

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
NORTH COAST REGION**

In the matter of:)	
)	Order R1-2013-0036
)	
City of Rio Dell)	SETTLEMENT AGREEMENT AND
Wastewater Treatment Plant)	STIPULATION FOR ENTRY OF
Complaint No. R1-2012-0077 for)	ADMINISTRATIVE CIVIL LIABILITY ORDER
Administrative Civil Liability)	
)	
1B83134OHUM)	

Section I: Introduction

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Stipulation) is entered into by and between the Assistant Executive Officer of the Regional Water Quality Control Board, North Coast Region (Regional Water Board), on behalf of the Regional Water Board Prosecution Team (Prosecution Team) and the City of Rio Dell (the Discharger) (collectively Parties) and is presented to the Regional Water Board for adoption as an Order, by settlement, pursuant to Government Code section 11415.60.

Section II: Recitals

1. The Discharger owns and operates the Rio Dell Waste Water Treatment Plant (WWTP) located at 475 Hilltop Drive, Rio Dell, California. The WWTP serves the city of Rio Dell located in Humboldt County in California. The WWTP discharges secondary treated municipal wastewater into the Lower Eel River, a water of the United States.
2. The Regional Board has determined that the Discharger meets the requirements under California Water Code (CWC) section 13385(k) and the State Water Resources Control Board (State Water Board) Water Quality Enforcement Policy (Enforcement Policy) as a publicly owned treatment works (POTW) serving a small community with a financial hardship.
3. On May 17, 2006, the Regional Water Board adopted Order No. R1-2006-0021 to regulate discharges from the Discharger's WWTP to the Lower Eel River. Order No. R1-2006-0021 became effective on June 16, 2006; it was subsequently revised and became effective on April 1, 2007. On September 29, 2011, the Regional Board adopted Order No. R1-2011-0054, which became effective on December 1, 2011. Order R1-2011-0054 rescinded Order No. R1-2006-0021 upon the effective date of the new Order, except for enforcement purposes.
4. On June 14, 2012, the Prosecution Team issued Administrative Civil Liability (ACL) Complaint No. R1-2012-0077 to the Discharger. The Complaint alleges that the Discharger exceeded the effluent limits for Biochemical Oxygen Demand 5-day @ 20°C (BOD), Total Suspended Solids (TSS), BOD and TSS percent removal, Coliform

Bacteria, Dichlorobromomethane, Total Recoverable Copper, Total Coliform Organisms, Coliform Bacteria and Late Self-Monitoring Reports set forth in WDRs Order No. R1-2006-0021 and Order No. 2011-0054 on one hundred twenty-two (122) occasions, all of which are subject to mandatory minimum penalties. The Complaint recommends the imposition of administrative civil liability in the amount of \$366,000 in mandatory minimum penalties for the violations alleged in the Complaint.

5. The Parties have engaged in settlement negotiations and agree to settle the matter without administrative or civil litigation and by presenting this Stipulation to the Regional Water Board for adoption as an Order pursuant to Government Code section 11415.60. To resolve by consent and without further administrative proceedings all alleged violations of CWC section 13385 set forth in the Complaint, the Parties have agreed to the imposition of administrative civil liability in the amount of \$366,000 in mandatory minimum penalties against the Discharger. The \$366,000 in mandatory minimum penalties shall be suspended upon completion of the Compliance Project (CP) set forth in this Stipulation and Order. The Discharger shall expend, at a minimum, \$366,000 to complete the CP in accordance with the terms of this Stipulation and Order.
6. The Prosecution Team believes that the resolution of the alleged violations is fair and reasonable and fulfills its enforcement objectives and meets the requirements under CWC section 13385(k) and the Enforcement Policy, that no further action is warranted concerning the specific violations alleged in the Complaint except as provided in this Stipulation, and that this Stipulation is in the best interest of the public.

Section III: Stipulations

The Parties stipulate to the following:

7. **Jurisdiction:** The Parties agree that the Regional Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Stipulation.
8. **Administrative Civil Liability:** The Discharger shall be subject to administrative civil liability in the amount of \$366,000 in mandatory minimum penalties, the total of which shall be suspended pending completion of a CP (CP Amount), as set forth herein and in Exhibit "A" attached hereto and incorporated by this reference.
9. **Compliance with Applicable Laws:** The Discharger understands that payment of administrative civil liability in accordance with the terms of this Order or compliance with the terms of this Order is not a substitute for compliance with applicable laws, and that continuing violations of the type alleged in the Complaint may subject it to further enforcement, including additional administrative civil liability.
10. **CP Description:** The CP consists of the construction of a new treatment facility. This will include a larger clarifier (which should help to reduce and/or eliminate suspended solids violations), elimination of the existing rotating biological contactor

and replacement with an Aeromod System (which should help to reduce and/or eliminate biochemical oxygen demand violations), and a new chlorination system (which should help to reduce and/or eliminate coliform bacteria violations).

