM.PDF; Distribution_OEGM_4-30-08.doc; OE Report OEGM 12-08.doc; Treatment_OEGM_4-30-08.doc; 20130523 1310013 Seeley LM Stage 2 DBP CMP.pdf; 20130507 Final 1310013 Seeley CWD Stage 2 TTHM HAA5 Spreadsheet.xlsx; 20140724 1310013 Seeley LM Stage 2 DBP OEL.pdf

Greetings

The purpose of this email is to serve as a reminder of the Operational Evaluation Level (OEL) Exceedance Requirements associated with the Stage 2 Disinfection Byproduct Rule (Stage 2 DBPR), Title 22, California Code of Regulations, § 64534.2(d) and 64537(d). This topic was originally addressed in the attached Compliance Monitoring Plan Letter, dated May 23, 2013, and further discussed in the attached July 24, 2014 "Stage 2 Disinfectants and Disinfection Byproducts Rule Operational Evaluation Level Exceedance Requirements" letter. The Seeley Community Water District (Seeley) exceeded the OEL in the 3rd and 4th Quarters of 2013, 1st, 2nd, 3rd and 4th Quarters of 2014, 1st, 2nd, and 3rd Quarters of 2015 (i.e. based on the three quarters of data: the current quarter and the two previous quarters), and was required to submit an Operational Evaluation Report for each exceedance. These reports are past due in violation of state and federal regulations.

The "TTHM (2)" tab of the attached "20130507 Final 1310013 Seeley CWD Stage 2 TTHM HAA5 Spreadsheet" excel reporting sheet is meant to assist your staff in determining if an Maximum Contaminant Level (MCL) violation or OEL exceedance has occurred.

Filling the data into the spread sheet would show the "OEL ≤ MCL" row is highlighted in red with bold font stating "No" for the 3rd and 4th Quarters of 2013, 1st, 2nd, 3rd and 4th Quarters of 2014, 1st, 2nd, and 3rd Quarters of 2015.

Filling the data into the spread sheet would show the "Meets MCL?" row is highlighted in red with bold font stating "No" for the 4th Quarter of 2013, 1st, 2nd, 3rd and 4th Quarters of 2014, 1st, 2nd, and 3rd Quarters of 2015.

Both of these visual indicators are meant to assist your staff in noting that an action is required. In the case of the OEL exceedance, an OEL report must be created. In the case of the MCL violation, PN must be posted.

The OEL is a Local Running Annual Average (LRAA) threshold meant to help systems identify if they are at risk of exceeding the MCL in the following quarter and allow them to take corrective actions to prevent an MCL violation. The OEL is calculated in the following manner

$$OEL = \frac{\text{Quarter 1} + \text{Quarter 2} + (2 * \text{Quarter 3})}{4}$$

If the calculated OEL for any quarter exceeds the limits of 80 parts per billion (ppb) for Total Trihalomethanes (TTHM) or 60 ppb for Haloacetic Acids (HAA5), then the system is required to perform an Operational Evaluation and submit an Operational Evaluation Report to State Water Resources Control Board, Division of

Drinking Water (Division) **no later than 90-days after being notified by the laboratory** of the analytical result that causes the OEL to exceed the limit. The OEL and MCL LRAA are each calculated individually.

As the 90-day deadline has passed for 3rd and 4th Quarters of 2013, 1st, 2nd, 3rd and 4th Quarters of 2014, 1st, 2nd, and 3rd Quarters of 2015, these reports are all late and **in violation of Federal and State reporting requirements**. An enforcement action further discussing the OEL reporting requirements is forthcoming.

Regarding Filling out the OEL Report

Based on data trends it is highly likely that when Seeley receives the 4th Quarter 2015 lab results, that the LRAA will exceed the OEL and Seeley will **be required to file an OEL Report**.

Thereafter, in any quarter where the LRAA exceeds the OEL threshold Seeley shall submit an amended Operational Evaluation Report detailing the current conditions of the systems and steps taken since the last Operational Evaluation Report to reduce the elevated disinfection byproduct levels.

The Division encourages all systems to review the US EPA's Stage 2 Disinfectants and Disinfection Byproducts Rule Operational Evaluation Guidance Manual, 815-R-08-018, available online at:

http://www.epa.gov/ogwdw/disinfection/stage2/pdfs/draft_guide_stage2_operationalevaluation.pdf

This guidance manual is an excellent resource in assisting treatment and distribution staff in evaluating water quality dynamics within the system. Below is a partial list of historical data that is required for filing the report.

Under the Source Evaluation, these elements include, but are not limited to, documenting changes in: raw water detention times, natural organic material levels, rainfall and reservoir turnover events, turbidity, pH, and alkalinity levels, etc.

Under the Treatment Evaluation, these elements include, but are not limited to, documenting changes in: flow rate, chemical feed rate and manufacturer, equipment failures, DBP precursors, effluent chlorine residual, etc.

Under the Distribution Evaluation, these elements include, but are not limited to, documenting changes in: localized temperature and residual trends, O&M events, systemic and high user demand patterns, etc.

Recommendation

The Division recommends that Seeley review the reporting forms, and reference the guidance manual document. These paired documents were designed by the EPA to serve as an audit tool for the entire water system. Looking at the various elements (i.e. source, treatment, distribution, etc.) and reviewing the appropriate section of the guidance manual provides an excellent opportunity to better understand elements of your water system.