In addition, based on the results of a discharge-specific Water Effect Ratio study, the Regional Water Board has adjusted the copper limits in the Discharger's WDRs to account for site-specific water characteristics on pollutant bioavailability and toxicity to aquatic life. This adjustment will likely have the effect of reducing or altogether eliminating the accrual of further copper violations.

The implementation schedule for completion of the CP is as follows:

MILESTONE	DEADLINES
Bid Preparation and Posting of Bid	*8/16/11
Bid Awarded and Contract Signed	*4/4/12
Construction started	*4/4/12
Submit Progress Letter	7/15/13
Submit Progress Letter	9/15/13
Complete CP	11/30/13
Submit Report of Completion including a detailed list of expenditures	3/31/14

*Milestone has already been completed.

11. **CP Costs:** The cost is estimated to be approximately \$13,600,000 to construct a new wastewater treatment facility. The amount of the liability to be suspended upon completion of the CP is \$366,000 in mandatory minimum penalties, as expressly authorized by CWC section 13385(k). No additional liability above and beyond the \$366,000 shall be suspended for costs incurred to complete the CP.
12. **Representation of the Discharger:** As a material consideration for the Regional Water Board's acceptance of this Stipulation, the Discharger represents that it will utilize the funds as described in Attachment B to implement the CP in accordance with the implementation schedule set forth above. The Discharger understands that its promise to implement the CP, in its entirety and in accordance with the schedule for implementation, is a material condition of this settlement of liability between the Discharger and the Regional Water Board.
13. **Agreement of Discharger to Implement CP:** The Discharger represents that: 1) it will spend the CP amount as described in this Stipulation; 2) it will provide certified, written reports to the Regional Water Board consistent with the terms of this Stipulation and Order detailing the implementation of the CP; and 3) it will guarantee implementation of the CP by remaining liable for \$366,000 of suspended

administrative liability until the CP is completed and accepted by the Regional Water Board in accordance with the terms of this Stipulation. The Discharger agrees that the Regional Water Board has the right to require an audit of the funds expended by it to implement the CP. The Discharger shall permit inspection of the CP by the Regional Water Board staff at any time without notice.

14. **Certification of Completion of CP:** On or before December 15, 2013, the Discharger shall provide a certified statement of completion of the CP (Certification of Completion). The Certification shall be submitted by a responsible official under penalty of perjury under the laws of the state of California, to Regional Water Board staff. The Certification of Completion shall include the following:
 - a. Certification that the CP has been completed in accordance with the terms of this Stipulation and Order. Such documentation may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Regional Water Board to evaluate the completion of the CP and the costs incurred by the Discharger.
 - b. Certification documenting the expenditures by the Discharger during the completion period for the CP. Expenditures may include, but are not limited to, payments to outside vendors or contractors implementing the CP. The Discharger shall provide any additional information requested by the Regional Water Board staff that is reasonably necessary to verify CP expenditures.
 - c. Certification that the Discharger followed all applicable environmental laws and regulations in the implementation of the CP including but not limited to the California Environmental Quality Act (CEQA), the federal Clean Water Act, and the Porter-Cologne Act.
15. **Third Party Financial Audit of CP:** At the written request of Regional Water Board staff, the Discharger, at its sole cost, shall submit a report prepared by an independent third party(ies) acceptable to the Regional Water Board staff providing such party's(ies') professional opinion that the Discharger has expended money in the amounts claimed by the Discharger. The written request shall specify the reasons why the audit is being requested. The audit report shall be provided to Regional Water Board staff within three (3) months of notice from Regional Water Board staff to the Discharger of the need for an independent third party audit. The audit need not address any costs incurred by the Regional Water Board for oversight.
16. **Failure to Expend the Entire Suspended Liability on the Approved CP:** In the event that the Discharger is not able to demonstrate to the reasonable satisfaction of the Regional Water Board staff that the entire suspended liability of \$366,000 has been spent for the completed CP, the Discharger shall pay the difference between the suspended liability of \$366,000 and the amount the Discharger can demonstrate was actually spent on the CP, as administrative civil liability. The Discharger shall be liable to pay the State Water Board Cleanup and Abatement Account the additional administrative civil liability within 30 days of receipt of notice of the Regional Water

Board staff's determination that the Discharger failed to demonstrate that the entire CP Amount was spent to complete the CP.