When filling out the forms, be sure include future plans and actions for correcting the issue. This may include long term plans such as evaluating merger with other water systems, installation of treatment, etc.

Action Item:

Once the fourth quarter 2015 lab results arrive at the system, please use the Excel spreadsheet to assist in determining if an OEL report needs to be issued. If the OEL has been exceeded, then an Operational Evaluation Report must be submitted to the Division **no later than 90-days after being notified by the laboratory** of the analytical result that causes the OEL to exceed the limit.

If you have any questions or comments please feel free to contact me.

Best regards

Scott

Scott A Ketcham, PE
Associate Sanitary Engineer
State Water Resources Control Board
Division of Drinking Water
San Diego Field Operations Branch
1350 Front St, Suite 2050
San Diego, Ca 92101
Phn (619) 525 – 4395
Fax (619) 525 – 4383
Please note new email: Scott.Ketcham@Waterboards.ca.gov

Attachment 4



United States Department of Agriculture

Rural Development September 29, 2015

Imperial Field Office

2407 Marshall Avenue
Suite E
Imperial, CA
92251

Mr. Patrick Harris
President
Seeley County Water District
P.O. Box 161
Seeley, CA 92273

Voice 760.355.2208
Fax 844.208.6979

Re: Rural Utilities Service (RUS) Water and Waste Disposal Loan/Grant Program—
Pre-application For Federal Assistance

**SEELEY COUNTY WATER DISTRICT
2015 WATER TREATMENT PLANT TTHM PROJECT**

Dear Mr. Harris:

We have reviewed the Seeley County Water District (SCWD) request for Federal Assistance under the Rural Development Act of 1972. We have determined that the SCWD 2015 Water Treatment Plant TTHM Project proposal is eligible for funding by this agency and can compete with similar applications from other applicants. Attached are pertinent eligibility issues that should be carefully considered before deciding to proceed.

If your agency decides to proceed with a complete application, we suggest that a formal application be filed with the local USDA-RD State Office by March 15, 2016. Based upon funding availability and the number of complete applications submitted, it is anticipated that funding could be available during the 2015-2016 fiscal year. SCWD has requested approximately \$355,000 of federal funding in the pre-application. Although the project will still require additional detailed analysis, USDA-RD is agreeable to consideration of a Colonia Grant in the amount of \$355,000 in the formal application.

An application conference will be necessary. Please contact this office to schedule an appointment. This pre-application will be withdrawn if a complete application is not received in one year from the date of this letter.

Sincerely,

Daniel T. Cardona
Area Specialist

Cc: Anita Lopez, RUS Program Director, Davis

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USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Attachment to Applicant Eligibility Letter (SCWD)

1. This eligibility determination does not constitute a commitment of funds to the project. A funding commitment will come with approval of a **complete application**.

If there is inadequate funding for all complete applications, funding is by priority. Although USDA, Rural Development is willing to support you with funding it is important to understand that commitment of funds is subject to USDA approval of a complete application yet to be submitted by your organization, environmental considerations, availability of funds, and your acceptance of the Letter of Conditions to be issued by USDA if the application is approved.

This eligibility determination is not to be construed as approval of any line item costs budgeted in the pre-application such as administrative, engineering, legal, construction costs, etc. All budgeted costs are subject to review and approval upon receipt of a complete application. The specific scope of work, and associated costs, for the project that is eligible for USDA Rural Development funding will be determined following review of the Preliminary Engineering Report that is submitted with the application.

2. You are advised against taking any actions or incurring any obligations that would either limit the range of alternatives to be considered or which would have an adverse effect on the environment.
4. Satisfactory completion of the environmental review process must occur prior to the issuance of the Letter of Conditions.
5. USDA/Rural Development requires all applicants to inform the general public regarding the development of any proposed project. Public "Notice of Intent to File an Application For A Loan or Grant with USDA/Rural Development" must be published within 60 days of filing an application. The notice must be published in a newspaper of general circulation in the proposed area to be served.

In addition, any applicant not required to obtain authorization by vote of its membership or by public referendum will hold at least one public information meeting prior to loan and/or grant approval. The meeting must give the citizenry an opportunity to become acquainted with the proposed project and provide the ability to allow comment on economic, environmental impacts, service area, project alternatives and any other issue identified by USDA/Rural Development. Whenever possible, integration of public involvement and environmental review processes shall be combined to avoid duplication of notices/effort. The applicant will be required to publish a notice of the meeting in a newspaper which serves the service area and post a public notice at the applicant's principal office at least ten (10) days prior to the public meeting. USDA/Rural Development will be provided a copy of the published notice and minutes of the public meeting.

SF424C - USDA FORM JN.

BUDGET INFORMATION - Construction Programs			
<i>NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.</i>			
COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 10,000.00	\$	\$ 10,000.00
2. Land, structures, rights-of-way, appraisals, etc.	\$ 0.00	\$	\$ 0.00
3. Relocation expenses and payments	\$ 0.00	\$	\$ 0.00
4. Architectural and engineering fees	\$ 25,000.00	\$	\$ 25,000.00
5. Other architectural and engineering fees	\$ 20,000.00	\$	\$ 20,000.00
6. Project inspection fees	\$ 20,000.00	\$	\$ 20,000.00
7. Site work	\$ 0.00	\$	\$ 0.00
8. Demolition and removal	\$ 10,000.00	\$	\$ 10,000.00
9. Construction	\$ 80,000.00	\$	\$ 80,000.00
10. Equipment	\$ 160,000.00	\$	\$ 160,000.00
11. Miscellaneous	\$ 10,000.00	\$	\$ 10,000.00
12. SUBTOTAL (sum of lines 1-11)	\$ 335,000.00	\$	\$ 335,000.00
13. Contingencies	\$ 20,000.00	\$	\$ 20,000.00
14. SUBTOTAL	\$ 355,000.00	\$	\$ 355,000.00
15. Project (program) income	\$	\$	\$
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 355,000.00	\$	\$ 355,000.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c	Multiply X	%
	\$	\$	0.00

Attachment 5

Seeley County Water District - Water Treatment Plant TTHM Improvement Project

Date: 11-23-2015

Prepared by: Juny Marmolejo, The Holt Group

RE: Revised Project Scope of Work - Memo

The intent of this Project is to serve as an action/response for Seeley County Water District (SCWD) to comply with Division of Drinking Water Citation requirements and Safe Water Drinking Act standards for drinking water. In specific, the Trihalomethane (THM) Reduction improvements are proposed meet the TTHM's MCL standards.

SCWD is proposing to design and construct a THM Removal System. The THM removal system would be incorporated into and a part of thea potable water Storage Tanks process which is able to store up to 1 million gallons per day (note: the Treatment Units may treat up to 1.08 million gallons per day).

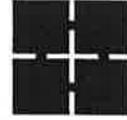
The process of a THM Removal System will include in-tank mixing of a storage tank, pressure spray aeration (via water pumps) within the storage tank, and a forced air ventilation system (via blowers). The concept of THM Removal System is that water containing THMs is mixed within the Storage Tanks, while pumping system sprays water into an open atmosphere (open area at top of Storage Tanks) where THMs are dissipated into the air. The air is also ventilated (exchanged) through an inlet blower and outlet vents. These THM systems may remove up to 50 percent of THMs. The existing Storage Tanks will need to be retrofitted for construction of the THM Removal System.

The construction of the THM Removal System will require an Engineering Design which would be concurrently approved by the SCWD and State Water Resources Control Board, Division of Drinking Water (Division).

Upon installation of the THM Removal System, a Trace Study shall be conducted. The Tracer Study shall be conducted under normal operation of the two water storage tanks and operation of a THM Removal System. The Tracer Study shall be conducted by the Contractor and will be completed in coordination with the SCWD Operators and the Division. The baffling factor for the CT calculations shall be revised, based upon the Tracer Study results. The SCWD Water Treatment Plant's operation (includes update of the Operations Plan) shall then be revised accordingly.

The Holt Group

Engineering Department



Municipal Design ■ Infrastructure Engineering ■ Construction Management ■ Land Surveying

Seeley County Water District SCWD Water Treatment Plant TTHM Improvement Project THG Project No. 1186.007

Revised Project Schedule

Date: November 24, 2015

<u>NO.</u>	<u>ITEM</u>	<u>SCHEDULE</u>
1.	Planning Phase – Submittal of Pre-Application of Funding Application to United States Development Agency Rural Development (USDA- RD) and Clean Water State Revolving Fund (CWSRF)	February 2, 2015 To September 4, 2015
2.	Seeley County Water District Board approval to complete Study (Preliminary Design) of the TTHM Improvement Project	February 9, 2015
3.	CEQA Environmental and NEPA Environmental processing and submittal to pertinent agency	February 9, 2015 To February 13, 2015
4.	Complete Design Study for TTHM Improvement Project	February 10, 2015 To July 31, 2015
5.	Prepare and Submit Pre-Application to USDA-RD to include CEQA and NEPA environmental documentation	February 9, 2015 To September 30, 2015
6.	SCWD and The Holt Group to Update of Existing Operations Plans	May 4, 2015 To September 25, 2015
7.	SCWD Board to review and approve USDA Preliminary Engineering Report (PER) preparation by The Holt Group	October 12, 2015

<u>NO.</u>	<u>ITEM</u>	<u>SCHEDULE</u>
8.	Prepare PER for TTHM Improvements	October 13, 2015 To December 14, 2015
9.	USDA-RD Review and Approval of Full Application, including CEQA and NEPA environmental and PER	December 14, 2015 To January 15, 2016
10.	SCWD to publish "Notice of Intent to File an Application for a Loan or Grant with USDA/Rural Development" within a 60 calendar day from Filing Full Application to USDA. SCWD to hold a Public Information Meeting for citizens to get acquainted with project.	December 14, 2015 To February 12, 2016
11.	Complete Design of Improvement Plans and Specifications of TTHM Improvements	December 11, 2015 To January 20, 2016
12.	Submit Final Design Improvement Plans and Specifications of TTHM Improvements to SWRCB, Division of Drinking Water (Division)	January 20, 2016
13.	Division to Review and Approve Design Improvement Plans and Specifications of TTHM Improvements	January 21, 2016 To February 29, 2016
14.	Approval of Design and Advertisement to Bid TTHM Improvements Project for construction at a regular SCWD Board meeting	February 23, 2016
15.	Advertise TTHM Improvements Project for Bidding in Local Newspaper	March 1, 2016 and March 8, 2016
16.	Conduct Bid Opening	April 12, 2016
17.	Process Contract Documents and Obtain Approval of Award from Funding Agency and SCWD	April 13, 2016 To April 23, 2016