17. **Extension of the Implementation Schedule Deadlines:** If, given written justification from the Discharger and the Regional Water Board, staff determines that a delay in the CP implementation schedule is beyond the reasonable control of the Discharger, the Executive Officer may revise the implementation schedule as appropriate. Written justification must be received by the Designated Regional Water Board Representative before the specific due date occurs, must describe circumstances causing the delay, and must state when each task of the CP will be completed. If any extension of the implementation schedule is granted, the Regional Water Board staff shall provide the Discharger a new implementation schedule in writing, which shall include the date the CP will be completed (Revised Completion Date).
18. **Failure to Complete CP:** If the Discharger fails to complete the CP by October 30, 2013, as required by this Stipulation and Order, the Regional Water Board staff shall issue a Notice of Violation (NOV). As a consequence, the Discharger shall be liable to pay the State Water Board Cleanup and Abatement Account the Suspended Liability of \$366,000 within 30 days of receipt of the NOV.
19. **Completion of the CP to the Regional Water Board Staff's Satisfaction:** Upon the Discharger's satisfaction of its CP obligations under this Stipulation and completion of the CP and any audit requested by the Regional Water Board, Regional Water Board staff shall send the Discharger a letter recognizing satisfactory completion of its obligations under the CP. Receipt of this letter shall terminate any further CP obligations of the Discharger and result in the dismissal of the Suspended Liability.
20. **Party Contacts for Communications related to Stipulation/Order:**

For the Regional Water Board:	For the Discharger:
Nancy Robinson Sanitary Engineering Associate North Coast Regional Water Quality Control Board 5550 Skylane Boulevard, Suite A Santa Rosa, CA 95403 Nancy.Robinson@waterboards.ca.gov (707) 576-2657	Jim Stretch, City Manager City of Rio Dell 675 Wildwood Avenue Rio Dell, CA 95562 finance1@riodellcity.com (707) 764-3532
21. **Attorney's Fees and Costs:** Each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
22. **Matters Addressed by Stipulation:** Upon the Regional Water Board's adoption of the Order incorporating the terms of this Stipulation, this Stipulation represents a

final and binding resolution and settlement of the violations alleged in the Complaint (Covered Matters). The provisions of this Paragraph are expressly conditioned on the full payment of the administrative civil liability by the deadline specified in Paragraph 8 and the Discharger's full satisfaction of the CP obligations described herein.

23. **Public Notice:** Federal law mandates that any settlement will not become final until after 30-day public notice and comment period expires, (40 CFR 123.27). On July 25, 2012 the Assistant Executive Officer issued the Complaint and provided notice to the public that the violations alleged in the Complaint could be resolved by settlement, including, but not limited to performance of a CP. Thus, the terms of this Stipulation and Order have been properly noticed and the required public comment period expired January 4, 2013 without comment.
24. **Addressing Objections Raised During Public Comment Period:** The Parties agree that the procedure contemplated for adopting the Order by the Regional Water Board and review of this Stipulation by the public is lawful and adequate. In the event procedural objections are raised prior to the Order becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.
25. **Interpretation:** This Stipulation and Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.
26. **Modification:** This Stipulation and Order shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the Regional Water Board or its delegee.
27. **If Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the Regional Water Board or is vacated in whole or in part by the State Water Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the Regional Water Board to determine whether to assess administrative civil liabilities for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in the hearing. The Parties agree to waive any and all objections based on settlement communications in this matter, including, but not limited to:
 - a. Objections related to prejudice or bias of any of the Regional Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Regional Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing the Stipulation and/or the Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on the Complaint in this matter; or

- b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.
28. **Waiver of Hearing:** The Discharger has been informed of the rights provided by CWC section 13323, subdivision (b), and hereby waives its right to a hearing before the Regional Water Board prior to the adoption of the Order.
29. **Waiver of Right to Petition:** The Discharger hereby waives its right to petition the Regional Water Board's adoption of the Order for review by the State Water Board, and further waives its rights, if any, to appeal the same to a California Superior Court and/or any California appellate level court.
30. **Regional Water Board is Not Liable:** Neither the Regional Water Board members nor the Regional or State Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from acts or omissions by the Discharger its directors, officers, employees, agents, representatives or contractors in carrying out activities pursuant to this Stipulation and/or Order nor shall the Regional Water Board, its members or staff be held as parties to or guarantors of any contract entered into by the Discharger, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulation and Order.
31. **Covenant Not to Sue:** The Discharger covenants not to sue or pursue any administrative or civil claim(s) against any State Agency or the State of California, their officers, Board Members, employees, representatives, agents, or attorneys arising out of or relating to any Covered Matter.
32. **Necessity for Written Approvals:** All approvals and decisions of the Regional Water Board under the terms of this Order shall be communicated to the Discharger in writing. No oral advice, guidance, suggestions, or comments by employees or officials of the Regional Water Board regarding submissions or notices shall be construed to relieve the Discharger of its obligation to obtain any final written approval required by this Order.
33. **Authority to Bind:** Each person executing this Stipulation in a representative capacity represents and warrants that he or she is authorized to execute this Stipulation on behalf of and to bind the entity on whose behalf he or she executes the Stipulation.
34. **Counterpart Signatures:** This Stipulation may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one document. Further, this Stipulation may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an

original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.