<u>NO.</u>	<u>ITEM</u>	<u>SCHEDULE</u>
18.	Project Construction (80 Calendar Days)	May 2, 2016 To July 20, 2016
19.	Tracer Study	July 21, 2016 To August 21, 2016
20.	TTHM Improvements Project deadline per Division's Citation No. 05-14-14C-001-1310013-02 Amendment No. 2, Directive No. 4.	September 1, 2016

Attachment 6

Ketcham, Scott@Waterboards

From: Ertas, Tuba@Waterboards
Sent: Tuesday, March 08, 2016 9:57 AM
To: W Op; Ketcham, Scott@Waterboards
Cc: Sterchi, Sean@Waterboards
Subject: RE: Public Notification
Attachments: 20160304 draft Seeley CWD 3Q4Q151q16 TTHM HAA5 PN.doc; HAA5 Public Notice 1st qtr 2016 030316 Final.docx; Proof of Consumer Notification.doc

Aaron,

Seeley needs to redo the Public Notification because of the reasons explained below and also follow the instructions below. The revised PN was emailed you last week and a copy is in attachment (Attachment 1...please change the contact information, since James Strang is not with Seeley anymore) .

- 1.) Seeley has over MCL for HAA5 for the last quarters.
- 2.) The PN should have information in Spanish. Therefore either 1) Use only Attachment 1, since it includes the "Este informe contiene información muy importante sobre su agua potable.Tradúzcalo o hable con alguien que lo entienda bien." **OR** 2.) Use both English and Spanish versions, e.g. 2-sided PN (Heber PUD's example was emailed you on Friday and also a copy is in attachments-Attachment 2).
- 3.) Seeley's primary method is to mail the PN to customers and secondary method is to post at the local market and at the Post Office. **Therefore, the PN cert should indicate both the primary method and the secondary method (check the first and last method on the form-Attachment-3), and attach a copy of the posted notice.**

Please let us know if you have any questions.

Thanks
Tuba

From: W Op [mailto:operators.scwd@gmail.com]
Sent: Monday, March 07, 2016 11:15 AM
To: Ketcham, Scott@Waterboards; Ertas, Tuba@Waterboards
Subject: Re: Public Notification

Ketcham, Tuba,

Just for clarity's sake. Do you want us to -may we use- the revised PN that you sent us?

Aaron

On Fri, Mar 4, 2016 at 4:58 PM, Ketcham, Scott@Waterboards <Scott.Ketcham@waterboards.ca.gov> wrote:

Attached please find a revised Tier 2 PN including the "Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien." text and covering the 3rd and 4th quarters of 2015 and the 1st quarter 2016 HAA5 violation period. The public notification also discloses that Seeley has been in continuous violation of TTHM MCL for the last seven quarters. Also attached is an example of Spanish and English PN currently being used by Heber PUD.

Scott Ketcham

From: Ertas, Tuba@Waterboards
Sent: Friday, March 04, 2016 7:36 AM
To: W Op (operators.scwd@gmail.com)
Cc: Sterchi, Sean@Waterboards; Ketcham, Scott@Waterboards
Subject: Public Notification

Aaron,

Per Section 64465,

(c) A public water system providing notice pursuant to this article shall comply with the following multilingual-related requirements:

(2) For a Tier 2 or Tier 3 public notice:

(A) The notice shall contain information in Spanish regarding the importance of the notice, or contain a telephone number or address where Spanish-speaking residents may contact the public water system to obtain a translated copy of the notice or assistance in Spanish; and

(B) When a non-English speaking group other than Spanish-speaking exceeds 1,000 residents or 10 percent of the residents served by the public water system, the notice shall include:

- 1. Information in the appropriate language(s) regarding the importance of the notice; or*
- 2. A telephone number or address where such residents may contact the public water system to obtain a translated copy of the notice or assistance in the appropriate language; and*

Your 4th Q of 2015 and 1st Q of 2016 does not contain any information in Spanish. Therefore, Seeley should include either **1.)** information in Spanish as shown above in (c)(2)(A) above **or 2.)** include a translated copy of the PN in Spanish.

You have the following options for meeting this requirement:

1. Redo the PN mailing or direct delivery including “Este informe contiene información muy importante sobre su agua potable.Tradúzcalo o hable con alguien que lo entienda bien.” under the header of the attached notification as soon as possible but no later than April 21, 2016. The PN can be mailed with the customer’s bill or as a separate mailing or direct delivery. Please submit the draft Spanish translation for review.
2. Same as above but include both English and Spanish versions, e.g. 2-sided PN.
3. Do either #1 or #2 and also post the PN in conspicuous locations throughout the area served by the water system [I believe Seeley posts PN at the post office---please verify]

Thanks

Tuba

Attachment 7

Quarterly Progress Report

Water System:	Water System No.:
Compliance Order No.:	Violation:
Calendar Quarter:	Date Prepared:

This form should be prepared and signed by Water System personnel with appropriate authority to implement the directives of the Compliance Order and the Corrective Action Plan. Please attach additional sheets as necessary. The quarterly progress report must be submitted by the 10th day of each subsequent quarter, to the Division of Drinking Water, _____ District Office.