Effective Date: This Stipulation is effective and binding on the Parties upon the entry of this Order by the Regional Water Board, which incorporates the terms of this Stipulation. **IT IS SO STIPULATED.**

**California Regional Water Quality Control Board,
North Coast Region Prosecution Team**

Date: May 31, 2013

By: Original Signed By

David F. Leland, P.E.

Assistant Executive Officer (Acting)

City of Rio Dell

Date: June 18, 2013

By: Original Signed By

Jim Stretch

City Manager

Order of the Regional Water Board:

IT IS HEREBY ORDERED:

35. This Order incorporates the foregoing Stipulation, set forth in Paragraphs 1 through 34 above, by this reference, as if set forth fully herein.
36. The Parties believe that settlement of this matter is in the best interest of the People of the State. Therefore, to settle the Complaint, the Discharger hereby agrees to comply with the terms and conditions of this Order.
37. The Regional Water Board finds that the Recitals set forth herein in Section II of the Stipulation are true.
38. Pursuant to CWC Section 13385(k), the Regional Water Board may, in lieu of assessing all or a portion of mandatory minimum penalties pursuant to CWC Section 13385(h) and (i), require a publicly owned treatment works serving a small community to spend all or a portion of mandatory minimum penalties towards the completion of a CP proposed by the publicly owned treatment works. The CP must conform to the requirements specified in the State Water Board Water Quality Enforcement Policy (Enforcement Policy).
39. On November 17, 2009, the State Water Board adopted Resolution No. 2009-0083 amending the Water Quality Enforcement Policy (Enforcement Policy). The

Enforcement Policy was approved by the Office of Administrative Law and became effective on May 20, 2010. The policy can be found at:
http://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/enf_policy_final111709.pdf

Section VIII of the Enforcement Policy states that CPs shall only be considered where they are expressly authorized by statute, i.e., CWC Section 13385(k), and may not be considered in connection with discretionary administrative civil liability.

40. This is an action to enforce the laws and regulations administered by the Regional Water Board. The Regional Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with section 15321(a)(2), Title 14, of the California Code of Regulations.
41. The Executive Officer is authorized to refer this matter directly to the Attorney General for enforcement if the Dischargers fail to perform any of its obligations under the Order.

Pursuant to CWC section 13323 and Government Code section 11415.60, **IT IS HEREBY ORDERED** on behalf of the California Regional Water Quality Control Board, North Coast Region.

Original Signed By

Matthias St. John
Executive Officer

August 13, 2013

Date

Enc: Attachment A

Attachment B

Attachment C

Attachment A

City of Rio Dell
Administrative Civil Liability Complaint
Compliance Project Proposal

1. The City is requesting to apply \$366,000 in fines towards the Wastewater Facility and Effluent Disposal Project estimated to cost \$13.6 million. The project is funded by a \$6.0m grant and \$6.9m loan repaid through rates.
2. The requested \$366,000 in fines applied is less than the City's estimated project cost of \$6.9 million.
3. Project construction began in April of 2012.
 - a. To date approximately \$7.5 m in costs remain un-incurred; \$4.2m of those costs will be paid by the City. The remaining \$3.3m will be paid through the CWSRF Principal Forgiveness Program.
 - b. Three of the outstanding violations will be corrected with the construction of the new plant including:
 - i. Suspended Solids
 - ii. Biochemical Oxygen Demand
 - iii. Coliform Bacteria; and
 - iv. Recoverable Copper was corrected with the WER Study prior to the construction of the new plant
 - c. All of the violations were incurred prior to the April 2012 construction start date.
 - d. The construction completion date is scheduled as October 2012.
 - e. The estimated completion date is within 5 years of the assessment of the MMP.
4. The City of Rio Dell Wastewater Facility and Effluent Disposal Project description includes two main treatment processes:
 - a. The biological treatment process
 - i. The function of the biological treatment plant is to provide biological removal of BOD and nitrogen to meet the design effluent goal of total nitrate less than 10 mg/L based on a design flow of 0.5 mgd and maximum month loading condition.
 - ii. The biological treatment process consists of two parallel trains. Each train includes an activated sludge basin with an air system, a secondary clarifier and an aerobic digester. A selector tank at the front is common to the parallel trains. The activated sludge system/air system was designed to handle the organic loadings of 960 lbs/day with the mixed liquor suspended solids concentration maintained at 3,000 mg/L. Each of the basins is able to independently perform nitrification and de-nitrification. The packaged plant was designed and constructed in modular arrangement so that future expansion can be done by adding additional independent treatment trains.
 - iii. The principal items of the Biological Treatment Plant include:
 1. Aeration system (diffusers)
 2. Air distribution system.
 3. Anoxic selector
 4. Mixed liquor recycle system

5. Clarifier equipment
 6. Scum control system
 7. Clarifier sludge collector mechanism
 8. Return sludge and waste activated sludge system
 9. Nitrifying recycling system
 10. Sludge holding tank supernatant return
 11. Access bridges and stairways
 12. Walkways
 13. Air supply system (blowers)
 14. Internal piping and valves
 15. Plant local control panel(s)
 16. Electrical wiring on the package plant
- iv. The secondary clarifiers were designed based on a maximum surface loading rate of 600 gpd/sf at the peak flow of 1.1 mgd with one clarifier out of service. The clarifier consists of an influent assembly, sludge collector mechanism, effluent launderer, and scum removal system. The clarifier influent piping is designed to prevent liquid backup in the aeration tanks during peak flows and to prevent settling out of solids that may clog the pipe. The sludge collector mechanism consists of all mechanical equipment required for operation.
 - v. The aerobic digester was designed to provide a minimum of 30 days of aerobic digestion. The digester is equipped with aeration system which provides minimum 25 mg/L/hr air to the wasted activated sludge.
 - vi. The design criteria, and features of the biological treatment system are summarized in the following table:

BIOLOGICAL TREATMENT SYSTEM	
Design MLSS	3,000 mg/L, approximate
Design SRT	15 day, minimum
MLE recycle rate	1.0 mgd, minimum or, 200% @ sustained peak flow
RAS rate	100%, minimum firm capacity
Secondary clarifier side water depth	16 ft, minimum
Secondary clarifier surface loading rate	600 gpd/sf (design)
WAS Aerobic Digester	30 days, minimum

- b. The sludge drying process
 - i. The bio-solids from the activated sludge biological treatment process is treated with minimum 30-day aerobic digestion followed by sludge dewatering and further by sludge drying; after the treatment, the bio-solids meet Class A requirements.
 - ii. The 30-day aerobic digester is adjacent to the Biological Treatment Facility. The sludge dewatering is accomplished by the belt filter press which was installed in 2010 and currently in operation. The belt filter press is located in the Sludge Dewatering and Storage Building. The bio-

solids after digestion and dewatering typically contains approximately 12 to 22 percent solids.

- iii. A sludge drying system is provided following the sludge dewatering process. An automated, indirectly heated, continuous flow sludge drying technology will be used to minimize energy consumption. The bio-solids after the drying will contain approximately 75 to 92 percent solids and meet Class A bio-solids standards. The dried bio-solids will continue to be land applied in accordance with the City's NPDES Permit. The property where the bio-solids will be applied has been approved by the North Coast Regional Water Quality Control Board (RWQCB).
- iv. Sludge volume estimation is summarized in the following table

SLUDGE DRYING SYSTEM			
RIO DELL WWTP SLUDGE (2032)	WASTE ACTIVATED SLUDGE (WAS)	DEWATERED SLUDGE (after Belt Filter Press)	DRIED SLUDGE (after Sludge Dryer)
Percent solids (average)	2%	15%	90%
Mass produced per day	570 lb/day	570 lb/day	570 lb/day
Mass produced per year	85 dry ton/year	85 dry ton/year	85 dry ton/year
Volume per year	6,170 cy/year	780 cy/year	95 cy/year

- 5. The proposed project includes a new treatment facility which will address all of the City's non-compliance issues. Included are a larger clarifier which will reduce suspended solids, and the elimination of the City's existing RBC's and replacement with the Aeromod System which will reduce the strength of our wastewater, and eliminate biochemical oxygen demand violations. The new chlorination system will better treat the wastewater and eliminate coliform bacteria violations, and the City's total recoverable copper has already been addressed by the City's WER study which adjusted our copper limits. The project began in April of 2012, and construction is scheduled for completion in April 30, 2014 well before the required 5 year compliance period.
- 6. The proposed compliance project is independent of the ACL as required, and is necessary for the continued operation of the treatment plant.
- 7. The City's project has clearly identified goals, costs, and milestones. Please see Attachments A. Construction Calendar and B. Project Financing Agreement for details.
 - a. A summary of the Project Milestones are as follows:
 - i. Site work- September 2013
 - ii. Yard Piping- February 2013
 - iii. Headworks- Completed
 - iv. Biological Treatment Facility- February 2013
 - v. Blower Building- February 2013
 - vi. Operations Building- August 2013
 - vii. Effluent Pump Station- Completed
 - viii. Sludge Dryer- February 2013