Summary of Compliance Plan:

Tasks completed in the reporting quarter:

Tasks remaining to complete:

Anticipate compliance date:

Name

Signature

Title

Date

Attachment 8

DRINKING WATER FIELD OPERATIONS BRANCH

**NOTICE OF CITATION ISSUANCE
PENALTY**

BACKGROUND STATEMENT

The State Water Resources Control Board, Division of Drinking Water, issued **Citation No. 05-14-16C-003** for the **Seeley Community Water District** (Public Water System no. **1310013**).

This Citation carries a penalty of \$4,000.00 (four thousand dollars).

METHOD OF PAYMENT

Within 90 days of receipt of this Citation, submit a check in the amount of \$4,000.00 made payable to:

SWRCB – Division of Drinking Water

and mail to:

**SWRCB Accounting Office
ATTN: Drinking Water Program Fees
P.O. Box 1888
Sacramento, CA 95812-1888**

(Please indicate the Citation Number on the Check)

(Attach Check Here)

ATTACHMENT 2



United States Department of Agriculture

Rural Development

August 10, 2016

Imperial Field Office

2407 Marshall Avenue
Suite EJ
Imperial, CA
92251

Ms. Beatriz Scroggins
President
Seeley County Water District
P.O. Box 161
Seeley, CA 92273

Voice: (760) 355 2208
Fax: (844) 206-6979

SUBJECT: Recipient Name: Seeley County Water District
Project Name: 2016 Water Treatment Plant TTHM Project
CFDA NUMBER - [10.770]

USDA Rural Utilities Grant: \$355,000

Dear Ms. Scroggins:

This letter establishes conditions which must be understood and agreed to by Seeley County Water District (Recipient), before further consideration may be given to the application. The grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development, both of which are referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or recipient must be reported to and concurred with by the Agency by written amendment to this letter. If significant changes are made without obtaining such concurrence, the Agency may discontinue processing of the application.

All conditions set forth under Sections I - III must be met prior to advertising for bids and no later than one year from the date of this letter. If the recipient has not met these conditions, the Agency reserves the right to discontinue the processing of the district application.

If the recipient agrees to meet the conditions set forth in this letter and desire further consideration be given to the application, please complete and return the following forms within 3 days:

Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD 1940-1, "Request for Obligation of Funds"

The grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official. Please be advised that this letter in itself does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project. After the recipient signs and return the form to the Agency, the request will be processed and the loan and grant funds will be approved and obligated.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 890-7442 or email at program.intake@usda.gov.

The loan and grant approval conditions are as follows:

SECTION I - PROJECT DETAIL

1. **Project Description** – Funds will be used to install a spray aeration system in the existing water storage tanks to eliminate the current issues associated with TTHM violations.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred with by the Agency.

2. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
Administration	\$ 10,000
Construction	\$ 280,000
Engineering Fees	\$ 65,000
<u>TOTAL</u>	<u>\$ 355,000</u>
<u>Project Funding</u>	
<u>USDA Grant -</u>	<u>\$ 355,000</u>
<u>TOTAL PROJECT COST -</u>	<u>\$ 355,000</u>

This funding is offered based on the amounts stated above.

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Agency funds will not be used to pre-finance funds committed to the project from other sources.

Obligated grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

SECTION II – LOAN AND GRANT TERMS

1. The district will be required to agree to the security requirements that are contained in RUS Bulletin 1780-12, “Water and Waste System Grant Agreement.

Prior to grant closing please provide duly adopted and executed:

- a. RUS Bulletin 1780-12, “Water and Waste System Grant Agreement. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

2. Construction Completion Timeframe - All projects must be completed and all funds disbursed within **five years** of obligation. If funds are not disbursed within five years of obligation, you must submit to the Agency a written request for extension of time with adequate justification of circumstances beyond your control. Requests for waivers beyond the initial extension will be submitted to the Assistant Administrator for concurrence decision.

3. Disbursement of Agency Funds - Agency funds will be disbursed into the recipient's depository account through an electronic transfer system

Any recipient contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached with all other funding sources on how funds are to be disbursed prior to start of construction or loan closing, whichever occurs first.- Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. The Grant Agreement must not be closed and funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45(d). In the unlikely event the Agency mistakenly disburses funds, the funds will be remitted back to the Agency electronically.

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
- b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

4. Reserves – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this grant:

- a. **Debt Service Reserve** –The recipient must maintain the current debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the existing loan installment would equal **\$67.00 per month**; this amount should be deposited monthly until a total of **\$8,040** has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan,

deposits will continue as designated above until the fully-funded amount is reached. **This debt service reserve is required by a loan closed in 2010.**

- b. **Short-Lived Asset Reserve** – In addition to the debt service reserve fund, the recipient must establish a short-lived asset reserve fund. Based on the preliminary engineering report, the recipient must deposit at least **\$4,900** into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is the recipient responsibility to assess the facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

1. **Environmental Requirements** – At the conclusion of the proposal's environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated February 10, 2016 the following actions are required for successful completion of the project and must be adhered to during project design and construction:

None.