- ix. Pipeline- September 2013
- b. A summary of the Project Financing is as follows:
 - i. Approved for \$12,980,859
 - ii. The Project period is specified as March 30, 2012 – April 30, 2014
 - iii. \$6m will be forgiven as a part of the Principal Forgiveness Program.
 - iv. Payments on the Outstanding \$6.9m begin 10/31/2014 in the amount of \$325,879.74 and commence on 10/31/2043
- 8. The City's total project length is 18 months, with 13 months remaining. As such, it is the City's intent to comply with any quarterly reporting requirements requested by the NCRWQCB.
- 9. Upon completion the City will submit a final report declaring completion and detailing fund expenditures and goals achieved.
- 10. The City acknowledges that upon satisfactory completion of the CP the suspended penalty is dismissed.
- 11. The City also acknowledges that if the CP is not satisfactorily completed all suspended penalties become due and payable.
- 12. The City acknowledges that any potentially suspended penalties do not relieve the City of our independent obligation to take necessary actions to achieve compliance.

Attachment B

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2012-0002

ADOPTION OF A CLEAN WATER STATE REVOLVING FUND PROGRAM PRELIMINARY FUNDING COMMITMENT FOR THE CITY OF RIO DELL'S WASTEWATER TREATMENT PLANT UPGRADE AND DISPOSAL PROJECT

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on March 17, 2009, amended the *Policy for Implementing the CWSRF for Construction of Wastewater Treatment Facilities*;
2. The State Water Board's CWSRF Program Project Priority List (PPL), amended on April 12, 2011, included the City's CWSRF Project No. C-06-7401-110;
3. The Division of Financial Assistance (Division) issued a Facility Plan Approval (FPA) for the City's Project and the City agreed with the content and conditions of the FPA;
4. Per the CWSRF Intended Use Plan, adopted by the State Water Board on May 17, 2011, \$97,770,482 in principal forgiveness is available;
5. As a small (less than 20,000 persons), severely disadvantaged community (median household income [MHI] less than 60 percent of the statewide MHI) with wastewater user rates more than 1.5 percent of the community's MHI, the City may receive 50 percent principal forgiveness for eligible Project costs up to \$6 million in principal forgiveness;
6. The City prepared an Environmental Impact Report (EIR; State Clearinghouse No. 2007062006) for a larger project (the Project is a revised subset of the larger project);
7. The City certified the EIR, adopted a Mitigation Monitoring and Reporting Program (MMRP), and approved the larger project (the Project is a revised subset of the larger project) on May 20, 2008, and filed a Notice of Determination (NOD) with the Humboldt County Clerk on May 21, 2008 and the Governor's Office of Planning and Research (OPR) on May 27, 2008, for the EIR;
8. The City prepared an addendum to the EIR (Addendum No. 1) to analyze an interim project, including addressing improvements to the headworks, temporarily installing a chlorine generator (disinfection system) and sludge press;
9. The City certified the Addendum No. 1 and approved the interim project on June 2, 2009, and filed an NOD with the Humboldt County Clerk on June 4, 2009 and OPR on June 8, 2009, for the Addendum No. 1;
10. The City prepared a second addendum to the EIR (Addendum No. 2) to address the Project, revisions to Alternative 1 in the EIR and applicable mitigation measures, the addition of two potential transmission pipeline route options (Routes 1 and 2), and a change from Type I irrigation to Type II flood irrigation (this eliminated the need for a storage pond);

11. The City certified the Addendum No. 2, adopted a revised MMRP, and approved the Project on October 5, 2010, and filed an NOD with the Humboldt County Clerk on October 7, 2010, and OPR on November 3, 2010, for the Addendum No. 2;
12. The City incorporated mitigation measures or alternative design into the Project that will avoid or substantially reduce potentially significant adverse environmental impacts;
13. The EIR and the supporting documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. The Project will not result in any significant adverse water quality impacts. A special condition will be included in the City's CWSRF financing agreement to ensure compliance with the Migratory Bird Treaty Act (MBTA);
14. Several bird species listed under the federal Migratory Bird Treaty Act (MBTA) have the potential to occur in the riparian woodland forest (adjacent to the irrigation site). There will be no impacts to the riparian woodland habitat as the Project will occur away from the riparian habitat, but the City will implement mitigation measures to ensure less than significant impacts will occur to migratory bird species; and
15. The City is currently defending two lawsuits related to the construction bidding process.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves a CWSRF PFC of \$13,424,895 for the City's Project with an extended term of 30 years and \$6 million in Principal Forgiveness. The first repayment shall be due one year after completion of construction.
2. Directs Division staff to allocate \$13,424,895 consistent with the construction schedule and availability of funds.
3. Conditions this approval by withdrawing the CWSRF PFC if the City does not sign the CWSRF financing agreement by June 29, 2012. In accordance with Section IX.K.3 of the Policy, the Deputy Director of the Division (or designee) may approve up to a 120-day extension for good cause.
4. Conditions this approval to require the City to implement mitigation measures 6-5 as identified in the EIR, the Addendum No. 2 and the MMRPs to reduce potential impacts to migratory bird species in accordance with the MBTA.
5. Conditions this approval, to require the following:
 - a. The City shall covenant to establish rates and charges in amounts sufficient to generate net revenues equal to at least 1.10 times total annual debt service;
 - b. The City shall establish a Reserve Fund equal to one year's debt service from available cash prior to the construction completion date;
 - c. The City must implement all approved rate increases;
 - d. The City may not incur future senior debt. Future debt may be on parity with CWSRF debt if Policy conditions are met (CWSRF Policy Section X.G1); and

- e. The financing agreement shall be limited to a maximum of \$13,424,895, with an interest rate of one-half the most recent general obligation bond rate as of today's date and a 30-year repayment term, and with the expectation that \$6 million in principal will be forgiven upon satisfaction of the terms and conditions of the financing agreement. If information relating to the credit review changes a supplemental credit review may be required.
6. Conditions this approval to require the City to provide immediate notification to the State Water Board Project Manager if the ongoing litigation will jeopardize the City's ability to repay the CWSRF financing, and provide the State Water Board Project Manager with a copy of any new settlement agreements or revised court rulings within 15 days of such event.
 7. Directs Division staff to incorporate bid costs into the financing agreement and disburse funds for construction only after the City provides the following:
 - a. A legal opinion certifying that the City has sufficient property rights in the land used for all portions of the Project to enable it to access, construct, operate, maintain, repair, monitor, and allow for outside inspections of the Project throughout the useful life of the Project and/or the CWSRF financing term, whichever period is longer; and
 - b. A legal opinion certifying that (1) all pending bid and/or contract disputes have been resolved; and (2) there is no pending or anticipated litigation or dispute that will detrimentally affect (a) the City's payment source, (b) the ability of the City to agree to pay the CWSRF financing, or (c) the ability of the City to manage and implement the Project.
 8. Conditions this approval to require the City to sign an amended financing agreement that incorporates bid costs on or before January 10, 2013. Division staff may approve up to a 120-day extension for good cause.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on January 10, 2012.

AYE: Chairman Charles R. Hoppin
 Vice Chair Frances Spivy-Weber
 Board Member Tam M. Doduc