2. **Engineering Services** – The recipient will be required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance," or other approved form of agreement. The Agency will provide concurrence prior to advertising for bids, and must approve any modifications to this agreement.

3. Contract Documents, Final Plans, and Specifications

- a. The contract documents must consist of the EJCDC construction contract documents as indicated in RUS Bulletin 1780-26 or other Agency-approved forms of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require another updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
 - i. Preliminary Engineering Report
 - ii. Agreement for Engineering Services
 - iii. Final Plans and Specifications for the project
 - iv. Bid Award Information.
 - v. Executed Contract Documents
- d. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.

4. **Legal Services** – The recipient will be required to execute a legal services agreement with the following:

- i. Attorney

The agreement(s) should stipulate an hourly rate for the work, with a “not to exceed” amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, “Legal Services Agreement,” or similar format may be used. The Agency will provide concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

5. **Property Rights** - Prior to advertising for bids, the recipient and its legal counsel must furnish satisfactory evidence that the recipient has or can obtain adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

- a. **Right-of-Way Map** – The project engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
- b. **Form RD 442-20, “Right-of-Way Easement”** – This form may be used to obtain any necessary easements for the proposed project.
- c. **Form RD 442-21, “Right-of-Way Certificate”** – The recipient will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
- d. **Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way”** – The recipient attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.

The approving official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approving official in writing prior to closing or the start of construction, whichever occurs first.

The recipient is responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

6. **System Policies, Procedures, Contracts, and Agreements** – The facility must be operated on a sound business plan. The recipient must adopt policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees.

- a. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence, along with the documents below, before closing instructions may be issued unless otherwise stated.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

7. Interim Financing – For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Agency loan funds. The recipient must provide the Agency with a copy of the interim loan financing agreement for review prior to advertising for bids. The Agency approving official may make an exception when interim financing is cost prohibitive or unavailable. Grant funds from the Agency will be disbursed by multiple advances through electronic transfer of funds after interim financing or Agency loan funds are expended, in accordance with RUS Instruction 1780.45.

8. Construction Account – The recipient must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 CFR Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral, in accordance with 31 CFR Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. The recipient financial institution can provide additional guidance on collateral pledge requirements.

- a. Electronic Funds Transfer: Agency funds will be disbursed into the recipient's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

9. System Users – This letter of conditions is based upon the recipient indication at application that there will be at least 393 residential users, and 44 non-residential users on the existing system when construction is completed.

- a. Before the Agency can agree to the project being advertised for construction bids, the recipient must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

10. Other Funding – Prior to advertisement for construction bids, the recipient must provide:

- a. Evidence of applicant contributions; and
- b. Approval of other funding sources. This evidence should include a copy of the commitment letter.

11. Proposed Operating Budget – The recipient must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. Prior to advertising for bids, the recipient must submit a proposed annual operating budget to the Agency which supports the operation, maintenance, debt service, and reserves, as well as the proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of the recipient organization. Form RD 442-7, "Operating Budget," or similar format may be utilized for this purpose. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance is available at no cost to help the recipient evaluate and complete a rate analysis on the system. This assistance is available free to your organization. If the recipient is interested please contact our office for information.

12. Permits – The recipient, owner or responsible party will be required to obtain all applicable permits for the project, prior to advertising for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

13. Vulnerability Assessment/Emergency Response Plan (VA/ERP) – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The VA/ERP documents themselves are not submitted to the Agency. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years at a minimum.

For new systems, see Section V of this letter of conditions. For VA/ERP requirements throughout the life of the loan, see Section VII. Technical assistance at no cost is available in preparing these documents.

14. Bid Authorization - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize the recipient to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

15. Bid Tabulation – Immediately after bid opening, the recipient must provide the Agency with the bid tabulation and the project engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize the recipient to issue the Notice of Award.

- a. Cost Overruns. If bids are higher than expected, or if unexpected construction problems are encountered, the recipient must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
- b. Excess Funds. If bids are lower than anticipated at time of obligation, excess funds must be deobligated prior to start of construction except in the cases addressed in this paragraph. In cases where the original PER for the project included items that were not bid, or were bid as an alternate, the State Office official may modify the project to fully utilize obligated funds for those items. Amendments to the PER, ER, and letter of conditions may be needed for any work not included in the original project scope. In all cases, prior to start of construction, excess funds will be deobligated, with grant funds being deobligated first. Excess funds do not include contingency funds as described in this letter.

16. Contract Review – The recipient attorney will certify that the executed contract documents, including performance and payment bonds, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

Once the attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for its concurrence. The Notice to Proceed cannot be issued until the Agency has concurred with the construction contracts and a pre-construction conference has been held.

17. Final Rights-of-Way – If any of the rights-of-way forms listed previously in this letter contain exceptions that do not adversely affect the suitability, successful operation, security value, or transferability of the facility, the approving official must provide a written waiver prior to the issuance of the Notice to Proceed. For projects involving the acquisition of land, the recipient must provide evidence of clear title to the land prior to the issuance of the Notice to Proceed.

18. Insurance and Bonding Requirements - Prior to the start of construction or loan closing, whichever occurs first, the recipient must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing the recipient has the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that the recipient have the project engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is the recipient responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. **General Liability Insurance** – Include vehicular coverage.
- b. **Workers' Compensation** – In accordance with appropriate State laws.