NAY: None

ABSENT: None

ABSTAIN: None

Jeanine Townsend

 Jeanine Townsend
 Clerk to the Board

Activity ID	Description	%	Orig Dur	Early Start	Early Finish	2012												2013											
						APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP						
PR1040	Submit Fiberglass Enclosure & Chem Metering	0	60	30MAR12	28MAY12	Submit Fiberglass Enclosure & Chem Metering																							
PR1050	Approve Fiberglass Enclosure & Chem Metering	0	30	29MAY12	27JUN12	Approve Fiberglass Enclosure & Chem Metering																							
PR1060	Fabricate Fiberglass Enclosure & Chem Metering	0	56	28JUN12	23AUG12	Fabricate Fiberglass Enclosure & Chem Metering																							
PR1070	Deliver Fiberglass Enclosure & Chem Metering	0	3	24AUG12	28AUG12	Deliver Fiberglass Enclosure & Chem Metering																							
PR1320	Submit Instrumentation & Controls	0	30	30MAR12	10MAY12	Submit Instrumentation & Controls																							
PR1330	Approve Instrumentation & Controls	0	30	11MAY12	09JUN12	Approve Instrumentation & Controls																							
PR1340	Fabricate Instrumentation & Controls	0	30	10JUN12	10JUL12	Fabricate Instrumentation & Controls																							
PR1350	Deliver Instrumentation & Controls	0	3	11JUL12	13JUL12	Deliver Instrumentation & Controls																							
PR1360	Submit Pipe & Fittings	0	21	30MAR12	27APR12	Submit Pipe & Fittings																							
PR1370	Approve Pipe & Fittings	0	30	28APR12	27MAY12	Approve Pipe & Fittings																							
PR1380	Fabricate Pipe & Fittings	0	20	28MAY12	22JUN12	Fabricate Pipe & Fittings																							
PR1390	Deliver Pipe & Fittings	0	2	25JUN12	26JUN12	Deliver Pipe & Fittings																							
PR1400	Submit Valves	0	14	30MAR12	18APR12	Submit Valves																							
PR1410	Approve Valves	0	30	19APR12	18MAY12	Approve Valves																							
PR1420	Fabricate Valves	0	30	19MAY12	17JUN12	Fabricate Valves																							
PR1430	Deliver Valves	0	3	18JUN12	20JUN12	Deliver Valves																							
PR1480	Submit Plumbing	0	40	30MAR12	24MAY12	Submit Plumbing																							
PR1490	Approve Plumbing	0	30	25MAY12	23JUN12	Approve Plumbing																							
PR1500	Fabricate Plumbing	0	15	25JUN12	16JUL12	Fabricate Plumbing																							
PR1510	Deliver Plumbing	0	1	17JUL12	17JUL12	Deliver Plumbing																							
PR1560	Submit HVAC	0	45	30MAR12	31MAY12	Submit HVAC																							
PR1570	Approve HVAC	0	30	01JUN12	30JUN12	Approve HVAC																							
PR1580	Fabricate HVAC	0	20	02JUL12	30JUL12	Fabricate HVAC																							
PR1590	Deliver HVAC	0	3	31JUL12	02AUG12	Deliver HVAC																							
PR1600	Submit Electrical Wire, Cable, Conduit, Etc.	0	21	30MAR12	27APR12	Submit Electrical Wire, Cable, Conduit, Etc.																							
PR1610	Approve Electrical Wire, Cable, Conduit, Etc.	0	30	30APR12	08JUN12	Approve Electrical Wire, Cable, Conduit, Etc.																							
PR1620	Fabricate Electrical Wire, Cable, Conduit, Etc.	0	3	11JUN12	13JUN12	Fabricate Electrical Wire, Cable, Conduit, Etc.																							
PR1630	Deliver Electrical Wire, Cable, Conduit, Etc.	0	2	14JUN12	15JUN12	Deliver Electrical Wire, Cable, Conduit, Etc.																							
PR1640	Submit Generator	0	30	30MAR12	10MAY12	Submit Generator																							
PR1650	Approve Generator	0	20	11MAY12	30MAY12	Approve Generator																							
PR1660	Fabricate Generator	0	98	31MAY12	06SEP12	Fabricate Generator																							
PR1670	Deliver Generator	0	3	07SEP12	11SEP12	Deliver Generator																							
PR1680	Submit Panels, MCCs, Transformers, Etc	0	30	30MAR12	10MAY12	Submit Panels, MCCs, Transformers, Etc																							
PR1690	Approve Panels, MCCs, Transformers, Etc	0	30	11MAY12	09JUN12	Approve Panels, MCCs, Transformers, Etc																							
PR1700	Fabricate Panels, MCCs, Transformers, Etc	0	60	10JUN12	09AUG12	Fabricate Panels, MCCs, Transformers, Etc																							
PR1710	Deliver Panels, MCCs, Transformers, Etc	0	3	10AUG12	14AUG12	Deliver Panels, MCCs, Transformers, Etc																							
PR1720	Submit Lighting	0	30	30MAR12	10MAY12	Submit Lighting																							
PR1730	Approve Lighting	0	30	11MAY12	21JUN12	Approve Lighting																							
PR1740	Fabricate Lighting	0	30	22JUN12	03AUG12	Fabricate Lighting																							
PR1750	Deliver Lighting	0	3	06AUG12	08AUG12	Deliver Lighting																							
WWTP SITEWORK																													
SW0000	Begin Sitework	0	1	30MAR12	30MAR12	Begin Sitework																							
SW0020	Staging Area Grading / Fencing	0	6	30MAR12	06APR12	Staging Area Grading / Fencing																							
SW0030	Sludge Drying Bed Demolition	0	6	30MAR12	06APR12	Sludge Drying Bed Demolition																							
SW0040	Install Static Mixer & Chlorine Injection Vault	0	1	09JUL12	09JUL12	Install Static Mixer & Chlorine Injection Vault																							
SW0180	Canopy Slabs / Generator Slab	0	10	10JUL12	23JUL12	Canopy Slabs / Generator Slab																							
SW0190	Install Steel Canopies	0	3	24JUL12	26JUL12	Install Steel Canopies																							
SW0200	Install Control Room Door	0	3	12JUL12	16JUL12	Install Control Room Door																							
SW0205	Install Control Room Roof	0	3	07AUG12	09AUG12	Install Control Room Roof																							
SW0210	Electrical Trenching, Conduits, Backfill	0	1	18JUN12	18JUN12	Electrical Trenching, Conduits, Backfill																							
SW0215	Install Panels, MCCs, Transformers, Etc.	0	15	24JUL12	13AUG12	Install Panels, MCCs, Transformers, Etc.																							

Start date 30MAR12
 Finish date 20SEP13
 Data date 30MAR12
 Run date 25APR12
 Page number 3A
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**Wahlund Const. / Sequoia Const.
 Rio Dell WWTP**

- Early bar
- Early start point
- Progress bar
- Critical bar
- Summary bar
- Start milestone point
- Finish milestone point