- c. **Fidelity Bond or Employee Dishonesty Insurance Policy** – Include coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of all outstanding Agency loans. The Agency will be identified in the fidelity bond for receipt of notices. Form RD 440-24, “Position Fidelity Schedule Bond,” or similar format may be used.
- d. **National Flood Insurance** - If the project involves acquisition or construction in designated special flood or mudslide prone areas, the recipient must purchase a flood insurance policy at the time of loan closing.
- e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), the recipient must obtain real property insurance (fire and extended coverage) on all facilities identified above.

Insurance types described above are required to be continued throughout the life of the loan.

19. Initial Compliance Review – The Agency will conduct an initial compliance review of the recipient prior to grant closing or start of construction, whichever occurs first, in accordance with 7 CFR 1901, Subpart E.

20. Multiple Advances- Grant closing will occur prior to when the funds are needed, and all of the items detailed in the sections above, as well as the items listed in this section, must be completed prior to closing.

21. Other Requirements – All requirements contained in the Agency’s closing instructions, as well as any requirements of the recipient bond counsel and/or attorney, must be met prior to loan closing.

- a. **System for Award Management.** The recipient will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended. See Appendix A.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).

- b. **Litigation** The recipient is required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
- c. **Certified Operator**. Evidence must be provided that the system has or will have, as defined by applicable State or Federal requirements, a certified operator available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION IV – REQUIREMENTS DURING CONSTRUCTION AND POST CONSTRUCTION

1. **Resident Inspector(s)** – Full-time inspection is required unless the recipient requests an exception. Such requests must be made in writing and the Agency must concur with the request. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred with by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the pre-construction conference.
2. **Preconstruction Conference** – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and will provide minutes of this meeting to the owner and Agency.
3. **Inspections** - The Agency requires a pre-construction conference, pre-final and final inspections, and a warranty inspection. The project engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any warranty issues. The Agency will conduct an inspection with the recipient of the records management system at the same time, and will continue to inspect the facility and records system every three years for the life of the loan. See Section VII of this letter.
4. **Change Orders** – Prior Agency concurrence is required for all Change Orders.
5. **Payments** – Prior Agency concurrence is required for all Invoices and Partial Payment Estimates before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.
6. **Use of Remaining Funds** – Recipient contribution and connection or tap fees will be the first funds expended in the project, followed by non-Agency sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:

- a. Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
- b. Grant funds not expended for authorized purposes will be cancelled (de-obligated) within 60 days of final completion of project. Prior to actual cancellation, the recipient, attorney, and project engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.
- c. Loan funds that are not needed will be applied as an extra payment on the Agency indebtedness unless other disposition is required by the bond ordinance, resolution, or State statute.

7. Technical, Managerial and Financial Capacity - It is required that members of the Board of Directors, City Council members, trustees, commissioners and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, and a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the particular individual and the utility system. Technical assistance providers are available to provide this training for the recipient, often at no cost. Contact the Agency for information.

8. Reporting Requirements Related to Expenditure of Funds

- a. **Financial Audit**– An annual audit under the Single Audit Act is required if the recipient expends \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of the recipient fiscal year end.

If an audit is required, the recipient must enter into a written agreement with the auditor and submit a copy to the Agency prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

- b. **Reporting Subawards and Executive Compensation** – The recipient and its first-tier contractors are required by 2 CFR Part 170 to report disbursements to subrecipients in accordance with Appendix B of this letter and www.fsrs.gov. The Agency processing office can provide more information.

9. Statutory and National Policy Requirements – The recipient has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:

- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
- b. **Civil Rights Act of 1964** – All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
- c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information the organization provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient's compliance with these requirements during regular compliance reviews.

We look forward to working with the Seeley County Water District to complete this project. If you have any questions, please feel free to contact me by email at Daniel.cardona@ca.usda.gov or by telephone at (760) 355-2208 ext. 107.

Sincerely,



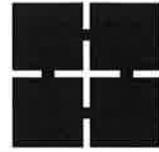
Daniel T. Cardona
Area Specialist

Attachments

cc: Pete Yribarren, Water Programs Director

ATTACHMENT 3

The Holt Group, Inc.
Engineering Department



Municipal Design ■ Infrastructure Engineering ■ Construction Management ■ Land Surveying

August 15, 2016

Mr. Sean Sterchi, P.E.
San Diego District Engineer
State of California Water Resources Control Board
Division of Drinking Water
San Diego Field Office
1350 Front Street, Room 2050
San Diego, CA 92101

RE: CDPH Citation No.05-14-14C-001-1310013-02 dated July 25, 2014 –
TTHM Removal System Improvement Project Update

Dear Mr. Sterchi,

This correspondence is in regard to the Subject Project's completion status. The Holt Group is formally providing this correspondence on behalf of Seeley County Water District, as acting Consultant Engineers.

Last week, Seeley County Water District (SCWD) completed the funding and Preliminary Engineering Report application process with United States Department of Agriculture – Rural Development (USDA-RD). USDA-RD has issued a Letter of Conditions (as attached to this correspondence) allowing SCWD to proceed with the design, bidding and construction of the TTHM Improvement project. The application and approval process took much longer than initially expected. As such, SCWD will not be able to meet the deadline of September 1, 2016 to complete a TTHM Improvement Project. An updated completion date of April 19, 2017, is outlined in the attached Revised Schedule of Events dated August 8, 2016.

It is hopeful that the Division of Drinking Water will continue to hold off the violation penalty fee, as SCWD has been working and will continue to see the TTHM Improvement Project come to fruition. It should also be noted that SCWD Operators have been diligently working on fine tuning operational process as previously corresponded with the Division of Drinking Water.

Please contact me with any questions, comments or further coordination.

Respectfully,

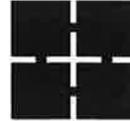
Juny Marmolejo

Juny Marmolejo
Project Engineer
The Holt Group, Seeley County Water District Engineers

Cc: Tuba Ertas, Division, Sanitary Engineer
Scott Ketcham, Division, Associate Sanitary Engineer
Daniel Cardona, Area Specialist, USDA-RD
Ms. Beatriz Scroggins, SCWD Board President
SCWD Board Members
James G. "Jack" Holt, P.E., The Holt Group, Principal Engineer
Todd Richardson, The Holt Group, Project Engineer

The Holt Group

Engineering Department



Municipal Design ■ Infrastructure Engineering ■ Construction Management ■ Land Surveying

Seeley County Water District SCWD Water Treatment Plant TTHM Improvement Project THG Project No. 1186.007

Revised Project Schedule

Date: August 15, 2016

<u>NO.</u>	<u>ITEM</u>	<u>SCHEDULE</u>
1.	Planning Phase – Submittal of Pre-Application of Funding Application to United States Development Agency Rural Development (USDA- RD)	February 2, 2015 To September 4, 2015
2.	Seeley County Water District Board approval to complete Study (Preliminary Design) of the TTHM Improvement Project	February 9, 2015
3.	CEQA Environmental and NEPA Environmental processing and submittal to pertinent agency	February 9, 2015 To February 13, 2015
4.	Complete Design Study for TTHM Improvement Project	February 10, 2015 To July 31, 2015
5.	Prepare and Submit Pre-Application to USDA-RD to include CEQA and NEPA environmental documentation	February 9, 2015 To September 30, 2015
6.	SCWD and The Holt Group to Update Existing Operations Plans	May 4, 2015 To September 25, 2015
7.	SCWD Board review and approve USDA Preliminary Engineering Report (PER) preparation by The Holt Group	October 12, 2015
8.	Prepare PER for TTHM Improvements including CEQA and NEPA environmental documents	October 13, 2015 To January 13, 2016
9.	Submit CEQA/NEPA environmental documents, and PER to USDA-RD for Review and Comment/Approval as part of Application	January 13, 2016

<u>NO.</u>	<u>ITEM</u>	<u>SCHEDULE</u>
10.	Received comments from USDA	January 27, 2016
11.	Coordinate with SCWD and USDA regarding edits per comments received on January 27, 2016	January 27, 2016 To April 29, 2016
12.	Submit PER to USDA for State/National Branch reviews and approval	May 2, 2016 To June 10, 2016
13.	USDA-National Branch to review and approve PER	June 11, 2016 To August 10, 2016
14.	SCWD Public Meeting for Application Submittal from USDA-RD	August 9, 2016
15.	Complete Design of Improvement Plans and Specifications of TTHM Improvements	August 11, 2016 To October 5, 2016
16.	Submit Final Design Improvement Plans and Specifications of TTHM Improvements to SWRCB, Division of Drinking Water (Division)	October 5, 2016
17.	Division to Review and Approve Design Improvement Plans and Specifications of TTHM Improvements	October 6, 2016 To November 7, 2016
18.	Approval of Design and Advertisement to Bid TTHM Improvements Project for construction at a regular SCWD Board meeting	November 8, 2016
19.	Advertise TTHM Improvements Project for Bidding in Local Newspaper	November 9, 2016 and October 16, 2016
20.	Conduct Bid Opening	December 21, 2016
21.	Process Contract Documents and Obtain Approval of Award from Funding Agency and SCWD	December 22, 2016 To January 17, 2017
22.	Award Contract to Contractor at a SCWD Board Meeting	January 10, 2017
23.	Project Construction to include Tracer Study (81 Calendar Days)	January 18, 2017 To April 19, 2017
24.	TTHM Improvements Project deadline per Division's Citation No. 05-14-14C-001-1310013-02 Amendment No. 2, Directive No. 4.	September 1, 2016 (230 days over deadline)

ATTACHMENT 4

DRINKING WATER FIELD OPERATIONS BRANCH

**NOTICE OF CITATION ISSUANCE
PENALTY**

BACKGROUND STATEMENT

The State Water Resources Control Board, Division of Drinking Water, issued **Citation No. 05-14-16C-003** for the **Seeley Community Water District** (Public Water System no. **1310013**).

This Citation carries a penalty of \$4,000.00 (four thousand dollars).

METHOD OF PAYMENT

Within 90 days of receipt of this Citation, submit a check in the amount of \$4,000.00 made payable to:

SWRCB – Division of Drinking Water

and mail to:

**SWRCB Accounting Office
ATTN: Drinking Water Program Fees
P.O. Box 1888
Sacramento, CA 95812-1888**

(Please indicate the Citation Number on the Check)

(Attach Check Here)